

**JOINT STOCK COMPANY
ALLIANCE BANK**

**Condensed Consolidated Interim
Financial Information (Unaudited)**
For the nine-month period ended 30 September 2007

**and Independent Auditor's Report on Review
of Condensed Consolidated Interim Financial Information**

JOINT STOCK COMPANY ALLIANCE BANK

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JOINT STOCK COMPANY ALLIANCE BANK

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

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the report on review of condensed consolidated interim financial information, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditor 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 presents fairly the consolidated financial position of the Group as at 30 September 2007, and the consolidated results of its operations for the three-month and nine-month period ended 30 September 2007, cash flows and changes in equity for the nine-month period ended 30 September 2007, 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:

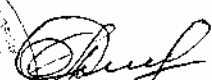
- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the consolidated financial position of the Group, and which enable them to ensure that the condensed consolidated interim financial information of the Group complies 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 nine-month period ended 30 September 2007 was authorized for issue on 21 November 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

21 November 2007
Almaty


Zhakanbayev R.S.
Chief Accountant

21 November 2007
Almaty



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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

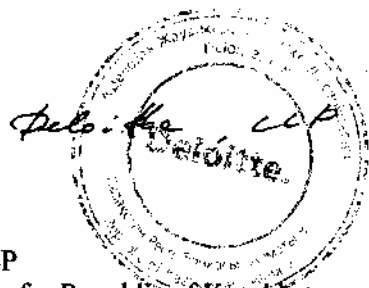
We have reviewed the accompanying condensed consolidated interim balance sheet of Joint Stock Company Alliance Bank and its subsidiaries (the "Group") as of 30 September 2007 and the related condensed consolidated interim statements of income for the three-month and nine-month periods then ended, changes in equity and cash flows for the nine-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 September 2007, and of its financial performance for the three-month and nine-month periods then ended and its cash flows for the nine-month period then ended, in accordance with IAS 34.



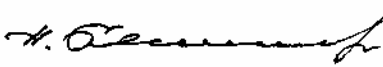
Deloitte, LLP
Audit license for Republic of Kazakhstan
№0000015, type MFU - 2, issued by the Ministry of
Finance of the Republic of Kazakhstan dated
13 September 2006

21 November 2007
Almaty

Audit . Tax . Consulting . Financial Advisory .


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




Nurlan Bekenov
General Director
Deloitte, LLP

Member of
Deloitte Touche Tohmatsu


JOINT STOCK COMPANY ALLIANCE BANK

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

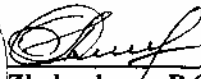
	Notes	Nine-month period ended 30 September 2007 (unaudited)	Nine-month period ended 30 September 2006 (unaudited)	Three-month period ended 30 September 2007 (unaudited)	Three-month period ended 30 September 2006 (unaudited)
Interest income	4, 27	130,338	49,517	49,236	24,709
Interest expense	4, 27	(64,116)	(25,817)	(22,995)	(11,491)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		66,222	23,700	26,241	13,218
Provision for impairment losses on interest bearing assets	5	(14,725)	(13,693)	(6,793)	(6,946)
NET INTEREST INCOME		51,497	10,007	19,448	6,272
Net gain on financial assets at fair value through profit or loss		1,742	298	106	568
Net gain on foreign exchange operations		387	645	366	221
Fee and commission income	6, 27	9,030	4,060	3,831	1,283
Fee and commission expense	6, 27	(7,492)	(2,103)	(2,728)	(1,618)
Other income/(loss)		1,796	(108)	810	(288)
NET NON-INTEREST INCOME		5,463	2,792	2,385	166
OPERATING INCOME		56,960	12,799	21,833	6,438
OPERATING EXPENSES	7, 27	(15,584)	(6,731)	(6,155)	(2,982)
Other recoveries of provisions/(provisions)	5	55	(98)	(120)	129
PROFIT BEFORE INCOME TAX		41,431	5,970	15,558	3,585
Income tax expense	8	(10,706)	(1,936)	(4,411)	(1,190)
NET PROFIT		30,725	4,034	11,147	2,395
EARNINGS PER SHARE					
Basic and diluted (KZT)	9	3,716.83	1,495.09	1,156.63	869.25

On behalf of the Management Board of the Bank:


Kereibayev D. Zh.
Chairman of the Management Board

21 November 2007
Almaty




Zhakanbayev R.S.
Chief Accountant

21 November 2007
Almaty

The notes on pages 9-40 form an integral part of these condensed consolidated interim financial information.

JOINT STOCK COMPANY ALLIANCE BANK

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2007

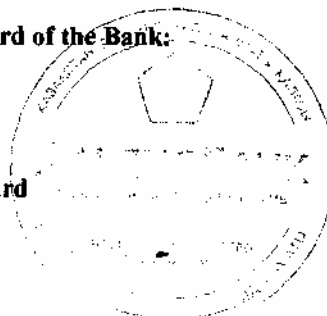
(in Kazakhstani tenge and in millions)


	Notes	30 September 2007 (unaudited)	31 December 2006
ASSETS:			
Cash and balances with the National Bank of the Republic of Kazakhstan	10	97,818	99,594
Financial assets at fair value through profit or loss	11	162,364	133,745
Due from banks	12	39,332	20,599
Loans to customers	13, 27	884,756	619,800
Reverse repurchase agreements	14	1,662	18,099
Investments available-for-sale	15	3,371	5,176
Investments held-to-maturity	16	-	43
Property, plant and equipment and intangible assets		24,162	12,782
Non-current assets held-for-sale	17	-	1,008
Other assets	27	10,443	9,904
TOTAL ASSETS		1,223,908	920,750
LIABILITIES AND EQUITY			
LIABILITIES:			
Deposit from the National Bank of the Republic of Kazakhstan		1,042	2,000
Due to banks	18	337,292	321,185
Due to other financial institutions	19	53,086	25,174
Other financing	20	31,664	24,901
Customer accounts	21, 27	236,325	245,261
Repurchase agreements	22	23,571	44,444
Debt securities issued	23	346,104	139,249
Deferred income tax liabilities	8	1,331	1,100
Current income tax liabilities		3,397	912
Other liabilities		7,713	3,872
Subordinated debt	24	35,325	32,614
Total liabilities		1,076,850	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		8	80
Property revaluation reserve		2,165	2,255
Retained earnings		47,283	16,468
Total equity		147,058	80,038
TOTAL LIABILITIES AND EQUITY		1,223,908	920,750

On behalf of the Management Board of the Bank:


Kereibayev D. Zh.
Chairman of the Management Board

21 November 2007
Almaty




Zhakanbayev R.S.
Chief Accountant

21 November 2007
Almaty

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JOINT STOCK COMPANY ALLIANCE BANK

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**
(in Kazakhstani tenge and in millions)

	Share capital	Additional paid-in-capital	Investments available-for-sale fair value reserve	Property revaluation reserve	Retained earnings	Total equity
31 December 2005	24,904	-	204	491	2,433	28,032
Depreciation of property revaluation reserve	-	-	-	(15)	15	-
Loss on revaluation of investments available-for-sale	-	-	(63)	-	-	(63)
Gain transferred to income statement on sale of investments available-for-sale	-	-	(2)	-	-	(2)
Net recognized directly in equity	-	-	(65)	(15)	15	(65)
Net profit	-	-	-	-	4,034	4,034
Total recognised for the period	-	-	(65)	(15)	4,049	3,969
Issue of preference shares	3,507	858	-	-	-	4,365
Reclassification of preference shares	(4,000)	364	-	-	-	(3,636)
Issue of ordinary shares	7,857	-	-	-	-	7,857
30 September 2006 (unaudited)	32,268	1,222	139	476	6,482	40,587

JOINT STOCK COMPANY ALLIANCE BANK

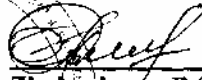
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007
(in Kazakhstani tenge and in millions)

	Share Capital	Additional paid-in- capital	Investments available-for- sale fair value 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	-	-	-	(90)	90	-
Loss transferred to income statement on sale of investments available-for-sale	-	-	7	-	-	7
Loss on revaluation of investments available- for-sale	-	-	(79)	-	-	(79)
Net recognized directly in equity	-	-	(72)	(90)	90	(72)
Net profit	-	-	-	-	30,725	30,725
Total recognised for the period	-	-	(72)	(90)	30,815	30,653
Issue of ordinary shares	36,367	-	-	-	-	36,367
30 September 2007 (unaudited)	96,380	1,222	8	2,165	47,283	147,058

On behalf of the Management Board of the Bank:


Kereibayev D. Zh.
 Chairman of the Management Board

21 November 2007
 Almaty


Zhakanbayev R.S.
 Chief Accountant

21 November 2007
 Almaty

The notes on pages 9-40 form an integral part of these condensed consolidated interim financial information.

JOINT STOCK COMPANY ALLIANCE BANK

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

	Notes	For the nine- month period ended 30 September 2007 (unaudited)	For the nine- month period ended 30 September 2006 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		41,431	5,970
Adjustments for:			
Provision for impairment losses on interest bearing assets		14,725	13,693
Other (recoveries of provisions)/provisions		(55)	98
Unrealized (gain)/loss and amortization of premiums/ (discounts) on securities		(6,458)	(1,073)
Amortization of discount on-issued securities		336	227
Depreciation and amortization		1,562	445
Loss from sale of non-current assets held-for-sale		215	-
Changes in interest accruals, net		10,347	(277)
Net gain on disposal of fixed assets		(30)	-
Unrealized gain on foreign exchange operations		(4,034)	(87)
Changes in operating assets and liabilities:			
Due from banks		(20,185)	2,113
Financial assets at fair value through profit or loss		(14,297)	779
Reverse repurchase agreements		16,449	805
Loans to customers		(279,204)	(302,407)
Other assets		(314)	(5,952)
Deposit from the National Bank of the Republic of Kazakhstan		(1,000)	-
Due to banks		16,174	143,949
Due to other financial institutions		28,456	8,157
Other financing		6,690	-
Customer accounts		(7,522)	45,184
Repurchase agreements		(20,821)	9,534
Other liabilities		3,564	2,120
Cash outflow from operating activities before income tax		(213,971)	(76,722)
Income tax paid		(7,990)	(515)
Net cash outflow from operating activities		(221,961)	(77,237)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and intangible assets		(13,233)	(4,647)
Proceeds on sale of property, plant and equipment and intangible assets		321	30
Proceeds from/(purchase of) non-current assets held-for-sale		793	(972)
Proceeds on sale of investments available-for-sale		1,739	3,139
Proceeds from investments held-to-maturity		43	14
Net cash outflow from investing activities		(10,337)	(2,436)

JOINT STOCK COMPANY ALLIANCE BANK

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN CASH FLOWS (CONTINUED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007


(in Kazakhstani tenge and in millions)

	Notes	For the nine-month period ended 30 September 2007 (unaudited)	For the nine-month period ended 30 September 2006 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of ordinary share capital		36,367	7,857
Proceeds from issue of preference shares		-	4,365
Proceeds from debt securities issued		189,327	77,803
Repurchase of debt securities issue		(885)	(960)
Proceeds from issue of subordinated debt		2,024	18,040
Dividends paid		-	(49)
Net cash inflow from financing activities		<u>226,833</u>	<u>107,056</u>
<i>Effect of changes in foreign exchange rate on cash and cash equivalents</i>		<u>1,183</u>	<u>1,198</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,282)	28,581
CASH AND CASH EQUIVALENTS, beginning of period	10	<u>116,709</u>	<u>45,192</u>
CASH AND CASH EQUIVALENTS, end of period	10	<u><u>112,427</u></u>	<u><u>73,773</u></u>

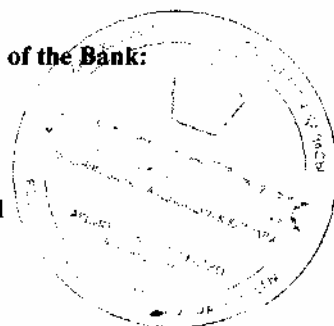
Interest received and paid by the Group during the nine-month period ended 30 September 2007 amounted to KZT 122,517 million and KZT 45,948 million, respectively.

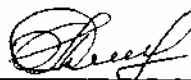
Interest received and paid by the Group during nine-month period ended 30 September 2006 amounted to KZT 41,223 million and 17,788 KZT million, respectively.

On behalf of the Management Board of the Bank:


Kereibayev D. Zh.
Chairman of the Management Board

21 November 2007
Almaty




Zhakanbayev R.S.
Chief Accountant

21 November 2007
Almaty

The notes on pages 9-40 form an integral part of these condensed consolidated interim financial information.

JOINT STOCK COMPANY ALLIANCE BANK

SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007 (UNAUDITED)

(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") Irtyshtyshbusinessbank as a result of a merger of OJSC Semipalatinsk Municipal Joint Stock Bank and OJSC Irtyshtyshbusinessbank. In accordance with a decision made by Shareholders Alliance Bank was renamed from Irtyshtyshbusinessbank 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 ("FMSA"). JSC Alliance Bank conducts its business under the license No. 250 issued by FMSA 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 represents maximum KZT700 thousand per deposit, depending on the amount of the deposit.

As at 30 September 2007, JSC Alliance Bank had 25 branches and 219 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. This 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 September 2007 %	31 December 2006 %
Ultimate shareholders:		
Margulan Seisembayev	18.93	25.32
Erlan Seisembayev	18.93	25.32
Askar Galin	18.93	25.31
Total ultimate shareholders	56.79	75.95
Other (individually hold less than 5%)	43.21	24.05
Total	100.00	100.00

On 17 July 2007 the Bank announced the offer price for an 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 that are currently deposited at depo-account in Credit Suisse Securities Ltd and have to be returned to the offerer). 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.

This condensed consolidated interim financial information was authorized for issue by the Management Board of the Group on 21 November 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.

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

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" or "Tenge").

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.

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 is effective for annual period beginning on or after 1 January 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. IFRS 7 disclosures will be included in the annual consolidated financial statements for the period ended 31 December 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 September 2007	31 December 2006
KZT/USD	120.96	127.00
KZT/EURO	171.47	167.12
KZT/RUR	4.85	4.82

Reclassifications

Certain reclassifications have been made to the financial statements as at 31 December 2006 and for the year then ended to conform to the presentation as at 30 September 2007 and for the year then ended.

Nature of reclassification	Amount	Balance sheet/Income statement line as per the previous report	Balance sheet/Income statement line as per current report
Due from banks	(3,352)	23,951	20,599
Loans to customers	(14,747)	634,547	619,800
Reverse repurchase agreements	18,099	-	18,099
Due to banks	(41,820)	363,005	321,185
Other financing	24,901	-	24,901
Repurchase agreements	44,444	-	44,444
Customer accounts	(27,525)	272,786	245,261

4. NET INTEREST INCOME

	Nine-month period ended 30 September 2007	Nine-month period ended 30 September 2006	Three-month period ended 30 September 2007	Three-month period ended 31 September 2006
Interest income				
Interest on loans to customers	121,173	45,261	46,164	23,228
Interest on debt securities	6,788	3,634	2,188	1,316
Interest on due from banks	2,177	507	822	137
Interest on reverse repurchase agreements	200	115	62	28
Total interest income	130,338	49,517	49,236	24,709
Interest expense				
Interest on due to banks	25,972	9,399	9,319	4,576
Interest on debt securities issued	22,443	6,026	8,169	2,703
Interest on customer accounts	12,502	8,606	4,173	3,192
Interest on subordinated debt	2,506	1,504	945	829
Interest on repurchase agreements	693	282	389	191
Total interest expense	64,116	25,817	22,995	11,491
Net interest income before provision for impairment losses on interest bearing assets	66,222	23,700	26,241	13,218

Total interest income for financial assets that are not at fair value through profit or loss for the nine-month periods ended 30 September 2007 and 2006 amounted to KZT 123,787 million and KZT 46,505 million, respectively.

Total interest expense for financial liabilities that are not at fair value through profit or loss for the nine-month periods ended 30 September 2007 and 2006 amounted to KZT 64,116 million and KZT 25,817 million, respectively.

Interest income of KZT 4,558 million and KZT 452 million represents interest income accrued on impaired financial assets for the nine-month periods ended 30 September 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
30 June 2006	13,930
Provision	6,946
Write-off of assets	(83)
30 September 2006	20,793
30 June 2007	28,975
Provision	6,793
Recoveries of assets previously written off	2
30 September 2007	35,770

	Loans to customers
31 December 2005	7,555
Provision	13,693
Write-off of assets	(515)
Recoveries of assets previously written off	<u>60</u>
30 September 2006	<u>20,793</u>
31 December 2006	21,113
Provision	14,725
Write-off of assets	(133)
Recoveries of assets previously written off	<u>65</u>
30 September 2007	<u>35,770</u>

The movements in other provisions were as follows:

	Other assets	Guarantees and other commitments	Total
30 June 2006	37	388	425
Provision/(recovery of provision)	1	(130)	(129)
Write-off of assets	<u>(1)</u>	<u>-</u>	<u>(1)</u>
30 September 2006	<u>37</u>	<u>258</u>	<u>295</u>
30 June 2007	206	164	370
Provision/(recovery of provision)	155	(35)	120
Write-off of assets	<u>(21)</u>	<u>-</u>	<u>(21)</u>
30 September 2007	<u>340</u>	<u>129</u>	<u>469</u>
	Other assets	Guarantees and other commitments	Total
31 December 2005	22	176	198
Provision	16	82	98
Write-off of assets	<u>(1)</u>	<u>-</u>	<u>(1)</u>
30 September 2006	<u>37</u>	<u>258</u>	<u>295</u>
31 December 2006	45	506	551
Provision/ (recovery of provision)	322	(377)	(55)
Write-off of assets	<u>(27)</u>	<u>-</u>	<u>(27)</u>
30 September 2007	<u>340</u>	<u>129</u>	<u>469</u>

6. FEE AND COMMISSION INCOME AND EXPENSE

	Nine-month period ended 30 September 2007	Nine-month period ended 30 September 2006	Three-month period ended 30 September 2007	Three-month period ended 30 September 2007
Fee and commission income:				
Cash operations	4,504	1,700	2,196	702
Documentary operations	1,462	765	691	227
Foreign currency and securities operations	487	301	178	130
Trust operations	56	58	16	21
Other	2,521	1,236	750	203
Total fee and commission income	9,030	4,060	3,831	1,283
	Nine-month period ended 30 September 2007	Nine-month period ended 30 September 2006	Three-month period ended 30 September 2007	Three-month period ended 30 September 2006
Fee and commission expense:				
Insurance premium to related party	5,636	1,626	1,926	1,431
Collector services	845	-	464	-
Customer accounts services by financial agents	419	65	157	31
Settlement bank services	126	74	37	33
Plastic cards operations	106	103	5	54
Foreign currency and security operations	96	77	20	29
Documentary operations	53	47	13	30
Eurobonds and syndicated loans	-	16	-	16
Other	211	95	106	(6)
Total fee and commission expense	7,492	2,103	2,728	1,618

7. OPERATING EXPENSES

	Nine-month period ended 30 September 2007	Nine-month period ended 30 September 2006	Three-month period ended 30 September 2007	Three-month period ended 30 September 2006
Staff costs	6,672	2,799	2,793	1,215
Depreciation and amortization	1,562	445	625	183
Operating lease	1,326	496	477	233
Advertising and marketing expenses	890	786	386	273
Payments to Deposit Insurance Fund	834	134	239	52
Taxes, other than income tax and social tax	822	295	374	100
Social tax	625	341	268	150
Repair and maintenance	538	163	222	94
Telecommunication expenses	295	136	103	68
Consulting	211	88	77	58
Business trip and related expenses	190	122	61	44
Representative expenses	184	11	68	4
Security service	181	68	62	32
Stationery	176	68	61	68
Expenses on insurance	159	240	28	207
Buildings maintenance	124	58	43	23
Legal services	85	12	23	12
Other	710	469	245	166
Total operating expenses	15,584	6,731	6,155	2,982

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 September 2007 and 31 December 2006 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as at 30 September 2007 and 31 December 2006 comprise:

	30 September 2007	31 December 2006
Deferred liabilities:		
Loans and advances to banks and customers	(1,420)	(564)
Property, plant and equipment and intangible assets	<u>(3,017)</u>	<u>(3,104)</u>
Total deferred liabilities	<u>(4,437)</u>	<u>(3,668)</u>
Net deferred (liabilities)	<u>(4,437)</u>	<u>(3,668)</u>
Deferred income tax liabilities at the statutory rate (30%)	<u>(1,331)</u>	<u>(1,100)</u>

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

	Nine-month period ended 30 September 2007	Nine-month period ended 30 September 2006	Three-month period ended 30 September 2007	Three-month period ended 30 September 2006
Profit before income tax	41,431	5,970	15,558	3,585
Statutory tax rate	30%	30%	30%	30%
Tax at the statutory tax rate	12,429	1,791	4,667	1,075
Non taxable interest	(801)	(194)	(202)	(65)
Other permanent differences	<u>(922)</u>	<u>339</u>	<u>(54)</u>	<u>180</u>
Total tax effect of permanent differences	<u>(1,723)</u>	<u>145</u>	<u>(256)</u>	<u>115</u>
Income tax expense	<u>10,706</u>	<u>1,936</u>	<u>4,411</u>	<u>1,190</u>
Current income tax expense	10,475	1,265	3,810	967
Deferred income tax expense	<u>231</u>	<u>671</u>	<u>601</u>	<u>223</u>
Income tax expense	<u>10,706</u>	<u>1,936</u>	<u>4,411</u>	<u>1,190</u>

Deferred income tax (liabilities)/assets:

	30 September 2007	31 December 2006	30 September 2006	31 December 2005
Beginning of the period	(1,100)	468	468	-
Decrease/increase in income tax assets/(liabilities) for the period	<u>(231)</u>	<u>(1,568)</u>	<u>(671)</u>	<u>468</u>
End of the period	<u>(1,331)</u>	<u>(1,100)</u>	<u>(203)</u>	<u>468</u>

9. EARNINGS PER SHARE

	Nine-month period ended 30 September 2007	Nine-month period ended 30 September 2006	Three-month period ended 30 September 2007	Three-month period ended 30 September 2006
Profit:				
Net profit for the period	<u>30,725</u>	<u>4,034</u>	<u>11,147</u>	<u>2,395</u>
Weighted average number of ordinary shares				
For basic and diluted earnings per share	<u>8,266,268</u>	<u>2,698,174</u>	<u>9,637,500</u>	<u>2,755,234</u>
Earnings per share – basic and diluted (KZT)	<u>3,716.91</u>	<u>1,495.09</u>	<u>1,156.63</u>	<u>869.25</u>

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

	30 September 2007	31 December 2006
Balance with the National Bank of the Republic of Kazakhstan	69,711	85,030
Cash on hand	<u>28,107</u>	<u>14,564</u>
Total cash and balances with the National Bank of the Republic of Kazakhstan	<u>97,818</u>	<u>99,594</u>

Minimum reserve requirements are determined as a percentage from deposits and international borrowings in accordance with the requirements of the National Bank of the Republic of Kazakhstan (“NBRK”) and amounted to KZT 76,235 million and KZT 56,663 million as of 30 September 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 September 2007	31 December 2006	30 September 2006	31 December 2005
Cash and balances with the National Bank of the Republic of Kazakhstan	97,818	99,594	61,294	42,327
Due from banks in countries included in Organisation for Economic Co-operations and Development (“OECD”)	<u>14,609</u>	<u>17,115</u>	<u>12,479</u>	<u>2,865</u>
Total cash and cash equivalents	<u>112,427</u>	<u>116,709</u>	<u>73,773</u>	<u>45,192</u>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2007	31 December 2006
Debt securities of central governments	119,057	100,880
Debt securities of financial institutions	23,385	26,114
Derivative financial instruments	16,719	2,216
Debt securities of corporates	3,203	4,535
Total financial assets at fair value through profit or loss	162,364	133,745

	Interest to nominal %	30 September 2007	Interest to nominal %	31 December 2006
Debt securities of central governments:				
Bonds of the Government of the United States of America	4.13	112,238	3.50-4.13	83,172
Bonds of the Ministry of finance of the Republic of Kazakhstan	3.50-6.40	6,819	3.35-8.20	6,295
Notes of the National Bank of the Republic of Kazakhstan	-	-	-	10,979
Euronotes of the Ministry of finance of the Republic of Kazakhstan	-	-	11.13	434
Total debt securities of central governments		119,057		100,880

	Interest to nominal %	30 September 2007	Interest to nominal %	31 December 2006
Debt securities of financial institutions:				
Bonds of JSC ATF Bank	8.13-9.80	2,974	8.13-10.90	2,814
Bonds of JSC BTA Mortgage	8.70-9.10	2,687	9.20-9.90	2,705
Bonds of JSC Kazkommerts International B.V.	5.13-8.50	2,483	5.13-8.50	2,719
Bonds of JSC HSBC	0.50	2,421	7.00	2,620
Bonds of JSC Bank CenterCredit	9.00-10.00	1,992	8.50-10.00	2,236
Bonds of JSC Kazakhstani Mortgage Company	4.90-7.50	1,925	4.90-7.50	1,106
Bonds of ATF Capital B.V.	9.25	1,055	-	-
Structural notes Societe Generale Acceptanci NV	10.00	1,264	-	-
Structural notes Bayerische Hypo und Vereinsbank	8.00	1,251	-	-
Structural notes KBC IFMA	1.20	1,210	-	-
Bonds HSBK Europe B.V.	7.75	863	7.75	944
Bonds of JSC Bank of Development Kazakhstan	7.13	801	-	-
Bonds of JSC Banque Europeene D'Inves	4.63	604	4.63	629
Bonds of JSC Halyk Bank Kazakhstan	7.50	293	5.00-11.80	688
Bonds of JSC SB SberBank of Russia	9.90-11.00	589	11.00	472
Bonds of TuranAlem Finance B.V.	8.00	323	8.00	393
Bonds of JSC Bank TuranAlem	9.80	246	7.00-10.50	8,262
Bonds of JSC Temirbank	9.75	257	-	-
Bonds of JSC Kazkommertsbank	8.00	147	8.00	135
Bonds of JSC Nurbank	-	-	9.00	391
Total debt securities of financial institutions		23,385		26,114

	Interest to nominal %	30 September 2007	Interest to nominal %	31 December 2006
Debt securities of corporations:				
Bonds of JSC Ulbinsky Metallurgical Plant	8.25	1,531	8.25	1,500
Bonds of JSC Doszhan Temir Zholy	8.05	972	9.45	1,080
Bonds of JSC KazTransCom	8.00	388	8.00	433
Bonds of JSC Astana Finance	7.80	158		
Bonds of JSC KazPost	8.00	154	8.00	153
Bonds of JSC Kazakhstan Temir Zholy	-	-	6.50	1,037
Bonds of JSC KazAtomProm	-	-	8.50	332
Total debt securities of corporations		3,203		4,535
		Nominal amount	30 September 2007 Net fair value	
			Asset	Liability
Foreign currency contracts				
Forwards		36,607	67	(708)
Swaps		308,465	16,204	(2,979)
Spots		1,270	-	(1)
Securities contracts				
Forward		114,020	448	-
Total derivative financial instruments		460,362	16,719	(3,688)
		Nominal Amount	31 December 2006 Net fair value	
			Asset	Liability
Foreign currency contracts				
Forwards		80,901	972	-
Swaps		3,430	383	-
Forward Rate Agreement ("FRA")		360	-	(18)
Securities contracts				
Forward		73,928	861	-
Total derivative financial instruments		158,619	2,216	(18)

As at 30 September 2007 and 31 December 2006 included in financial assets at fair value through profit or loss was accrued interest income amounting to KZT 710 million and KZT 594 million, respectively.

12. DUE FROM BANKS

	30 September 2007	31 December 2006
Overnight deposits to banks	16,482	9,690
Short-term deposits to banks	15,406	324
Correspondent accounts with other banks	4,556	8,156
Long-term loans and deposit to banks	2,888	2,429
Total due from banks	<u>39,332</u>	<u>20,599</u>

Included in due from banks is accrued interest of KZT 143 million and KZT 83 million as at 30 September 2007 and 31 December 2006, respectively.

As at 30 September 2007 and 31 December 2006 the maximum credit risk exposure on due from banks amounted to KZT 39,332 million and KZT 20,599 million, respectively.

13. LOANS TO CUSTOMERS

	30 September 2007	31 December 2006
Originated loans	909,764	632,876
Net investments in finance lease	10,762	8,037
	<u>920,526</u>	<u>640,913</u>
Less allowance for impairment losses	<u>(35,770)</u>	<u>(21,113)</u>
Total loan to customers	<u>884,756</u>	<u>619,800</u>

As at 30 September 2007 and 31 December 2006 accrued interest income included in loans to customers amounted to KZT 21,408 million and KZT 13,316 million, respectively.

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

	30 September 2007	31 December 2006
Loans collateralized by real estate	465,870	311,645
Loans insured by related party	252,088	162,454
Loans collateralized by securities	40,772	9,272
Loans collateralized by transport vehicles	31,342	37,098
Loans collateralized by guarantees	19,992	22,260
Loans collateralized by equipment	13,854	1,853
Loans collateralized by goods	13,006	9,191
Finance lease	9,235	8,037
Loans collateralized by deposits	9,047	26,654
Uncollateralized consumer loans	1,729	602
Other	27,821	30,734
Total loans to customers	<u>884,756</u>	<u>619,800</u>

The loans insured by related party are express consumer loans to individuals. Since 1 November 2007 new express consumer loans to individuals were not insured.

Customer concentration per economic sector is presented as follows:

	30 September 2007	31 December 2006
Analysis by sector:		
Individuals	437,295	269,351
Construction	119,524	73,720
Population related services	84,686	47,642
Wholesale	52,053	64,530
Finance services	43,788	29,167
Real estate operations	28,801	29,169
Trade	19,684	13,625
Paper manufacturing	18,355	19,526
Services related to oil and gas extraction	12,696	11,301
Metallurgy	10,681	-
Transportation	9,893	19,731
Finance lease	9,235	8,037
Food	7,353	11,299
Agriculture	5,503	7,846
Chemical industry	4,254	3,298
Coal mining	2,571	2,035
Mass media	1,942	1,424
Entertainment and recreational activities	1,490	3,530
Heavy industry	1,436	1,013
Production of metal goods	932	621
Post and communications	681	736
Government administration	-	1,439
Other	11,903	760
	<u>884,756</u>	<u>619,800</u>
Total loans to customers	<u>884,756</u>	<u>619,800</u>

Loans to individuals comprise the following products:

	30 September 2007	31 December 2006
Consumer loans	356,968	226,696
Mortgage loans	68,712	34,675
Car credits	11,615	7,980
	<u>437,295</u>	<u>269,351</u>
Total loans to individuals	<u>437,295</u>	<u>269,351</u>

As at 30 September 2007 the Group had loans to one customer totaling KZT 19,041 million, which individually exceeded 10% of the Group's equity, and as of 31 December 2006 the Group had loans to four customers totaling KZT 45,888 million, which exceeded 10% of the Group's equity, individually and in aggregate.

As at 30 September 2007 and 31 December 2006 a maximum credit risk exposure of loans to customers amounted to KZT 884,756 million and KZT 619,800 million, respectively.

As 30 September 2007 and 31 December 2006 the Group had loans originated in Almaty totaling KZT 527,409 million and KZT 382,982 million, respectively, which represent significant geographical concentration in this region forming 57.3% and 59.8% of the loan portfolio, respectively.

Overdue gross loans including accrued interest as at 30 September 2007 and 31 December 2006 amounted to KZT 18,239 million and KZT 4,995 million, respectively.

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

	30 September 2007	31 December 2006
Not later than one year	4,065	3,188
From one year to five years	9,623	6,969
After five years	196	225
	<u>13,884</u>	<u>10,382</u>
Less: unearned finance income	(3,122)	(2,345)
	<u>10,762</u>	<u>8,037</u>
Net investment in finance lease	<u>10,762</u>	<u>8,037</u>
Current portion	2,619	2,161
Long-term portion	8,143	5,876
	<u>10,762</u>	<u>8,037</u>
Net investment in finance lease	<u>10,762</u>	<u>8,037</u>

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 12.50% 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 September 2007 and 31 December 2006 are presented as follows:

Collateral	30 September 2007		31 December 2006	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Preference shares of JSC HSBK	1,662	1,590	-	-
Bonds of Kazakhstani companies	-	-	13,308	15,536
Bonds of banks	-	-	2,853	3,159
Bonds of the Ministry of finance of the Republic of Kazakhstan	-	-	1,439	1,585
Shares of banks	-	-	499	548
	<u>1,662</u>	<u>1,590</u>	<u>18,099</u>	<u>20,828</u>
Total	<u>1,662</u>	<u>1,590</u>	<u>18,099</u>	<u>20,828</u>

As at 30 September 2007 and 31 December 2006 included in loans under reverse repurchase agreements was accrued interest amounting to KZT 36 million and KZT 24 million, respectively.

Usually the Group enters into reverse repurchase agreements using the 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 September 2007	Interest to nominal %	31 December 2006
Debt securities				
Bonds of the Ministry of finance of the Republic of Kazakhstan	6.10-6.44	958	6.09-6.44	1,064
JSC Kazakhstan Kagazi bonds	10.40	588	11.30	615
JSC Kazakhstani Mortgage Company bonds	8.30-8.80	394	9.00-9.50	445
JSC ATF Bank bonds	8.50	425	8.50	420
JSC Bank CenterCredit bonds	13.60	304	14.40	312
JSC Halyk Bank Kazakhstan Euronotes	8.13	260	8.13	272
JSC RG Brand bonds	10.00	255	10.00	265
JSC Nurbank bonds	9.00	102	9.00-9.90	321
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
		<u>3,295</u>		<u>5,100</u>
	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	1.49	10
JSC Kazakhstan Stock Exchange	1.37	2	1.37	2
		<u>76</u>		<u>76</u>
Total investments available-for-sale		<u>3,371</u>		<u>5,176</u>

As at 30 September 2007 and 31 December 2006 included in investments available-for-sale was accrued interest income on debt securities amounting to KZT 70 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 September 2007	31 December 2006
Correspondent accounts of other banks	2,542	1,523
Overnight loans from banks	973	-
Due to banks and financial institutions, including:		
Syndicated loans from banks including:		
<i>Standard Bank due on 06/11/2007-28/10/200, coupon rate 6.46-7.83% annual</i>	40,861	42,422
<i>Sumitomo Mitsui Tranche B, due on 12/06/2009 coupon rate 6.41% annual</i>	27,351	-
<i>Sumitomo Mitsui Tranche A, due on 17/06/2008 coupon rate 6.21% annual</i>	21,675	-
<i>Citibank, National Association, due on 24/12/2007 coupon rate 8.38% annual</i>	19,778	-
<i>Bank of Tokyo-Mitsubishi UFJ Tranche B due on 17/06/2008, coupon rate 7.19% annual</i>	18,393	19,185
<i>Calyon, Abu Dhabi Islamic Bank, due on 01/04/2008-28/03/2009, coupon rate 6.13-6.44% annual</i>	18,036	-
<i>Bank of Tokyo-Mitsubishi UFJ Tranche A due on 19/06/2007, coupon rate 6.67% annual</i>	-	31,715
Other syndicated loans	11,174	8,607
Other loans from banks	157,681	188,486
Other term deposits	18,828	29,247
	<u>337,292</u>	<u>321,185</u>
Total due to banks		

As at 30 September 2007 and 31 December 2006 accrued interest expenses included in due to banks amounted to KZT 7,589 million and KZT 3,139 million, respectively.

19. DUE TO OTHER FINANCIAL INSTITUTIONS

	Currency	Maturity	Interest rate %	30 September 2007	Interest rate %	31 December 2006
Nomura International plc	JPY	27/06/2017	5.30	19,753	-	-
TR Commodity Trading GMBH, Sweden	USD	02/11/2007-28/05/2008	6.99-7.89	10,686	7.18-7.67	7,892
Cargill Financial Services International, Inc, USA	USD	26/11/2007-18/02/2009	6.96-7.67	8,982	7.17-7.64	4,484
Bunge SA, Geneva	USD	18/01/2007-08/01/2010	5.31-8.66	7,811	7.32-7.45	9,429
Cargill Financial Services International, Inc, USA	USD	02/06/2008-12/06/2008	7.75	4,274	7.37-7.71	1,930
C.V.A. Trade Resources Ltd, UK	USD	31/10/2008-11/06/2010	5.51-5.59	1,153	-	-
Bunge HMBH	USD	09/06/2008-04/06/2009	8.64	427	8.64-8.66	761
Super Trade Inc.	USD	22/02/2007	-	-	7.44	678
				<u>53,086</u>		<u>25,174</u>
Total due to other financial institutions						

As at 30 September 2007 and 31 December 2006 accrued interest expenses included in due to other financial institutions amounted to KZT 179 million and KZT 301 million, respectively.

20. OTHER FINANCING

	30 September 2007	31 December 2006
Alliance DPR Company Tranche A due on 13/11/2013, coupon rate 5.10%	12,012	12,438
Alliance DPR Company Tranche B due on 13/11/2013, coupon rate 3 month Libor + 2.00 %	10,727	12,463
Alliance DPR Company Tranche A due on 27/06/2015, coupon rate 7.86%	8,925	-
Total other financing	<u>31,664</u>	<u>24,901</u>

As at 30 September 2007 and 31 December 2006 accrued interest expenses included in other financing amounted to KZT 343 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 incorporated in the 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 September 2007	31 December 2006
Time deposits	164,046	153,146
Repayable on demand	51,398	68,438
Guarantee deposits	20,881	23,677
Total customer accounts	<u>236,325</u>	<u>245,261</u>

As at 30 September 2007 and 31 December 2006 accrued interest expense included in customer accounts amounted to KZT 1,644 million and KZT 1,450 million, respectively.

	30 September 2007	31 December 2006
Analysis by sector:		
Individuals	93,821	112,187
Finance services	60,115	33,281
Trade	23,763	20,308
Construction	23,549	28,178
Ancillary activity of service providers to customers	14,635	15,912
Energy	3,841	847
State administration	3,431	10,462
Education	3,114	368
Transport and communication	1,684	4,674
Paper industry	1,084	1,185
Agriculture	986	4,850
Production of crude oil and natural gas	937	1,076
Health care and social services	831	529
Food production	770	383
Other fields of mineral resource industry	720	3,154
Metallurgy	536	2,307
Production of coal, lignite and peat	332	467
Real estate	306	285
Arts	261	1,334
Machinery	246	1,010
Consumer production	149	120
Chemical industry	86	198
Hotel business	33	48
Other services	1,095	2,098
	<u>236,325</u>	<u>245,261</u>
Total customer accounts	<u>236,325</u>	<u>245,261</u>

22. REPURCHASE AGREEMENTS

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

Collateral	30 September 2007		31 December 2006	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Bonds of Kazakhstani banks	6,476	6,995	4,980	5,410
Bonds of the Ministry of finance of the Republic of Kazakhstan	6,413	7,202	4,679	5,230
Bonds of Kazakhstani companies	4,357	4,544	4,769	5,258
US treasury bills	2,511	2,601	13,203	13,356
Eurobonds of Kazakhstani companies	2,104	2,407	3,266	3,359
Structural notes of foreign banks	1,136	1,210	-	-
Preference shares of Kazakhstani banks	290	414	-	-
Eurobonds of Kazakhstani banks	284	325	2,643	3,023
Notes of the National Bank of the Republic of Kazakhstan	-	-	8,674	9,125
Euronotes of the Ministry of finance of the Republic of Kazakhstan	-	-	1,608	1,744
Bonds of foreign banks and financial institutions	-	-	622	625
	<u>23,571</u>	<u>25,698</u>	<u>44,444</u>	<u>47,130</u>
Total	<u>23,571</u>	<u>25,698</u>	<u>44,444</u>	<u>47,130</u>

As at 30 September 2007 and 31 December 2006 included in loans under repurchase agreements was accrued interest amounting to KZT 71 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 September 2007	31 December 2006
Issued Eurobonds					
ALB Finance B.V.					
Eurobonds, emission in EUR	02/02/2007	02/02/2012	7.93	133,658	-
ALB Finance B.V.					
Eurobonds, emission in GBP	13/02/2007	13/02/2011	10.90	64,676	-
ALB Finance B.V.					
Eurobonds, emission in USD	26/09/2006	26/09/2013	9.00	41,302	44,835
ALB Finance B.V.					
Eurobonds, emission in USD	20/04/2006	20/04/2011	9.00	30,926	32,039
ALB Finance B.V.					
Eurobonds, emission in USD	22/11/2005	22/11/2010	8.75	24,857	25,699
Alliance Bank					
Eurobonds					
1 Emission, emission in USD	27/06/2005	27/06/2008	9.25	18,576	18,887
				<u>313,995</u>	<u>121,460</u>
Russian rouble- denominated bonds					
LLP Alliance Finance, emission in RUR					
	27/06/2007	19/06/2012	9.73	14,729	-
Tenge-denominated bonds					
Bonds of 6 emission	10/04/2006	10/04/2009	8.5	7,246	7,081
Bonds of 4 emission	23/04/2005	24/04/2008	7.0	5,076	4,894
Issued bonds of 8 emission	26/12/2006	26/12/2011	8.5	4,945	4,805
Redeemed bonds of 8 emission				(885)	-
Bonds of 8 emission				4,060	4,805
Bonds of 5 emission	01/09/2005	01/09/2008	7.0	998	1,009
				<u>17,380</u>	<u>17,789</u>
Total debt securities issued				<u>346,104</u>	<u>139,249</u>

As at 30 September 2007 and 31 December 2006 accrued interest expense included in debt securities issued amounted to KZT 15,494 million and KZT 2,878 million, respectively.

24. SUBORDINATED DEBT

	Issue date dd/mm/yy	Maturity date dd/mm/yy	Interest rate %	30 September 2007	31 December 2006
International Perpetual Subordinated bonds of ALB Finance B.V., <i>emission in USD</i>	19/04/2006	-	9.4	18,407	18,361
Subordinated bonds of 7 <i>emission in KZT</i>	24/07/2006	24/07/2013	8.5	4,864	4,944
Subordinated bonds of 3 <i>emission in KZT</i>	29/10/2004	28/10/2011	10.8	2,989	2,863
Subordinated bonds of 1 <i>emission in KZT indexed to USD</i>	23/12/2002	23/12/2009	9.0	2,358	2,410
Subordinated debt to Deg-Deutsche Investitions und Entwicklungsgesellschaft MBH <i>in USD</i>	14/06/2007	01/06/2014	9.6	2,771	-
Preference shares, <i>emission in KZT</i>			-	3,936	4,036
Total subordinated debt				35,325	32,614

As at 30 September 2007 and 31 December 2006 accrued interest expense included in subordinated debt amounted to KZT 1,210 million and KZT 243 million, respectively.

As at 30 September 2007 and 31 December 2006 accrued dividends included in preference shares amounted to KZT 300 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 of 30 September 2007 and 31 December 2006 400,000 preference shares of the Group were issued and fully paid -- 50,000 preference shares were paid with the price of KZT 10,000 per share and 350,000 preference shares were paid with the price of KZT 12,450 per share.

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.

25. SHARE CAPITAL

Ordinary shares - As of 30 September 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 September 2007 and 31 December 2006:

	Ordinary shares Share'000	Ordinary shares in million KZT
31 December 2005	2,441	24,412
Issue of ordinary shares	<u>3,560</u>	<u>35,601</u>
31 December 2006	6,001	60,013
Issue of ordinary shares	<u>3,637</u>	<u>36,367</u>
30 September 2007	<u>9,638</u>	<u>96,380</u>

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 30 September 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 September 2007		31 December 2006	
	Nominal amount	Risk weighted amount	Nominal amount	Risk weighted amount
Contingent liabilities				
Guarantees and similar commitments issued	14,132	7,066	8,607	8,280
Letters of credit	<u>39,819</u>	<u>19,910</u>	<u>23,780</u>	<u>11,492</u>
Total contingent liabilities	<u>53,951</u>	<u>26,976</u>	<u>32,387</u>	<u>19,772</u>

As of 30 September 2007 and 31 December 2006, guarantees and similar commitments issued of KZT 920 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 35 million and KZT 169 million against commitments under guarantees issued and KZT 94 million and KZT 337 million against letter of credit as of 30 September 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 September 2007	31 December 2006
Not later than 1 year	3	1
Later than 1 year and not later than 5 years	400	473
Later than 5 years	<u>287</u>	<u>453</u>
Total operating lease commitments	<u>690</u>	<u>927</u>

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

	30 September 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	24,119	920,526	8,222	640,913
- the parent	3,024		-	
- other shareholders	8,908		6,877	
- key management personnel of the entity or its parent	1,622		657	
- other related parties	10,565		688	
Allowance for impairment losses	298	35,770	3	21,113
- the parent	-		-	
- other shareholders	286		2	
- key management personnel of the entity or its parent	11		1	
- other related parties	1		-	
Other assets	51	10,443	2,584	9,904
- other related parties	51		2,584	
Customer accounts	29,679	236,325	623	245,261
- the parent	24,768		-	
- key management personnel of the entity or its parent	232		381	
- other related parties	4,679		242	

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

	Nine-month period ended 30 September 2007		Nine-month period ended 30 September 2006	
	Related party balances	Total category as per financial information caption	Related party balances	Total category as per financial information caption
Interest income	700	130,338	397	49,517
- the parent	2		-	
- other shareholders	587		251	
- key management personnel of the entity or its parent	69		27	
- other related parties	42		119	
Interest expense	84	64,116	28	25,817
- the parent	82		28	
- other shareholders	2		-	

	Nine-month period ended 30 September 2007		Nine-month period ended 30 September 2006	
	Related party balances	Total category as per financial information caption	Related party balances	Total category as per financial information caption
Operating expenses	608	15,584	104	6,731
- other related parties	228		-	
- key management personnel of the entity or its parent	380		104	
Fee and commission income	38	9,030	11	4,060
- the parent	37		-	
- other shareholders			6	
- other related parties	1		5	
Fee and commission expense	5,636	7,492	1,625	2,103
- other related parties	5,636		1,625	
Key management personnel compensation	392	6,672	113	2,799
short-term employee benefits, including pension fund payments	392		113	

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 condensed consolidated interim 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	Nine-month period ended 30 September 2007
External operating revenue	60,456	39,618	(43,114)	-	-	56,960
Income from other segments	-	-	45,218	-	(45,218)	-
Expenses from other segments	(21,807)	(23,411)	-	-	45,218	-
Total operating income	38,649	16,207	2,104	-	-	56,960
Operating expenses	(10,559)	(4,357)	(668)	-	-	(15,584)
Other provisions	(178)	233	-	-	-	55
Profit before tax	27,912	12,083	1,436	-	-	41,431
Income tax expense	-	-	-	(10,706)	-	(10,706)
Net profit	27,912	12,083	1,436	(10,706)	-	30,725
Other segment items						
Depreciation expense	(1,015)	(485)	(62)	-	-	(1,562)
External interest income	80,060	41,114	9,164	-	-	130,338
Internal interest income	-	-	45,218	-	(45,218)	-
External interest expense	(7,385)	(4,347)	(52,384)	-	-	(64,116)
Internal interest expense	(21,807)	(23,411)	-	-	45,218	-
Provision for impairment losses on interest bearing assets	(10,117)	(4,608)	-	-	-	(14,725)
Fee and commission income	3,685	5,320	25	-	-	9,030
Fee and commission expense	(7,110)	(229)	(153)	-	-	(7,492)
Capital expenditures	5,584	4,901	2,584	164	-	13,233

	Retail banking	Corporate banking	Investment banking	Unallocated	Eliminations	30 September 2007
Segment assets	438,391	456,335	305,020	481,334	(457,172)	1,223,908
Segment liabilities	336,507	474,393	265,950	457,172	(457,172)	1,076,850
Loans to customers	437,295	447,461	-	-	-	884,756
Property, plant and equipment and intangible assets	-	-	-	24,162	-	24,162
Customer accounts	93,837	142,488	-	-	-	236,325
	Retail banking	Corporate banking	Investment banking	Unallocated	Eliminations	Nine-month period ended 30 September 2006
External operating revenue	11,792	13,887	(12,880)	-	-	12,799
Income from other segments	-	-	14,007	-	(14,007)	-
Expense on other segments	(5,236)	(8,771)	-	-	14,007	-
Total operating income	6,556	5,116	1,127	-	-	12,799
Operating expenses	(3,286)	(2,935)	(510)	-	-	(6,731)
Other provisions	(78)	(20)	-	-	-	(98)
Profit before tax	3,192	2,161	617	-	-	5,970
Income tax expense	-	-	-	(1,936)	-	(1,936)
Net profit	3,192	2,161	617	(1,936)	-	4,034
Other segment items						
Depreciation expense	(138)	(148)	(159)	-	-	(445)
External interest income	24,758	20,500	4,259	-	-	49,517
Internal interest income	-	-	14,007	-	(14,007)	-
External interest expense	(3,902)	(4,709)	(17,206)	-	-	(25,817)
Internal interest expense	(5,236)	(8,771)	-	-	14,007	-
Provision for impairment losses on interest bearing assets	(10,852)	(2,841)	-	-	-	(13,693)
Fee and commission income	1,601	2,459	-	-	-	4,060
Fee and commission expense	(102)	(2,001)	-	-	-	(2,103)
Capital expenditures	1,564	2,139	882	62	-	4,647
	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 September 2007 and for nine-month period then ended and as at 31 December 2006 and for nine-month period ended 30 September 2007.

	Kazakhstan	Other non-OECD countries	OECD countries	Nine-month period ended 30 September 2007 Total
External operating revenue	45,850	1,869	9,241	56,960
External net profit	24,489	998	5,238	30,725
Capital expenditure	10,135	197	2,901	13,233
	Kazakhstan	Other non-OECD countries	OECD countries	30 September 2007 Total
Assets	996,540	40,628	186,740	1,223,908
Liabilities	340,412	59,302	677,136	1,076,850
	Kazakhstan	Other non-OECD countries	OECD countries	Nine-month period ended 30 September 2006 Total
External operating revenue	10,460	402	1,937	12,799
External net profit	3,297	127	610	4,034
Capital expenditure	4,562	21	64	4,647
	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 September 2007		31 December 2006	
	Current amount	Fair value	Current amount	Fair value
Cash and balances with the National Bank of the Republic of Kazakhstan	97,818	97,818	99,594	99,594
Financial assets at fair value through profit or loss	162,364	162,364	133,745	133,745
Due from banks	39,332	39,332	20,599	20,599
Reverse repurchase agreements	1,662	1,590	18,099	20,828
Investment available-for-sale	3,371	3,371	5,176	5,176
Investment held-to-maturity	-	-	43	43
Due to banks	337,292	337,292	321,185	321,185
Due to other financial institutions	53,086	53,086	25,174	25,174
Customer accounts	236,325	236,325	245,261	245,261
Repurchase agreements	23,571	25,698	44,444	47,130
Debt securities issued	346,104	302,672	139,249	138,331
Subordinated debt	35,325	32,128	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 are 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 September 2007				
	KZT	USD	EURO	RUR	Other currencies
ASSETS					
Balances with the National Bank of the Republic of Kazakhstan	5.3	-	-	-	-
Financial assets at fair value through profit or loss	6.1	4.5	5.6	-	7.3
Due from banks	7.5	6.3	3.7	5.3	2.7
Loans to customers	24.8	14.1	13.2	13.8	11.3
Reverse repurchase agreements	3.3	-	-	-	-
Investments available-for-sale	8.5	4.8	-	-	-
LIABILITIES					
Deposit from the National Bank of the Republic of Kazakhstan	8.1	-	-	-	-
Due to banks	9.8	8.6	7.4	8.7	5.9
Due to other financial institutions	-	8.0	-	-	-
Customer accounts	7.2	4.4	7.3	0.1	-
Repurchase agreements	4.5	3.1	0.4	-	-
Debt securities issued	9.8	10.5	10.1	9.7	11.8
Subordinated debt	9.1	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 repurchase agreements	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	-
Repurchase agreements	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 September 2007 Total
ASSETS							
Financial assets at fair value through profit or loss	145,645	-	-	-	-	-	145,645
Due from banks	32,818	2,708	30	1,210	-	-	36,766
Loans to customers	36,754	67,017	167,918	412,155	200,912	-	884,756
Reverse repurchase agreements	35	1,627	-	-	-	-	1,662
Investments available-for-sale	1,401	-	251	1,196	447	-	3,295
Total interest bearing assets	216,653	71,352	168,199	414,561	201,359	-	1,072,124
Cash and balances with the National Bank of the Republic of Kazakhstan	97,818	-	-	-	-	-	97,818
Financial assets at fair value through profit or loss	-	-	16,719	-	-	-	16,719
Due from banks	2,566	-	-	-	-	-	2,566
Investments available-for-sale	-	-	-	-	-	76	76
Property, plant and equipment and intangible assets	-	-	-	-	-	24,162	24,162
Other assets	10,077	366	-	-	-	-	10,443
TOTAL ASSETS	327,114	71,718	184,918	414,561	201,359	24,238	1,223,908
LIABILITIES							
Deposit from the National Bank of the Republic of Kazakhstan	1,042	-	-	-	-	-	1,042
Due to banks	25,774	69,282	125,725	112,106	4,398	-	337,285
Due to other financial institutions	613	4,498	20,124	8,109	19,742	-	53,086
Other financing	-	-	-	-	31,664	-	31,664
Customer accounts	30,990	26,867	45,347	82,968	2,897	-	189,069
Repurchase agreements	18,933	3,938	700	-	-	-	23,571
Debt securities issued	15,494	-	24,057	265,311	41,242	-	346,104
Subordinated debt	1,510	-	-	5,167	7,472	21,176	35,325
Total interest bearing liabilities	94,356	104,585	215,953	473,661	107,415	21,176	1,017,146
Due to banks	7	-	-	-	-	-	7
Customer accounts	47,256	-	-	-	-	-	47,256
Deferred income tax liabilities	1,331	-	-	-	-	-	1,331
Current income tax liabilities	3,397	-	-	-	-	-	3,397
Other liabilities	3,747	150	3,688	-	-	128	7,713
TOTAL LIABILITIES	150,094	104,735	219,641	473,661	107,415	21,304	1,076,850
Liquidity gap	177,020	(33,017)	(34,723)	(59,100)	93,944	-	-
Cumulative liquidity gap	177,020	144,003	109,280	50,180	144,124	-	-
Interest sensitivity gap	122,297	(33,233)	(47,754)	(59,100)	93,944	-	-
Cumulative interest sensitivity gap	122,297	89,064	41,310	(17,790)	76,154	-	-
Cumulative interest sensitivity gap as a percentage of total assets	10.0%	7.3%	3.4%	(1.5%)	6.2%	-	-

	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	105,046	352,314	137,080	-	619,800
Reverse repurchase agreements	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	106,428	361,831	155,274	-	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	110,440	361,831	155,274	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
Repurchase agreements	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	306,240	76,068	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	306,240	76,068	22,903	840,712
Liquidity gap	120,408	(20,432)	(144,690)	55,591	79,206	-	-
Cumulative liquidity gap	120,408	99,976	(44,714)	10,877	90,083	-	-
Interest sensitivity gap	75,315	(22,877)	(148,702)	55,591	79,206	-	-
Cumulative interest sensitivity gap	75,315	52,438	(96,264)	(40,673)	38,533	-	-
Cumulative interest sensitivity gap as a percentage of total assets	8.2%	5.7%	(10.5%)	(4.4%)	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.