JOINT STOCK COMPANY KAZKOMMERTSBANK

Condensed Interim Consolidated Financial Information (Unaudited)
For the nine months ended 30 September 2009

JOINT STOCK COMPANY KAZKOMMERTSBANK

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

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

Management is responsible for the preparation of the condensed interim consolidated financial information that presents fairly the financial position of the Group as at 30 September 2009, the results of its operations for the three months and the nine months periods then ended and its cash flows and changes in equity for the nine months ended 30 September 2009, in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

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

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

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial information of the Group 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 recent economic downturn and severe liquidity conditions continue to place extreme pressure on the financial markets in particular and the global economy, generally. Governments and Central Banks have introduced extensive measures both in Kazakhstan and globally in order to redress the capital and liquidity imbalance. The Group became an active participant in such funding measures during 2008 and the nine months of 2009, and its future funding and capital plans for the next 12 months include an element of continued reliance on these measures.

The condensed interim consolidated financial information for the nine months ended 30 September 2009 was authorised for issue on 16 November 2009 by the Management Board of JSC Kazkommertsbank.

On behalf of the Management Board of the Bank:

Zhussupova N.A.	**Shoinbekova G.K.**
Chairman of the Board	**Chief Accountant**
16 November 2009	16 November 2009
Almaty	Almaty

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

To the Shareholders of JSC Kazkommertsbank:

We have reviewed the accompanying condensed interim consolidated financial information of JSC Kazkommertsbank and its subsidiaries (collectively – the "Group"), which comprises the condensed interim consolidated statement of financial position as at 30 September 2009 and the related condensed interim consolidated income statement and the condensed interim consolidated statement of comprehensive income for the three months and the nine months periods then ended, the condensed interim consolidated statements of changes in equity and cash flows for the nine months ended 30 September 2009, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of 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 caused us to believe that the accompanying condensed interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte, LLP

16 November 2009
Almaty

JOINT STOCK COMPANY KAZKOMMERTSBANK

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Notes	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Interest income	5, 21	91,595	97,299	291,105	289,048
Interest expense	5, 21	(43,083)	(45,350)	(136,372)	(138,058)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		48,512	51,949	154,733	150,990
Provisions for impairment losses on interest bearing assets	6, 21	(38,437)	(18,760)	(160,101)	(56,660)
NET INTEREST INCOME/(EXPENSE)		10,075	33,189	(5,368)	94,330
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	7	158	(27,847)	12,242	(42,091)
Net gain/(loss) on foreign exchange and precious metals operations	8	63	24,165	(6,505)	26,423
Fee and commission income		5,674	5,199	15,633	15,875
Fee and commission expense		(841)	(1,361)	(2,421)	(2,596)
Net realized gain/(loss) on investments available-for-sale		161	99	(480)	106
Dividends received		120	(56)	143	174
Other income	9	1,778	1,478	26,538	7,994
NET NON-INTEREST INCOME		7,113	1,677	45,150	5,885
OPERATING INCOME		17,188	34,866	39,782	100,215
OPERATING EXPENSES	10, 21	(8,192)	(8,724)	(22,496)	(26,198)
PROFIT BEFORE OTHER OPERATING PROVISIONS AND RESULTS OF ASSOCIATES		8,996	26,142	17,286	74,017
Provision for impairment losses on other assets	6, 21	(88)	(226)	(546)	(957)
Provision for guarantees and other contingencies	6, 21	(2,599)	(2,237)	(1,403)	(22)
Gain from sale of associates and share of results of associates	21	-	(1,252)	4,372	(1,101)
OPERATING PROFIT BEFORE INCOME TAX		6,309	22,427	19,709	71,937
Income tax expense	11	(1,572)	(6,657)	(5,105)	(22,042)
NET PROFIT		4,737	15,770	14,604	49,895
Attributable to:					
Ordinary shareholders of the Parent		4,317	13,487	12,958	41,027
Preference shareholders of the Parent		660	2,780	1,619	8,463
Non-controlling interest		(240)	(497)	27	405
EARNINGS PER SHARE					
Basic and diluted (KZT)	12	5.54	23.46	19.02	71.36

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairman of the Board

16 November 2009
Almaty

Shoinbekova G.K.
Chief Accountant

16 November 2009
Almaty

The notes on pages 10-43 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY KAZKOMMERTSBANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Profit for the period	4,737	15,770	14,604	49,895
Property and equipment:				
Loss on revaluation of property and equipment	(1,894)	(362)	(1,894)	(362)
	(1,894)	(362)	(1,894)	(362)
Investments available-for-sale:				
Unrealized gain/(loss) on revaluation of investments available-for-sale	888	(2,269)	1,088	(2,300)
Less: loss/(gain) on sale and impairment of investments available-for-sale	(161)	(104)	480	(106)
Parent's share from revaluation of associated companies reserves	-	330	-	330
	727	(2,043)	1,568	(2,076)
Cash flow hedges:				
(Loss)/gain on cash flow hedges	(5,288)	(17,574)	13,031	(11,239)
Less: net loss/(gain) on hedging reserve transferred to earnings	7,469	15,857	(945)	3,536
	2,181	(1,717)	12,086	(7,703)
Exchange differences on translation of foreign operations	471	1,378	2,607	(877)
Deferred income tax:				
Deferred income tax recognized on revaluation of property and equipment	138	-	133	-
Deferred income tax recognized on loss/(gain) on investments available-for-sale, on cash flow hedges and due to tax rate changes	(499)	1,075	(2,853)	2,871
	(361)	1,075	(2,720)	2,871
Net comprehensive income	5,861	14,101	26,251	41,748
Attributable to:				
Ordinary shareholders of the Parent	5,423	10,862	22,876	33,590
Preference shareholders of the Parent	732	2,209	3,429	6,847
Non-controlling interest	(294)	1,030	(54)	1,311

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairman of the Board

16 November 2009
Almaty

Shoinbekova G.K.
Chief Accountant

16 November 2009
Almaty

The notes on pages 10-43 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY KAZKOMMERTSBANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2009 (UNAUDITED)

	Notes	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
ASSETS:			
Cash and balances with national (central) banks	13	62,702	90,478
Precious metals		775	317
Financial assets at fair value through profit or loss	14	69,063	58,130
Loans and advances to banks	15	144,912	241,813
Loans to customers	16, 21	2,434,921	2,144,782
Investments available-for-sale		16,740	15,056
Investments held to maturity		947	776
Investments in associates	21	-	1,775
Goodwill		2,405	2,405
Property, equipment and intangible assets		34,583	35,465
Other assets		20,017	23,808
TOTAL ASSETS		2,787,065	2,614,805
LIABILITIES AND EQUITY			
LIABILITIES:			
Loans and advances from banks		255,253	296,391
Customer accounts	17, 21	1,172,635	979,453
Financial liabilities at fair value through profit or loss	14	41,948	54,339
Debt securities issued		717,528	678,285
Other borrowed funds	18	32,107	137,324
Provisions	6	13,630	10,276
Deferred income tax liabilities	11	17,099	10,205
Dividends payable		770	5
Other liabilities		9,734	16,941
		2,260,704	2,183,219
Subordinated debt		141,877	117,724
Total liabilities		2,402,581	2,300,943
EQUITY:			
Equity attributable to equity holders of the Parent:			
Share capital		9,024	6,990
Share premium reserve		195,021	152,684
Property and equipment revaluation reserve		5,107	6,918
Other reserves		175,108	146,992
Total equity attributable to equity holders of the Parent		384,260	313,584
Non-controlling interest		224	278
Total equity		384,484	313,862
TOTAL LIABILITIES AND EQUITY		2,787,065	2,614,805

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairman of the Board

16 November 2009
Almaty

Shoinbekova G.K.
Chief Accountant

16 November 2009
Almaty

The notes on pages 10-43 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY KAZKOMMERTSBANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Share capital	Treasury shares	Share premium reserve	Property and equipment revaluation reserve	Investments available-for-sale fair value deficit [1]	Cumulative translation reserve[1]	Hedging reserve[1]	Retained earnings[1]	Total equity attributable to equity holders of the Parent	Non-controlling interest	Total equity
	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)
31 December 2007	7,000	(2)	152,855	6,020	(70)	58	-	140,806	306,667	12,552	319,219
Net income	-	-	-	-	-	-	-	49,490	49,490	405	49,895
Loss on revaluation of property and equipment	-	-	-	(362)	-	-	-	-	(362)	-	(362)
Depreciation of property and equipment revaluation reserve	-	-	-	(74)	-	-	-	74	-	-	-
Loss on investments available-for-sale	-	-	-	-	(2,075)	-	-	-	(2,075)	(1)	(2,076)
Loss on cash flow hedges	-	-	-	-	-	-	(7,703)	-	(7,703)	-	(7,703)
Exchange differences on translation of foreign operations	-	-	-	-	-	(1,784)	-	-	(1,784)	907	(877)
Deferred income tax	-	-	-	131	560	-	2,311	(131)	2,871	-	2,871
Net comprehensive income	-	-	-	(305)	(1,515)	(1,784)	(5,392)	49,433	40,437	1,311	41,748
Purchase of treasury shares	-	(4)	(173)	-	-	-	-	-	(177)	-	(177)
Sale of treasury shares	-	2	123	-	-	-	-	-	125	-	125
Change in non-controlling interest due to increase of ownership share	-	-	-	-	-	-	-	-	-	(10,252)	(10,252)
30 September 2008 (unaudited)	7,000	(4)	152,805	5,715	(1,585)	(1,726)	(5,392)	190,239	347,052	3,611	350,663

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Share capital (KZT million)	Treasury shares (KZT million)	Share premium reserve (KZT million)	Property and equipment revaluation reserve (KZT million)	Investments available-for-sale fair value deficit[1] (KZT million)	Cumulative translation reserve[1] (KZT million)	Hedging reserve[1] (KZT million)	Retained earnings[1] (KZT million)	Total equity attributable to equity holders of the Parent (KZT million)	Non-controlling interest (KZT million)	Total equity (KZT million)
31 December 2008	7,000	(10)	152,684	6,918	(1,842)	(3,016)	(10,717)	162,567	313,584	278	313,862
Net income	-	-	-	-	-	-	-	14,577	14,577	27	14,604
Loss on revaluation of property and equipment	-	-	-	(1,894)	-	-	-	-	(1,894)	-	(1,894)
Depreciation of property and equipment revaluation reserve	-	-	-	(60)	-	-	-	60	-	-	-
Gain on investments available-for-sale	-	-	-	-	1,568	-	-	-	1,568	-	1,568
Gain on cash flow hedges	-	-	-	-	-	-	12,086	-	12,086	-	12,086
Exchange differences on translation of foreign operations	-	-	-	-	-	2,688	-	-	2,688	(81)	2,607
Deferred income tax	-	-	-	143	(403)	-	(2,450)	(10)	(2,720)	-	(2,720)
Net comprehensive income	-	-	-	(1,811)	1,165	2,688	9,636	14,627	26,305	(54)	26,251
Increase of share capital - ordinary shares	2,044	-	42,428	-	-	-	-	-	44,472	-	44,472
Purchase of treasury shares	-	(19)	(266)	-	-	-	-	-	(285)	-	(285)
Sale of treasury shares	-	9	175	-	-	-	-	-	184	-	184
30 September 2009 (unaudited)	9,044	(20)	195,021	5,107	(677)	(328)	(1,081)	177,194	384,260	224	384,484

[1] The amounts included within the Investments available-for-sale fair value deficit, Cumulative translation reserve, Hedging reserve and Retained earnings, in the above table, are included within "Other reserves" in the condensed interim consolidated statement of financial position.

On behalf of the Management Board of the Bank:

Zhussupova N.A.	**Shoinbekova G.K.**
Chairman of the Board	**Chief Accountant**
16 November 2009	16 November 2009
Almaty	Almaty

The notes on pages 10-43 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY KAZKOMMERTSBANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Notes	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating profit before income tax		19,709	71,937
Adjustments for:			
Provision for impairment losses on interest bearing assets	6	160,101	56,660
Provision for impairment losses on other assets	6	546	957
Provision for guarantees and other contingencies	6	1,403	22
Amortization of discount on investments held to maturity		(165)	(2)
Amortization of discount on debt securities issued		354	236
Gain from repurchase of own debt securities	9	(23,033)	(110)
Depreciation and amortization	10	2,753	2,454
Change in interest accruals, net		(93,312)	(21,784)
Unrealized foreign exchange gain		(12,443)	(18,465)
Share of results of associates		(345)	1,431
Gain on sale of associates		(4,027)	-
Loss on purchase of subsidiaries		-	3,137
Net (gain)/loss on sale of property, equipment and intangible assets		(21)	57
Net change in fair value of financial assets and liabilities at fair value though profit or loss		4,630	23,423
Cash inflow from operating activities before changes in operating assets and liabilities		56,150	119,953
Changes in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Funds deposited with National Bank of the Republic of Kazakhstan and cash on hand		27,612	5,676
Funds deposited with Central Bank of Russian Federation		(900)	124
Funds deposited with National Bank of the Kyrgyz Republic		(55)	(19)
Funds deposited with National Bank of the Tajikistan		30	(10)
Precious metals		(458)	(271)
Financial assets at fair value through profit or loss		(6,775)	89,468
Loans and advances to banks		70,091	(60,213)
Loans to customers		22,303	72,556
Other assets		9,822	(263)
Increase/(decrease) in operating liabilities:			
Loans and advances from banks		(78,897)	(375,601)
Customer accounts		30,989	205,456
Other liabilities		(9,971)	4,744
Cash inflow from operating activities before taxation		119,941	61,600
Income tax paid		(930)	(8,641)
Net cash inflow from operating activities		119,011	52,959

JOINT STOCK COMPANY KAZKOMMERTSBANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Notes	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets		(3,940)	(5,009)
Proceeds on sale of property, equipment and intangible assets		1,160	590
Dividends received		-	174
Proceeds on sale of investments available-for-sale		2,393	2,438
Purchase of investments available-for-sale		(4,498)	(3,251)
Proceeds on maturity of investments held to maturity		-	39
Purchase of investments held to maturity		(525)	(264)
Purchase of shares in subsidiaries		-	(1,402)
Purchase of subsidiaries, less funds of acquired companies		-	(2,929)
Proceeds on sale of associated companies		6,017	-
Net cash inflow/(outflow) from investing activities		607	(9,614)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of ordinary shares		44,472	-
Purchase of treasury shares		(285)	(177)
Proceeds from sale of treasury shares		184	125
Proceeds from debt securities issued		35,422	58,451
Repurchase and repayment of debt securities issued		(161,159)	(84,584)
Proceeds from other borrowed funds		17,662	-
Repayment of other borrowed funds		(141,515)	(12,011)
Proceeds from subordinated debt		-	1
Net cash outflow from financing activities		(205,219)	(38,195)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(85,601)	5,150
CASH AND CASH EQUIVALENTS, beginning of period	13	168,994	144,346
Effect of changes in foreign exchange rate on cash and cash equivalents		6,056	(508)
CASH AND CASH EQUIVALENTS, end of period	13	89,449	148,988

Interest paid and received by the Group in cash during the nine months ended 30 September 2009 amounted to KZT 127,036 million (2008: KZT 136,344 million) and KZT 188,458 million (2008: KZT 265,328 million), respectively.

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairman of the Board

16 November 2009
Almaty

Shoinbekova G.K.
Chief Accountant

16 November 2009
Almaty

The notes on pages 10-43 form an integral part of this condensed interim consolidated financial information.

1. ORGANIZATION

JSC Kazkommertsbank (the "Bank", or "Kazkommertsbank") is a joint stock bank and operates in the Republic of Kazakhstan since 1990. The Bank's activities are regulated by the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations ("FMSA") in accordance with license № 48 and by the National Bank of the Republic of Kazakhstan ("NBRK"). The Bank's primary business consists of commercial banking activities, operations with securities, foreign currencies and derivative instruments and originating loans and guarantees.

The registered office of the Bank is located at: 135Zh, Gagarin str., Almaty 050060, Republic of Kazakhstan.

The Bank has 23 branches in the Republic of Kazakhstan.

Kazkommertsbank is the parent company of a banking group (the "Group"). The enterprises consolidated in the condensed interim consolidated financial information are consistent with those presented in the consolidated financial statements for the year ended 31 December 2008.

Name	Country of operation	Proportion or ownership interest/voting rights 30 September 2009 (unaudited)	31 December 2008	Type of operation
JSC Kazkommerts Securities	Republic of Kazakhstan	100%	100%	Securities market transactions
LLP Processing Company	Republic of Kazakhstan	100%	100%	Payment card processing and related services
Kazkommerts International B.V.	Kingdom of Netherlands	100%	100%	Raising funds for the Bank on international capital markets
Kazkommerts Finance II B.V.	Kingdom of Netherlands	100%	100%	Raising funds for the Bank on international capital markets
Kazkommerts Capital II B.V.	Kingdom of Netherlands	100%	100%	Raising funds for the Bank on international capital markets
JSC OCOPAIM Grantum Asset Management	Republic of Kazakhstan	100%	100%	Investment management of pension assets
LLP Kazkommertsbank RFCA	Republic of Kazakhstan	100%	100%	Operations with financial instruments on Regional financial centre of Almaty
JSC Kazkommerts Life	Republic of Kazakhstan	100%	100%	Life insurance
CJSC Kazkommertsbank Tajikistan	Republic of Tajikistan	100%	100%	Commercial bank
JSC Kazkommertsbank Kyrgyzstan	Kyrgyz Republic	94.64%	94.64%	Commercial bank
JSC Grantum APF	Republic of Kazakhstan	80.01%	80.01%	Pension fund
JSC Insurance Company Kazkommerts-Policy	Republic of Kazakhstan	100%	100%	Insurance
LLP Commercial bank Moscommertsbank	Russia	100%	100%	Commercial bank
LLP Investment Group East Kommerts	Russia	50%	50%	Securities market transactions

On 28 January 2009, the Board of Directors of the Bank approved the decision to voluntarily liquidate its subsidiary LLP Kazkommerts RFCA ("Kazkommerts RFCA") and return its license for brokerage and dealership activities issued in favor of Kazkommerts RFCA by authorized governmental bodies. The procedure on voluntary liquidation will take place in accordance with the requirements of current legislation.

On 10 March 2009, the Bank sold its stake in JSC Ular Umit Fund (the "Fund") for KZT 5,817 million and Zhetysu Pension Asset Management (the "Company") for KZT 200 million. The gain on sale of these companies amounted to KZT 4,027 million.

On 25 March 2009, the Bank purchased 900 thousand shares of the new issue of JSC Kazkommerts Securities, within the additional issue on the right of preferential purchase, at the price of placement of KZT 1,000 per share. As a result, the share capital of JSC Kazkommerts Securities increased by KZT 900 million and amounted to KZT 1,475 million. The share of the Bank did not change and amounted to 100%. The Bank also purchased 292 thousand shares of the new issue of JSC Life Insurance Company Kazkommerts-Life at the placement price of KZT 1,000 per share. As a result, the share capital of the insurer increased by KZT 292 million and amounted to KZT 1,382 million. The share of the Bank did not change and amounted to 100%. The investments of the Bank into equity of subsidiaries were made within a plan with the purpose of increasing their financial stability and compliance with the rules of calculation of prudential norms of capital adequacy.

On 29 September 2009, the Board of Directors of JSC Kazkommertsbank approved the decision to participate in acquisition of shares of the new 7th issue of JSC Kazkommertsbank Kyrgyzstan. Total amount of shares subject for issue by the subsidiary bank is planned to be KGS 33,018,000. The period of the deal completion and payment for the shares is planned for January-February 2010.

During first half of 2009, 325,000,000 ordinary shares with nominal value of KZT 10 and total amount of KZT 3,250 million were authorized for issue by the shareholders. On 14 May 2009, the Bank completed the placement of 204,338,177 ordinary shares. As a result of the placement of shares, the Bank's share capital increased by KZT 44.47 billion (149.82/$1). The new shares were priced at US$ 1.45 per ordinary share and US$ 2.90 per GDR (representing two ordinary shares). From the issue of 2009 year there are 120,661,823 ordinary shares of the additional authorized share capital which are not placed, and the Bank does not plan to place them in the near future.

Samruk-Kazyna purchased 165,517,241 ordinary shares. Meanwhile, the main shareholders of the Bank – CAIC, JSC Alnair Capital Holding ("Alnair") and Mr. Subkhanberdin N. S. – did not use their pre-emptive purchase rights or participate in the increase. The European Bank of Reconstruction and Development ("EBRD"), a shareholder of the Bank since 2003, used its pre-emptive rights and purchased 27,497,588 ordinary shares. The holders of GDRs purchased 9,704,658 ordinary shares via The Bank of New York Mellon in the framework of pre-emptive purchase rights. Minority shareholders purchased 1,618,690 ordinary shares in accordance with their pre-emptive rights.

Samruk-Kazyna has become a shareholder of the Bank for a limited period of time based on the terms and conditions of the agreements signed with the Government at the beginning of the year. Samruk-Kazyna will not participate in the day-to-day management of the Bank. The Bank's largest shareholders continue to control the Bank, and Samruk-Kazyna has placed a portion of its ordinary shares under the trust management of certain large shareholders with voting rights. As a result, Alnair will have voting rights on 25% of the Bank's outstanding ordinary shares, and CAIC, EBRD and Mr. Subkhanberdin N. S. jointly will have voting rights on 50% plus one share of the outstanding ordinary shares.

Under this agreement, the main shareholders (CAIC, Mr. Subkhanberdin N. S., and Alnair), who did not use their pre-emptive rights will have an option to buy the shares held by Samruk-Kazyna.

This condensed interim consolidated financial information was authorized for issue by the Bank's Management Board on 16 November 2009.

2. BASIS OF PRESENTATION

Accounting basis

The condensed interim consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Accordingly, certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements have been omitted or condensed. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements and with notes to the consolidated financial statements of the Group for the year ended 31 December 2008.

The condensed interim consolidated financial information has been prepared under the historical cost convention, except for the revaluation of property and the measurement at fair value of investments available-for-sale and financial assets and liabilities at fair value through profit or loss.

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 the allowance for impairment of loans and receivables and determination of the fair value of financial instruments.

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

Functional currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing this condensed interim consolidated financial information the Group has applied the same accounting policies and methods of computation as those applied in the annual consolidated financial statements of the Group for the year ended 31 December 2008, except for accounting policies disclosed in "Change in accounting policies".

Changes in the Accounting Policy

During the current reporting period the Group has adopted IFRS 8 "Operating Segments" and IAS 1 "Presentation of Financial Statements" (revised 2008).

IFRS 8 requires operating segments to be identified on the basis of internal reports and components of the Group that are regularly reviewed by the Group's management to allocate resources and assess their performance. The internal reports about the components of the Group that are regularly reviewed by the Group's management have the same composition and format that was historically disclosed in the Group's operating segments information. Therefore the management of the Group has not restated the operating segments information disclosed within this condensed interim consolidated financial information.

From 1 January 2009, the Group implemented an amendment to IAS 1"Presentation of Financial Statements" (revised 2008), which changes the way in which non-owner changes in equity are required to be presented. The Group also decided to change titles of primary financial statements as they will be referred to in IFRS even though it is not required to be renamed in an entity's financial statements.

4. RECLASSIFICATIONS

Certain reclassifications have been made to the condensed interim consolidated financial information for the three and nine months ended 30 September 2008 to conform to the presentation for the three and nine months ended 30 September 2009. The current period presentation provides a better view of the consolidated financial position of the Group.

These reclassifications include reclassifying of interest expense, net gain/(loss) on financial assets and liabilities at fair value through profit or loss and net gain/(loss) on foreign exchange and precious metals operations. These reclassifications are not material in nature and have no impact on the financial results of the Group.

	Nine months ended 30 September 2008 As previously reported (unaudited) (KZT million)	**Nine months ended 30 September 2008 As reclassified (unaudited) (KZT million)**	**Effect on financial statement's line as per current report (unaudited) (KZT million)**
Interest expense	(138,279)	(138,058)	221
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(30,182)	(42,091)	(11,909)
Net gain/(loss) on foreign exchange and precious metals operations	14,735	26,423	11,688

	Three months ended 30 September 2008 As previously reported (unaudited) (KZT million)	**Three months ended 30 September 2008 As reclassified (unaudited) (KZT million)**	**Effect on financial statement's line as per current report (unaudited) (KZT million)**
Interest expense	(48,066)	(45,350)	2,716
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(29,797)	(27,847)	1,950
Net gain/(loss) gain on foreign exchange and precious metals operations	28,831	24,165	(4,666)

5. NET INTEREST INCOME

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Interest income comprises:				
Interest income on assets recorded at amortized cost:				
- interest income on financial assets collectively assessed for impairment	2,485	45,802	137,255	147,523
- interest income on unimpaired assets	64,149	45,130	102,553	125,438
- interest income on impaired assets	23,860	4,948	47,912	11,848
Interest income on assets at fair value through profit or loss	809	1,039	2,493	3,817
Interest income on investments available-for-sale	292	380	892	422
Total interest income	91,595	97,299	291,105	289,048
Interest income on assets recorded at amortized cost comprises:				
Interest on loans to customers	88,011	92,130	281,131	274,966
Interest on loans and advances to banks	1,825	3,527	5,589	8,981
Interest on investments held to maturity	219	33	309	84
Amortization of discount on loans	439	190	691	778
Total interest income on financial assets recorded at amortized cost	90,494	95,880	287,720	284,809
Interest income on assets at fair value through profit or loss:				
Interest income on financial assets held-for-trading	809	1,039	2,493	3,817
Total interest income on assets at fair value through profit or loss	809	1,039	2,493	3,817
Interest income on investments available-for-sale	292	380	892	422
Total interest income	91,595	97,299	291,105	289,048
Interest expense comprises:				
Interest on liabilities recorded at amortized cost	43,083	45,350	136,372	138,058
Total interest expense	43,083	45,350	136,372	138,058
Interest expense on liabilities recorded at amortized cost comprise:				
Interest on debt securities issued	18,070	16,420	54,904	49,860
Interest on subordinated debt	1,524	1,007	4,708	3,064
Interest on customer accounts	20,170	19,527	60,799	53,538
Interest on loans and advances from banks	2,865	6,446	11,168	24,723
Preference share dividends	-	150	746	451
Interest on securitization program	-	1,299	2,792	4,887
Other interest expense	454	501	1,255	1,535
Total interest expense on financial liabilities recorded at amortized cost	43,083	45,350	136,372	138,058
Net interest income before provision for impairment losses on interest bearing assets	48,512	51,949	154,733	150,990

The Group classifies corporate loans as non-performing and accordingly impaired if there is a default on payment of the principal or accrued interest for 30 days or more. The impairment of the loan is identified within credit monitoring, which includes monitoring of payments of the customer and preparation of regular monitoring reports on the customer and his loans every 6 or 12 months, depending on the solvency of the customer. In addition, on a regular basis the credit managers monitor the loan quality, financial position and business of the client, and observance of the terms of the agreements. For the purpose of making provisions the evaluation of a possible impairment of corporate loans is conducted on a case-by-case basis.

The consumer loans are classified as non-performing or impaired if there is a default on payments of the principal or accrued interest for 60 days or more. For the purpose of making provisions the evaluation of consumer loans is made on the portfolio level.

According to the Group's credit portfolio management policy, if at least one loan of a customer is recognized as impaired based on the above criteria, the total debt on such a customer is considered impaired, i.e. other performing loans of such a customer are also recognized as impaired.

The Group also separately discloses financial assets collectively assessed for impairment. Such assets are not individually impaired, because there is not enough objective evidence to recognize them as impaired. At the same time, the Group assesses these assets for credit risk and impairment on a collective basis taking into account the general macroeconomic environment as well as industry specific developments.

In Kazakhstan, the Group has actively participated in government economic stimulus programs, which allowed borrowers to take benefit from lower interest rates on their borrowings. Refinancing has allowed many customers to significantly reduce their debt service burden as interest rates were decreased to a range of 9% to 12.5%, depending on the type of the customer and the refinancing program. As a result of the refinancing, a portion of the loans, included in the collectively assessed for impairment category have been reclassified as unimpaired. The increase in the interest income from the impaired category is in line with the general deterioration of credit quality.

6. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

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

	Loans and advances to banks (KZT million) (Note 15)	**Loans to customers (KZT million) (Note 16)**	**Total (KZT million)**
30 June 2008 (unaudited)	1,076	178,253	179,329
(Recovery of provision)/additional provision recognized	(772)	19,532	18,760
Write-off of assets	-	(28)	(28)
Exchange rate difference	(7)	(1,464)	(1,471)
30 September 2008 (unaudited)	297	196,293	196,590
30 June 2009 (unaudited)	80	437,429	437,509
(Recovery of provision)/additional provision recognized	(53)	38,490	38,437
Write-off of assets	-	(28)	(28)
Exchange rate difference	(1)	1,521	1,520
30 September 2009 (unaudited)	26	477,412	477,438

	Loans and advances to banks (KZT million) (Note 15)	Loans to customers (KZT million) (Note 16)	Total (KZT million)
31 December 2007	1,276	140,363	141,639
(Recovery of provision)/additional provision recognized	(976)	57,636	56,660
Write-off of assets	-	(922)	(922)
Exchange rate difference	(3)	(784)	(787)
30 September 2008 (unaudited)	297	196,293	196,590
31 December 2008	299	289,328	289,627
(Recovery of provision)/additional provision recognized	(347)	160,448	160,101
Recovery of assets previously written off	-	136	136
Exchange rate difference	74	27,500	27,574
30 September 2009 (unaudited)	26	477,412	477,438

The Group creates allowance for impairment losses in order to cover possible credit losses, including losses where the asset is not specifically identified or the size of the loss has not been fully determined. At least monthly, the provision for impairment losses on interest bearing assets is reviewed by the Chairman of the Board, the Head of Risk Management Department, the Chief Financial Officer, and the Chief Accountant. At least quarterly, the provision for impairment losses and overall credit quality is reviewed by the Board of Directors. The amount of provision is reviewed relative to the credit portfolio and current economic conditions. The size of provision is determined by asset-specific and portfolio-based approaches. As at 30 September 2009, management deemed the provision for impairment losses to be appropriate and sufficient to absorb losses that are inherent in the portfolio.

The movements in insurance provisions and allowances for impairment losses on other assets were as follows:

	Insurance provision (KZT million)	Other assets (KZT million)	Total (KZT million)
30 June 2008 (unaudited)	3,912	525	4,437
Additional provision recognized	90	136	226
Write-off of assets	-	(42)	(42)
Exchange rate difference	-	40	40
30 September 2008 (unaudited)	4,002	659	4,661
30 June 2009 (unaudited)	4,031	3,065	7,096
Additional provision recognized/(recovery of provision)	262	(174)	88
Write-off of assets	-	(1)	(1)
Exchange rate difference	-	(63)	(63)
30 September 2009 (unaudited)	4,293	2,827	7,120

	Insurance provisions (KZT million)	Other assets (KZT million)	Total (KZT million)
31 December 2007	3,422	323	3,745
Additional provision recognized	580	377	957
Write-off of assets	-	(72)	(72)
Exchange rate difference	-	31	31
30 September 2008 (unaudited)	4,002	659	4,661
31 December 2008	4,005	2,303	6,308
Additional provision recognized	288	258	546
Write-off of assets	-	(137)	(137)
Exchange rate difference	-	403	403
30 September 2009 (unaudited)	4,293	2,827	7,120

Insurance provisions comprised:

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Annuity insurance	1,287	498
Property	706	934
Civil liability for damage	688	853
Civil liability for owners of vehicles	501	510
Vehicles	312	468
Accidents	295	272
Railway transport	121	13
Freight	115	95
Financial loss insurance	54	28
Life insurance	43	38
Insurance of environmental risk	41	43
Other	130	253
	4,293	4,005

Other insurance provisions include provisions for insurance of civil liability to passengers, private lawyers, auditors and audit organizations, ecological, medical, air and marine transport and others.

The movements in provision for guarantees and other contingencies were as follows:

	Guarantees and other contingencies 2009 (KZT million) (Note 19)	Guarantees and other contingencies 2008 (KZT million) (Note 19)
30 June (unaudited)	6,709	5,087
Additional provision recognized	2,599	2,237
Exchange rate difference	29	(121)
30 September (unaudited)	9,337	7,203

	Guarantees and other contingencies 2009 (KZT million) (Note 19)	Guarantees and other contingencies 2008 (KZT million) (Note 19)
1 January	6,271	7,216
Additional provision recognized	1,403	22
Exchange rate difference	1,663	(35)
30 September (unaudited)	9,337	7,203

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Insurance provisions	4,293	4,005
Reserves on guarantees and other contingencies	9,337	6,271
	13,630	10,276

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

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Net gain/(loss) on financial assets and liabilities held-for-trading	158	(27,847)	12,242	(42,091)
Total net gain/(loss) on financial assets and liabilities at fair value through profit or loss	158	(27,847)	12,242	(42,091)
Net gain/(loss) on operations with financial assets and liabilities held-for-trading comprise:				
Realized gain/(loss) on trading operations	632	(142)	1,210	12
Unrealized loss on fair value adjustment	(350)	(3,072)	(4,769)	(3,051)
Hedge ineffectiveness	(51)	1,249	869	(831)
Net (loss)/gain on operations with derivative financial instruments	(73)	(25,882)	14,932	(38,221)
Total net gain/(loss) on financial assets and liabilities at fair value through profit or loss	158	(27,847)	12,242	(42,091)

The Group enters into derivative financial instruments to manage currency and liquidity risks and such financial instruments are held primarily for trading purposes.

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

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Dealing, net	1,466	1,096	(17,000)	5,574
Translation differences, net	(1,403)	23,069	10,495	20,849
	63	24,165	(6,505)	26,423

Translation differences for the nine months ended 30 September 2009 amounted to KZT 10,495 million (30 September 2008: of KZT 20,849 million). This result arises on the revaluation of assets and liabilities denominated in non-functional currencies such as the USD, Japanese Yen, Euro, Pound and Singaporean dollar.

9. OTHER INCOME

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Insurance premium	1,153	1,088	3,055	3,497
Income from repurchase of own debt securities	448	110	23,033	110
Income from sale of property, equipment and intangible assets	81	1	99	22
Fines and penalties received	46	209	53	448
Income from purchase of subsidiaries	-	-	-	3,137
Other	50	70	298	780
	1,778	1,478	26,538	7,994

During the period from October 2007 to September 2009 the Bank purchased Eurobonds issued by Kazkommerts International B.V. and guaranteed by the Bank. The Bank bought back Eurobonds with different maturities. The total amount of the bought-back Eurobonds was USD 625,378,126.

10. OPERATING EXPENSES

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Staff costs	3,599	4,089	10,657	13,057
Depreciation and amortization	938	868	2,753	2,454
Property and equipment maintenance	891	757	1,513	1,678
Payments to the Individuals' Deposit Insurance Fund	764	310	1,505	1,280
Operating lease payments	632	793	1,973	2,681
Value added tax	226	303	602	581
Bank card services	169	149	483	378
Advertising costs	157	383	562	1,079
Communications	157	183	511	579
Consulting and audit services	105	84	273	265
Security services	87	110	242	325
Taxes, other than income tax and value added tax	74	193	291	515
Business trips expenses	60	121	163	312
Vehicle maintenance	56	74	186	219
Training	32	40	104	126
Printing and stationery	30	41	87	123
Courier expenses	19	20	68	73
Charity and sponsorship expenses	4	5	61	98
Legal services	2	1	81	10
Other expenses	190	200	381	365
	8,192	8,724	22,496	26,198

11. 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 Bank and its subsidiaries operate and which may differ from IFRS.

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 2009 and 31 December 2008 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Tax effect of temporary differences as at 30 September 2009 and 31 December 2008:

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Deferred income tax assets:		
Unrealized loss on trading securities and derivatives	3,830	6,082
Realized loss on securities	760	1,030
Provision on guarantees and letters of credit	502	-
Bonuses accrued	348	649
Unrealized loss on revaluation of financial instruments treated as cash flow hedges	230	2,680
Unamortized fees for loan origination	-	132
Other assets	433	240
Total deferred income tax assets	6,103	10,813

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Deferred income tax liabilities:		
Allowance for losses on loans and advances to banks and customers	22,013	19,144
Property and equipment, accrued depreciation	1,172	1,498
Unrealized gain on trading securities and derivatives	17	4
Investments in associates	-	108
Provision on guarantees and letters of credit	-	264
Total deferred income tax liabilities	23,202	21,018
Net deferred income tax liabilities	17,099	10,205

Relationships between tax expenses and accounting profit for the three months and nine months ended 30 September 2009 and 2008 are explained as follows:

	Three months ended 30 September 2009 (unaudited) (KZT million)	Three months ended 30 September 2008 (unaudited) (KZT million)	Nine months ended 30 September 2009 (unaudited) (KZT million)	Nine months ended 30 September 2008 (unaudited) (KZT million)
Profit before income tax	6,309	22,427	19,709	71,937
Tax at the statutory tax rate (20% for 2009 and 30% for 2008)	1,262	6,728	3,942	21,581
Tax effect of permanent differences:				
- tax exempt income	(344)	(2,399)	(2,479)	(3,028)
- non-deductible expenses	654	2,328	1,448	3,489
Recalculation of deferred tax expenses due to tax rate changes	-	-	2,194	-
Income tax expense	1,572	6,657	5,105	22,042
Current income tax expense	460	3,258	921	8,641
Deferred income tax expense	1,112	3,399	4,184	13,401
Income tax expense	1,572	6,657	5,105	22,042

In December 2008, an amendment to the Tax Code was enacted to reduce the corporate income tax rate from 30% to 20% effective from 1 January 2009, to 17.5% effective from 1 January 2010 and to 15% effective from 1 January 2011.

	Nine months ended 30 September 2009 (unaudited) (KZT million)	Year ended 31 December 2008 (KZT million)
Deferred income tax liabilities		
Opening balance	10,205	30,496
Increase/(decrease) of deferred tax liability	1,990	(1,705)
Change in hedging reserve	2,115	(2,680)
Increase/(decrease) of deferred tax liability due to tax rate changes	2,194	(14,267)
Change in available-for-sale reserve	351	(423)
Increase/(decrease) of deferred tax liability through equity due to tax rate changes	387	(1,216)
Change in deferred tax liability from revaluation of property and equipment	(143)	-
Ending balance	17,099	10,205

12. EARNINGS PER SHARE

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

Dividend payments per ordinary shares cannot exceed the dividends per share on preference shares for the same period. Therefore, net profit for the period is allocated to the ordinary shares and the preference shares in accordance with their legal and contractual dividend rights to participate in undistributed earnings:

	Three months ended 30 September 2009 (unaudited) (KZT million)	**Three months ended 30 September 2008 (unaudited) (KZT million)**	**Nine months ended 30 September 2009 (unaudited) (KZT million)**	**Nine months ended 30 September 2008 (unaudited) (KZT million)**
Basic and diluted earnings per share				
Net profit for the period attributable to equity holders of the Parent	4,977	16,267	14,577	49,490
Less: additional dividends that would be paid on full distribution of profit to the preferred shareholders	(660)	(2,780)	(1,619)	(8,463)
Net profit for the period attributable to ordinary shareholders	4,317	13,487	12,958	41,027
Weighted average number of ordinary shares for basic and diluted earnings per share	778,565,140	574,917,907	681,256,429	574,922,274
Earnings per share – basic and diluted (tenge)	5.54	23.46	19.02	71.36

13. CASH AND BALANCES WITH NATIONAL (CENTRAL) BANKS

	30 September 2009 (unaudited) (KZT million)	**31 December 2008 (KZT million)**
Cash on hand	35,485	35,879
Balances with the national (central) banks	27,217	54,599
	62,702	90,478

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

	30 September 2009 (unaudited) (KZT million)	**31 December 2008 (KZT million)**	**30 September 2008 (unaudited) (KZT million)**
Cash and balances with national (central) banks	62,702	90,478	183,053
Loans and advances to banks in Organization for Economic Co-operations and Development ("OECD") countries with original maturities less than 3 months	85,569	164,025	123,008
Less funds deposited with the National Bank of the Republic of Kazakhstan ("NBRK") and cash on hand	(57,515)	(85,127)	(154,541)
Less funds deposited with the Central Bank of the Russian Federation ("CBR")	(1,078)	(178)	(2,306)
Less funds deposited with the National Bank of the Kyrgyz Republic ("NBKR")	(210)	(155)	(216)
Less funds deposited with the National Bank of Tajikistan	(19)	(49)	(10)
	89,449	168,994	148,988

In accordance with Kazakhstan legislation, second-tier banks are required to maintain Minimum Reserve Requirements (the "MRR") in the form of cash and on correspondent account with the National Bank in national and freely-convertible currencies. MRR is defined as a share in percentage of total of the Bank's liabilities and calculated as of a certain date, and also as an average amount for fourteen calendar days. As at 30 September 2009, an amount of KZT 41,204 million (31 December 2008: KZT 49,925 million) of cash on hand and balance maintained with the NBRK represents MRR and is restricted in use.

The balances with the NBRK as at 30 September 2009 of KZT 24,919 million (31 December 2008: KZT 51,329 million, 30 September 2008: KZT 117,316 million) and cash on hand of KZT 32,596 million (31 December 2008: KZT 33,798 million, 30 September 2008: KZT 37,225 million), totaling KZT 57,515 million (31 December 2008: KZT 85,127 million, 30 September 2008: KZT 154,541 million) represent reserve assets that can be used in compliance with the requirements of the NBRK.

The balances with the CBR as at 30 September 2009 include KZT 1,918 million (31 December 2008: KZT 2,559 million, 30 September 2008: KZT 5,238 million), of which KZT 1,078 million (31 December 2008: KZT 178 million, 30 September 2008: KZT 2,306 million) represents the obligatory reserve deposits required by the CBR. The Group is required to maintain the reserve balance at the CBR at all times.

The balances with the NBKR as at 30 September 2009 include KZT 273 million (31 December 2008: KZT 415 million, 30 September 2008: KZT 609 million), of which KZT 210 million (31 December 2008: KZT 155 million, 30 September 2008: KZT 216 million) represents the obligatory reserve deposits required by the NBKR at all times.

The balance with the National Bank of Tajikistan as at 30 September 2009 include KZT 107 million (31 December 2008: KZT 296 million, 30 September 2008: KZT 12 million) of which KZT 19 million (31 December 2008: KZT 49 million, 30 September 2008: KZT 10 million) represents the obligatory reserve deposits required by the National Bank of Tajikistan.

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

Financial assets at fair value through profit or loss comprise:

	30 September 2009 (unaudited) (KZT million)	**31 December 2008 (KZT million)**
Derivative financial instruments	38,425	24,317
Debt securities	28,254	32,537
Equity investments	2,384	1,276
	69,063	58,130

Financial liabilities at fair value through profit or loss comprise:

	30 September 2009 (unaudited) (KZT million)	**31 December 2008 (KZT million)**
Derivative financial instruments	41,948	54,339
	41,948	54,339

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

	30 September 2009 (unaudited)		31 December 2008	
	Nominal interest rate %	Amount (KZT million)	Nominal interest rate %	Amount (KZT million)
Debt securities:				
Bonds of Kazakhstani companies	6.80-18.59	9,922	8.00-19.20	12,356
State treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	4.05-8.75	5,319	4.50-8.75	1,765
Bonds of Russian companies	7.29-16.00	2,828	7.28-13.80	3,078
Bonds of Russian banks	13.25-16.00	2,293	7.34-9.90	1,828
Short-term NBRK notes	2.46-2.95	2,094	5.76-6.76	5,609
Bonds of Kazakhstani banks	6.20-10.90	2,093	6.00-12.00	2,390
Eurobonds of Kazakhstani banks	3.37-8.13	1,683	7.88-8.13	2,089
Bonds of international financial organizations	6.50-7.75	1,626	6.50-15.72	2,920
Bonds of local executive bodies of the Russian Federation	6.75-8.20	250	7.26-8.70	378
Bonds of federal loan of the Ministry of Finance of the Russian Federation	8.00	146	9.00	124
		28,254		32,537

The Bank has recognized impairment on debt instruments of Alliance Bank of KZT 441 million representing 90% out of total nominal amount, which are reflected in Bonds of Kazakhstani banks.

The Bank has recognized impairment on debt instruments of BTA of KZT 204 million representing 90% out of total nominal amount, which are reflected in Eurobonds of Kazakhstani banks.

The Bank has recognized impairment on debt instruments of BTA Ipoteka of KZT 77 million representing 90% out of total nominal amount, which are reflected in Bonds of Kazakhstani companies.

	30 September 2009 (unaudited)		31 December 2008	
	Ownership share %	Amount (KZT million)	Ownership share %	Amount (KZT million)
Equity investments:				
GDR of Kazakhstani banks	0.20	1,382	0.64	610
GDR of Russian banks	0.104	433	0.103	214
Shares of Kazakhstani companies	0.003-0.158	285	0.001-0.293	162
GDRs of Russian companies	0.0001-0.01	86	0.0001-0.01	30
Shares of foreign companies	0.001-0.0003	74	0.0003-5.93	45
ADRs of Russian companies	0.001	52	0.003	12
Shares of Russian banks	0.00001	39	0.00001	12
GDR of Kazakhstani companies	0.0006	29	0.0006	8
Shares of Kazakhstani banks	0.004	4	0.025	75
Shares of Russian companies	-	-	0.0001-2.00	108
		2,384		1,276

As at 30 September 2009, financial assets at fair value through profit or loss included accrued interest income on debt securities of KZT 829 million (31 December 2008: KZT 592 million).

As at 30 September 2009, financial assets at fair value through profit or loss included state treasury bonds of the Ministry of Finance of the Republic of Kazakhstan, bonds of Kazakhstani companies, bonds and shares of Russian companies and banks pledged under repurchase agreements with other banks and customers with fair value of KZT 255 million (31 December 2008: KZT 9,860 million). As at 30 September 2009, all of the repurchase agreements are to be settled during October 2009 (31 December 2008: January 2009).

	30 September 2009 (unaudited)			31 December 2008		
	Nominal value	Net fair value (KZT million)		Nominal value	Net fair value (KZT million)	
Derivative financial instruments		**Assets**	**Liabilities**		**Assets**	**Liabilities**
Foreign exchange contracts						
Foreign exchange swap	305,830	37,848	(24,882)	305,917	21,265	(34,648)
Interest rate swap	117,220	207	(14,073)	124,591	946	(15,548)
Spot	55,897	57	(57)	18,563	2	(8)
Option	25,356	285	-	23,227	163	-
Forward contracts	19,694	28	(2,936)	112,221	1,941	(4,135)
		38,425	(41,948)		24,317	(54,339)

Included in the above are derivatives held for hedging purposes as follows:

	30 September 2009 (unaudited)			31 December 2008		
	Nominal value	Net fair value (KZT million)		Nominal value	Net fair value (KZT million)	
Cash flow hedging		**Assets**	**Liabilities**		**Assets**	**Liabilities**
Foreign exchange swap	230,062	24,014	(23,140)	191,476	11,952	(32,216)
Interest rate swaps	17,392	47	(1,796)	14,132	43	(1,618)
		24,061	(24,936)		11,995	(33,834)

The Group's cash flow hedges relate to exposure to variability in the anticipated future cash flows on its financial liabilities.

To hedge the cash flows on financial liabilities with floating interest rates, the Group uses interest rate swap contracts to exchange the floating rates for fixed rates. As such, the Group converts its floating rate debt repayments to fixed rate debt repayments and minimizes the effect of change in interest rates on its future cash flows.

To hedge the foreign exchange risk on financial liabilities the Group uses cross-currency swap contracts to convert, partially or in-full, its repayments on foreign currency denominated liabilities to the functional currency of the subsidiary which issued these liabilities.

For the nine-months period ended 30 September 2009, gain from hedge ineffectiveness recognized in net gain on financial assets and liabilities at fair value through profit or loss comprised KZT 869 million (nine-months period ended 30 September 2008: net loss from hedge ineffectiveness of KZT 831 million).

As at 30 September 2009, the aggregate amount of unrealized losses under foreign exchange swap contracts deferred in the hedging reserve relating to the exposures amounted to KZT 837 million (30 September 2008: the aggregate amount of unrealized losses of KZT 6,172 million). The cash flows under these contracts will occur quarterly, for periods up to February 2017. These contracts are designated as hedge instruments to hedge the exchange rate risk arising from the future cash flows of the funds raised by the Group from international financial organizations in currencies other than tenge.

As at 30 September 2009, the aggregate amount of unrealized losses under interest rate swap contracts deferred in the hedging reserve relating to the exposures amounted to KZT 2,149 million (30 September 2008: the aggregate amount of unrealized losses of KZT 1,531 million). The cash flows under these contracts will occur biannually, for periods up to January 2018. These contracts are designated as hedge instruments to hedge the interest rate risk arising from the future cash flows of the funds raised by the Group from international financial organizations in currencies other than tenge.

As at 30 September 2009, the fair value of liabilities arising from the derivative financial instruments classified as hedging instruments is KZT 875 million (31 December 2008: KZT 21,839 million).

15. LOANS AND ADVANCES TO BANKS

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Recorded as loans and receivables:		
Loans and advances to banks	112,143	222,785
Correspondent accounts with other banks	32,795	19,262
Loans under reverse repurchase agreements	-	65
	144,938	242,112
Less allowance for impairment losses	(26)	(299)
	144,912	241,813

Movements in allowances for impairment losses on loans and advances to banks for the nine months period ended 30 September 2009 and 30 September 2008 are disclosed in Note 6.

As at 30 September 2009, loans and advances to banks included accrued interest of KZT 828 million (31 December 2008: KZT 1,123 million).

As at 30 September 2009 and 31 December 2008, the Group had no loans and advances to the banks, which individually exceeded 10% of the Group's equity.

The fair value of collateral and carrying value of loans under reverse repurchase agreements as at 30 September 2009 and 31 December 2008 comprised:

	30 September 2009 (unaudited) (KZT million)		31 December 2008 (KZT million)	
	Fair value of collateral	Carrying value of loans	Fair value of collateral	Carrying value of loans
Bonds of Ministry of Finance of the Republic of Kazakhstan	-	-	39	65
	-	-	39	65

As at 30 September 2009, the guarantee deposit of KZT 5,014 million transferred to foreign banks was included in loans and advances to banks as collateral for cards and forward operations (2008: guarantee deposit for documentary operations with JP Morgan Chase Bank and guarantee deposit for forward operation with Morgan Stanley totaling KZT 4,723 million). The guarantee deposit within JP Morgan Chase Bank was closed during first half of 2009 as the related obligations were fulfilled. Guarantee deposit with Morgan Stanley for forward operation was closed on 14 October 2009 as described in Note 20.

16. LOANS TO CUSTOMERS

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Recorded as loans and receivables:		
Loans to customers	2,899,507	2,392,218
Loans under reverse repurchase agreements	6,628	34,417
Net investments in finance lease	6,198	7,475
	2,912,333	2,434,110
Less allowance for impairment losses	(477,412)	(289,328)
	2,434,921	2,144,782

As at 30 September 2009, accrued interest income included in loans to customers amounted to KZT 201,423 million (31 December 2008: KZT 98,183 million).

Movements in allowances for impairment losses on loans to customers for the nine-months periods ended 30 September 2009 and 30 September 2008 are disclosed in Note 6.

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

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Analysis by type of collateral:		
Loans collateralized by real estate	1,235,655	914,265
Loans collateralized by equipment	329,899	266,345
Loans collateralized by shares of the banks and other companies	296,245	249,811
Loans collateralized by inventories	159,671	67,717
Loans collateralized by mixed types of collateral	151,637	122,956
Loans collateralized by guarantees of enterprises	83,728	175,352
Unsecured loans	73,911	91,130
Loans collateralized by accounts receivable	33,906	83,884
Loans with collateral under the registration process (land, building, shares, guarantee, etc.)	33,090	77,973
Loans collateralized by cash or Kazakhstani Government guarantees	31,336	58,231
Loans collateralized by securities	4,107	34,417
Loans collateralized by guarantees of financial institutions	1,736	2,701
	2,434,921	2,144,782

Kazkommertsbank accepted Eurobonds issued by its subsidiaries, Kazkommerts International B.V. and Kazkommerts Finance II B.V, as collateral for loans to customers. The total nominal value of Eurobonds accepted as collateral as at 30 September 2009 was KZT 145,818 million (USD 966 million), out of which KZT 1,947 million (USD 12.9 million) were foreclosed during the third quarter of 2009.

Mixed collateral consists of multiple types of collateral including real estate, guarantees and inventories. Loans are classified as being collateralized by mixed collateral where it is impractical to split this collateral into the categories disclosed above.

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Analysis by sector:		
Trade	333,244	333,171
Real estate	315,259	140,901
Individuals	307,633	351,088
Housing construction	299,046	301,665
Commercial real estate construction	216,078	192,869
Hotel and restaurants business	189,719	135,015
Investments and finance	153,489	131,866
Transport and communication	117,770	97,576
Production of other non-metal materials	109,899	93,492
Energy	92,450	73,792
Food industry	68,302	56,730
Agriculture	35,705	45,440
Machinery construction	31,152	39,972
Industrial and other construction	24,553	30,447
Production of construction materials	16,679	16,073
Mining and metallurgy	15,658	13,118
Medicine	6,689	5,877
Culture and art	676	2,437
Other	100,920	83,253
	2,434,921	2,144,782

During the periods ended 30 September 2009 and 31 December 2008, the Group received non-financial assets by taking possession of collateral it held as security. As at 30 September 2009, such assets in the amount of KZT 3,527 million (31 December 2008: KZT 1,620 million) are included in other assets line of the condensed interim consolidated statement of financial position. These assets are represented by real estate mostly, which will be realized through auctions.

Loans to individuals represent following products:

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Mortgage loans	204,073	197,663
Consumer loans	66,413	100,830
Business loans	19,773	25,390
Car loans	10,118	13,584
Other	7,256	13,621
	307,633	351,088

As at 30 September 2009 and 31 December 2008, the Group granted loans to the borrowers, shown below, respectively, which individually exceeded 10% of the Group's equity. Although loans to borrowers disclosed in 2008 may continue to be outstanding in 2009, only those borrowers which exceed 10% of equity are disclosed below.

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
JSC Visor Investment Solutions	71,311	58,455
Almaty Airport	69,371	-
LLP GAS Corporation	69,219	64,835
Holding Vek ZhSK	-	50,660
JSC NGSK Kazstroiservice	-	47,343
Group LLP CP Retail Almaty	-	46,593
JSC Holding Build Investment	-	44,097
	209,901	311,983

As at 30 September 2009, a significant portion of loans to customers 79.00% (31 December 2008: 80.43%) of the total portfolio is granted to companies operating in the Republic of Kazakhstan, which represents a significant geographical concentration.

The fair value of collateral and carrying value of loans under reverse repurchase agreements as at 30 September 2009 and 31 December 2008, comprised:

	30 September 2009 (unaudited) (KZT million)		31 December 2008 (KZT million)	
	Fair value of collateral	Carrying value of loans	Fair value of collateral	Carrying value of loans
ADRs of Kazakhstani companies	1,807	5,176	1,642	4,338
Bonds of Kazakhstani companies	493	908	1,711	1,981
Bonds of the Ministry of Finance of the Republic of Kazakhstan	255	233	176	185
Shares of Kazakhstani banks	33	309	139	498
Shares of Kazakhstani companies	2	2	11,189	19,803
Shares of Russian companies	-	-	4,165	3,800
Bonds of Russian companies	-	-	3,543	2,983
Shares of Russian banks	-	-	519	446
Bonds of Kazakhstani banks	-	-	290	383
	2,590	6,628	23,374	34,417
Less allowance for impairment losses	-	(2,521)	-	-
	2,590	4,107	23,374	34,417

As at 30 September 2009, under the reverse repurchase agreements allowance for impairment losses of KZT 2,521 million against ADRs of KazakhTelecom were created.

17. CUSTOMER ACCOUNTS

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Recorded at amortized cost:		
Time deposits	801,507	789,780
Demand deposits	221,339	153,967
JSC National Welfare Fund "Samruk-Kazyna" and JSC Entrepreneurship Development Fund "Damu"	149,161	35,110
Metallic accounts in precious metals	628	300
Loans under repurchase agreements	-	296
	1,172,635	979,453

As at 30 September 2009, customer accounts included accrued interest expense of KZT 15,672 million (2008: KZT 14,610 million).

As at 30 September 2009, customer accounts of KZT 5,288 million (31 December 2008: KZT 4,736 million) were pledged as a guarantee for issued letters of credit and other transactions relating to contingent liabilities.

The Bank participates in the stabilization program of the Government of Kazakhstan through financing and refinancing programs of JSC National Welfare Fund "Samruk-Kazyna". As at 30 September 2009, the Bank received KZT 84 billion within the real economy sector financing programs and KZT 16 billion within financing of the small and medium business enterprises from Samruk-Kazyna.

As at 30 September 2009, within the real economy sector financing program (KZT 84 bln.) total amount of the financing agreements signed amounted to KZT 90.42 billion. As at 30 September 2009, the Bank financed KZT 48.33 billion of which KZT 40.8 billion were used to refinance customers' existing obligations.

As at 30 September 2009, within KZT 24 billion mortgage refinancing program, the Bank refinanced mortgage loans for total amount of KZT 24 billion. This program was completed by 1 September 2009.

As at 30 September 2009, the customer accounts of KZT 729,923 million or 62.25% (31 December 2008: KZT 565,565 million or 57.74%), were due to 10 customers, which represents a significant concentration.

	30 September 2009 (unaudited) (KZT million)	31 December 2008 (KZT million)
Analysis by sector:		
Chemical and petrochemical industry	378,711	393,550
Individuals	304,818	263,771
Public authorities	146,556	271
Investments and finance	74,302	105,169
Distribution of electricity, gas and water	53,186	45,386
Transport and communication	42,439	27,644
Individual services	36,699	30,249
Construction	36,055	24,711
Trade	32,156	46,667
Agriculture	19,831	13,895
Education	19,653	10,800
Mining and metallurgy	8,040	6,090
Health care	4,703	2,856
Hotel business	2,072	1,145
Public organizations and unions	1,955	519
Light industry	1,200	1,168
Real estate	960	606
Food industry	953	570
Machinery construction	902	939
Culture and art	725	770
Metallic accounts in precious metals	628	300
Energy	1	1
Other	6,090	2,376
	1,172,635	979,453

As at 30 September 2009, the customer accounts included loans under repurchase agreements amounting to KZT 0 (Nil) (31 December 2008: KZT 296 million).

The fair value of collateral and carrying value of loans under repurchase agreements as at 30 September 2009 and 31 December 2008 are presented as follows:

	30 September 2009 (unaudited) (KZT million)		31 December 2008 (KZT million)	
	Fair value of collateral	Carrying value of loans	Fair value of collateral	Carrying value of loans
Bonds of the Ministry of Finance of the Republic of Kazakhstan	-	-	176	185
Bonds of Kazakhstani companies	-	-	7	30
Shares of Russian companies	-	-	29	29
Shares of Kazakhstani banks	-	-	35	27
Shares of Russian banks	-	-	25	25
Total securities sold under repurchase agreements	-	-	272	296

18. OTHER BORROWED FUNDS

	Currency	Maturity	Interest rate %	30 September 2009 (unaudited) (KZT million)	Interest rate %	31 December 2008 (KZT million)
Moore's Creek	KZT	February 2009	-	-	7.56	6,588
Cargill Financial Services Int, USA	USD	March 2009	-	-	8.33	1,939
Intesa Soditic Trade Finance LTD	USD	August 2009	-	-	4.82	246
NLB InterFinanz AG	USD	August 2010	3.12	2,271	5.67	1,849
Funding of agricultural equipment purchasing by Export Development Canada	USD	March 2011	2.03	320	4.15	432
Funding by the Ministry of Finance of the Republic of Kazakhstan and by the Ministry of Kyrgyz Republic	KZT	September 2011	0.50	38	0.50	58
DEG-Deutsche Investitions MBH	USD	November 2011	2.91	1,981	4.10 – 6.37	5,471
London Forfaiting Company Ltd	USD	June 2012	3.86	1,524	-	-
Deere Credit	USD	May 2013	1.67 – 2.15	336	2.77 – 3.69	311
Funding by the Ministry of Finance of Kyrgyz Republic	USD	July 2015	1.50	2	1.50	2
Funding JSC Entrepreneurship Development Fund “Damu”*	KZT	February 2016	7.50 – 7.70	19,059	7.50	2,716
Private Export Funding Corporation	USD	April 2017	0.47 – 2.31	1,855	1.95 – 4.79	1,572
Kazkommerts DPR Company	USD	March 2017	-	-	2.54 – 4.00	111,436
Societe Generale Financial Corp	USD	September 2017	0.86 – 2.73	4,721	3.67 – 5.85	4,704
				32,107		137,324

* JSC Entrepreneurship Development Fund “Damu” is a subsidiary of JSC National Welfare Fund “Samruk-Kazyna”.

As at 30 September 2009, accrued interest expense included in other borrowed funds amounted to KZT 415 million (2008: KZT 564 million).

On 11 June 2009 Kazkommertsbank, acting in its capacity as originator, requested the securitization of future payments programme’s controlling parties (Ambac Assurance Corporation, MBIA Insurance Corporation, Financial Guaranty Insurance Company, the Asian Development Bank and WestLB) to terminate the programme. As a result of this termination, the programme’s issuer, Kazkommerts DPR Company (“SPC”) optionally redeemed all of its outstanding notes issued under the programme. The principal amount of USD 850.4 million was redeemed by the SPC on 11 June 2009; USD 99.6 million had already been repaid on 16 March 2009.

The DPR programme was initiated in 2005. The notes were not guaranteed by Kazkommertsbank. However, certain tranches were insured by monoline insurers Ambac Assurance Corporation, MBIA Insurance Corporation, Financial Guaranty Insurance Company and the Asian Development Bank.

As at 30 September 2009, within the program of financing small and medium business enterprises (KZT 16 bln.) total amount of the financing agreements signed amounts to KZT 17.2 billion. As at 30 September 2009, the Bank financed 14.8 billion of which KZT 9.7 billion were used to refinance customers' existing obligations.

19. 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 condensed interim consolidated statement of financial position.

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

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

As at 30 September 2009, provision for losses on guarantees and contingent liabilities amounted to KZT 9,337 million (31 December 2008: KZT 6,271 million).

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.

As at 30 September 2009 and 31 December 2008, the nominal or contract amounts and risk-weighted amounts were:

	30 September 2009 (unaudited)		**31 December 2008**	
	Nominal amount (KZT million)	**Risk weighted amount (KZT million)**	**Nominal amount (KZT million)**	**Risk weighted amount (KZT million)**
Contingent liabilities and credit commitments				
Guarantees issued and similar commitments	107,143	107,143	109,550	109,550
Letters of credit and other transaction related to contingent obligations	11,937	1,854	37,570	6,760
Commitments on loans and unused credit lines	10,367	10,367	9,312	9,312
Commitments on loans sold to JSC Kazakhstan Mortgage Company with recourse	59	59	72	72
	129,506	119,423	156,504	125,694

The decision to issue loans to customers within open credit lines is made by the Group at each request of a customer and depends on the financial position of the borrower, credit history and other factors. As at 30 September 2009, the amount of liabilities on such unused credit lines equals KZT 450,865 million (31 December 2008: KZT 502,123 million). The decision to issue further funds is not obligatory since the Group is entitled to suspend or stop providing the borrower with a credit line and deny the borrower the credit for any reason (including the cases when the borrower violates the obligations before the Group; insufficiency of the collateral when revaluing the collateral due to a decrease in its pledge value or change of prices in the market; or as a result of provision of the credit line (provision of credit) the Group will violate any of the prudential norms established by the National Bank of the Republic of Kazakhstan for the second-tier banks) without warning the borrower.

Capital commitments

As at 30 September 2009, capital commitments amounted to KZT 2,729 million (31 December 2008: KZT 1,960 million). Such capital commitments relate to the development of property, including the construction of a new office building.

Specific volatility in global and Kazakhstani financial markets

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

Recoverability of financial assets

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

As at 30 September 2009, the Group has financial assets amounting to KZT 2,731,254 million (31 December 2008: KZT 2,557,860 million). The recoverability of these financial assets depends to a large extent on the efficacy of the fiscal measures and other measures and other actions, beyond the Group’s control, undertaken within various countries to achieve economic stability and recovery. The recoverability of the Group’s financial assets is determined based on conditions prevailing and information available as at the date of the statement of financial position. It is the management’s opinion that no additional provision on financial assets is needed at present, based on prevailing conditions and available information.

20. SUBSEQUENT EVENTS

On 9 October 2009, JSC National Welfare Fund “Samruk-Kazyna”, JSC Stress Assets Fund (further – “SAF”), JSC Entrepreneurship Development Fund “Damu” and second-tier commercial banks (Kazkommertsbank, JSC Alliance Bank, JSC BTA Bank, JSC Halyk Bank, JSC Temirbank) signed a General Agreement on placement of SAF funds to the second-tier banks for subsequent refinancing of large-scale businesses in the manufacturing sector. The Bank has received KZT 4 billion. The Bank will add its own funds of KZT 1.714 billion to this amount.

On 14 October 2009, the Bank entered into the Novation Agreement with JPMorgan Chase Bank, N.A. and Morgan Stanley & Co. International Limited concerning non-deliverable forward and cross-currency swap deals. As a result of this deal all assets and liabilities of the Bank under the transaction of non-deliverable forward between Morgan Stanley & Co. International PLC and the Bank have been transferred to JPMorgan Chase Bank, N.A. Whereas, cross-currency swap deal between JPMorgan Chase Bank, N.A and Kazkommertsbank has been cancelled. Fair value of cross-currency swap with JP Morgan Chase Bank, N.A. comprised of KZT 2,993 million, whilst fair value of non-deliverable forward with Morgan Stanley & Co. amounted to KZT 2,875 million with difference recognized in the “Net gain/(loss) on financial assets and liabilities at fair value through profit or loss” line of the consolidated income statement. The Bank received KZT 15 million in cash as a result of this deal.

Kazkommertsbank accepted Eurobonds issued by its subsidiaries, Kazkommerts International B.V. and Kazkommerts Finance II B.V, as collateral for loans to customers. On 27 October 2009, Kazkommertsbank had foreclosed bonds of Kazkommerts International B.V. with nominal value of USD 231 million.

On 3 November 2009, Kazkommertsbank redeemed the issue of Eurobonds placed in November 2004 of USD 500 million. The issuer of bonds was Kazkommerts International B.V., a subsidiary of Kazkommertsbank. Full scheduled redemption of the issue was made through own funds of the Bank. Previously, the Bank has partially repurchased Eurobonds of this issue.

21. TRANSACTIONS WITH RELATED PARTIES

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related party disclosures". In considering each possible related party relationship, special attention is directed to the substance of the relationship, and not merely the legal form. Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	30 September 2009 (unaudited) (KZT million)		31 December 2008 (KZT million)	
	Related party balances	**Total category as per financial statements caption**	**Related party balances**	**Total category as per financial statements caption**
Loans to customers	1,153	2,912,333	1,525	2,434,110
- entities with joint control or significant influence over the entity	-		3	
- key management personnel of the entity or its parent	1,150		1,522	
-other related parties	3		-	
Allowance for impairment losses	(104)	(477,412)	(106)	(289,328)
- entities with joint control or significant influence over the entity	-		-	
- key management personnel of the entity or its parent	(104)		(106)	
Investments in associates	-	-	1,775	1,775
- to associates	-		1,775	
Customer accounts	8,318	1,172,635	4,661	979,453
- parent company	1,307		1,124	
- entities with joint control or significant influence over the entity	558		53	
- associates	-		29	
- key management personnel of the entity or its parent	2,724		3,443	
- other related parties	3,729		12	
Commitments on loans and unused credit lines	675	10,367	304	9,312
- key management personnel of the entity or its parent	672		304	
- other related parties	3		-	
Guarantees issued and similar commitments	10	107,143	19	109,550
- key management personnel of the entity or its parent	10		19	

Included in the condensed interim consolidated income statement for the nine months ended 30 September 2009 and 2008 are the following amounts which arose due to transactions with related parties:

	Nine months ended 30 September 2009 (unaudited) (KZT million)		Nine months ended 30 September 2008 (unaudited) (KZT million)	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Interest income	176	291,105	123	289,048
Interest expense	(265)	(136,372)	(333)	(138,058)
Operating expenses	(530)	(22,496)	(676)	(26,198)
- Short-term employee benefits	(530)	(10,657)	(676)	(13,057)
Provisions for impairment losses on interest bearing assets, other assets, guarantees and other contingencies	(23)	(162,050)	(7)	(57,639)
Gain from sale of associates and share of results of associates	345	4,372	(1,101)	(1,101)

Key management personnel compensation for the nine months ended 30 September 2009 and 2008 is represented by short-term employee benefits.

As at 30 September 2009 and 2008, the Group does not pledge any assets in connection with guarantees issued to management.

22. SEGMENT REPORTING

Business segments

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

- Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- Corporate banking – representing current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency products, guarantees and letters of credit and derivative products.
- Investment banking – representing financial instruments trading, structured financing, and merger and acquisitions advice.
- Other – representing insurance operations and other activities.

Retail Banking offers a range of personal banking, savings and mortgage products and services. Corporate Banking offers business banking services principally to small and mid sized companies and commercial loans to larger Corporate & Commercial customers. Investment Banking consists of assets and liabilities required to support the liquidity and funding requirements of the Group, Asset and Liability Management activities, Group Capital and shared services.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments. 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.

	Retail banking (unaudited) (KZT million)	Corporate banking (unaudited) (KZT million)	Investment banking (unaudited) (KZT million)	Other (unaudited) (KZT million)	Unallocated (unaudited) (KZT million)	Eliminations (unaudited) (KZT million)	As at and for the nine months ended 30 September 2009 (unaudited) (KZT million)
External interest income	36,089	244,392	10,017	607	-	-	291,105
Internal interest income	26,423	36,303	125,295	-	-	(188,021)	-
External interest expenses	(21,967)	(40,522)	(73,883)	-	-	-	(136,372)
Internal interest expenses	(19,270)	(127,258)	(41,493)	-	-	188,021	-
Net interest income before provision for impairment losses on interest bearing assets	21,275	112,915	19,936	607	-	-	154,733
Provisions for impairment losses on interest bearing assets	(20,885)	(136,902)	(2,314)	-	-	-	(160,101)
NET INTEREST EXPENSE	390	(23,987)	17,622	607	-	-	(5,368)
Net gain on financial assets and liabilities at fair value though profit or loss	-	-	12,120	122	-	-	12,242
Net loss on foreign exchange and precious metals operations	765	261	(7,958)	18	409	-	(6,505)
Fee and commission income	5,305	7,495	2,833	-	-	-	15,633
Fee and commission expense	(522)	(849)	(232)	(810)	(8)	-	(2,421)
Net realized loss on investments available-for-sale	-	-	(533)	53	-	-	(480)
Dividends received	-	-	132	11	-	-	143
Other income	50	145	23,222	3,092	29	-	26,538
NET NON-INTEREST INCOME	5,598	7,052	29,584	2,486	430	-	45,150
OPERATING INCOME	5,988	(16,935)	47,206	3,093	430	-	39,782
OPERATING EXPENSES	(11,695)	(7,321)	(2,148)	(1,269)	(63)	-	(22,496)
PROFIT BEFORE OTHER OPERATING PROVISIONS AND RESULTS OF ASSOCIATES	(5,707)	(24,256)	45,058	1,824	367	-	17,286
Provisions for impairment losses on other transactions	-	(707)	523	(362)	-	-	(546)
Provisions for guarantees and other contingencies	-	(1,403)	-	-	-	-	(1,403)
Gain from sale of associates	-	-	4,372	-	-	-	4,372
OPERATING PROFIT BEFORE INCOME TAX	(5,707)	(26,366)	49,953	1,462	367	-	19,709
Income tax expense	-	-	-	-	(5,105)	-	(5,105)
NET PROFIT	(5,707)	(26,366)	49,953	1,462	(4,738)	-	14,604
Segment assets	307,633	2,127,288	347,110	16,419	915,283	(926,668)	2,787,065
Segment liabilities	304,818	867,817	1,233,890	4,271	850,961	(876,275)	2,385,482

	Retail Banking (unaudited) (KZT million)	Corporate banking (unaudited) (KZT million)	Investment banking (unaudited) (KZT million)	Other (unaudited) (KZT million)	Unallocated (unaudited) (KZT million)	Eliminations (unaudited) (KZT million)	As at 31 December 2008 and for the nine months ended 30 September 2008 (unaudited) (KZT million)
External interest income	47,345	227,135	13,941	627	-	-	289,048
Internal interest income	26,767	37,216	113,698	-	48,869	(226,550)	-
External interest expenses	(22,235)	(32,702)	(83,121)	-	-	-	(138,058)
Internal interest expenses	(28,722)	(113,089)	(36,429)	-	(48,310)	226,550	-
Net interest income before provision for impairment losses on interest bearing assets	23,155	118,560	8,089	627	559	-	150,990
Provisions for impairment losses on interest bearing assets	(18,290)	(39,364)	994	-	-	-	(56,660)
NET INTEREST INCOME	4,865	79,196	9,083	627	559	-	94,330
Net loss on financial assets and liabilities at fair value though profit or loss	-	-	(41,924)	(167)	-	-	(42,091)
Net gain on foreign exchange and precious metals operations	383	106	25,943	13	(22)	-	26,423
Fee and commission income	5,049	8,844	1,982	-	-	-	15,875
Fee and commission expense	(769)	(464)	(622)	(620)	(121)	-	(2,596)
Net realized gain on investments available-for-sale	-	-	83	23	-	-	106
Dividends received	-	-	156	18	-	-	174
Other income	179	504	3,682	3,609	20	-	7,994
NET NON-INTEREST INCOME	4,842	8,990	(10,700)	2,876	(123)	-	5,885
OPERATING INCOME	9,707	88,186	(1,617)	3,503	436	-	100,215
OPERATING EXPENSE	(12,024)	(9,876)	(2,912)	(1,344)	(42)	-	(26,198)
PROFIT BEFORE OTHER OPERATING PROVISIONS AND RESULTS OF ASSOCIATES	(2,317)	78,310	(4,529)	2,159	394	-	74,017
Provision for impairment losses on other transactions	-	(334)	(17)	(606)	-	-	(957)
Provision for guarantees and other off-balance sheet contingencies	-	(22)	-	-	-	-	(22)
Share of results of associates	-	-	(1,101)	-	-	-	(1,101)
OPERATING PROFIT BEFORE INCOME TAX	(2,317)	77,954	(5,647)	1,553	394	-	71,937
Income tax expense	-	-	-	-	(22,042)	-	(22,042)
NET PROFIT	(2,317)	77,954	(5,647)	1,553	(21,648)	-	49,895
Segment assets	351,088	1,793,694	465,756	14,716	797,448	(807,897)	2,614,805
Segment liabilities	263,771	715,682	1,327,403	7,624	755,246	(778,988)	2,290,738

23. RISK MANAGEMENT POLICIES

Management of risks is fundamental to the Group's business. The risk management functions include:

- Risks identification: The risks, which the Group is exposed to in its daily activities, are identified by the risk management system.
- Measuring risks: The Group measures the risks using various methodologies, which include risk based profitability analysis, calculation of possible loss amounts, and utilization of specialized models. Measurement models and associated assumptions are periodically reviewed to ensure that the tools represent the risks adequately and reasonably.
- Risk monitoring: Group's policies and procedures determine the processes on mitigating and decreasing the risks and set the limits on various types of operations. Such limits are reviewed on a periodic basis specified by internal documents of the Group.
- Risk reporting: Risk reporting is performed on a line of business and on a consolidated basis. This information is periodically presented to the management.

The main risks inherent to the Group's operations are those related to:

- Liquidity risk
- Currency risk
- Credit risk
- Interest rate risk
- Market risk

The Group has opted to present liquidity risk and currency risk as at 30 September 2009. The Group believes this information will be useful to users of this condensed interim consolidated financial information. The remaining risk management policies, which include credit risk, interest rate risk and market risk are not significantly different from the Group's risk management policies disclosed in the audited consolidated financial statements for the year ended 31 December 2008.

From 1 January 2008, the Group implemented a hedge accounting policy as part of its risk management strategy. Prior to this date, the Group opted not to designate its economic hedges as hedging relationships. The Group has designated cross currency swaps and interest swaps as hedging instruments against various currency and interest rate exposures, the details of which are disclosed in Note 14.

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments of the Group associated with financial instruments as they actually fall due as a result of decrease possibilities of the Group to raise appropriate funds.

The Asset and Liability Management Committee (ALMC) controls these types of risks by means of maturity analysis and determines the Group's strategy for the next financial period. Current liquidity is managed by the Treasury Department through the deals in the money markets, with placement of available funds in liquid securities in line with ALMC instructions.

With the purpose of managing the liquidity risk, the Group performs daily monitoring of future expected cash flows on clients' and banking operations, which is a part of assets and liabilities management process.

The Group maintains the compliance of liquidity requirements, such as current and short-term liquidity ratios and foreign exchange liquidity limits, set by the regulatory bodies. In the management's opinion limits described above are strict, and that measure guarantees maintaining appropriate liquidity level.

The following table is used by the management to monitor the liquidity and interest risks. The table is based on the time period to maturity or contractual repricing of the financial instruments.

	Up to 1 month (unaudited) (KZT million)	1 month to 3 months (unaudited) (KZT million)	3 months to 1 year (unaudited) (KZT million)	1 year to 5 years (unaudited) (KZT million)	Over 5 years (unaudited) (KZT million)	Maturity undefined (unaudited) (KZT million)	30 September 2009 Total (unaudited) (KZT million)
ASSETS:							
Debt securities and derivatives in the financial assets at fair value through profit or loss	6,239	1,617	18,450	12,677	17,181	-	56,164
Loans and advances to banks	112,645	594	20,202	10,627	15	-	144,083
Loans to customers	74,078	87,149	515,365	1,060,022	496,884	-	2,233,498
Investments available-for-sale	2	179	5,920	3,390	6,897	-	16,388
Investments held to maturity	-	3	2	522	383	-	910
Total interest bearing assets	192,964	89,542	559,939	1,087,238	521,360	-	2,451,043
Cash and balances with national (central) banks	62,702	-	-	-	-	-	62,702
Precious metals	775	-	-	-	-	-	775
Goodwill	-	-	-	-	-	2,405	2,405
Property, equipment and intangible assets	-	-	-	-	-	34,583	34,583
Accrued interest income on interest-bearing assets	55,200	29,503	75,032	55,786	19	-	215,540
Other assets	1,716	2,121	8,975	7,184	21	-	20,017
TOTAL ASSETS	313,357	121,166	643,946	1,150,208	521,400	36,988	2,787,065
LIABILITIES:							
Loans and advances from banks	16,085	54,847	7,498	171,587	3,506	-	253,523
Customer accounts	307,524	87,956	388,020	346,044	27,419	-	1,156,963
Debt securities issued	1,699	62,021	3,416	330,405	293,557	-	691,098
Other borrowed funds	-	-	815	5,203	25,674	-	31,692
Subordinated debt	805	4,188	-	15,095	111,686	6,860	138,634
Total interest bearing liabilities	326,113	209,012	399,749	868,334	461,842	6,860	2,271,910
Financial liabilities at fair value through profit or loss	160	3,059	3,045	27,668	8,016	-	41,948
Provisions	8,162	481	3,630	1,170	187	-	13,630
Deferred income tax liability	-	-	-	17,099	-	-	17,099
Dividends payable	-	-	770	-	-	-	770
Accrued interest expense on interest-bearing liabilities	4,038	11,687	22,096	2,741	6,928	-	47,490
Other liabilities	6,015	2,492	1,223	4	-	-	9,734
TOTAL LIABILITIES	344,488	226,731	430,513	917,016	476,973	6,860	2,402,581
Liquidity gap	(31,131)	(105,565)	213,433	233,192	44,427		
Interest sensitivity gap	(133,149)	(119,470)	160,190	218,904	59,518		
Cumulative interest sensitivity gap	(133,149)	(252,619)	(92,429)	126,475	185,993		
Cumulative interest sensitivity gap as a percentage of total assets	(4.8%)	(9.1%)	(3.3%)	4.5%	6.7%		
Contingent liabilities and credit commitments	69,400	3,599	25,989	14,724	5,357	11	

	Up to 1 month (KZT million)	1 month to 3 months (KZT million)	3 months to 1 year (KZT million)	1 year to 5 years (KZT million)	Over 5 years (KZT million)	Maturity undefined (KZT million)	31 December 2008 Total (KZT million)
ASSETS:							
Debt securities and derivatives in the financial assets at fair value through profit or loss	1,127	6,647	26,489	13,592	8,407	-	56,262
Loans and advances to banks	181,044	14,210	39,658	1,051	4,727	-	240,690
Loans to customers	69,388	94,480	484,754	861,803	536,174	-	2,046,599
Debt securities in the investments available-for-sale	106	-	822	4,292	5,631	-	10,851
Investments held to maturity	174	6	2	105	470	-	757
Total interest bearing assets	251,839	115,343	551,725	880,843	555,409	-	2,355,159
Cash and balances with national (central) banks	90,478	-	-	-	-	-	90,478
Precious metals	317	-	-	-	-	-	317
Equity securities in the financial assets at fair value through profit or loss	-	-	-	-	-	1,276	1,276
Equity securities in the investments available-for-sale	-	-	-	-	-	3,301	3,301
Investments in associates	-	-	-	-	-	1,775	1,775
Goodwill						2,405	2,405
Property, equipment and intangible assets	-	-	-	-	-	35,465	35,465
Accrued interest income on interest-bearing assets	30,866	23,345	43,105	3,504	1	-	100,821
Other assets	14,826	2,424	5,571	987	-	-	23,808
TOTAL ASSETS	388,326	141,112	600,401	885,334	555,410	44,222	2,614,805
LIABILITIES:							
Loans and advances from banks	75,572	21,388	92,777	93,727	10,689	-	294,153
Customer accounts	383,076	32,790	316,450	229,805	2,722	-	964,843
Debt securities issued	487	8,405	90,220	260,093	299,501	-	658,706
Other borrowed funds	2	7,416	8,876	81,475	38,991	-	136,760
Subordinated debt	-	-	3,337	-	95,005	17,454	115,796
Total interest bearing liabilities	459,137	69,999	511,660	665,100	446,908	17,454	2,170,258
Financial liabilities at fair value through profit or loss	426	229	720	37,524	15,440	-	54,339
Provisions	1,710	1,090	1,794	1,677	-	4,005	10,276
Deferred income tax liability	-	-	4	10,201	-	-	10,205
Dividends payable	-	5	-	-	-	-	5
Accrued interest expense on interest-bearing liabilities	3,476	15,973	16,312	3,158	-	-	38,919
Other liabilities	13,032	1,973	1,927	9	-	-	16,941
TOTAL LIABILITIES	477,781	89,269	532,417	717,669	462,348	21,459	2,300,943
Liquidity gap	(89,455)	51,843	67,984	167,665	93,062		
Interest sensitivity gap	(207,298)	45,344	40,065	215,743	108,501		
Cumulative interest sensitivity gap	(207,298)	(161,954)	(121,889)	93,854	202,355		
Cumulative interest sensitivity gap as a percentage of total assets	(7.9%)	(6.2%)	(4.7%)	3.6%	7.7%		
Contingent liabilities and credit commitments	4,927	30,806	52,999	57,844	490	54	

The tables include the maturity dates for financial assets and financial liabilities, as they fall due. Based on prior experience, the Group considers it highly unlikely that all customer accounts seek repayment on maturity. Historically the majority of such deposits are rolled over. The Group is aware of the importance of maintaining the stability of these deposits. In order to achieve this it is essential that the Group ensures depositor confidence in the Group's liquidity, by continuing to position itself as the depositor of choice in local markets and a leading financial institution in both the Republic of Kazakhstan and abroad. The Group does not use undiscounted contractual maturity information when managing its operations.

Currency risk

Currency risk is defined as the risk of taking losses from open currency positions and financial instruments in foreign currencies as a result of changes in foreign exchange rates. The Group is exposed to the effects of fluctuations in foreign currency exchange rates on its open currency positions and trading portfolio.

The ALMC controls currency risk by managing its open currency positions on the basis of macroeconomic analysis and exchange rate forecasts, which give the Group an opportunity to minimise losses from significant currency fluctuations. Similar to liquidity risk management, the Treasury Department manages open currency positions of the Group using data generated by the Prudentials Monitoring and Credit Reporting Division on a daily basis.

The FMSA sets strict restrictions on open currency positions. This also limits the currency risk. In addition, the Treasury Department uses various hedging strategies including cross currency swaps in order to mitigate currency risks.

As at 30 September 2009 the Group's exposure to foreign currency exchange rate risk is presented in the table below:

	KZT **(unaudited)** **(KZT million)**	**USD** **(unaudited)** **(KZT million)**	**EUR** **(unaudited)** **(KZT million)**	**RUR** **(unaudited)** **(KZT million)**	**Other CCY** **(unaudited)** **(KZT million)**	**30 September 2009 Total** **(unaudited)** **(KZT million)**
ASSETS:						
Cash and balances with national (central) banks	33,058	10,716	15,320	2,670	938	62,702
Precious metals	-	-	-	-	775	775
Financial assets at fair value through profit or loss	45,316	5,903	7,764	5,608	4,472	69,063
Loans and advances to banks	901	122,390	14,501	730	6,390	144,912
Loans to customers	697,665	1,581,900	78,238	47,858	29,260	2,434,921
Investments available-for-sale	11,930	4,810	-	-	-	16,740
Investments held to maturity	942	-	-	-	5	947
Goodwill	2,405	-	-	-	-	2,405
Property, equipment and intangible assets	32,214	13	-	2,163	193	34,583
Other assets	8,647	1,420	102	9,795	53	20,017
TOTAL ASSETS	833,078	1,727,152	115,925	68,824	42,086	2,787,065
LIABILITIES:						
Loans and advances from banks	3,996	220,798	10,565	17,362	2,532	255,253
Customer accounts	480,904	608,265	68,729	12,760	1,977	1,172,635
Financial liabilities at fair value through profit or loss	38,217	3,730	-	1	-	41,948
Debt securities issued	-	393,472	233,518	1,543	88,995	717,528
Other borrowed funds	19,097	13,010	-	-	-	32,107
Provisions	6,508	6,559	463	100	-	13,630
Deferred income tax liabilities	17,057	-	-	33	9	17,099
Dividends payable	-	751	-	-	19	770
Other liabilities	5,576	1,728	977	893	560	9,734
Subordinated debt	34,617	107,260	-	-	-	141,877
TOTAL LIABILITIES	605,972	1,355,573	314,252	32,692	94,092	2,402,581
OPEN POSITION	227,106	371,579	(198,327)	36,132	(52,006)	

Derivative financial instruments and spot contracts

Fair value of derivative financial instruments and spot contracts are included in the currency analysis presented above and the following table presents further analysis of currency risk on derivative financial instruments and spot contracts as at 30 September 2009:

	KZT (unaudited) (KZT million)	USD (unaudited) (KZT million)	EUR (unaudited) (KZT million)	RUR (unaudited) (KZT million)	Other CCY (unaudited) (KZT million)	30 September 2009 Total (unaudited) (KZT million)
Accounts payable on forward contracts	(15,240)	(332,020)	(25,153)	(8,974)	(35)	(381,422)
Accounts receivable on forward contracts	29,491	51,301	223,935	45	84,923	389,695
NET SPOT AND DERIVATIVE FINANCIAL INSTRUMENTS POSITION	14,251	(280,719)	198,782	(8,929)	84,888	

As at 31 December 2008 the Group's exposure to foreign currency exchange rate risk is presented in the table below:

	KZT (KZT million)	USD (KZT million)	EUR (KZT million)	RUR (KZT million)	Other CCY (KZT million)	31 December 2008 Total (KZT million)
ASSETS:						
Cash and balances with national (central) banks	40,444	9,627	2,723	3,599	34,085	90,478
Precious metals	-	-	-	-	317	317
Financial assets at fair value through profit or loss	35,299	3,302	9,546	5,510	4,473	58,130
Loans and advances to banks	4,499	164,905	62,302	4,779	5,328	241,813
Loans to customers	725,185	1,340,347	12,024	66,171	1,055	2,144,782
Investments available-for-sale	12,209	2,847	-	-	-	15,056
Investments held to maturity	600	-	-	-	176	776
Investments in associates	1,775	-	-	-	-	1,775
Goodwill	2,405	-	-	-	-	2,405
Property, equipment and intangible assets	33,572	-	-	1,736	157	35,465
Other assets	12,034	2,526	1,368	7,376	504	23,808
TOTAL ASSETS	868,022	1,523,554	87,963	89,171	46,095	2,614,805
LIABILITIES:						
Loans and advances from banks	16,512	244,090	11,211	23,847	731	296,391
Customer accounts	443,862	481,640	39,467	12,505	1,979	979,453
Financial liabilities at fair value through profit or loss	52,306	2,033	-	-	-	54,339
Debt securities issued	-	359,271	188,535	22,727	107,752	678,285
Other borrowed funds	9,362	127,962	-	-	-	137,324
Provisions	5,379	4,322	351	221	3	10,276
Deferred income tax liabilities	10,196	-	-	-	9	10,205
Dividends payable	-	-	-	-	5	5
Other liabilities	13,630	2,402	8	829	72	16,941
Subordinated debt	38,139	79,585	-	-	-	117,724
TOTAL LIABILITIES	589,386	1,301,305	239,572	60,129	110,551	2,300,943
OPEN POSITION	278,636	222,249	(151,609)	29,042	(64,456)	

Derivative financial instruments and spot contracts

Fair value of derivative financial instruments and spot contracts are included in the currency analysis presented above and the following table presents further analysis of currency risk on derivative financial instruments and spot contracts as at 31 December 2008:

	KZT (KZT million)	USD (KZT million)	EUR (KZT million)	RUR (KZT million)	Other CCY (KZT million)	31 December 2008 Total (KZT million)
Accounts payable on spot and derivative contracts	(120,432)	(294,254)	(16,143)	-	(5,872)	(436,701)
Accounts receivable on spot and derivative contracts	50,780	135,391	168,951	1,644	75,401	432,167
NET SPOT AND DERIVATIVE FINANCIAL INSTRUMENTS POSITION	(69,652)	(158,863)	152,808	1,644	69,529	