

JSC Nurbank
Interim Condensed
Consolidated Financial Statements
30 June 2009

CONTENTS

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim condensed consolidated statement of financial position	1
Interim condensed consolidated income statement	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	6

SELECTED EXPLANATORY NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principal activities	6
2. Basis of preparation	7
3. Segment information	8
4. Cash and cash equivalents	10
5. Obligatory reserves	10
6. Trading securities	10
7. Amounts due from credit institutions	10
8. Investment securities	11
9. Loans to customers	12
10. Taxation	13
11. Other impairment and provisions	15
12. Amounts due to Government	15
13. Amounts due to credit institutions	15
14. Amounts due to customers	16
15. Debt securities issued	17
16. Share capital	17
17. Commitments and contingencies	18
18. Net fee and commission income	18
19. Personnel and other operating expenses	19
20. Fair values of financial instruments	19
21. Earnings per share	20
22. Related party disclosures	20



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Board of Directors of JSC "Nurbank" -

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of JSC "Nurbank" (the "Bank") and its subsidiaries (together the "Group") as at 30 June 2009, comprising of the interim condensed consolidated statement of financial position as at 30 June 2009 and the related interim condensed consolidated income statement, and interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

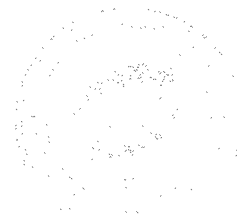
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young LLP

Ernst & Young LLP

Zhemaletdinov Evgeny

Zhemaletdinov Evgeny
Auditor/General Director
Ernst & Young LLP



State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

Auditor Qualification Certificate No. 0000553 dated 24 December 2003

7 September 2009

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2009

(Thousands of Kazakh tenge)

	<i>Notes</i>	<i>30 June 2009 (unaudited)</i>	<i>31 December 2008</i>
Assets			
Cash and cash equivalents	4	7,683,583	19,679,590
Obligatory reserves	5	4,456,858	5,860,614
Trading securities	6	96,990	338,377
Amounts due from credit institutions	7	4,531,965	9,024,088
Investment securities:	8		
- available-for-sale		11,067,962	13,733,026
- held-to-maturity		694,120	-
Loans to customers	9	259,366,638	241,966,201
Property and equipment		5,528,442	5,663,920
Current income tax assets		244,325	192,001
Deferred income tax assets	10	-	159,436
Derivative financial instruments		-	65,468
Other assets		2,006,132	2,075,845
Total assets		295,677,015	298,758,566
Liabilities			
Amounts due to the Government	12	14,342,196	5,118,562
Amounts due to credit institutions	13	13,440,133	31,216,502
Amounts due to customers	14	180,988,655	185,449,034
Debt securities issued	15	41,942,410	33,495,993
Deferred income tax liabilities	10	117,172	-
Other liabilities		1,657,703	1,572,962
Total liabilities		252,488,269	256,853,053
Equity			
Share capital:	16		
- common shares		31,652,370	31,650,930
- preferred shares		303,711	303,711
- treasury shares		(257,573)	(228,685)
Additional paid in capital		237,220	100
Other reserves		5,297	(97,968)
Retained earnings		10,921,606	10,027,465
Total equity attributable to shareholders of the Bank		42,862,631	41,655,553
Minority interest		326,115	249,960
Total equity		43,188,746	41,905,513
Total equity and liabilities		295,677,015	298,758,566

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

Marat Z. Zairov

Chairman

Sholpan A. Yesbayeva

Chief Accountant

7 September 2009

The accompanying selected explanatory notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)*(Thousands of Kazakh tenge)*

	Notes	For the six months ended 30 June (unaudited)	
		2009	2008
Interest income			
Loans to customers		15,646,984	10,334,582
Available-for-sale investment securities		867,406	389,690
Amounts due from credit institutions		1,026,989	510,801
		<u>17,541,379</u>	<u>11,235,073</u>
Trading securities		17,423	54,918
		<u>17,558,802</u>	<u>11,289,991</u>
Interest expense			
Amounts due to the Government		(457,315)	–
Amounts due to customers		(7,034,467)	(2,714,287)
Amounts due to credit institutions		(979,979)	(1,597,535)
Debt securities issued		(2,054,198)	(2,358,576)
		<u>(10,525,959)</u>	<u>(6,670,398)</u>
Net interest income		<u>7,032,843</u>	<u>4,619,593</u>
Allowance for impairment	7,9	(2,280,468)	(5,281,342)
Net interest income after allowance for loan impairment		<u>4,752,375</u>	<u>(661,749)</u>
Net fee and commission income	18	1,365,229	1,092,155
Gains less losses from trading securities		15,746	54,498
Net (loses)/gains from available-for-sale investment securities		(567,391)	7,423
Net gains/(losses) from foreign currencies:			
- dealing		2,679,241	287,660
- translation differences		(2,562,851)	243,258
Net insurance underwriting income		325,057	168,796
Other income		73,973	98,908
Non-interest (expense)/income		<u>(36,225)</u>	<u>860,543</u>
Personnel expenses	19	(2,391,804)	(1,872,777)
Other operating expenses	19	(1,509,646)	(1,655,408)
Depreciation and amortization		(301,848)	(235,150)
Other impairment	11	(423,130)	(168,146)
Taxes other than income tax		(131,757)	(91,208)
Non-interest expense		<u>(4,758,185)</u>	<u>(4,022,689)</u>
Profit/(loss) before income tax expense		<u>1,323,194</u>	<u>(2,731,740)</u>
Income tax (expense)/benefit	10	(379,144)	115,178
Profit/(loss) for the period		<u>944,050</u>	<u>(2,616,562)</u>
Attributable to:			
- shareholders of the Bank		880,145	(2,656,188)
- minority interest		63,905	39,626
Earnings/(loss) per share (in Kazakh tenge)	21	<u>278</u>	<u>(1,062)</u>

The accompanying selected explanatory notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)**
(Thousands of Kazakh tenge)

	<i>For the six months ended 30 June (unaudited)</i>		
	<i>Notes</i>	<i>2009</i>	<i>2008</i>
Profit/(loss) for the period		944,050	(2,616,562)
Other comprehensive income/(expense)			
Net unrealized losses on available-for-sale securities		(327,179)	(58,435)
Realised losses on available-for-sale securities reclassified to the income statement		512,292	2,014
Unrealised gains/(losses) on investment securities available-for-sale		185,113	(56,421)
Currency translation differences		(55,602)	(8,734)
Other comprehensive income/(loss) for the period, net of tax		129,511	(65,155)
Total comprehensive income/(loss) for the period		1,073,561	(2,681,717)
Attributable to:			
- shareholders of the Bank		997,406	(2,720,466)
- minority interest		76,155	38,749
		1,073,561	(2,681,717)

The accompanying selected explanatory notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

(Thousands of Kazakh tenge)

	Attributable to shareholders of the Bank									
	Share capital		Treasury shares			Additional			Total Equity	
	Common shares	Preferred shares	Common shares	Preferred shares	Additional paid-in capital	Retained earnings	Other reserves	Total		
As at 1 January 2008	24,770,930	303,711	(26,572)	(11,882)	100	11,424,310	272,281	36,732,878	417,268	37,150,146
Total comprehensive income for the period (unaudited)	-	-	-	-	-	(2,656,188)	(64,278)	(2,720,466)	38,749	(2,681,717)
Depreciation of revaluation reserve, net of tax (unaudited)	-	-	-	-	-	3,326	(3,326)	-	-	-
Issue of share capital (<i>Note 16</i>) (unaudited)	5,297,630	-	-	-	-	-	-	5,297,630	-	5,297,630
Purchase of treasury shares (<i>Note 16</i>) (unaudited)	-	-	(7,204)	-	-	-	-	(7,204)	-	(7,204)
At 30 June 2008 (unaudited)	30,068,560	303,711	(33,776)	(11,882)	100	8,771,448	204,677	39,302,838	456,017	39,758,855
As at 1 January 2009	31,650,930	303,711	(215,905)	(12,780)	100	10,027,465	(97,968)	41,655,553	249,960	41,905,513
Total comprehensive income for the period (unaudited)	-	-	-	-	-	880,145	117,261	997,406	76,155	1,073,561
Depreciation of revaluation reserve, net of tax (unaudited)	-	-	-	-	-	13,996	(13,996)	-	-	-
Issue of share capital (<i>Note 16</i>) (unaudited)	1,440	-	-	-	237,120	-	-	238,560	-	238,560
Purchase of treasury shares (<i>Note 16</i>) (unaudited)	-	-	(25,066)	(3,822)	-	-	-	(28,888)	-	(28,888)
30 June 2009 (unaudited)	31,652,370	303,711	(240,971)	(16,602)	237,220	10,921,606	5,297	42,862,631	326,115	43,188,746

The accompanying selected explanatory notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT*(Thousands of Kazakh tenge)*

	<i>For the six months ended 30 June</i>	
	<i>(unaudited)</i>	
	<i>2009</i>	<i>2008</i>
Cash flows from operating activities:		
Interest received	10,038,551	9,497,242
Interest paid	(10,656,052)	(6,166,534)
Losses less gains from trading in foreign currency	2,679,241	287,660
Fees and commissions received	1,314,959	1,209,571
Fees and commissions paid	(338,755)	(139,688)
Other operating expenses (paid)/ income received	(1,694,651)	767,963
Personnel expenses paid	(2,237,440)	(1,919,461)
Operating expenses paid	(1,690,250)	(1,734,871)
Income tax paid	(157,081)	(245,957)
Cash flows (used in)/provided by operating activities before changes in operating assets and liabilities	(2,741,478)	1,555,925
Change in operating assets and liabilities:		
Net decrease/(increase) in amounts due from credit institutions	3,971,657	(54,501)
Net decrease/(increase) in obligatory reserves	1,403,756	(751,531)
Net decrease in financial assets at fair value though profit or loss	230,517	659,008
Net increase in loans to customers	(20,586,611)	(3,816,434)
Net decrease/(increase) in other assets	15,858	(1,057,967)
Net decrease in amounts due to credit institutions	(16,612,419)	(24,614,072)
Net increase in due to customers	2,279,445	70,716,112
Net increase/(decrease) in other liabilities	9,450,606	(252,371)
Net cash (used in)/provided by operating activities	(22,588,669)	42,384,169
Cash flows from investing activities:		
Purchase of available-for-sale investment securities	(4,410,153)	(2,874,861)
Sale of available-for-sale investment securities	5,330,230	2,628,558
Purchase of property and equipment	(228,047)	(447,171)
Proceeds from sale of property and equipment	90,946	331,349
Net cash provided by/(used in) investing activities	782,976	(362,125)
Cash flows from financing activities:		
Proceeds from issue of share capital	1,440	5,297,630
Purchase of treasury shares	(28,888)	(7,204)
Debt securities issued/(redeemed)	10,561,698	(14,083,021)
Net cash provided by/(used in) financing activities	10,534,250	(8,792,595)
Effects of exchange rates changes on cash and equivalents	(724,564)	(23,975)
Net change in cash and cash equivalents	(11,996,007)	33,205,474
Cash and cash equivalents at the beginning of the period	19,679,590	17,761,966
Cash and cash equivalents at the end of the period	7,683,583	50,967,440

The accompanying selected explanatory notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements

(Thousands of Kazakh tenge)

1. Principal activities

JSC Nurbank (the "Bank") is the parent company in the Group. It was formed in 1993 under the laws of the Republic of Kazakhstan. The Bank operates under a general banking licence № 142 on 13 December 2007 issued by Financial Markets and Supervision Agency ("FMSA").

JSC Nurbank and its subsidiaries (together the "Group") provide retail and corporate banking, pensions, asset management and insurance services in Kazakhstan. The Bank accepts deposits from the public and extends credit, transfers payments in Kazakhstan and abroad, exchanges currencies and provides other banking services to its commercial and retail customers. The Bank has a primary listing in the Kazakhstani Stock Exchange (the "KASE") and certain of the Bank's debt securities issued are primarily listed on London Stock Exchange with secondary listing on KASE. Its head office is located in Almaty, Kazakhstan.

The Bank is a member of the obligatory deposit insurance system. The system operates under the Law of the Republic of Kazakhstan on "Obligatory insurance of second tier banks deposits" dated 7 July 2006 and is governed by the FMSA. Insurance covers Bank's liabilities to individual depositors for amounts up to Kazakh Tenge five million for each individual in the event of business failure and revocation of the National Bank's of the Republic of Kazakhstan (the "NBRK") banking license.

The address of the Bank's registered office is: 168B Zheltoksan Street, Almaty, 050013, Republic of Kazakhstan. As at 30 June 2009, the Bank had 17 branches and 51 cash settlement units (31 December 2008: 17 branches and 53 cash settlement units) located throughout Kazakhstan.

The following shareholders own more than 5% of the outstanding shares.

<i>Shareholder</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Nazarbayeva D.N.	50.69%	50.87%
Aliyev N.R.	6.40%	6.42%
Other less than 5%	42.91%	42.71%
Total	100.00%	100.00%

As at 30 June 2009, members of the Board of Directors and Management Board controlled 1,918,651 shares or 60.40% of the Bank (31 December 2008: 1,918,651 shares or 60.62%).

As at 30 June 2009, the Bank was ultimately controlled by Mrs. Nazarbaeva D.N.

Political and economic environment

The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The Kazakhstan economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The ongoing global financial crisis has resulted in capital markets instability, significant deterioration of liquidity in the banking sector, default of three leading Kazakh financial institutions and tighter credit conditions within the Republic of Kazakhstan. While the Kazakhstan Government has introduced a range of stabilization measures aimed at providing liquidity and supporting debt refinancing for Kazakhstan banks and companies, there continues to be uncertainty regarding the access to capital and cost of capital for the Bank and its counterparties, which could affect the Bank's financial position, results of operations and business prospects.

Also, deterioration of liquidity could affect the Bank's borrowers that in return could impact the ability of borrowers to settle their debts to the Bank. Due to the fall in prices in global and Kazakhstani securities markets, the Bank may face a significant decrease in the fair value of securities pledged as collateral against loans extended by the Bank. To the extent that information is available, the Bank has reflected revised estimates of expected future cash flows in its impairment assessment.

While management believes it is taking appropriate measures to support the sustainability of the Bank's business in the current circumstances, unexpected further deterioration in the areas described above could negatively affect the Bank's results and financial position in a manner not currently determinable.

(Thousands of Kazakh tenge)

2. Basis of preparation

General

The interim condensed consolidated financial statements for the six months ended 30 June 2009 have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2008.

These interim condensed consolidated financial statements are presented in thousands of Kazakh tenge (“KZT” or “tenge”), except per share amounts and unless otherwise indicated.

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2008, except for the adoption of new Standards and Interpretations as of 1 January 2009, noted below:

IFRS 7 “Financial Instruments: Disclosures”

The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures are presented in Note 20, and the liquidity risk disclosures are not significantly impacted by the amendments.

IFRS 8 “Operating Segments”

This standard requires disclosure of information about the Group’s operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 “Segment Reporting”. Revised comparative information is shown in Note 3.

IAS 1 (Revised) “Presentation of Financial Statements”

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IAS 23 (Revised) “Borrowing Costs”

The standard has been revised to require capitalisation of borrowing costs on qualifying assets and the Group has amended its accounting policy accordingly. In accordance with the transitional requirements of the Standard this has been adopted as a prospective change. Therefore, borrowing costs have been capitalised on qualifying assets with a commencement date on or after 1 January 2009. No changes have been made for borrowing costs incurred prior to this date that have been expensed.

Improvements to IFRS

In May 2008 International Accounting Standards Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. Amendments included in May 2008 “Improvements to IFRS” did not have any impact on the accounting policies, financial position or performance of the Group, except for the amendment to IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance”, as described below.

IAS 20 has been amended to require that loans received from the government that have a below-market rate of interest be recognized and measured in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”. The benefit of the government loan is measured at the inception of the loan as the difference between the cash received and the amount at which the loan is initially recognised in the statement of financial position. This benefit is accounted for in accordance with IAS 20. The amendment is applied prospectively to government loans received on or after 1 January 2009.

(Thousands of Kazakh tenge)

2. Basis of preparation (continued)

Changes in accounting policies (continued)

Improvements to IFRS (continued)

The following new or revised standards and interpretations effective from 2009 did not have any impact on the accounting policies, financial position or performance of the Group:

Amendment to IFRS 2 “Share-based Payment – Vesting Conditions and Cancellations”

Amendment to IAS 32 “Financial Instruments: Presentation” and IAS 1 “Puttable Financial Instruments and Obligations Arising on Liquidation”

Amendments to IFRIC 9 “Reassessment of Embedded Derivatives” and to IAS 39 “Financial Instruments: Recognition and Measurement”

IFRIC 13 “Customer Loyalty Programmes”

IFRIC 15 “Agreements for the Construction of Real Estate”

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”.

3. Segment information

For management purposes, the Group is organised into three business segments:

Retail banking	Principally handling individual customers’ deposits, and providing consumer loans, overdrafts, credit cards facilities and funds transfer facilities.
Corporate banking	Principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
Other	Treasury functions, including balances and transactions with trading securities and available-for-sale investment securities.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Where the Group cannot directly attribute or reasonably allocate items of revenue and operating expense to segments, it reports them as unallocated.

(Thousands of Kazakh tenge)

3. Segment information (continued)

The following tables present profit information regarding the Group's business operating segments for the six months ended 30 June 2009 and 2008, respectively:

<i>Six months ended</i>	<i>Retail</i>	<i>Corporate</i>			
<i>30 June 2009 (unaudited)</i>	<i>Banking</i>	<i>Banking</i>	<i>Other</i>	<i>Unallocated</i>	<i>Total</i>
External income					
Interest income (unaudited)	2,557,705	13,110,900	884,829	1,005,368	17,558,802
Interest expense (unaudited)	(994,110)	(6,496,361)	-	(3,035,488)	(10,525,959)
Net interest income for the six months ended					
30 June 2009 (unaudited)	1,563,595	6,614,539	884,829	(2,030,120)	7,032,843
Allowance for impairment (unaudited)	(159,583)	(2,120,885)	-	-	(2,280,468)
Net interest income after allowance for loan impairment for the six months ended					
30 June 2009 (unaudited)	1,404,012	4,493,654	884,829	(2,030,120)	4,752,375
Net fee and commission income (unaudited)	282,103	865,301	-	217,825	1,365,229
Other non-interest (expense)/income (unaudited)	(182,023)	(1,130,122)	(551,645)	1,827,565	(36,225)
Non-interest expense (unaudited)	(64,315)	(207,662)	-	(4,486,208)	(4,758,185)
Segment results for the six months ended 30					
June 2009 (unaudited)	1,439,777	4,021,171	333,184	(4,470,938)	1,323,194
Income tax expense (unaudited)					(379,144)
Profit for the six months 2009 period					944,050
(unaudited)					

<i>Six months ended</i>	<i>Retail</i>	<i>Corporate</i>			
<i>30 June 2008 (unaudited)</i>	<i>Banking</i>	<i>Banking</i>	<i>Other</i>	<i>Unallocated</i>	<i>Total</i>
External income					
Interest income (unaudited)	2,277,257	8,568,126	444,608	-	11,289,991
Interest expense (unaudited)	(568,092)	(3,743,730)	-	(2,358,576)	(6,670,398)
Net interest income for the six months ended 30 June 2008 (unaudited)					
30 June 2008 (unaudited)	1,709,165	4,824,396	444,608	(2,358,576)	4,619,593
Allowance for impairment (unaudited)	(962,005)	(4,319,337)	-	-	(5,281,342)
Net interest income after allowance for loan impairment for the six months ended					
30 June 2008 (unaudited)	747,160	505,059	444,608	(2,358,576)	(661,749)
Net fee and commission income (unaudited)	198,737	753,116	-	140,302	1,092,155
Other non-interest income (unaudited)	27,898	239,804	61,921	530,920	860,543
Non-interest expense (unaudited)	(69,511)	(168,147)	-	(3,785,031)	(4,022,689)
Segment results for the six months ended 30					
June 2008 (unaudited)	904,284	1,329,832	506,529	(5,472,385)	(2,731,740)
Income tax benefit (unaudited)					115,178
Loss for the six months 2008 period					(2,616,562)
(unaudited)					

The following tables present segment assets of the Group's operating segments:

	<i>Retail</i>	<i>Corporate</i>			
	<i>Banking</i>	<i>Banking</i>	<i>Other</i>	<i>Unallocated</i>	<i>Total</i>
Segment assets					
At 30 June 2009 (unaudited)	40,540,656	237,197,605	11,164,952	6,773,802	295,677,015
At 31 December 2008	47,271,429	230,713,950	14,071,403	6,701,784	298,758,566

(Thousands of Kazakh tenge)

4. Cash and cash equivalents

Cash and cash equivalents comprise:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Cash on hand	4,464,903	1,167,935
Current accounts with other credit institutions	3,218,680	9,634,870
Time deposits with credit institutions	–	7,074,649
Overnight deposits	–	905,925
Reverse repurchase agreements with credit institutions up to 90 days	–	896,211
Cash and cash equivalents	7,683,583	19,679,590

5. Obligatory reserves

As at 30 June 2009 and 31 December 2008, obligatory reserves comprise a non-interest bearing deposit with the NBK.

Under Kazakh legislation, the Bank is required to maintain certain obligatory reserves, which are computed as a percentage of certain liabilities of the Bank. Such reserves must be held in either non-interest bearing deposits with the NBK or in physical cash and maintained based on average balances of the aggregate of deposits with the NBK and physical cash. The use of such funds is, therefore, subject to certain usage restrictions.

6. Trading securities

Trading securities owned comprise:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Bonds of Kazakh financial institutions	50,002	270,186
Treasury bills of the Ministry of Finance	28,475	27,841
Eurobonds of Kazakh banks	18,513	40,350
Trading securities	96,990	338,377

7. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Long-term placements with other banks	5,179,934	518,014
Deposits placed as security on credit default swaps	–	3,814,882
Short-term placements with other banks	308,207	4,662,407
Reverse repurchase agreements	172,049	28,785
	5,660,190	9,024,088
Less: Allowances for impairment	(1,128,225)	–
Amounts due from credit institutions	4,531,965	9,024,088
Fair market value of securities pledged as collateral against reverse repurchase agreements	181,836	31,410

The movements in allowance for impairment of amounts due from credit institutions were as follows:

	<i>Allowances for</i> <i>impairment</i>
At 1 January 2009	–
Charge for the period (unaudited)	1,128,225
At 30 June 2009 (unaudited)	1,128,225

During six month period the Bank provided for placements with certain Kazakh banks.

(Thousands of Kazakh tenge)

8. Investment securities

Available-for-sale investment securities comprise:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Debt securities:		
Treasury bills of the Ministry of Finance	5,260,837	5,118,633
Eurobonds of Kazakh banks	4,506,223	6,746,398
Bonds of Kazakh credit institutions, other than banks	485,982	749,660
Bonds of Kazakh banks	199,151	701,003
Notes of foreign banks	336,339	243,502
Corporate bonds	91,336	131,791
	10,879,868	13,690,987
Equity securities:		
Shares of local banks and credit institutions	106,352	32,454
Corporate shares	81,742	9,585
	188,094	42,039
Available-for-sale investment securities	11,067,962	13,733,026

Following the amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets", the Group reclassified certain financial assets that met the definition of held to maturity investments out of available for sale category to held to maturity investments as the Group has an intention and ability to hold them for the foreseeable future or until maturity. The reclassification was made with effect from 12 February 2009 (JSC APF "Atameken"), 1 April 2009 (JSC "Insurance Company Nurpolicy") and 21 February 2009 (JSC "Kupa Nur-Trust ") at fair value at that date. The impact of reclassification is as follows:

Amount reclassified, at fair value at the date of reclassification	335,335
Carrying amount as at 30 June 2009	335,752
Fair value as at 30 June 2009	315,693
Fair value loss on the reclassified assets recognized in equity before reclassification for the period ended 30 June 2009	(47,923)
Fair value loss on the reclassified assets recognized in equity for the year ended 31 December 2008	(21,122)
Fair value loss that would have been recognized on the reclassified assets for the period ended 30 June 2009 if the reclassification had not been made	(63,926)
gain, income, recognized after reclassification in profit or loss for the period ended 30 June 2009	5,396
Effective interest rate at the reclassification date:	
- Bonds of Kazakh credit institutions, other than banks	20.15 %
- Bonds of Kazakh banks	19.00 %
Estimated cash flows expected to be recovered at the reclassification date	587,783
Impairment loss recognized before reclassification in profit or loss for the period ended 30 June 2009	-
Impairment loss recognized in profit or loss for the year ended 31 December 2008	-

Held-to-maturity securities comprise:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Eurobonds of Kazakh banks	327,861	-
Bonds of Kazakh credit institutions, other than banks	172,050	-
Bonds of Kazakh banks	194,209	-
Held-to-maturity securities	694,120	-

(Thousands of Kazakh tenge)

9. Loans to customers

Loans to customers comprise:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Individually significant corporate borrowers	194,570,541	169,530,702
Individually insignificant corporate, small and medium size borrowers	45,426,863	51,190,814
Consumer lending	25,424,187	25,118,192
Residential mortgages	10,725,449	11,040,459
Gross loans to customers	276,147,040	256,880,167
Less – allowance for impairment	(16,780,402)	(14,913,966)
Loans to customers	259,366,638	241,966,201

Allowance for impairment of loans to customers

A reconciliation of the allowance for impairment of loans to customers by class is as follows:

	<i>Individually significant unimpaired, insignificant corporate, small and medium size borrowers</i>	<i>Individually significant impaired corporate borrowers</i>	<i>Consumer lending</i>	<i>Residential mortgages</i>	<i>Total</i>
At 1 January 2009	8,960,680	5,703,532	225,742	24,012	14,913,966
Charge/(reversal) for the period (unaudited)	2,749,037	(1,729,752)	122,257	10,701	1,152,243
Effect of currency revaluation	523,297	177,585	15,547	1,392	717,821
Amounts written off (unaudited)	–	–	(100)	(3,528)	(3,628)
At 30 June 2009 (unaudited)	12,233,014	4,151,365	363,446	32,577	16,780,402

Gross amount of loans, individually determined to be impaired, before deducting any individually assessed impairment allowance was KZT 80,306,984 thousand as at 30 June 2009.

	<i>Individually significant unimpaired, insignificant corporate, small and medium size borrowers</i>	<i>Individually significant impaired corporate borrowers</i>	<i>Consumer lending</i>	<i>Residential mortgages</i>	<i>Total</i>
At 1 January 2008	4,254,919	3,165,340	257,440	192,849	7,870,548
Charge/(reversal) for the period (unaudited)	5,306,260	(493,963)	485,914	(16,869)	5,281,342
Recoveries (unaudited)	–	1,008	–	–	1,008
Amounts written off (unaudited)	–	(215,072)	–	–	(215,072)
At 30 June 2008	9,561,179	2,457,313	743,354	175,980	12,937,826

Gross amount of loans, individually determined to be impaired, before deducting any individually assessed impairment allowance KZT 48,672,588 thousand as at 31 December 2008.

Individually impaired loans

Interest income accrued on loans, for which individual impairment allowances have been recognized, as at 30 June 2009, comprises KZT 7,443,032 thousand (31 December 2008: KZT 3,979,125 thousand).

The estimated value of collateral that the Bank holds relating to loans individually determined to be impaired as at 30 June 2008 amounts to KZT 33,479,285 (31 December 2007: KZT 20,621,629). In accordance with the Bank's policies loans are written off upon approval by the Credit Committee or by Court's decision.

(Thousands of Kazakh tenge)

9. Loans to customers (continued)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For commercial lending, charges over real estate properties, equipment and inventory;
- For retail lending, mortgages over residential properties, charges over vehicles and third party guarantees.

The Bank also obtains guarantees from parent companies for loans to their subsidiaries.

Management requests additional collateral in accordance with the underlying agreement and monitors the estimated fair value of collateral obtained during its review of the adequacy of the allowance for loan impairment.

Concentration of loans to customers

As at 30 June 2009, the Bank had a concentration of loans represented by KZT 112,993,104 thousand due from the ten largest borrowers or 41% of gross loan portfolio and 261% of total equity (31 December 2008 – KZT 102,023,765 thousand or 40% of gross loan portfolio and 246% of total equity). An allowance of KZT 5,139,732 (31 December 2008 – KZT 1,182,536) was recognized against these loans.

Loans are made to individuals and commercial entities in the following industry sectors:

	<i>30 June 2009</i> <i>(unaudited)</i>	%	<i>31 December</i> <i>2008</i>	%
Retail loans:	36,149,636	13	36,158,651	14
-mortgage loans	10,725,449	4	11,040,459	4
-consumer loans	25,424,187	9	25,118,192	10
Construction	42,448,056	15	35,703,981	14
Real estate	30,724,134	11	24,897,854	10
Food industry	26,547,032	10	24,089,715	9
Rental properties	26,463,393	10	25,553,300	10
Mining	25,966,449	9	26,511,004	10
Wholesale trade	16,927,956	6	17,003,250	7
Oil and gas	11,282,661	4	10,080,153	4
Entertainment	10,812,257	4	10,829,512	4
Transportation	10,332,287	4	9,446,652	4
Retail trade	9,757,425	4	9,339,732	4
Agriculture	9,436,606	3	9,279,821	3
Hotels and restaurants	3,885,447	1	3,302,614	1
Chemical industry	3,098,580	1	2,576,107	1
Publishing	1,949,275	1	1,957,175	1
Auto service and trade	1,345,321	1	2,010,279	1
Other	9,020,525	3	8,140,367	3
	276,147,040	100	256,880,167	100

10. Taxation

The corporate income tax expense comprises:

	<i>For the six months ended 30 June</i> <i>(unaudited)</i>	
	<i>2009</i>	<i>2008</i>
Current tax charge	104,757	17,546
Deferred tax charge - origination and reversal of temporary differences	274,387	(132,724)
Income tax expense/(benefit)	379,144	(115,178)

The tax rate for the Bank and its subsidiaries other than its insurance subsidiary for profits other than on tax exempt income on state and other qualifying securities was 20% for 2009 and 30% for 2008. The tax rate for the insurance company was 4% on its gross revenues for 2008 and 2007.

(Thousands of Kazakh tenge)

10. Taxation (continued)

Deferred tax assets and liabilities comprise the following:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Deferred tax assets:		
Loans to customers	73,102	310,628
Debt securities issued	6,654	–
Unamortized commission	1,503	33,363
Other liabilities	916	19,225
	<u>82,175</u>	<u>363,216</u>
Deferred tax liabilities:		
Property and equipment	(152,989)	(126,767)
Investments in subsidiaries	(46,358)	(46,358)
Debt securities issued	–	(30,655)
	<u>(199,347)</u>	<u>(203,780)</u>
Net deferred tax (liability)/asset	<u>(117,172)</u>	<u>159,436</u>

Deferred tax assets and liabilities as at 30 June 2009 and their movements for the respective periods comprise:

1 January 2007	(609,315)
Charge directly to equity (unaudited)	1,197
Charge to income statement (unaudited)	<u>132,724</u>
30 June 2008 (unaudited)	<u>(475,394)</u>
1 January 2008	<u>159,436</u>
Charge directly to equity (unaudited)	(2,221)
Charge to income statement (unaudited)	<u>(274,387)</u>
30 June 2009 (unaudited)	<u><u>(117,172)</u></u>

Kazakhstan currently has a Tax Code that relates to various taxes imposed by governmental authorities. Applicable taxes include value added tax, income tax, social taxes, and others. Implementing regulations are often unclear or nonexistent and few precedents have been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organizations; thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges.

These facts create tax risks in Kazakhstan substantially more significant than typically found in countries with more developed tax systems.

In accordance with new Tax Code in 2008 corporate income tax rate of 20% is decreased in 2010 to 17.5%; and from 1 January 2011 to 15%. Management believes that the Bank is in substantial compliance with the tax laws affecting its operations; however, the risk remains that relevant authorities could take differing positions with regard to interpretive issues.

(Thousands of Kazakh tenge)

11. Other impairment and provisions

The movement on the allowances for impairment of other assets and guarantees and commitments are as follows:

	<i>Guarantees and commitments</i>	<i>Other assets</i>	<i>Total</i>
31 December 2007	68,444	358,568	427,012
Impairment charge (unaudited)	5,669	162,477	168,146
Write-offs (unaudited)	–	(1,728)	(1,728)
Recoveries (unaudited)	163	604	767
30 June 2008 (unaudited)	74,276	519,921	594,197
Impairment reversal (unaudited)	(17,161)	(200,660)	(217,821)
Write-offs (unaudited)	–	(152,045)	(152,045)
Recoveries (unaudited)	91	244	335
31 December 2008	57,206	167,460	224,666
Impairment charge (unaudited)	17,120	406,010	423,130
Write-offs (unaudited)	–	(325,530)	(325,530)
Recoveries (unaudited)	10,247	–	10,247
30 June 2009 (unaudited)	84,573	247,940	332,513

Allowances for impairment of other assets are deducted from the related assets. Provisions for guarantees and commitments are recorded within other liabilities.

12. Amounts due to Government

As at 30 June 2009 funds attracted by the Bank from Entrepreneurship Development Fund DAMU JSC 100% owned by the Government amounted to KZT 14,342,196 thousands (31 December 2008: KZT 5,118,562 thousands).

13. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	<i>30 June 2009 (unaudited)</i>	<i>31 December 2008</i>
Deposits from OECD banks	10,447,036	4,282,083
Loans from credit institutions, other than banks	1,759,211	2,433,887
Deposits from Kazakh banks and non OECD banks	1,180,916	7,478,883
Loro accounts	52,970	49,714
Syndicated bank loans	–	13,633,324
Repurchase agreement	–	3,338,611
Amounts due to credit institutions	13,440,133	31,216,502

On 9 April 2009 the Bank repaid at maturity syndicated loan facility in the nominal amount of KZT 15,077,000 thousands.

During first six months of 2009 one OECD based bank placed deposit in total amount of KZT 6,167,630 thousands at 10% per annum maturing in July 2013.

During the first six month of 2009 the Bank repaid deposit in the amount of KZT 7,000,000 thousands to Kazakh Bank.

(Thousands of Kazakh tenge)

14. Amounts due to customers

The amounts due to customers include balances in customer current accounts and time deposits as at 30 June, and are analysed as follows:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December</i> <i>2008</i>
Current accounts:		
Legal entities	45,925,326	50,255,531
Individuals	2,930,233	2,823,935
Governmental entities	1,366	23
Held as security against letter of credit	3,103,910	8,648,635
Time deposits:		
Legal entities	103,800,919	107,617,754
Individuals	25,226,901	16,103,156
Amounts due to customers	180,988,655	185,449,034

At 30 June 2009, amounts due to customers of KZT 134,151,056 (74%) were due to ten largest customers (31 December 2008 - KZT 108,564,749 (59%)).

Included in time deposits are deposits of individuals in the amount of KZT 25,226,901 (31 December 2008 – KZT 16,103,156). In accordance with the Kazakhstan Civil Code, the Bank is obliged to repay such deposits upon demand of a depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, interest on it is paid based on the interest rate for demand deposits, unless a different interest rate is specified in the agreement.

An analysis of customer accounts by economic sector follows:

	<i>30 June 2009</i> <i>(unaudited)</i>	%	<i>31 December</i> <i>2008</i>	%
Oil and gas	51,666,795	29	42,256,674	23
Wholesale trade	44,316,358	24	46,300,340	25
Individuals	28,157,134	16	18,927,091	10
Non-banking financial institutions	20,787,578	12	18,909,637	10
Construction	12,273,411	7	3,324,477	2
Entertainment	4,166,410	2	4,609,218	3
Advertising	3,123,670	2	2,701,165	2
Sale, repair and service of automobiles	3,109,143	2	12,522,333	7
Held as security against letters of credit	3,103,910	2	8,648,635	5
Mining	2,148,286	1	349,041	–
Food industry	916,964	1	9,769,243	5
Real estate	866,768	–	370,609	–
Communication	574,532	–	1,761,946	1
Agriculture	539,795	–	120,807	–
Retail trade	533,342	–	725,713	–
Metallurgy	491,522	–	9,681,648	5
Education	177,077	–	457,790	–
Other	4,035,960	2	4,012,667	2
	180,988,655	100	185,449,034	100

(Thousands of Kazakh tenge)

15. Debt securities issued

Debt securities issued as at 30 June consist of the following:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December</i> <i>2008</i>
USD Eurobonds	22,373,680	17,920,318
KZT subordinated notes	8,927,706	8,197,105
KZT bonds	8,918,960	5,343,471
Preferred shares	2,044,765	2,044,765
	42,265,111	33,505,659
Net unamortized discount and cost of issuance	(1,149,173)	(728,048)
	41,115,938	32,777,611
Interest accrued	826,472	718,382
Debt securities issued	41,942,410	33,495,993

During first six months of 2009 Bank issued KZT bonds with total nominal value of KZT 3,702,131 thousands bearing 11% with maturity at 5 November 2009.

KZT subordinated notes are unsecured obligations of the Bank and are subordinated in right of payments to all present and future senior indebtedness and certain other obligations of the Bank.

In accordance with the terms of the USD Eurobonds, the Bank is required to maintain certain financial covenants particularly with regard to its capital adequacy, lending exposures, limitations on transactions unless such transactions are at fair market value. In addition, the Bank is required to obtain the approval of the lender before distributing any dividends to the common shareholders. Furthermore, the terms of the USD Eurobonds include covenants restricting the Bank's ability to create security interests over its assets. In addition, the Bank's default under these covenants could result in cross-defaults under the terms of the Bank's other financing arrangements. Management believes that the Bank is in compliance with the covenants of the agreements the Bank has with the bonds' trustee and holders as at 30 June 2009.

16. Share capital

As at 30 June 2009 the Bank had 4,200,000 (31 December 2008: 4,200,000) authorised common and 300,000 (31 December 2008: 300,000) preferred shares. Each common share is entitled to one vote and shares equally in dividends declared. Preferred shares carry a cumulative dividend of a minimum of 10% per annum.

Movements of shares fully paid and outstanding follow:

	<i>Number of shares</i>		<i>Amount</i>		<i>Total</i>
	<i>Common</i>	<i>Preferred</i>	<i>Common</i>	<i>Preferred</i>	
31 December 2007	2,476,395	29,183	24,744,358	291,829	25,036,187
Increase in share capital (unaudited)	529,763	–	5,297,630	–	5,297,630
Purchase of treasury shares (unaudited)	(1)	–	(7,204)	–	(7,204)
30 June 2008 (unaudited)	3,006,157	29,183	30,034,784	291,829	30,326,613
Increase in share capital (unaudited)	158,237	–	1,582,370	–	1,582,370
Purchase of treasury shares (unaudited)	(9,191)	(90)	(182,129)	(898)	(183,027)
31 December 2008	3,155,203	29,093	31,435,025	290,931	31,725,956
Increase in share capital (unaudited)	12,000	–	1,440	–	1,440
Purchase of treasury shares (unaudited)	(1,352)	(294)	(25,066)	(3,822)	(28,888)
30 June 2009 (unaudited)	3,165,851	28,799	31,411,399	287,109	31,698,508

In the first half of 2009 the Bank issued in accordance with Board of director's decision 12,000 common shares at KZT 120 each to senior officer of the Bank. The fair market value of the common shares amounted to KZT 20,000 and options' exercise price was KZT 120, the difference was recorded as additional paid-in capital.

During 2008 the Bank issued 688,000 of common shares at KZT 10,000 each.

The share capital of the Bank was contributed by the shareholders in Tenge and they are entitled to dividends and any capital distribution in Tenge. Preferred shares carry a cumulative dividend of a minimum of KZT 100-120 per annum, but not less than declared dividends on common shares and do not have any voting rights unless payment of preferred dividends has been delayed for three months or more from the date they became due. All common and preferred shares are KZT denominated.

(Thousands of Kazakh tenge)

17. Commitments and contingencies**Legal**

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

Taxation

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

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

Financial commitments and contingencies

The Bank's financial commitments and contingencies comprise the following:

	<i>30 June 2009</i> <i>(unaudited)</i>	<i>31 December 2008</i>
Credit related commitments		
Undrawn loan commitments	58,708,399	56,339,976
Guarantees	10,529,369	5,653,877
Letters of credit	6,461,437	14,258,080
	<u>75,699,205</u>	<u>76,251,933</u>
Operating lease commitments		
Not later than 1 year	337,068	529,598
Later than 1 year but not later than 5 years	74,728	200,035
Later than 5 years	8,885	–
	<u>420,681</u>	<u>729,633</u>
Less cash held as security against letters of credit and guarantees	(3,103,910)	(8,648,635)
Less provisions (Note 11)	(84,573)	(57,206)
Financial commitments and contingencies	<u>72,931,403</u>	<u>68,275,725</u>

The loan commitment agreements stipulate the right of the Bank to unilaterally withdraw from the agreement should any conditions unfavorable to the Bank arise, including change of the refinance rate, inflation, exchange rates and others.

Fiduciary activities

The Group provides fiduciary services to third parties which involve the Group making allocation, purchase and sales decisions in relation to the trust funds. Those funds that are held in a fiduciary capacity are not included in these consolidated financial statements. As at 30 June 2009, such funds amounted to KZT 42,778,688 (31 December 2008: KZT 35,689,106).

18. Net fee and commission income

Net fee and commission income comprises:

	<i>For the six months ended 30 June</i> <i>(unaudited)</i>	
	<i>2009</i>	<i>2008</i>
Pension asset management	458,594	323,105
Guarantees and letters of credit	352,248	148,407
Cash operations	233,068	217,398
Bank transfers	185,772	165,761
Bank cards	181,740	153,000
Purchase – sale of currencies	135,097	140,283
Agent's fees for asset management	40,020	54,830
Other	47,595	37,693
Fee and commission income	<u>1,634,134</u>	<u>1,240,477</u>

(Thousands of Kazakh tenge)

18. Net fee and commission income (continued)

Fee and commission expense comprises:

	<i>For the six months ended 30 June (unaudited)</i>	
	<i>2009</i>	<i>2008</i>
Bank cards	(78,935)	(61,101)
Agent commission for customers' deposit attraction	(75,504)	(19,253)
Guarantees and letters of credit	(37,661)	(18,231)
Bank transfers	(34,344)	(24,504)
Other	(42,461)	(25,233)
Fee and commission expense	(268,905)	(148,322)
Net fee and commission income	1,365,229	1,092,155

19. Personnel and other operating expenses

Personnel and other operating expenses comprise:

	<i>For the six months ended 30 June (unaudited)</i>	
	<i>2009</i>	<i>2008</i>
Personnel expenses and other benefits	(2,197,215)	(1,723,220)
Social security costs	(194,589)	(149,557)
Personnel expenses	(2,391,804)	(1,872,777)
Rent	(463,811)	(444,713)
Advertising	(130,249)	(220,829)
Repair and maintenance	(125,516)	(122,435)
Security	(104,910)	(68,029)
Deposit insurance	(102,577)	(69,512)
Communication	(97,870)	(111,987)
Transportation	(93,938)	(30,262)
Professional services	(58,190)	(139,489)
Business trip	(31,595)	(39,052)
Cash collection	(18,387)	(22,032)
Utilities	(17,296)	(9,897)
Postal services	(4,861)	(8,949)
Fines and penalties	(1,563)	(10,407)
Entertainment	–	(30,252)
Other	(258,883)	(327,563)
Other operating expenses	(1,509,646)	(1,655,408)

20. Fair values of financial instruments

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<i>At 30 June 2009 (unaudited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Trading securities	96,990	–	–	96,990
Investment securities – available-for-sale	11,067,962	–	–	11,067,962
	11,164,952	–	–	11,164,952

(Thousands of Kazakh tenge)

20. Fair values of financial instruments (continued)

<i>At 31 December 2008</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Trading securities	338,377	–	–	338,377
Investment securities – available-for-sale	13,733,026	–	–	13,733,026
	14,071,403	–	–	14,071,403

21. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to common shareholders of the Bank by the weighted average number of common shares (excluding treasury shares) outstanding during the period.

The following table shows the profit and share data used in the basic earnings per share calculations:

	<i>30 June 2009</i>	<i>30 June 2008</i>
	<i>(unaudited)</i>	
Net profit/(loss) attributable to shareholders of the Bank	880,145	(2,656,188)
Weighted average number of participating shares for basic earnings per share	3,165,126	2,501,881
Basic earnings/(loss) per share (Tenge)	278	(1,062)

22. Related party disclosures

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

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The volumes of related party transactions, outstanding balances at the end of the first half of the year, and related expense and income for the six months are as follows:

	<i>30 June 2009 (unaudited)</i>		<i>31 December 2008</i>	
	<i>Key management personnel</i>		<i>Key management personnel</i>	
	<i>Shareholders</i>	<i>personnel</i>	<i>Shareholders</i>	<i>personnel</i>
Loans outstanding, gross, beginning of the period	–	502,815	6,465,428	35,315
Loans issued during the period	–	857,126	–	512,544
Loans repaid during the period	–	(524,868)	(6,465,428)	(45,044)
Loans outstanding, gross, ending of the period	–	835,073	–	502,815
Less: allowance for loan impairment	–	–	–	–
Loans outstanding, net, ending of the period	–	835,073	–	502,815
Interest income	–	15,285	–	11,800
Deposits beginning of the period	4,730,982	576,140	1,600,295	350,187
Deposits received during the period	9,742,369	171,815	23,126,869	666,063
Deposits repaid during the period	(6,388,624)	(709,843)	(19,996,182)	(440,110)
Deposits, ending of the period	8,084,727	38,112	4,730,982	576,140
Commitments and guarantees issued	22,564	–	9,059	–

(Thousands of Kazakh tenge)

22. Related party disclosures (continuous)

The income and expense arising from related party transactions are as follows:

	<i>For the six months ended 30 June (unaudited)</i>			
	<i>2009</i>		<i>2008</i>	
	<i>Shareholders</i>	<i>Key management personnel</i>	<i>Shareholders</i>	<i>Key management personnel</i>
Interest income on loans	–	15,285	345,133	3,073
Interest expense on deposit	342,089	1,956	263,294	4,589
Fee and commission income	1,095	293	10,998	278
Other operating expenses	52,937	11,827	–	–

Other operating expenses incurred by shareholders represent air travel expenses in the amount of KZT 52,545 thousand.

The interest rates and maturities of transactions with related parties are as follow:

	<i>30 June 2009</i>		<i>31 December 2008</i>		<i>30 June 2008</i>	
	<i>Shareholders</i>	<i>Key management personnel</i>	<i>Shareholders</i>	<i>Key management personnel</i>	<i>Shareholders</i>	<i>Key management personnel</i>
Loans:						
Maturity	–	2010-2023	–	2009-2023	2008-2012	2011-2022
Interest rate in KZT	–	10%-15%	–	10%-16%	13%-14%	9%-18%
Interest rate in USD	–	15%-18%	–	–	13%	10%-18%
Deposits:						
Maturity	2009-2014	2013-2024	2009-2013	2010-2023	2008-2013	2008-2013
Interest rate in KZT	11%-13%	12%-13%	11%-13%	11%-13%	6%-12%	11%-12%
Interest rate in Euro	11%	10%	–	9%-10%	5%	6%
Interest rate in USD	10%	8%-10%	–	2009-2023	7%-8%	5%-8%

Compensation of four members of Management and three members of Board of Directors was comprised of the following:

	<i>For the six months ended 30 June (unaudited)</i>	
	<i>2009</i>	<i>2008</i>
Salaries and other short-term benefits	397,773	93,177
Social security costs	8,941	5,582
Termination benefits	68,701	9,742
Total compensation	475,415	108,501

Annual bonus plan options

The Bank granted on 20 January 2009 share purchase option to senior executive in the board of the Bank. The executive received the right to purchase 12,000 common shares at the price of KZT 120 during 2009. Shares option agreement was exercised on 22 January 2009. The market price of shares at the exercise date was KZT 20,000.

The total equity-settled expense recognized for the period arising from equity compensation plans amounted to KZT 237,120 thousands. The fair value of the awards was estimated on the date of grant, based on intrinsic value method since time value of the option is not significant.

(Thousands of Kazakh tenge)

22. Related party disclosures (continuous)**Subsidiaries**

The consolidated financial statements include the following subsidiaries, whose financial indicators are presented before elimination of intergroup transactions:

<i>Subsidiary</i>	<i>Holding %</i>	<i>Country</i>	<i>Date of incorporation</i>	<i>Activities</i>	<i>Date of acquisition</i>	<i>Total assets</i>	<i>Equity</i>	<i>Net income</i>
30 June 2009								
JSC "Kupa Nur-Trust"	100	Kazakhstan	2001	Asset Management	2001	729,176	714,712	176,741
LLP "Leasing company Nur-Invest"	100	Kazakhstan	2001	Leasing	2001	1,645,764	998,407	18,153
JSC "Money Experts"	100	Kazakhstan	2002	Brokerage	2002	738,071	545,038	50,909
JSC "Insurance Company Nurpolicy"	100	Kazakhstan	1999	Insurance	2004	1,661,580	873,673	176,028
JSC APF "Atameken"	62	Kazakhstan	1997	Pension Fund	2006	906,031	854,598	163,761
NurFinance B.V.	100	Netherlands	2006	SPE	2006	23,301,271	478,035	12,121

<i>Subsidiary</i>	<i>Holding %</i>	<i>Country</i>	<i>Date of incorporation</i>	<i>Activities</i>	<i>Date of acquisition</i>	<i>Total assets</i>	<i>Equity</i>	<i>Net income</i>
31 December 2008								
JSC "Kupa Nur-Trust"	100	Kazakhstan	2001	Asset Management	2001	556,085	552,000	121,457
LLP "Leasing company Nur-Invest"	100	Kazakhstan	2001	Leasing	2001	1,776,607	980,254	69,149
JSC "Money Experts"	100	Kazakhstan	2002	Brokerage	2002	519,199	456,629	21,611
JSC "Insurance Company Nurpolicy"	100	Kazakhstan	1999	Insurance	2004	1,262,614	730,938	80,592
JSC APF "Atameken"	62	Kazakhstan	1997	Pension Fund	2006	706,909	655,035	30,113
NurFinance B.V.	100	Netherlands	2006	SPE	2006	18,658,358	374,114	22,053