

Update on non-banking sector as of August 1, 2009

As of August 1, 2009 there were 23 institutions engaged in certain types of banking operations, including 8 mortgage companies, operating in Kazakhstan.

The non-banking sector has undergone changes in quality and number of participants on the financial market in comparison with the same at 1 January, 2009 due to adoption of the Law of the RoK “On entering alterations into some legislative acts of the RoK related to activities of the National Wealth Fund of the RoK and cancellation of the Law №135-IV “On Investment Fund of Kazakhstan” as of 13 February, 2009. By act of this law, it was terminated the validity of licenses of the following organizations:

- Rehabilitation Fund, JSC;
- Financial Centre;
- Dostyk Energo, JSC;
- Damu, Fund of entrepreneurship development, JSC;
- Sovereign Wealth Fund “Samruk-Kazyna”, JSC;
- Kazmunaigas, the National Company, JSC;
- Kazakhstan Mortgage Company, JSC.

Besides, the licenses of the following non-banking organizations were terminated:

- KURYLYS IPOTEKA, JSC, beginning from 29 January, 2009 under №19;
- Timey, JSC; from 7 April, 2009, №111;
- Almaty Finance, the Mortgage organization, JSC, beginning from 29 April, 2009, №128;
- First Mortgage Company, JSC, from 21 July, 2009, №161.

№	The name of organizations	1.01.2009	1.08.2009*
1	Mortgage companies	12	8
2	Other institutions engaged in certain types of banking operations	22	15
	including organizations carrying out broker and/or dealer activity	4	4
Total		34	23

Mortgage companies

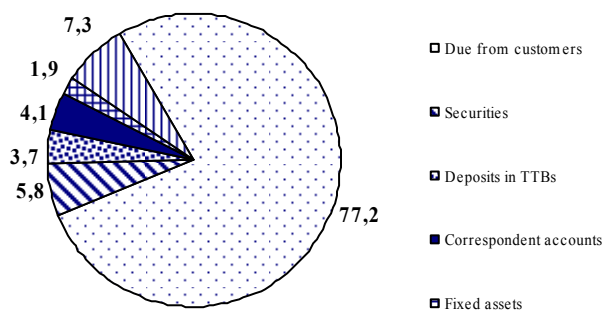
Decrease in all financial indicators of mortgage companies was caused by termination of four mortgage companies' licenses to carry out certain types of banking operations.

Assets. As of 1 August 2009, total assets of mortgage companies equaled KZT88698 mln., having decreased during the year by 58,7% (KZT125879,8 mln.) due to termination of four mortgage companies' licenses

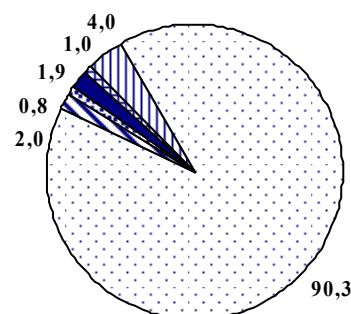
Corporate and retail loans account for significant proportion of total assets owned by mortgage companies: 90,3% (KZT80070,4 mln.), whereas deposits in other banks account for 0,8% (KZT756,9 mln.), securities 2% (KZT1783,5 mln.), correspondent accounts in banks 1,9% (KZT1689,2 mln.).

Change in and mix of total assets of mortgage companies	1.01.2009		1.08.2009		Change, %
	KZT mln.	% of total	KZT mln.	% of total	
Cash	1 736,0	0,8	770,0	0,9	-55,6
Correspondent accounts	8 788,1	4,1	1 689,2	1,9	-80,8
Securities	12 502,2	5,8	1783,5	2,0	-85,7
Deposits in other banks	7 822,0	3,7	756,9	0,8	-90,3
Reverse Repo transactions	4 688,0	2,2	0	0	-100
Loans to customers	165 696,8	77,2	80 070,4	90,3	-51,7
Fixed assets and intangible assets	4 119,9	1,9	878,7	1,0	-78,7
Reserves (provisions) against loans and financial leasing granted to clients	-4 679,0	-2,2	-10 048,1	-11,3	2,1 times
Other assets	13 903,8	6,5	12 797,4	14,4	-8,0
Total assets	214 577,8	100	88 698,0	100	-58,7

Asset mix of mortgage companies as of 1.01.09 (%)



Assets mix of mortgage companies as of 01.08.09 (%)

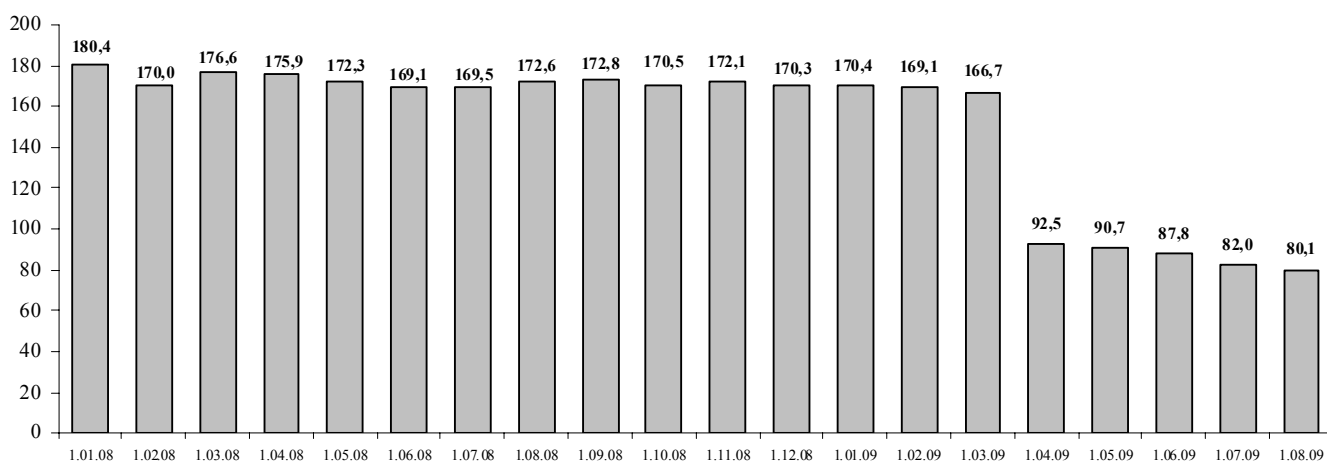


Loan portfolio. As of August 1 current year, total loan portfolio of mortgage companies equaled KZT80070,4 mln., having decreased, year-to-date, by 53% (KZT90314,4 mln.) due to termination of the validity of licenses of four mortgage companies.

The analysis of quality of mortgage companies' loan portfolio reveals the decrease in percentage of standard loans. So, as of January 1 current year, standard loans accounted for 86,7% vs. 64,9% as of August 1, 2009. The proportion of doubtful loans have increased from 12,5% to 28,6%. Notably, the loss loans totaled 6,5%, as of August 1, 2009. In absolute values, total loss loans have increased, year-to-date, by KZT3766,7 mln.

Change in quality of the loan portfolio	1.01.2009		1.08.2009	
	Total principal debt, KZT mln.	% of total	Total principal debt, KZT mln.	% of total
Total loan portfolio	170 384,8	100	80 070,4	100
Standard	147 759,7	86,7	51 992,3	64,9
Doubtful	21 200,6	12,5	22 886,9	28,6
<i>Doubtful in category 1</i> – all payments are made in full and timely	9 452,2	5,6	9 742,7	12,2
<i>Doubtful in category 2</i> – payments are delayed or incomplete	5 399,4	3,2	3 887,4	4,8
<i>Doubtful in category 3</i> - payments are timely and in full	416,1	0,2	207,9	0,3
<i>Doubtful in category 4</i> – payments are delayed or incomplete	3 230,9	1,9	2 340,4	2,9
<i>Doubtful in category 5</i>	2 702,0	1,6	6 708,5	8,4
Loss	1 424,5	0,8	5 191,2	6,5

Change in loan portfolio of mortgage companies, in KZT bln.

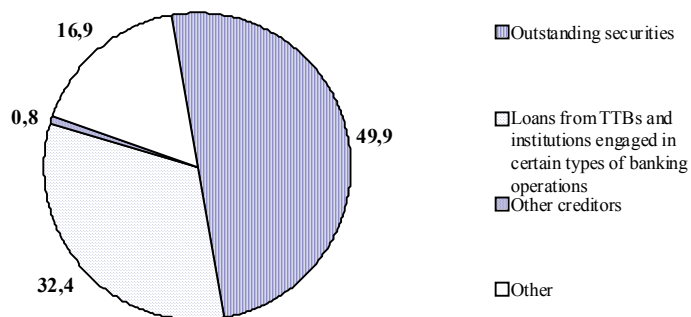


As of August 1 current year, the top two mortgage companies account for 97,1% of loans in total loan portfolio of mortgage companies. Among those two are: *BTA Mortgage, JSC*: 71%, *Astana Finance* mortgage company: 26,1%.

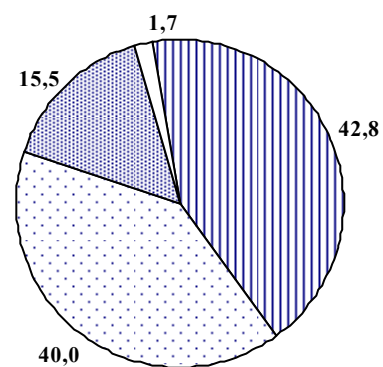
Liabilities. Mortgage companies' total liabilities have decreased by KZT96180,1mln. (59,2%) vs. January 1, 2009, and as of August 1, 2009 equaled KZT66197,3 mln. Prevailing in mortgage companies' liabilities are outstanding securities (42,8%) and loans received from other banks and organizations engaged in certain types of banking activities (40%).

Change in and mix of cumulative obligations of mortgage companies	1.01.09		1.08.09		Change, %
	KZT mln.	% of total	KZT mln.	% of total	% of total
Loans received from other banks and institutions engaged in certain types of banking operations	52 688,1	32,4	26 504,5	40,0	-49,7
Repo securities transactions	0	-	0	-	-
Outstanding securities	80 943,0	49,9	28 347,0	42,8	-65,0
Other creditors	1 342,2	0,8	10 238,6	15,5	7,6 times
Other liabilities	27 404,1	16,9	1 107,2	1,7	-96,0
Total liabilities	162 377,4	100	66 197,3	100	-59,2

Liabilities mix of mortgage companies as of 1.01.09 (%)



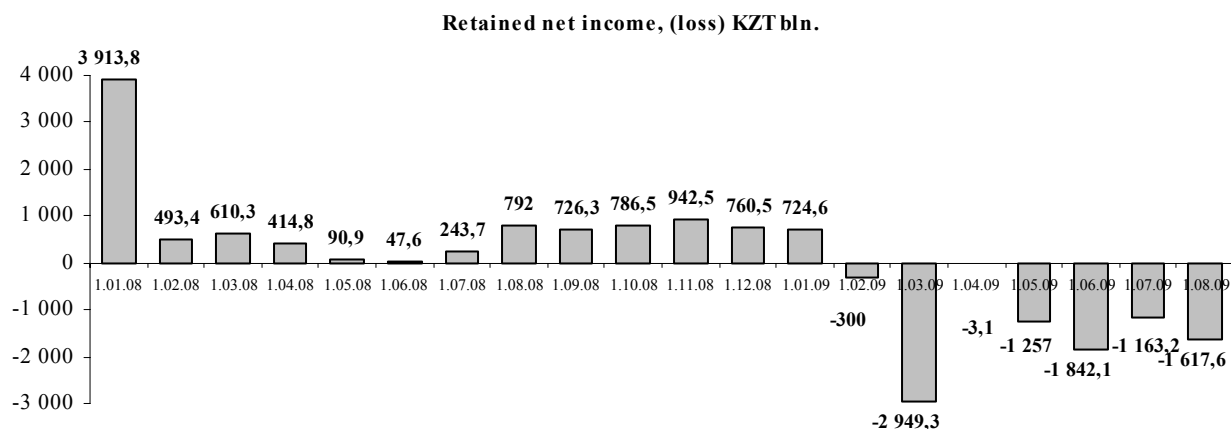
Liabilities mix of mortgage companies as of 01.08.09 (%)



Earnings. As of August 1, 2009 mortgage companies incurred collectively a loss of KZT1617,6 mln. Total income as of reporting date equaled KZT19564 mln. (vs. KZT20459,2 mln. as of August 1, 2008), expenses KZT21181,6 mln. (vs. KZT19667,2 mln. as of August 1, 2008).

Earnings of mortgage companies, in KZT mln.	1.08.2008	1.08.2009	Change, %
Interest income	14 477,6	7 015,4	-51,5
Interest expenses	9 762,6	4 228,0	-56,7
Non-interest income	5 981,6	12 548,7	2,1 times
Non-interest expenses	9 904,6	16 953,6	71,2

Prevailing in interest income are interest income on loans granted to customers (34,9% or KZT6823,2 mln.), while interest expenses show prevalence of interest expenses on securities 54,8% (KZT11615,3mln.).



As of August 1, 2009, the mortgage companies equity totaled KZT22500,7 mln., that is a 56,9% (KZT29699,8 mln.) decrease vs. the same indicator at 1 January 2009 due to termination of the validity of licenses of four mortgage organizations.

Capital adequacy	1.01.09	1.08.09
Authorized capital (including supplementary capital), KZT mln.	43 903,4	20 358,5
Own calculated capital, KZT mln.	47 626,3	18 602,5
Capital adequacy ratio (K1 \geq 0,06)	-	0,239
Capital adequacy ratio (K1-2 \geq 0,06)	-	0,229
Capital adequacy ratio (K1-3 \geq 0,12)	-	0,186