JOINT STOCK COMPANY ALLIANCE BANK

Condensed Consolidated Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2007

and Report on Review of Condensed Consolidated Interim Financial Information

JOINT STOCK COMPANY ALLIANCE BANK

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the report on review of condensed consolidated interim financial information set out on page 2, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the condensed consolidated interim financial information of Joint Stock Company ("JSC") Alliance Bank and its subsidiaries (together, the "Group").

Management is responsible for the preparation of the condensed consolidated interim financial information that present fairly the consolidated financial position of the Group as at 30 June 2007, the consolidated results of its operations, cash flows and changes in equity for the six-month period then ended, in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

In preparing the condensed consolidated interim 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, subject to any material departures disclosed and explained in the notes to the condensed consolidated interim financial information; and
- preparing the condensed consolidated interim financial information on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management is also responsible for:

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

The condensed consolidated interim financial information for the six-month period ended 30 June 2007 was authorized for issue on 27 August 2007 by the Management Board of the Bank.

On behalf of the Management Board of the Bank:

Kereibayev D. Zh.
Chairman of the Management Board

27 August 2007
Almaty

Zhakanbayev R.S.
Chief Accountant

27 August 2007
Almaty

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АЛМАТЫ ҚАЛАСЫ
АЛЬЯНС БАНК
"АЛЬЯНС БАНКІ" АКЦИОНЕРЛІК ҚОҒАМЫ
АКЦИОНЕРНОЕ ОБЩЕСТВО "АЛЬЯНС БАНК"
РЕСПУБЛИКА КАЗАХСТАН ГОРОД АЛМАТЫ

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

To the Shareholders and Board of Directors of Joint Stock Company Alliance Bank

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Joint Stock Company Alliance Bank and its subsidiaries (the "Group") as of 30 June 2007 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim 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 consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not present fairly, in all material respects the financial position of the Group as of 30 June 2007, and of its financial performance and its cash flows for the six-month period then ended, in accordance with IAS 34.

Arman Chingilbayev
Engagement Partner
Qualified auditor
Qualification certificate №0000487,
Republic of Kazakhstan

Deloitte, LLP

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

Nurlan Bekenov
General Director
Deloitte, LLP

27 August 2007
Almaty

JOINT STOCK COMPANY ALLIANCE BANK

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007

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

	Notes	Six-month period ended 30 June 2007 (unaudited)	Six-month period ended 30 June 2006 (unaudited)
Interest income	4, 27	81,101	24,808
Interest expense	4, 27	(41,120)	(14,326)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		39,981	10,482
Provision for impairment losses on interest bearing assets	5	(7,932)	(6,747)
NET INTEREST INCOME		32,049	3,735
Net gain/(loss) on financial assets at fair value through profit or loss		1,636	(270)
Net gain on foreign exchange operations		21	424
Fee and commission income	6, 27	5,199	2,777
Fee and commission expense	6, 27	(4,764)	(485)
Other income		986	180
NET NON-INTEREST INCOME		3,078	2,626
OPERATING INCOME		35,127	6,361
OPERATING EXPENSES	7, 27	(9,429)	(3,749)
Other recoveries of provisions/(provisions)	5	175	(227)
PROFIT BEFORE INCOME TAX		25,873	2,385
Income tax expense	8	(6,295)	(746)
NET PROFIT		19,578	1,639
EARNINGS PER SHARE			
Basic and diluted (KZT)	9	2,587.94	614.04

On behalf of the Management Board of the Bank:

Kereibayev D. Zh.
Chairman of the Management Board

27 August 2007
Almaty

Zhakanbayev R.S.
Chief Accountant

27 August 2007
Almaty

АЛЬЯНС БАНК

The notes on pages 9-42 form an integral part of these condensed consolidated interim financial information. The Report on Review of Condensed Consolidated Interim Financial Information is set out on page 2.

JOINT STOCK COMPANY ALLIANCE BANK

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2007
(in Kazakhstani tenge and in millions)

	Notes	30 June 2007 (unaudited)	31 December 2006
ASSETS:			
Cash and balances with the National Bank of the Republic of Kazakhstan	10	118,759	99,594
Financial assets at fair value through profit or loss	11	224,742	133,745
Due from banks	12	88,825	20,599
Loans to customers	13, 27	829,426	619,800
Reverse REPO	14	36,157	18,099
Investments available-for-sale	15	3,431	5,176
Investments held-to-maturity	16	-	43
Property, plant and equipment and intangible assets		19,554	12,782
Non-current assets held-for-sale	17	-	1,008
Other assets	27	11,540	9,904
TOTAL ASSETS		1,332,434	920,750
LIABILITIES AND EQUITY			
LIABILITIES:			
Deposit from the National Bank of the Republic of Kazakhstan		3,042	2,000
Due to banks	18	392,097	321,185
Due to other financial institutions	19	56,611	25,174
Other financing	20	32,331	24,901
Customer accounts	21, 27	263,548	245,261
REPO	22	69,174	44,444
Debt securities issued	23	337,941	139,249
Deferred income tax liabilities	8	730	1,100
Current income tax liabilities	8	2,897	912
Other liabilities		5,589	3,872
Subordinated debt	24	32,146	32,614
Total liabilities		1,196,106	840,712
EQUITY:			
Share capital	25	96,380	60,013
Additional paid-in-capital		1,222	1,222
Investments available-for-sale fair value reserve		58	80
Other revaluation reserves		367	-
Property revaluation reserve		2,195	2,255
Retained earnings		36,106	16,468
Total equity		136,328	80,038
TOTAL LIABILITIES AND EQUITY		1,332,434	920,750

On behalf of the Management Board of the Bank:

Kereibayev D. Zh.
Chairman of the Management Board

27 August 2007
Almaty

Zhakanbayev R.S.
Chief Accountant

27 August 2007
Almaty

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JOINT STOCK COMPANY ALLIANCE BANK

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007

(in Kazakhstani tenge and in millions)

	Share capital	Additional paid-in-capital	Investments available-for-sale fair value reserve	Other revaluation reserve	Property revaluation reserve	Retained earnings	Total equity
31 December 2005	24,904	-	204	-	491	2,433	28,032
Depreciation of property revaluation reserve	-	-	-	-	(5)	5	-
Loss on revaluation of investments available-for-sale	-	-	(77)	-	-	-	(77)
Net recognized directly in equity	-	-	(77)	-	(5)	5	(77)
Net profit	-	-	-	-	-	1,639	1,639
Total recognised for the period	-	-	(77)	-	(5)	1,644	1,562
Issue of preference shares	3,500	857	-	-	-	-	4,357
Reclassification of preference shares	(3,993)	363	-	-	-	-	(3,630)
Issue of ordinary shares	3,093	-	-	-	-	-	3,093
30 June 2006 (unaudited)	27,504	1,220	127	-	486	4,077	33,414

JOINT STOCK COMPANY ALLIANCE BANK

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

(in Kazakhstani tenge and in millions)

	Share capital	Additional paid-in-capital	Investments available-for-sale fair value reserve	Other revaluation reserve	Property revaluation reserve	Retained earnings	Total equity
31 December 2006	60,013	1,222	80	-	2,255	16,468	80,038
Depreciation of property revaluation reserve	-	-	-	-	(60)	60	-
Loss transferred to income statement on sale of investments available-for-sale	-	-	3	-	-	-	3
Net change in fair value of derivative financial instruments	-	-	-	367	-	-	367
Loss on revaluation of investments available-for-sale	-	-	(25)	-	-	-	(25)
Net recognized directly in equity	-	-	(22)	367	(60)	60	345
Net profit	-	-	-		-	19,578	19,578
Total recognised for the period	-	-	(22)	367	(60)	19,638	19,923
Issue of ordinary shares	36,367	-	-	-	-	-	36,367
30 June 2007 (unaudited)	96,380	1,222	58	367	2,195	36,106	136,328

On behalf of the Management Board of the Bank:

Kereibayev D. Zh.
Chairman of the Management Board

27 August 2007
Almaty

Zhakanbayev R.S.
Chief Accountant

27 August 2007
Almaty

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JOINT STOCK COMPANY ALLIANCE BANK

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

(in Kazakhstani tenge and in millions)

	Notes	For the six-month period ended 30 June 2007 (unaudited)	For the six-month period ended 30 June 2006 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		25,873	2,385
Adjustments for:			
Provision for impairment losses on interest bearing assets		7,932	6,747
Other (recoveries of provisions)/provisions		(175)	227
Unrealized (gain)/loss and amortization of premiums/ (discounts) on securities		(1,311)	1,167
Amortization of discount on issued securities		150	132
Depreciation and amortization		937	262
Loss from sale of non-current assets held-for-sale		215	-
Changes in interest accruals, net		5,436	(2,222)
Net gain on disposal of fixed assets		(2)	-
Unrealized loss on foreign exchange operations		4,606	53
Changes in operating assets and liabilities:			
Due from banks		(44,760)	5,115
Financial assets at fair value through profit or loss		(93,833)	(36,450)
Reverse REPO		(18,061)	2,411
Loans to customers		(222,263)	(159,808)
Other assets		(1,755)	(3,087)
Deposit from the National Bank of the Republic of Kazakhstan		1,042	-
Due to banks		77,409	86,967
Due to other financial institutions		33,863	-
Other financing		7,453	-
Customer accounts		18,974	26,003
REPO		24,799	15,828
Other liabilities		2,059	1,498
Cash outflow from operating activities before income tax		(171,412)	(52,772)
Income tax paid		(4,680)	(165)
Net cash outflow from operating activities		(176,092)	(52,937)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and intangible assets		(7,732)	(1,354)
Proceeds on sale of property, plant and equipment and intangible assets		25	4
Proceeds from/(purchase of) non-current assets held-for-sale		793	(73)
Proceeds on sale of investments available-for-sale		1,706	17
Net cash outflow from investing activities		(5,208)	(1,406)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007
(in Kazakhstani tenge and in millions)

	Notes	For the six-month period ended 30 June 2007 (unaudited)	For the six-month period ended 30 June 2006 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of ordinary share capital		36,367	3,093
Proceeds from issue of preference shares		-	4,357
Proceeds from debt securities issued, net		193,168	28,383
Subordinated debt		(690)	16,884
Net cash inflow from financing activities		228,845	52,717
Effect of changes in foreign exchange rate on cash and cash equivalents		(3,031)	(2)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		47,545	(1,626)
CASH AND CASH EQUIVALENTS, beginning of period	10	116,709	45,195
CASH AND CASH EQUIVALENTS, end of period	10	161,223	43,567

Interest received and paid by the Group during the six-month period ended 30 June 2007 amounted to KZT 77,371 million and KZT 31,592 million, respectively.

Interest received and paid by the Group during six-month period ended 30 June 2006 amounted to KZT 20,586 million and 12,303 KZT million, respectively.

On behalf of the Management Board of the Bank:

Kereibayev D. Zh.
Chairman of the Management Board

27 August 2007
Almaty

АЛЬЯНС БАНК

Zhakanbayev R.S.
Chief Accountant

27 August 2007
Almaty

The notes on pages 9-42 form an integral part of these condensed consolidated interim financial information. The Report on Review of Condensed Consolidated Interim Financial Information is set out on page 2.

(in Kazakhstani tenge and in millions)

1. ORGANISATION

Joint Stock Company ("JSC") Alliance Bank (the "Bank") was incorporated in the Republic of Kazakhstan in 1999 under the name of Open Joint Stock Company ("OJSC") Irtyshbusinessbank as a result of a merger of ("OJSC") Semipalatinsk Municipal Joint Stock Bank and OJSC Irtyshbusinessbank. In accordance with a decision made by Shareholders Alliance Bank was renamed from Irtyshbusinessbank to Alliance Bank on 30 November 2001 with a subsequent registration on 13 March 2002 as Open Joint Stock Company Alliance Bank. On 13 March 2004 Alliance Bank was re-registered as Joint Stock Company Alliance Bank.

The registered address of JSC Alliance Bank's Head Office is 80, Satpayev St., 050046, Almaty, the Republic of Kazakhstan. JSC Alliance Bank's activity is regulated by the National Bank of the Republic of Kazakhstan ("NBRK") and the Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations ("Supervisory Agency"). JSC Alliance Bank conducts its business under the license No. 250 issued by Supervisory Agency on 24 January 2006 for performing operations in tenge and foreign currencies stipulated by the banking legislation.

JSC Alliance Bank's primary business is related to commercial banking activity, originating loans and guarantees, accepting deposits, exchanging foreign currencies, dealing with securities, transferring cash payments, as well as providing other banking services.

In 2002, Alliance Bank joined the Kazakhstan Deposits Insurance Fund ("KDIF"). The primary goal of the KDIF is to protect interests of depositors in the event of forcible liquidation of a member-bank. Depositors can receive limited insurance coverage for the deposit, which fluctuates from 100% to 20%, depending on the amount of the deposit.

As at 30 June 2007, JSC Alliance Bank had 25 branches and 207 mini-branches in the Republic of Kazakhstan (as at 31 December 2006 - 21 branches and 162 mini-branches).

JSC Alliance Bank is a parent company of the ALB Finance B.V. and LLP Alliance Finance (together, the "Group") and it owns 100% of shares of the both subsidiaries.

ALB Finance B.V. is a limited liability partnership (B.V.) and operates under laws of the Kingdom of the Netherlands since October 2005. The company was established for the primary purpose of raising funds for the Bank in international capital markets.

LLP Alliance Finance is a limited liability partnership and operates under laws of the Russian Federation since June 2007. The company was established for the primary purpose of raising funds for the Bank in Russian capital market.

The following shareholders individually owned more than 5% of the issued shares:

Shareholders	30 June 2007 %	31 December 2006 %
Ultimate shareholders:		
Margulan Seisembayev	18.49	25.32
Erlan Seisembayev	18.49	25.32
Askar Galin	18.49	25.31
Total ultimate shareholders	55.47	75.95
Other (individually hold less than 5%)	44.53	24.05
Total	100.00	100.00

This condensed consolidated interim financial information was authorized for issue by the Management Board of the Group on 27 August 2007.

2. BASIS OF PRESENTATION

Accounting basis

The condensed consolidated interim financial information of the Group has been prepared by management in compliance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Accordingly, certain information and disclosures normally included in the notes to the annual financial statements as required by International Financial Reporting Standards ("IFRS") have been omitted or condensed.

This condensed consolidated interim financial information is presented in millions of Kazakhstani Tenge ("KZT million"), unless otherwise indicated. This condensed consolidated interim financial information has been prepared under the historical cost conversion, except for the measurement at fair value of certain financial instruments and measurement of buildings at revalued amounts according to International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and Measurement" and IAS 16 "Property, Plant and Equipment", respectively.

The Group maintains their accounting records in accordance with Kazakhstani legislation, while its foreign subsidiaries maintain accounting records in accordance with the requirements of the Kingdom of the Netherlands and Russian Federation where these subsidiaries operate. This condensed consolidated interim financial information has been prepared based on accounting records of the Group and financial information of foreign subsidiaries, which has been adjusted to conform to IAS 34. These adjustments include certain reclassifications to reflect the economic substance of underlying transactions including reclassifications of certain assets and liabilities, income and expenses to appropriate financial statement classifications.

Interim reporting

The condensed consolidated interim financial information should be read in conjunction with the 2006 annual consolidated financial statements of the Group, which were authorized for issue on 2 April 2007.

Since the results of the Group's operation closely relate to and depend on changing market conditions, the results of the Group's operation for the interim period do not necessarily reflect a trend for the total year end results.

Functional currency

The functional currency of these condensed consolidated interim financial information is the Kazakhstani Tenge ("KZT").

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing this condensed consolidated interim financial information the Group has applied the same accounting principles as those applied in the consolidated financial information of the Group for the year ended 31 December 2006. Below are presented accounting policies on hedge accounts since such transaction commenced by the Group in 2007.

Hedge accounting

The Group designates certain derivatives as hedging instruments of the fair value of recognised assets or liabilities or firm commitments (fair value hedge) provided certain criteria are met.

At the time a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s). Documentation includes its risk management objectives and its strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. Accordingly, the Group formally assesses, both at the inception of the hedge and on an ongoing basis, whether the hedging derivatives have been and will be "highly effective" in offsetting changes in the fair value of the hedged items. A hedge is normally regarded as highly effective if, at inception and throughout its life, the Group can expect, and actual results indicate, that changes in the fair value of the hedged items are effectively offset by changes in the fair value of the hedging instrument, and actual results are within a range of 80% to 125%. The Group discontinues hedge accounting when it is determined that: a derivative is not, or has ceased to be, highly effective as a hedge; when the derivative expires, or is sold, terminated, or exercised; or when the hedged item matures or is sold or repaid.

The hedge adjustment is classified in the balance sheet in the same category as the hedged item, unless it relates to a macro hedging relationship where the hedge adjustment is recognised as a macro hedge on the face of the balance sheet.

Changes in the fair value of the hedged risk and hedged item are recognised in other operating income. Hedge ineffectiveness represents the amount by which the changes in the fair value of the hedging derivative differ from changes in the fair value of the hedged item. Such gains and losses are recorded in current period earnings in other operating income. Gains and losses on components of a hedging derivative that are excluded from assessing hedge effectiveness are included in net trading income.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity within the cash flow hedging reserve. Any gain or loss in fair value relating to an ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction is eventually recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Adoption of new and revised International Financial Reporting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and effective for reporting periods beginning on 1 January 2007. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Group's accounting policies that have affected the amounts reported for the current or prior reporting periods. The following standard was adopted in 2007:

The IASB issued IFRS 7 'Financial Instruments: Disclosures' in August 2005. The standard replaces IAS 30 'Disclosures in the Financial Statements of Banks and Similar Financial Institutions' and the disclosure provisions in IAS 32 'Financial Instruments: Presentation'. IFRS 7 requires disclosure of the significance of financial instruments for an entity's financial position and performance and of qualitative and quantitative information about exposure to risks arising from financial instruments. The standard is effective for annual periods beginning on or after 1 January 2007.

Rates of exchange

The exchange rates at the end of the period used by the Group in the preparation of the condensed consolidated interim financial information are as follows:

	30 June 2007	31 December 2006
KZT/USD	122.31	127.00
KZT/EURO	164.63	167.12
KZT/RUR	4.74	4.82

4. NET INTEREST INCOME

	Six-month period ended 30 June 2007	Six-month period ended 30 June 2006
Interest income		
Interest on loans to customers	75,008	22,033
Interest on debt securities	4,600	2,318
Interest on due from banks	1,355	370
Interest on reverse repurchase transaction	138	87
Total interest income	81,101	24,808
Interest expense		
Interest on due to banks	16,652	4,823
Interest on debt securities issued	14,128	3,212
Interest on customer accounts	8,329	5,414
Interest on subordinated debt	1,561	675
Interest on repurchase transaction	304	91
Other	146	111
Total interest expense	41,120	14,326
Net interest income before provision for impairment losses on interest bearing assets	39,981	10,482

Total interest income for financial assets that are not at fair value through profit or loss for the six-month period ended 30 June 2007 and 2006 amounted to KZT 76,501 million and KZT 22,490 million, respectively.

Total interest expense for financial liabilities that are not at fair value through profit or loss for the six-month period ended 30 June 2007 and 2006 amounted to KZT 41,120 million and KZT 14,326 million, respectively.

Interest income of KZT 2,080 million and KZT 129 million represents interest income accrued on impaired financial assets for the six-month period ended 30 June 2007 and 2006, respectively.

5. ALLOWANCE FOR IMPAIRMENT LOSSES, OTHER PROVISIONS

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

	Loans to customers
31 December 2005	7,555
Provision	6,747
Write-off of assets	(432)
Recoveries of assets previously written off	60
30 June 2006	13,930
Provision	7,285
Write-off of assets	(102)
Recoveries of assets previously written off	-
31 December 2006	21,113
Provision	7,932
Write-off of assets	(133)
Recoveries of assets previously written off	63
30 June 2007	28,975

The movements in other provisions were as follows:

	Other assets	**Guarantees and other commitments**	**Total**
31 December 2005	22	176	198
Provision	15	212	227
30 June 2006	37	388	425
Provision	11	118	129
Write-off of assets	(3)	-	(3)
31 December 2006	45	506	551
Provision/ (recovery of provision)	167	(342)	(175)
Write-off of assets	(6)	-	(6)
30 June 2007	206	164	370

6. FEE AND COMMISSION INCOME AND EXPENSE

	Six-month period ended 30 June 2007	**Six-month period ended 30 June 2006**
Fee and commission income:		
Cash operations	2,308	998
Documentary operations	771	538
Foreign currency and securities operations	309	171
Trust operations	40	37
Other	1,771	1,033
Total fee and commission income	5,199	2,777

	Six-month period ended 30 June 2007	Six-month period ended 30 June 2006
Fee and commission expense:		
Insurance premium to related party	3,710	195
Collectior services	381	-
Customer accounts services by financial agents	262	34
Plastic cards operations	101	49
Settlement bank services	89	41
Foreign currency and security operations	76	48
Documentary operations	40	17
Other	105	101
Total fee and commission expense	4,764	485

7. OPERATING EXPENSES

	Six-month period ended 30 June 2007	Six-month period ended 30 June 2006
Staff costs	3,879	1,407
Depreciation and amortization	937	262
Operating lease	849	263
Payments to Deposit Insurance Fund	595	82
Advertising and marketing expenses	504	513
Social tax	357	191
Taxes, other than income tax	448	614
Expenses on insurance	131	33
Repair and maintenance	316	69
Consulting	134	30
Telecommunication expenses	192	68
Business trip and related expenses	129	78
Representative expenses	116	7
Security service	119	36
Stationery	115	-
Buildings maintenance	81	35
Legal services	62	-
Other	465	61
Total operating expenses	9,429	3,749

8. INCOME TAX

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Group operates and which may differ from International Financial Reporting Standards.

The Group is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and a tax free regime for certain income.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 30 June 2007, 31 December 2006, 30 June 2006 and 31 December 2005 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as at 30 June 2007, 31 December 2006, 30 June 2006 and 31 December 2005 comprise:

	30 June 2007	31 December 2006	30 June 2006	31 December 2005
Deferred assets:				
Commission prepayments	-	-	-	1,493
Loans and advances to banks and customers	-	-	678	296
Total deferred assets	-	-	678	1,789
Deferred liabilities:				
Loans and advances to banks and customers	(1,050)	(564)	-	-
Property, plant and equipment and intangible assets, net	(1,382)	(3,104)	(611)	(229)
Total deferred liabilities	(2,432)	(3,668)	(611)	(229)
Net deferred (liabilities)/assets	(2,432)	(3,668)	67	1,560
Deferred income tax (liabilities)/assets at the statutory rate (30%)	(730)	(1,100)	20	468
Net deferred income tax (liabilities)/ assets	(730)	(1,100)	20	468

Relationships between tax expenses and accounting profit for the periods ended 30 June 2007 and 30 June 2006 are explained as follows:

	Six-month period ended 30 June 2007	Six-month period ended 30 June 2006
Profit before income tax	25,873	2,385
Statutory tax rate	30%	30%
Tax at the statutory tax rate	7,762	716
Tax effect of permanent differences	(1,467)	30
Income tax expense	6,295	746
Current income tax expense	6,665	298
Deferred income tax (credit)/expense	(370)	448
Income tax expense	6,295	746

Deferred income tax (liabilities)/assets:

	30 June 2007	31 December 2006	30 June 2006	31 December 2005
Beginning of the period	(1,100)	468	468	-
Decrease/increase in income tax assets/(liabilities) for the period	370	(1,568)	(448)	468
End of the period	(730)	(1,100)	20	468

Income tax assets and liabilities consist of the following:

	30 June 2007	31 December 2006
Current income tax liabilities	(2,897)	(912)
Deferred income tax liabilities	(730)	(1,100)
Income tax liabilities	(3,627)	(2,012)

9. EARNINGS PER SHARE

	Six-month period ended 30 June 2007	Six-month period ended 30 June 2006
Profit:		
Net profit for the period	19,578	1,639
Weighted average number of ordinary shares		
For basic and diluted earnings per share	7,565,416	2,669,200
Earnings per share – basic and diluted (KZT)	2,587.94	614.04

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

	30 June 2007	31 December 2006
Balance with the National Bank of the Republic of Kazakhstan	94,643	85,030
Cash on hand	24,116	14,564
Total cash and balances with the National Bank of the Republic of Kazakhstan	118,759	99,594

Minimum reserve requirements are determined as a percentage from deposits, international borrowings in accordance with the requirements of the National Bank of the Republic of Kazakhstan ("NBRK") amounted to KZT 81,732 million and KZT 56,663 million as of 30 June 2007 and 31 December 2006, respectively. The Group was in compliance with the NBRK requirements by maintaining an average balance with the NBRK and therefore was able to use the amounts without any restrictions.

Cash and cash equivalents for the purposes of the consolidated statement of cash flows are comprised of the following:

	30 June 2007	31 December 2006	30 June 2006	31 December 2005
Cash and balances with the National Bank of the Republic of Kazakhstan	118,759	99,594	25,458	42,327
Due from banks in countries included in Organisation for Economic Co-operations and Development ("OECD")	42,464	17,115	18,109	2,868
Total cash and cash equivalents	161,223	116,709	43,567	45,195

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2007	31 December 2006
Debt securities of central governments	178,946	100,880
Debt securities of financial institutions	30,946	26,114
Debt securities of corporates	4,760	4,535
Derivative financial instruments	10,090	2,216
Total financial assets at fair value through profit or loss	224,742	133,745

	Interest to nominal %	30 June 2007	Interest to nominal %	31 December 2006
Debt securities of central governments:				
Bonds of the Government of the United States of America	3.50-4.13	110,677	3.50-4.13	83,172
Notes of the National Bank of the Republic of Kazakhstan	-	61,466	-	10,979
Bonds of the Ministry of finance of the Republic of Kazakhstan	3.35-6.40	6,803	3.35-8.20	6,295
Euronotes of the Ministry of finance of the Republic of Kazakhstan	11.13	-	11.13	434
Total debt securities of central governments		178,946		100,880

	Interest to nominal %	30 June 2007	Interest to nominal %	31 December 2006
Debt securities of financial institutions:				
Structural notes of Calyon	6.80-8.00	6,203	-	-
Bonds of JSC ATF Bank	8.13-9.80	3,670	8.13-10.90	2,814
Bonds of JSC BTA Mortgage	8.70-9.40	2,685	9.20-9.90	2,705
Bonds of JSC Kazkommerts International B. V.	5.13-8.50	2,540	5.13-8.50	2,719
Bonds of JSC HSBC	8.13	2,527	7.00	2,620
Bonds of JSC Bank CenterCredit	8.50-10.00	2,220	8.50-10.00	2,236
Bonds of JSC Kazakhstani Mortgage Company	4.90-7.50	1,918	4.90-7.50	1,106
Bonds of ATF Capital BV	9.25	1,410	-	-
Structural notes SGA	10.00	1,247	-	-
Structural notes Bayerische Hypo und Vereinsbank	8.00	1,240	-	-
Structural notes KBC IFMA	1.20	1,224	-	-
Bonds HSBK Europe BV	7.75	881	7.75	944
Bonds of JSC Bank of Development Kazakhstan	7.13	799	-	-
Bonds of JSC Banque Europeene D'Inves	4.63	584	4.63	629
Bonds of JSC Halyk Bank Kazakhstan	7.50	302	5.00-11.80	688
Bonds of JSC SB SberBank of Russia	11.00	466	11.00	472
Bonds of TuranAlem Finance B.V.	8.00	360	8.00	393
Bonds of JSC Bank TuranAlem	9.80	256	7.00-10.50	8,262
Bonds of JSC Temirbank	9.75	253	-	-
Bonds of JSC Kazkommertsbank	8.00	161	8.00	135
Bonds of JSC Nurbank	-	-	9.00	391
Total debt securities of financial institutions		30,946		26,114

	Interest to nominal %	30 June 2007	Interest to nominal %	31 December 2006
Debt securities of corporates:				
Bonds of JSC Doszhan Temir Zholy	9.45	1,691	9.45	1,080
Bonds of JSC Ulbinsky Metallurgical Plant	8.25	1,500	8.25	1,500
Bonds of JSC Kazakhstan Temir Zholy	6.50	992	6.50	1,037
Bonds of JSC KazTransCom	8.00	426	8.00	433
Bonds of JSC KazPost	8.00	151	8.00	153
Bonds of JSC KazAtomprom	-	-	8.50	332
Total debt securities of corporates		4,760		4,535

		30 June 2007	
	Nominal amount	Net fair value Asset	Liability
Foreign currency contracts			
Forwards	13,179	-	(396)
Swaps	338,829	6,300	-
Securities contracts			
Forward	112,878	3,790	-
Total derivative financial instruments	464,886	10,090	(396)

		31 December 2006	
	Nominal Amount	Net fair value Asset	Liability
Foreign currency contracts			
Forwards	80,901	972	-
Swaps	3,430	383	-
FRA	360	-	(18)
Securities contracts			
Forward	73,928	861	-
Total derivative financial instruments	158,619	2,216	(18)

As at 30 June 2007 and 31 December 2006 included in financial assets at fair value through profit or loss was accrued interest income amounting to KZT 722 million and KZT 594 million, respectively.

12. DUE FROM BANKS

	30 June 2007	31 December 2006
Overnight deposits to banks	31,239	9,690
Correspondent accounts with other banks	31,387	8,156
Short-term deposits to banks	23,277	324
Long-term loans and deposit to banks	2,922	2,429
Total due from banks	88,825	20,599

Included in due from banks is accrued interest of KZT 142 million and KZT 83 million as at 30 June 2007 and 31 December 2006, respectively.

As at 30 June 2007 and 31 December 2006 the maximum credit risk exposure on due from banks amounted to KZT 88,825 million and KZT 20,599 million, respectively.

13. LOANS TO CUSTOMERS

	30 June 2007	31 December 2006
Originated loans	847,609	632,876
Net investments in finance lease	10,792	8,037
	858,401	640,913
Less allowance for impairment losses	(28,975)	(21,113)
Total loan to customers	829,426	619,800

As at 30 June 2007 and 31 December 2006 accrued interest income included in loans to customers amounted to KZT 17,316 million and KZT 13,316 million, respectively.

Movements in allowances for impairment losses for the six-month period ended 30 June 2007 and 2006 are disclosed in Note 5.

	30 June 2007	31 December 2006
Loans collateralized by real estate	467,654	311,645
Loans insured by related party	235,799	162,454
Loans collateralized by securities	34,931	9,272
Loans collateralized by transport vehicles	31,291	37,098
Loans collateralized by goods	14,534	9,191
Loans collateralized by deposits	10,697	26,654
Finance lease	9,443	8,037
Loans collateralized by guarantees	6,302	22,260
Loans collateralized by equipment	4,763	1,853
Uncollateralized consumer loans	55	602
Other	13,957	30,734
Total loans to customers	829,426	619,800

The loans insured by related party are express consumer loans to individuals. The related party reinsured its insurance risk with an international reinsurance company.

Customer concentration per economic sector is presented as follows:

	30 June 2007	31 December 2006
Analysis by sector:		
Individuals	413,825	269,351
Construction	117,148	73,720
Wholesale	54,758	64,530
Population related services	70,059	47,642
Finance services	37,133	29,167
Real estate operations	30,270	29,169
Trade	19,152	13,625
Paper manufacturing	17,125	19,526
Services related to oil and gas extraction	12,353	11,301
Transportation	9,843	19,731
Finance lease	9,443	8,037
Metallurgy	7,933	-
Food	7,564	11,299
Agriculture	4,846	7,846
Chemical industry	4,458	3,298
Coal mining	2,407	2,035
Entertainment and recreational activities	1,929	3,530
Mass media	1,895	1,424
Heavy industry	1,546	1,013
Production of metal goods	1,142	621
Post and communications	668	736
Government administration	-	1,439
Other	3,929	760
Total loans to customers	829,426	619,800

Loans to individuals comprise the following products:

	30 June 2007	31 December 2006
Consumer loans	337,294	226,696
Mortgage loans	65,165	34,675
Car credits	11,366	7,980
Total loans to individuals	413,825	269,351

As at 30 June 2007 the Group had loans to one customer totalling KZT 18,345 million, which individually exceeded 10% of the Group's equity, and as of 31 December 2006 the Group had loans to four customers totalling KZT 45,888 million, which exceeded 10% of the Group's equity, individually and in aggregate.

As at 30 June 2007 and 31 December 2006 a maximum credit risk exposure of loans to customers amounted to KZT 829,426 million and KZT 619,800 million, respectively.

As 30 June 2007 and 31 December 2006 the Group had loans originated in Almaty totalling KZT 474,528 million and KZT 382,982 million, respectively, which represent significant geographical concentration in this region forming 58.5% and 60.4% of the loan portfolio, respectively.

Overdue gross loans including accrued interest as at 30 June 2007 and 31 December 2006 amounted to KZT 11,392 million and KZT 4,995 million, respectively.

Included in originated loans are the following amounts relating to finance leases:

	30 June 2007	31 December 2006
Not later than one year	1,778	3,188
From one year to five years	11,647	6,969
After five years	222	225
Minimum lease payments	13,647	10,382
Less: unearned finance income	(2,855)	(2,345)
Net investment in finance lease	10,792	8,037
Current portion	2,386	2,161
Long-term portion	8,406	5,876
Net investment in finance lease	10,792	8,037

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates 12.90% per cent per annum. Material leasing arrangements were concluded with customers for purchases of vehicles and equipments, which represent the collateral for such arrangements.

14. REVERSE REPURCHASE AGREEMENTS

Fair value of pledged assets and carrying value of loans under reverse repurchase agreements as at 30 June 2007 and 31 December 2006 are presented as follows:

	30 June 2007		31 December 2006	
Collateral	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Notes of the National Bank of the Republic of Kazakhstan	35,288	36,598	-	-
Bonds of the Ministry of finance of the Republic of Kazakhstan	425	462	1,439	1,585
Shares of banks	358	347	499	548
Bonds of Kazakhstani companies	86	70	13,308	15,536
Bonds of banks	-	-	2,853	3,159
Total	36,157	37,477	18,099	20,828

As at 30 June 2007 and 31 December 2006 included in loans under reverse repurchase agreements was accrued interest amounting to KZT 21 million and KZT 24 million, respectively.

Usually the Group enters into reverse repurchase agreements using automated system of Kazakhstan Stock Exchange (KASE) in accordance with the trading rules established by KASE (the «Rules»). According to the Rules the auto-reverse REPO transactions are concluded using open sale methods. For open sale methods the counterparty remains undefined and all risks the Group undertakes, including credit and settlement are with KASE.

15. INVESTMENTS AVAILABLE-FOR-SALE

	Interest to nominal %	30 June 2007	Interest to nominal %	31 December 2006
Debt securities				
Bonds of the Ministry of finance of the Republic of Kazakhstan	6.10-6.44	975	6.09-6.44	1,064
JSC Kazakhstan Kagazi bonds	11.10	614	11.30	615
JSC Kazakhstani Mortgage Company bonds	8.30-8.80	418	9.00-9.50	445
JSC ATF Bank bonds	8.50	417	8.50	420
JSC Bank CenterCredit bonds	13.60	301	14.40	312
JSC Nurbank bonds	9.00	100	9.00-9.90	321
JSC RG Brand bonds	10.00	262	10.00	265
JSC Halyk Bank Kazakhstan Euronotes	8.13	259	8.13	272
JSC Bank Turan Alem bonds	9.90	9	10.7	9
Euronotes of the Ministry of finance of the Republic of Kazakhstan	-	-	11.13	1,336
JSC Development Bank of Kazakhstan bonds	-	-	8.50	41
		3,355		5,100
	Share %		Share %	
Equity securities				
LLP First Credit Office	18.40	37	18.40	37
JSC Alliance Policy	5.40	27	5.40	27
JSC Processing Center	1.49	10	1.37	10
JSC Kazakhstan Stock Exchange	1.37	2	1.49	2
		76		76
Total investments available-for-sale		3,431		5,176

As at 30 June 2007 and 31 December 2006 included in investments available-for-sale was accrued interest income on debt securities amounting to KZT 75 million and KZT 99 million, respectively.

16. INVESTMENTS HELD-TO-MATURITY

Investments held-to-maturity of KZT 43 million as at 31 December 2006 that were represented by Astana municipal bonds with the interest rate of 8.5% to nominal matured on 26 June 2007.

17. NON-CURRENT ASSETS HELD-FOR-SALE

Non-current assets held-for-sale represents 100% shares of JSC FinanceCreditBank (Kyrgyzstan). As at 31 December 2006 the Bank had 300 million shares of JSC FinanceCreditBank. During 2006 there were no material results from operations.

On 19 March 2007 all shares were sold with a loss of KZT 215 million.

18. DUE TO BANKS

	30 June 2007	31 December 2006
Correspondent accounts of other banks	1,032	1,523
Due to banks and financial institutions, including:		
Syndicated loans from banks:		
Sumitomo Mitsui Tranche B , due on 12/06/2009 coupon rate 6.41% annual	27,124	-
Standard Bank Tranche A due on 06/11/2007, coupon rate 6.46% annual	23,195	24,159
Sumitomo Mitsui Tranche A , due on 17/06/2008 coupon rate 6.21% annual	21,502	-
Citibank, National Association , due on 24/12/2007 coupon rate 8.38% annual	19,478	-
Bank of Tokyo-Mitsubishi UFJ Tranche B due on 17/06/2008, coupon rate 7.19% annual	18,345	19,185
Calyon, Abu Dhabi Islamic Bank Tranche A, due on 01/04/2008 coupon rate 6.33% annual	10,523	-
Standard Bank Tranche A due on 29/10/2008, coupon rate 6.66% annual	8,666	9,076
Calyon, Abu Dhabi Islamic Bank Tranche B, due on 23/03/2009 coupon rate 6.63% annual	8,013	-
ING Bank NV Tranche B due on 07/11/2007, coupon rate 7.61% annual	6,295	6,555
Standard Bank Tranche C due on 28/10/2009, coupon rate 7.11% annual	5,041	5,291
Standard Bank 31/03/2008 coupon rate 7.83% annual	3,741	3,896
Deg-Deutsche Investitions und Entwicklungeselschaft MBH due on 01/06/2014 coupon rate 9.59% annual	2,726	-
Deg-Deutsche Investitions und Entwicklungeselschaft MBH due on 15/06/2012 coupon rate 8.08% annual	2,753	-
Wachovia Bank NA 18/05/2009 coupon rate 7.86% annual	1,966	2,052
Bank of Tokyo-Mitsubishi UFJ Tranche A due on 19/06/2007, coupon rate 6.67% annual	-	31,715
Loans from other banks	215,700	188,486
Time deposits of banks	15,997	29,247
Total due to banks	392,097	321,185

As at 30 June 2007 and 31 December 2006 accrued interest expenses included in due to banks amounted to KZT 5,187 million and KZT 3,139 million, respectively.

19. DUE TO OTHER FINANCIAL INSTITUTIONS

	Currency	Maturity	Interest rate %	30 June 2007	Interest rate %	31 December 2006
Cargill Financial Services International, Inc, USA	USD	01/07/2007-18/02/2009	6.96-7.67	11,892	7.17-7.64	4,484
Bunge SA, USA	USD	21/11/2007-17/04/2009	-	-	5.55-8.66	7,022
TR Commodity Trading GMBH, Sweden	USD	09/07/2007-28/05/2008	6.99-7.89	11,188	7.18-7.67	7,892
Cargill Financial Services International, Inc, USA	USD	02/06/2008-12/06/2008	7.75	4,229	7.37-7.71	1,930
C.V.A. Trade Resources Ltd, UK	USD	31/10/2008-11/06/2010	5.51-5.59	1,144	-	-
Bunge HMBH	USD	09/06/2008-04/06/2009	8.64	420	8.64-8.66	761
Bunge SA, Geneva	USD	20/08/2007-08/01/2010	5.49-8.66	9,126	7.32-7.45	2,407
Super Trade Inc.	USD	22/02/2007	-	-	7.44	678
Nomura International PLC	JPY	27/06/2017	5.30	18,612	-	-
Total due to other financial institutions				56,611		25,174

As at 30 June 2007 and 31 December 2006 accrued interest expenses included in due to other financial institutions amounted to KZT 93 million and KZT 301 million, respectively.

20. OTHER FINANCING

	30 June 2007	31 December 2006
Alliance DPR Company due on 13/02/2009, coupon rate 7.36%	12,138	12,463
Alliance DPR Company due on 13/02/2009, coupon rate 6.20%	11,276	12,438
Alliance DPR Company due on 27/06/2015, coupon rate 7.63%	8,917	-
Total other financing	32,331	24,901

As at 30 June 2007 and 31 December 2006 accrued interest expenses included in other financing amounted to KZT 247 million and KZT 270 million, respectively.

On 13 November 2006, the Bank launched and priced a USD 200 million, dual tranche debt issuance of a newly established future flow Diversified Payment Rights ("DPR") securitization program. The transaction is a true-sale securitization of the Bank's dollar and euro denominated present and future diversified payment rights (SWIFT MT 100 and MT 202) to Alliance DPR company (special purpose vehicle created on Cayman Islands). The issuance consisted of a USD 100 million Series 2006A tranche and a USD 100 million Series 2006B tranche. Series 2006A was guaranteed by Asian Development Bank, the rate of which amounted to 3-month LIBOR plus 0.15%.

The next securitization transaction dated 27 June 2007 consisted of a USD 75 million Series 2007A Floating Rate Notes due 27 June 2015. Interest rate: 3 month Libor plus 2.30%.

21. CUSTOMER ACCOUNTS

	30 June 2007	31 December 2006
Time deposits	171,088	153,146
Repayable on demand	69,163	68,438
Guarantee deposits	23,297	23,677
Total customer accounts	263,548	245,261

As at 30 June 2007 and 31 December 2006 accrued interest expense included in customer accounts amounted to KZT 2,419 million and KZT 1,450 million, respectively.

	30 June 2007	31 December 2006
Analysis by sector:		
Individuals	126,978	112,187
Finance services	47,860	33,281
Trade	28,871	20,308
Ancillary activity of service providers to customers	26,984	15,912
Other fields of mineral resource industry	7,560	3,154
Construction	7,204	28,178
State administration	3,034	10,462
Energy	2,122	847
Education	2,042	368
Transport and communication	1,932	4,674
Paper industry	1,398	1,185
Agriculture	1,172	4,850
Production of crude oil and natural gas	1,162	1,076
Metallurgy	1,117	2,307
Health care and social services	875	529
Food production	686	383
Arts	443	1,334
Real estate	364	285
Production of coal, lignite and peat	270	467
Machinery	211	1,010
Consumer production	198	120
Hotel business	24	48
Chemical industry	29	198
Other services	1,012	2,098
Total customer accounts	263,548	245,261

22. REPURCHASE AGREEMENTS

Fair value of pledged assets and carrying value of loans under repurchase agreements as at 30 June 2007 and 31 December 2006 are presented as follows:

Collateral	30 June 2007 Carrying value of loans	30 June 2007 Fair value of collateral	31 December 2006 Carrying value of loans	31 December 2006 Fair value of collateral
Notes of the National Bank of the Republic of Kazakhstan	45,370	46,678	8,674	9,125
Bonds of foreign banks and financial institutions	11,144	12,092	622	625
US treasury bills	4,200	4,263	13,203	13,356
Bonds of the Ministry of finance of the Republic of Kazakhstan	3,670	4,125	4,679	5,230
Eurobonds of Kazakhstani banks	3,087	3,338	2,643	3,023
Eurobonds of Kazakhstani companies	903	983	3,266	3,359
Bonds of Kazakhstani companies	800	690	4,769	5,258
Bonds of Kazakhstani banks	-	-	4,980	5,410
Euronotes of the Ministry of finance of the Republic of Kazakhstan	-	-	1,608	1,744
Total	69,174	72,169	44,444	47,130

As at 30 June 2007 and 31 December 2006 included in loans under repurchase agreements was accrued interest amounting to KZT 54 million and KZT 123 million, respectively.

Usually the Group enters into repurchase agreements using automated system of Kazakhstan Stock Exchange (KASE) in accordance with the trading rules established by KASE (the "Rules"). According to the Rules the auto-reverse REPO transactions are concluded using open sale methods. For open sale methods the counterparty remains undefined and each participant of the sale has the same opportunities.

23. DEBT SECURITIES ISSUED

	Issue date dd/mm/yy	Maturity date dd/mm/yy	Annual coupon rate %	30 June 2007	31 December 2006
Issued Eurobonds					
ALB Finance B.V. Eurobonds, *emission in EUR*	02/02/2007	02/02/2012	7.93	126,496	-
ALB Finance B.V. Eurobonds, *emission in GBP*	13/02/2007	13/02/2011	10.91	63,390	-
ALB Finance B.V. Eurobonds, *emission in USD*	26/09/2006	26/09/2013	9.00	43,218	44,835
ALB Finance B.V. Eurobonds, *emission in USD*	20/04/2006	20/04/2011	9.00	30,758	32,039
ALB Finance B.V. Eurobonds, *emission in USD*	22/11/2005	22/11/2010	8.75	24,681	25,699
Alliance Bank Eurobonds 1 Emission, *emission in USD*	27/06/2005	27/06/2008	9.25	18,276	18,887
				306,819	121,460
Russian rouble-denominated bonds					
LLP Alliance Finance, *emission in RUR*	27/06/2007	19/06/2012	9.73	14,118	-
Tenge-denominated bonds					
Bonds of 6 emission	10/04/2006	10/04/2009	8.5	7,093	7,081
Bonds of 4 emission	23/04/2005	24/04/2008	7.0	4,954	4,894
Bonds of 8 emission	26/12/2006	26/12/2011	8.5	3,944	4,805
Bonds of 5 emission	01/09/2005	01/09/2008	7.0	1,013	1,009
				17,004	17,789
Total debt securities issued				337,941	139,249

As at 30 June 2007 and 31 December 2006 accrued interest expense included in debt securities issued amounted to KZT 9,299 million and KZT 2,878 million, respectively.

24. SUBORDINATED DEBT

	Issue date dd/mm/yy	Maturity date dd/mm/yy	Interest rate %	30 June 2007	31 December 2006
Subordinated bonds of *7 emission in KZT*	24/07/2006	24/07/2013	8.5	4,962	4,944
Subordinated bonds of *3 emission in KZT*	29/10/2004	28/10/2011	10.8	2,907	2,863
Subordinated bonds of *1 emission in KZT indexed to USD*	23/12/2002	23/12/2009	9.0	2,328	2,410
International Perpetual Subordinated bonds of ALB Finance B.V., *emission in USD*	19/04/2006	-	9.4	18,113	18,361
Preference shares, *emission in KZT*	19/04/2006	-	-	3,836	4,036
Total subordinated debt				32,146	32,614

As at 30 June 2007 and 31 December 2006 accrued interest expense included in bonds amounted to KZT 633 million and KZT 243 million, respectively.

As at 30 June 2007 and 31 December 2006 accrued dividends included in preference shares amounted to KZT 200 million and KZT 400 million, respectively.

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

As at 30 June 2007 and 31 December 2006, 400,000 preference shares of the Bank were issued and fully paid.

As of 31 December 2006 the Group reclassified preference shares in amount of KZT 3,636 million as a subordinated debt to comply with the requirements of IAS 32.

The preference shares are not mandatory redeemable. They carry a mandatory dividend payment amounting to KZT 1,000 per share and are classified as a liability based on IAS 32 "Financial instruments: Presentation".

25. SHARE CAPITAL

Ordinary shares - As of 30 June 2007, 11,537,500 shares were authorized, 9,637,500 shares were issued and fully paid. As of 31 December 2006 6,037,500 shares were authorized, 6,000,808 shares were issued and fully paid.

The below table provides a reconciliation of the number of shares outstanding as of 30 June 2007 and 31 December 2006:

	Ordinary shares Share'000
31 December 2005	2,441
Issue of ordinary shares	3,560
31 December 2006	6,001
Issue of ordinary shares	3,637
30 June 2007	9,638

As of 30 June 2007 and 31 December 2006 50,000 and 350,000 preference shares of the Group were issued and fully paid with the price of KZT 10,000 and KZT 12,450 per share, respectively.

26. COMMITMENTS AND CONTINGENCIES

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

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

As at 2007 and 31 December 2006, the nominal or contract amounts and the risk weighted credit equivalents of instruments with off-balance sheet risks were:

	30 June 2007		31 December 2006	
	Nominal amount	**Risk weighted amount**	**Nominal amount**	**Risk weighted amount**
Contingent liabilities				
Guarantees and similar commitments issued	15,651	13,355	8,607	8,280
Letters of credit	36,273	18,136	23,780	11,492
Total contingent liabilities	51,924	31,491	32,387	19,772

As of 30 June 2007 and 31 December 2006, guarantees and similar commitments issued of KZT 1,594 million and KZT 158 million, respectively, were secured by cash deposited at customer accounts.

As of 31 December 2006 standby letters of credit of KZT 61 million were secured by cash deposited at customer accounts.

The Group has made a provision of KZT 100 million and KZT 169 million against commitments under guarantees issued and KZT 64 million and KZT 337 million against letter of credit as of 30 June 2007 and 31 December 2006, respectively. (Note 5)

Operating lease commitments

Where the Group is the lessee, the future minimum lease payments under non cancelable operating leases are as follows:

	30 June 2007	**31 December 2006**
Not later than 1 year	225	1
Later than 1 year and not later than 5 years	310	473
Later than 5 years	240	453
Total operating lease commitments	775	927

Legal proceedings

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

Taxes

Kazakhstani commercial legislation and tax legislation in particular may give rise to varying interpretations and amendments, which may be retrospective. In addition, as Management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result the Group may be assessed additional taxes, penalties and interest. The Group's management believes that it has already made all tax payments, and therefore no allowance has been made in the financial information. Tax years remain open to review by the tax authorities for five years.

Pensions and retirement plans

Employees receive pension benefits in accordance with the laws and regulations of the Republic of Kazakhstan. As at 30 June 2007 and 31 December 2006, the Group was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

Operating environment

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

27. TRANSACTIONS WITH RELATED PARTIES

As defined by IAS 24 "Related party disclosures", a party is related to the Group if:

(a) directly, or indirectly through one or more intermediaries, the party:
  (i) controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the Group that gives it significant influence over the Group; or
  (iii) has joint control over the Group;

(b) the party is an associate (as defined in IAS 28 "Investments in Associates") of the Group;

(c) the party is a joint venture in which the Group is a venturer (see IAS 31 "Interests in Joint Ventures");

(d) the party is a member of the key management personnel of the Group or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d); or

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); and

(g) Post-employment benefit plans for the benefit of employees of the Group, or of any entity that is a related party of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group had the following transactions outstanding with related parties as at 30 June 2007 and 31 December 2006:

	30 June 2007		**31 December 2006**	
	Related party balances	**Total category as per financial information caption**	**Related party balances**	**Total category as per financial statements caption**
Loans to customers, gross	11,209	858,401	8,222	640,913
- the parent	9,579		6,877	
- other related parties	38		688	
- key management personnel of the entity or its parent	1,592		657	
Allowance for impairment losses	389	28,975	3	21,113
- the parent	289		2	
- key management personnel of the entity or its parent	100		1	
Other assets	8,904	11,540	2,584	9,904
- other related parties	8,904		2,584	
Customer accounts	4,447	263,548	623	245,261
- key management personnel of the entity or its parent	2,413		381	
- other related parties	2,034		242	

Included in the income statement for the periods ended 30 June 2007 and 2006 are the following amounts which arose due to transactions with related parties:

	Six-month period ended 30 June 2007		**Six-month period ended 30 June 2006**	
	Related party balances	**Total category as per financial information caption**	**Related party balances**	**Total category as per financial information caption**
Interest income	506	81,101	192	24,808
- the parent	432		105	
- other related parties	41		68	
- key management personnel of the entity or its parent	33		19	
Interest expense	2	41,120	16	14,326
- the parent	2		-	
- other related parties	-		11	
- key management personnel of the entity or its parent	-		5	

	Six-month period ended 30 June 2007		Six-month period ended 30 June 2006	
	Related party balances	Total category as per financial information caption	Related party balances	Total category as per financial information caption
Operating expenses	290	9,429	64	3,749
- key management personnel of the entity or its parent	95		64	
- other related parties	195		-	
Fee and commission income	32	5,199	2	2,777
- the parent	31		1	
- other related parties	1		1	
Fee and commission expense	3,710	4,764	195	485
- other related parties	3,710		195	
Key management personnel compensation	103	3,879	72	1,407
short-term employee benefits, including pension fund payments	103		72	

28. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes subordinated debt disclosed in Note 24, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in consolidated interim condensed statement of changes in equity.

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

The Group's overall strategy remains unchanged from 2006.

29. SEGMENT REPORTING

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

Business segments

The Group is organized on the basis of three main business segments:

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

Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.

Investment banking – representing financial instruments trading, structured financing, corporate leasing, and merger and acquisitions advice.

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

Segment information about these businesses is presented below.

	Retail banking	**Corporate banking**	**Investment banking**	**Unallocated**	**Eliminations**	**Six-month period ended 30 June 2007**
External operating revenue	36,521	24,709	(26,103)	-	-	35,127
Income from other segments	-	-	27,012	-	(27,012)	-
Expenses from other segments	(13,379)	(13,633)	-	-	27,012	-
Total operating income	23,142	11,076	909	-	-	35,127
Operating expenses	(6,398)	(2,630)	(401)	-	-	(9,429)
Other provisions	(65)	260	(20)	-	-	175
Profit before tax	16,679	8,706	488	-	-	25,873
Income tax expense	-	-	-	(6,295)	-	(6,295)
Net profit	16,679	8,706	488	(6,295)	-	19,578
Other segment items						
Depreciation expense	(614)	(283)	(40)	-	-	(937)
External interest income	49,907	25,102	6,092	-	-	81,101
Internal interest income	-	-	27,012	-	(27,012)	-
External interest expense	(5,096)	(3,233)	(32,791)	-	-	(41,120)
Internal interest expense	(13,379)	(13,633)	-	-	27,012	-
Provision for impairment losses on interest bearing assets	(6,224)	(1,708)	-	-	-	(7,932)
Fee and commission income	1,809	3,382	8	-	-	5,199
Fee and commission expense	(4,506)	(141)	(117)	-	-	(4,764)
Capital expenditures	5,067	2,335	216	114	-	7,732

	Retail banking	**Corporate banking**	**Investment banking**	**Unallocated**	**Eliminations**	**30 June 2007**
Segment assets	416,251	587,209	309,420	659,013	(639,459)	1,332,434
Segment liabilities	373,661	527,125	917,221	17,558	(639,459)	1,196,106
Loans to customers	416,071	413,355	-	-	-	829,426
Property, plant and equipment and intangible assets	12,813	5,906	835	-	-	19,554
Customer accounts	125,917	137,631	-	-	-	263,548

	Retail banking	Corporate banking	Investment banking	Unallocated	Eliminations	Six-month period ended 30 June 2006
External operating revenue	3,623	9,342	(6,604)	-	-	6,361
Income from other segments	-	-	6,626	-	(6,626)	-
Expense on other segments	(1,969)	(4,657)	-	-	6,626	-
Total operating income	1,654	4,685	22	-	-	6,361
Operating expenses	(2,042)	(1,502)	(205)	-	-	(3,749)
Other provisions	(22)	(192)	(13)	-	-	(227)
Profit before tax	(410)	2,991	(196)	-	-	2,385
Income tax expense	-	-	-	(746)	-	(746)
Net profit	(410)	2,991	(196)	(746)	-	1,639
Other segment items						
Depreciation expense	(144)	(118)	-	-	-	(262)
External interest income	10,834	11,199	2,775	-	-	24,808
Internal interest income	-	-	6,626	-	(6,626)	-
External interest expense	(2,328)	(3,085)	(8,913)	-	-	(14,326)
Internal interest expense	(1,969)	(4,657)	-	-	6,626	-
Provision for impairment losses on interest bearing assets	(5,733)	(1,014)	-	-	-	(6,747)
Fee and commission income	960	1,813	4	-	-	2,777
Fee and commission expense	(323)	(101)	(61)	-	-	(485)
Capital expenditure	(395)	(641)	(325)	(9)	-	(1,370)

	Retail banking	Corporate banking	Investment banking	Unallocated	Eliminations	31 December 2006
Segment assets	286,235	440,204	181,529	255,507	(242,725)	920,750
Segment liabilities	112,052	320,186	408,474	221,625	(221,625)	840,712
Loans to customers	269,351	350,449	-	-	-	619,800
Property, plant and equipment and intangible assets	6,391	5,752	639	-	-	12,782
Customer accounts	107,886	137,375	-	-	-	245,261

Geographical segments

Segment information for the main geographical segments of the Group is set out below as at 30 June 2007 and for six-month period then ended and as at 31 December 2006 and for six-month period ended 30 June 2007.

	Kazakhstan	Other non-OECD countries	OECD countries	Six-month period ended 30 June 2007 Total
External operating revenue	14,102	2,132	18,893	35,127
External net profit	7,860	1,188	10,530	19,578
Capital expenditure	7,516	173	43	7,732

	Kazakhstan	Other non-OECD countries	OECD countries	30 June 2007 Total
Assets	1,033,949	39,045	259,440	1,332,434
Liabilities	387,866	59,573	748,667	1,196,106

	Kazakhstan	Other non-OECD countries	OECD countries	Six-month period ended 30 June 2006 Total
External operating revenue	4,043	203	2,115	6,361
External net profit	1,531	9	99	1,639
Capital expenditure	1,354	6	10	1,370

	Kazakhstan	Other non-OECD countries	OECD countries	31 December 2006 Total
Assets	752,517	28,898	139,335	920,750
Liabilities	337,637	33,753	469,322	840,712

External operating income, assets, capital expenditure have generally been allocated based on domicile of the counterparty. Tangible assets (cash on hand, precious metals, premises and equipment) have been allocated based on the country in which they are physically held.

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value disclosures of financial instruments is made in accordance with the requirements of IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

	30 June 2007		31 December 2006	
	Current value	**Fair value**	**Current value**	**Fair value**
Cash and balances with the National Bank of the Republic of Kazakhstan	118,759	118,759	99,594	99,594
Financial assets at fair value through profit or loss	224,742	224,742	133,745	133,745
Due from banks	88,825	88,825	20,599	20,599
Investment available-for-sale	3,431	3,431	5,176	5,176
Investment held-to-maturity	-	-	43	43
Due to banks	392,097	392,097	321,185	321,185
Due to other financial institutions	56,611	56,611	25,174	25,174
Customer accounts	263,548	263,548	245,261	245,261
Debt securities issued	337,941	329,655	139,249	138,331
Subordinated debt	32,146	31,608	32,614	33,266

The fair value of loans to customers can not be measured reliably as it is not practicable to obtain market information or apply any other valuation techniques on such instruments.

In case of disposal of such instruments the Group intends to apply selling prices to be determined between contractual parties.

31. RISK MANAGEMENT POLICIES

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

The Group manages the following risks:

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due.

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

Cash flow interest rate risk

Cash flow interest rate risk – the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

The Treasury Department performs management of interest rate risks through determination of the transferring rates and general rates of borrowed and allocated resources, which enables the Group to avoid negative interest margin. Risk Management Department develops limits for interest gaps and performs monitoring of spread level and net interest margin. Assets and Liabilities Management Committee approves limits on interest gaps, transferring rates and general interest rates for borrowed and allocated resources.

Currently, a considerable part of customer deposits are repayable on demand. However, the fact that these deposits are diversified by the number and type of customers and the Group previous experience indicate that these deposits is a stable and long-term source of finance for the Group.

The following table presents an analysis of interest rate risk and thus the potential of the Group for gain or loss. Effective average interest rates are presented by categories of financial assets and liabilities to determine interest rate exposure and effectiveness of the interest rate policy used by the Group.

			30 June 2007		
	KZT	**USD**	**EURO**	**RUR**	**Other currencies**
ASSETS					
Balances with the National Bank of the Republic of Kazakhstan	5.5	-	-	-	-
Financial assets at fair value through profit or loss	5.6	4.5	5.4	-	-
Due from banks	6.7	6.9	3.8	0.2	7.1
Loans to customers	24.9	13.8	12.6	13.0	11.3
Reverse REPO	2.6	-	-	-	-
Investments available-for-sale	8.5	4.8	-	-	-
LIABILITIES					
Deposit from the National Bank of the Republic of Kazakhstan	7.3	-	-	-	-
Due to banks	9.6	8.4	7.3	8.0	1.8
Due to other financial institutions	-	8.0	-	-	-
Customer accounts	7.6	5.5	5.9	-	-
REPO	2.5	3.2	-	-	-
Debt securities issued	9.2	10.5	10.5	10.89	11.8
Subordinated debt	8.1	11.2	-	-	-

			31 December 2006		
	KZT	**USD**	**EURO**	**RUR**	**Other currencies**
ASSETS					
Balances with the National Bank of the Republic of Kazakhstan	2.9	-	-	-	-
Financial assets at fair value through profit or loss	4.9	4.5	5.2	-	1.9
Due from banks	2.8	4.7	2.7	0.9	-
Loans to customers	22.8	12.9	10.1	17.4	11.2
Reverse REPO	3.6				
Investments available-for-sale	8.3	6.9	-	-	-
Investments held-to-maturity	6.3	-	-	-	-
LIABILITIES					
Due to banks	9.1	8.1	6.9	8.6	5.2
Due to other financial institutions	-	8.0	-	-	-
Customer accounts	7.5	6.1	7.3	0.1	-
REPO	1.8	6.0			
Debt securities issued	9.3	10.8	-	-	-
Subordinated debt	10.7	11.5	-	-	-

The analysis of interest rate and liquidity risk on balance sheet transactions is presented in the following table:

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	30 June 2007 Total
ASSETS							
Financial assets at fair value through profit or loss	205,742	933	3,588	7,833	6,646	-	224,742
Due from banks	48,249	12,197	-	1,261	-	-	61,707
Loans to customers	20,640	22,039	74,859	447,278	264,610	-	829,426
Reverse REPO	36,157	-	-	-	-	-	36,157
Investments available-for-sale	76	-	251	1,463	1,565	-	3,355
Total interest bearing assets	310,864	35,169	78,698	457,835	272,821	-	1,155,387
Cash and balances with the National Bank of the Republic of Kazakhstan	118,759	-	-	-	-	-	118,759
Due from banks	27,118	-	-	-	-	-	27,118
Investments available-for-sale	-	-	-	-	-	76	76
Property, plant and equipment and intangible assets	-	-	-	-	-	19,554	19,554
Other assets	11,442	98	-	-	-	-	11,540
TOTAL ASSETS	468,183	35,267	78,698	457,835	272,821	19,630	1,332,434
LIABILITIES							
Deposit from the National Bank of the Republic of Kazakhstan	42	2,000	1,000	-	-	-	3,042
Due to banks	33,986	1,974	216,370	121,430	18,331	-	392,091
Due to other financial institutions	1,221	3,612	23,880	9,286	18,612	-	56,611
Other financing	247	-	-	23,174	8,910	-	32,331
Customer accounts	22,029	8,526	69,043	97,511	2,959	-	200,068
REPO	69,174	-	-	-	-	-	69,174
Debt securities issued	9,343	-	22,224	264,348	42,026	-	337,941
Subordinated debt	833	-	-	5,181	22,496	3,636	32,146
Total interest bearing liabilities	136,875	16,112	332,517	520,930	113,334	3,636	1,123,404
Due to banks	6	-	-	-	-	-	6
Customer accounts	63,480	-	-	-	-	-	63,480
Deferred income tax liabilities	730	-	-	-	-	-	730
Current income tax liabilities	2,897	-	-	-	-	-	2,897
Other liabilities	5,269	156	-	-	-	164	5,589
TOTAL LIABILITIES	209,257	16,268	332,517	520,930	113,334	3,800	1,196,106
Liquidity gap	258,926	18,999	(253,819)	(63,095)	159,487		
Interest sensitivity gap	173,989	19,057	(253,819)	(63,095)	159,487		
Cumulative interest sensitivity gap	173,989	193,046	(60,773)	(123,868)	35,619		
Cumulative interest sensitivity gap as a percentage of total assets	13.1%	14.5%	(4.6%)	(9.3%)	2.7%		

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	31 December 2006 Total
ASSETS							
Financial assets at fair value through profit or loss	107,802	325	537	7,312	17,769	-	133,745
Due from banks	12,598	1,121	600	665	-	-	14,984
Loans to customers	21,240	4,120	99,509	352,314	142,617	-	619,800
Reverse REPO	18,099	-	-	-	-	-	18,099
Investments available-for-sale	2,893	40	202	1,540	425	-	5,100
Investments held-to-maturity	-	-	43	-	-	-	43
Total interest bearing assets	162,632	5,606	100,891	361,831	160,811	-	791,771
Cash and balances with the National Bank of the Republic of Kazakhstan	99,594	-	-	-	-	-	99,594
Due from banks	5,615	-	-	-	-	-	5,615
Investments available-for-sale	-	-	-	-	-	76	76
Property, plant and equipment and intangible assets	-	-	-	-	-	12,782	12,782
Non-current assets held-for-sale	-	1,008	-	-	-	-	1,008
Other assets	3,061	2,831	4,012	-	-	-	9,904
TOTAL ASSETS	270,902	9,445	104,903	361,831	160,811	12,858	920,750
LIABILITIES							
Deposit from the National Bank of the Republic of Kazakhstan	2,000	-	-	-	-	-	2,000
Due to banks	9,070	14,526	173,260	124,323	-	-	321,179
Due to other financial institutions	1,381	3,086	15,938	4,769	-	-	25,174
Other financing	-	-	-	24,901	-	-	24,901
Customer accounts	23,509	10,871	65,932	82,580	3,182	-	186,074
REPO	44,444	-	-	-	-	-	44,444
Debt securities issued	6,260	-	-	89,355	43,634	-	139,249
Subordinated debt	653	-	-	5,213	4,351	22,397	32,614
Total interest bearing liabilities	87,317	28,483	255,130	331,141	51,167	22,397	775,635
Due to banks	6	-	-	-	-	-	6
Customer accounts	59,187	-	-	-	-	-	59,187
Deferred income tax liabilities	1,100	-	-	-	-	-	1,100
Current income tax liabilities	912	-	-	-	-	-	912
Other liabilities	1,972	1,394	-	-	-	506	3,872
TOTAL LIABILITIES	150,494	29,877	255,130	331,141	51,167	22,903	840,712
Liquidity gap	120,408	(20,432)	(150,227)	30,690	109,644		
Interest sensitivity gap	75,315	(22,877)	(154,239)	30,690	109,644		
Cumulative interest sensitivity gap	75,315	52,438	(101,801)	(71,111)	38,533		
Cumulative interest sensitivity gap as a percentage of total assets	8.2%	5.7%	(11.1%)	(7.7%)	4.2%		

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Treasury Department performs currency risk management through management of open currency position, which enables the Group to minimize losses from significant fluctuations of exchange rates of national and foreign currencies. Risk Analysis and Management Department determines limits on open currency positions, arbitrary positions and stop-loss. All limits and restrictions are approved by the Assets and Liabilities Management Committee. Risk Analysis and Management Department performs monitoring.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group is exposed to price risks of its products which are subject to general and specific market fluctuations.

The Group manages price risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing and maintaining appropriate stop-loss limits and margin and collateral requirements.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group manages fair value interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Department of Financial Control conducts monitoring of the Group's current financial performance, estimates the Group's sensitivity to changes in fair value interest rates and its influence on the Group's profitability.

Credit risk

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

Assets and Liabilities Management Committee sets limits on size and structure of risk assets. The Credit Committee approves each new loan and lease, and any changes and amendments to such agreements. The Credit Department performs current monitoring.

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

Where appropriate, and in the case of most loans, the Group obtains collateral and corporate and personal guaranties. Such risks are monitored on a continuous basis and subject to annual or more frequent reviews.

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

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

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

32. SUBSEQUENT EVENTS

On 17 July 2007 the Bank announced the offer price for initial public offering of its global depositary receipts (GDRs) that has been set at USD 14.00 per GDR ("Offer Price"). The offer comprised 50,283,000 GDRs, each representing one-thirtieth of a share for a total offer size of USD 704 million (excluding the over-allotment option of up to 7,542,000 GDRs). The Offer is a secondary sale of existing common shares, representing in aggregate approximately 17.4% of the existing ordinary share capital of the Bank (excluding the over-allotment option). The shares offered were held by Seimar Alliance Financial Corporation (SAFC), the Bank's majority shareholder. No new capital has been raised as part of the Offer.

Admission to the Official List of the UK Listing Authority and commencement of unconditional dealings ("Admission") took place on 20 July 2007.