

**JSC «Bank CenterCredit»**

**EXPLANATORY NOTE  
TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2012**

## 1. GENERAL INFORMATION ON THE BANK

JSC «Bank CenterCredit» (hereinafter referred to as – «Bank») is a joint stock company, which was incorporated in the Republic of Kazakhstan and started its operations in 1988. The Bank is regulated by the legislation of the Republic of Kazakhstan. The Bank is regulated by the National Bank of the Republic of Kazakhstan (“the NBRK”) and Committee for Control and Supervision of Financial Markets and Financial Institutions of the National Bank of the Republic of Kazakhstan (hereinafter referred to as – “Committee”). The Bank conducts its business under license No.248 dated December 13, 2007, issued by the Agency of the Republic of Kazakhstan for Regulation and Supervision of Financial Markets and Financial Institutions. On 27 August 2008, Kookmin Bank (South Korea) acquired a 23% interest in the Bank. As at 30 September 2012, Kookmin Bank holds 41.93% of total shares of the Bank, and International Finance Corporation’s (“IFC”) ownership interest accounts for 10% of the Bank’s equity.

The Bank’s primary business consists of commercial banking activities, trading with securities, loans, foreign currencies and derivative instruments, loan origination activities and guarantees.

The Bank is a member of the Kazakhstan Deposit Insurance Fund (The “KDIF”).

The registered address is at 98 Panfilov Str., Almaty, The Republic of Kazakhstan.

As at 30 September 2012, the Bank had 20 branches in the Republic of Kazakhstan.

The Bank is a parent company of a bank group (the “Group”) which consists of the following subsidiaries consolidated in the condensed interim financial statements:

Name	Country of operation	30 September 2012	31 December 2011	Type of operation
JSC APF “Capital”	The Republic of Kazakhstan	75%	75%	Pension fund management
“Center Leasing” LLP	The Republic of Kazakhstan	91%	91%	Financial lease of property
JSC “BCC Invest”	The Republic of Kazakhstan	100%	100%	Brokerage and dealer activity
CenterCredit International B.V.	The Netherlands	100%	100%	Issuance of capital on international financial markets
Bank BCC- Moscow” LLC	The Russian Federation	100%	100%	Banking services

JSC Accumulative Pension Fund Capital (APF Capital) was founded in October 2001 as closed joint-stock company in accordance with the legislation of the Republic of Kazakhstan. In December 2003, APF Capital was re-registered into joint stock-company. APF Capital keeps records of pension contributions and assets on individual pension accounts pursuant to the legislative requirements of the Republic of Kazakhstan.

Center Leasing LLP was founded in September 2002 as limited liability partnership in accordance with the legislation of the Republic of Kazakhstan. Center Leasing LLP’s primary activity includes leasing operations, which are carried out in accordance with Article 10 of the Law on Financial Leasing of the Republic of Kazakhstan. Article 10 stipulates that it is not necessary for limited liability partnership to hold a license for leasing operations.

In May 1998, JSC BCC Invest was founded as limited liability partnership (former KIB ASSET MANAGEMENT LLP) in accordance with the legislation of the Republic of Kazakhstan. On 26 September 2006, KIB ASSET MANAGEMENT was re-registered into joint-stock company. JSC BCC Invest’s primary activities include asset management and investment portfolio management.

CenterCredit International B.V. was founded in January 2006 in Rotterdam, the Netherlands, as a special-purpose company. The Company’s operation includes raising capital on international capital markets.

In August 2006, the Bank obtained the permission of the Financial Supervision Agency to establish a subsidiary company Bank BCC-Moscow LLC. On 21 March 2008, Bank BCC-Moscow LLC obtained a license from Central Bank of Russian Federation. Bank BCC-Moscow LLC's primary operation includes banking services.

As at 30 September 2012, the following ultimate beneficial shareholders owned individually more than 5% of the issued shares of the Group:

	30 September 2012 %	31 December 2011 %
Kookmin Bank	41.93	41.93
B. R. Baiseitov	25.10	25.10
IFC	10.00	10.00
Other (individually hold less than 5%)	22.97	22.97
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## 2. BASIS OF PRESENTATION

### Accounting basis

The condensed interim consolidated financial information of the Group has been prepared using accounting policies consistent with the International Financial Reporting Standards and the International Accounting Standards ("IAS") 34 "Interim Financial Reporting". Accordingly, certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements, have been omitted or condensed. This condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements and with the related notes to the consolidated financial statements of the Group for the year ended December 31, 2011.

The condensed interim consolidated financial information has been presented in millions Kazakhstani tenge (mln.KZT), unless otherwise specified. The condensed interim consolidated financial information has been prepared on the accrual basis of accounting under the historical convention cost, except for measurement of buildings at revalued amounts and the measurement of investments available for sale, financial assets and liabilities at fair value through profit and loss, and derivative financial instruments at fair value.

The Group maintains accounting records pursuant to Accounting Policy, approved by the Resolution of the Board of Directors of the Group. The condensed interim consolidated financial information, prepared on the basis of accounting records, has been appropriately adjusted with a view to bring it in line with IFRS

### Functional currency

Items, included in the condensed interim consolidated financial information 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 functional currency of the Group is the Kazakhstani tenge ("KZT").

## 3. NET INTEREST INCOME

	Nine months ended September 30, 2012 (unaudited)	Nine months ended September 30, 2011 (unaudited)
<b>Interest income comprises:</b>		
Interest income on financial assets recorded at amortized cost:		
- interest income on impaired financial assets	25,556	33,787
- interest income on unimpaired financial assets	26,904	28,973
Interest income on financial assets recorded at fair value through profit or loss	2,701	2,922
<b>Total interest income</b>	<b>55,161</b>	<b>65,682</b>

Interest income on financial assets recorded at amortized cost comprises:		
Interest on loans to customers and banks	50,184	59,208
Interest on investments held-to-maturity	883	2,499
Penalties on loans to customers and banks	233	664
Interest on due from banks	1,160	389
Total interest income on financial assets recorded at amortized cost	52,460	62,760
Interest income on financial assets recorded at fair value		
Interest on investments available for sale	1,900	2,155
Interest on financial assets initially recognized at fair value through profit or loss	801	767
Total interest income on financial assets recorded at fair value	2,701	2,922
<b>Interest expense comprises:</b>		
Interest expense on financial liabilities recorded at amortized cost	41,089	46,943
<b>Total interest expense</b>	41,089	46,943
Interest expense on financial liabilities recorded at amortized cost:		
Interest on customer and bank accounts	25,735	29,074
Interest on debt securities issued	7,977	10,047
Interest on due to banks and financial institutions	5,184	5,592
Interest on subordinated bonds	2,193	2,230
Total interest expense on financial liabilities recorded at amortized cost	41,089	46,943
<b>Net interest income before provision for impairment losses on interest bearing assets</b>	14,072	18,739

#### 4. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

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

	Consumer loans	Corporate loans	Accounts receivable on credit cards	Total loans to customers (Note 18)
<b>31 December 2010</b>	12,069	93,679	41	105,789
Additional provision recognized/(recovery of provisions)	2,865	13,238	11	16,114
Write-off of assets	(4,055)	(5,281)	-	(9,336)
Recovery of assets previously written -off	2,603	6,937	-	9,540
Exchange rate difference	(94)	(460)	-	(554)
<b>30 September 2011</b>	13,388	108,113	52	112,553
<b>31 December 2011</b>	12,065	112,423	48	124,536
Additional provision recognized/(recovery of provisions)	(2,483)	10,378	(18)	7,877
Write-off of assets	(128)	(261)	-	(389)
Recovery of assets previously written -off	385	28	-	413
Exchange rate difference	50	674	-	724
<b>30 September 2012</b>	9,888	123,242	30	133,160
				<b>Loans to banks (Note 18)</b>
<b>31 December 2010</b>				1
Write-off of assets				(1)
<b>30 September 2011</b>				-

**30 September 2012**

\* In order to adjust allowance for impairment losses on interest bearing assets in P&L statement, allowance for loans to customers and banks shall be considered together

The movements in provision for impairment losses on other transactions were as follows:

	Investments held- to-maturity (Note 15)	Property, equipment and intangible assets	Other assets (Note 18)	Guarantees and letters of credit (Note 22)	Total
<b>31 December 2010</b>	749	5,639	6,766	1,050	14,204
Additional provision recognized/(recovery of provisions)	(512)	-	(967)	907	(572)
Write-off of assets	(110)	(5,639)	(55)	-	(5,804)
Recovery of assets previously written -off			1,110	-	1,110
Exchange rate difference	(21)	-	93	(20)	52
<b>30 September 2011</b>	106	-	6,947	1,937	8,990
<b>31 December 2011</b>	106	-	1,149	968	2,223
Additional provision recognized/(recovery of provisions)	-	-	235	650	869
Write-off of assets	(106)	-	(122)	-	(228)
Recovery of assets previously written -off	(16)	-	-	-	-
Exchange rate difference	-	-	-	(26)	(26)
<b>30 September 2012</b>	106	-	1,262	1,592	2,838

## 5. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Nine months ended September 30, 2012 (unaudited)	Nine months ended September 30, 2011 (unaudited)
Net gain on financial assets and liabilities at fair value through profit or loss	(386)	737
<b>Net gain on financial assets and liabilities at fair value through profit or loss</b>	<b>(386)</b>	<b>737</b>
Net gain on financial assets and liabilities at fair value through profit or loss comprise:		
Unrealized gain/ (loss) on fair value adjustment of trading financial assets	210	581
Realized gain/(loss) on trading operations	(852)	156
Realized gain/(loss) on operations with derivative financial instruments	184	80
Unrealized gain/(loss) on operations with derivative financial instruments	72	(80)
<b>Total net gain on financial assets and liabilities at fair value through profit or loss</b>	<b>(386)</b>	<b>737</b>

## 6. NET REALIZED GAIN/ (LOSS) ON DISPOSAL AND IMPAIRMENT OF INVESTMENTS AVAILABLE-FOR- SALE

	Nine months ended September 30, 2012 (unaudited)	Nine months ended September 30, 2011 (unaudited)
Gain/(loss) on impairment of investments available for sale	94	85
Net realized (loss)/gain on investments available-for-sale	-	(1)
<b>Total net realized gain/ (loss) on disposal and impairment of investments available for sale</b>	<b>94</b>	<b>84</b>

## 7. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

	Nine months ended September 30, 2012 (unaudited)	Nine months ended September 30, 2011 (unaudited)
Dealing, net	8,300	2,619
Translation differences, net	(5,211)	(167)
<b>Total net gain in foreign exchange operations</b>	<b>3,089</b>	<b>2,452</b>

## 8. FEE AND COMMISSION INCOME AND EXPENSE

	Nine months ended September 30, 2012 (unaudited)	Nine months ended September 30, 2011 (unaudited)
<b>Fee and commission income:</b>		
Settlements	3,180	2,944
Cash operations	3,198	2,926
Payment cards	2,585	2,106
Guarantees	2,244	2,306
Trust operations	1,519	1,341
Foreign exchange operations	737	767
Others	1,335	966
<b>Total fee and commission income</b>	<b>14,798</b>	<b>13,356</b>
<b>Fee and commission expense:</b>		
Settlements	551	525
Custodian activities	472	113
Documentary operations	83	397
Foreign exchange operations	34	15
Brokerage services	55	18
Others	193	137
<b>Total fee and commission expense</b>	<b>1,388</b>	<b>1,205</b>

## 9. OPERATING EXPENSES

	Nine months ended September 30, 2012 (unaudited)	Nine months ended September 30, 2011 (unaudited)
Salary	8,072	7,540
Rental	2,498	2,589
Insurance expenses	2,179	1,912
Depreciation and amortization	1,551	1,324
Taxes (other than income tax)	1,507	1,313
Administrative expenses	1,075	965
Security and signaling system expenses	486	506
Telecommunications	469	460
Advertising expenses	325	407
Equipment maintenance and repair	206	210
Business trip expenses	188	161
Professional services	166	87
Official Entertainment expenses	44	42
Other expenses	587	650
<b>Total operating expenses</b>	<b>19,353</b>	<b>18,166</b>

## 10. INCOME TAX

The Group provides for taxes for the current period based on the tax accounts maintained and prepared in accordance with the requirements of tax legislation of countries where the Bank and its subsidiaries operate.

The Group is subject to certain permanent tax differences due to non-tax deductibility of certain expenses such as official entertainment expenses and a tax free regime for certain income such as interest income on state securities and securities listed on the Kazakhstan Stock Exchange in accordance with tax legislation of Kazakhstan.

Tax effect from temporary differences as of September 30, 2012 and December 31, 2011 is as follows:

	September 30, 2012	December 31, 2011
<b>Deductible temporary differences:</b>		
Tax losses carried forward	9,277	15,864
Loans to customers	18,492	15,547
Impairment loss on debt securities	5,400	5,512
Financial assets and liabilities at fair value through profit or loss		-
Other	808	568
<b>Total deductible temporary differences</b>	<b>33,977</b>	<b>37,491</b>
<b>Taxable temporary differences:</b>		
Property, equipment and intangible assets	(3,659)	(2,884)
Financial assets and liabilities at fair value through profit or loss	(3,035)	(3,003)
Others	-	(188)
<b>Total taxable temporary differences</b>	<b>(6,694)</b>	<b>(6,075)</b>
<b>Net deferred tax assets</b>	<b>27,283</b>	<b>31,416</b>
Deferred tax assets at the statutory tax rate	5,457	6,283
Unrecognized deferred tax asset	(3,394)	(4,275)
<b>Net deferred tax assets at the statutory tax rate</b>	<b>2,063</b>	<b>2,008</b>

Tax rate, used for calculation of corporate income tax for nine months ended 30 September 2012 and year ended 31 December 2011, accounts for 20%, payable by legal entities from taxable income according to tax legislation of the Republic of Kazakhstan.

	30 September 2012	31 December 2011
<b>Deferred income tax assets</b>		
Beginning of the period	2,008	1,693
Change in deferred tax assets	55	315
<b>End of the period</b>	<b>2,063</b>	<b>2,008</b>

## 11. BOOK VALUE OF ONE SHARE

The book value of one share per each class of shares as of September 30, 2012 and December 31, 2011 is as follows:

Class of shares	30 September 2012			31 December 2011		
	Outstanding shares (number of shares)	Amount for calculation of book value, KZT million	Book value of one share, KZT	Outstanding shares (number of shares)	Amount for calculation of book value, KZT million	Book value of one share, KZT
Ordinary shares	161,722,957	75,240	465	162,225,170	72,980	449
Preference shares	39,249,255	<u>11,775</u>	300	39,249,255	<u>11,775</u>	300
		<u>87,015</u>			<u>84,755</u>	

Book value of one preference share is calculated as the relation between equity, pertaining to preference shares, to total number of preference shares as of reporting date.

Book value of one ordinary share is calculated as the relation of net assets of the Group for ordinary shares to total number of ordinary shares as of reporting date. The Group's net assets for ordinary shares are calculated as total equity amount net of intangible assets and equity, pertaining to preference shares as of reporting date.

Total number of ordinary and preference shares are calculated as total number of issued and outstanding shares net of shares, repurchased by the Group as of reporting date.

## 12. CASH AND CASH EQUIVALENTS

	30 September 2012 (unaudited)	31 December 2011
Deposits with financial institutions	109,729	114,022
Cash on hand	26,757	31,334
Cash in transit	7,160	3,395
	143,646	148,751
Accrued interest	3	20
<b>Total cash and cash equivalents</b>	<b>143,649</b>	<b>148,771</b>

Minimum reserve requirements are determined as definite percent from the average deposit balances and international borrowings in accordance with the requirements of NBRK and amounted to KZT 24,511 million and KZT 25,494 million as of September 30, 2012 and December 31, 2011, respectively. The Group was in compliance with the NBRK requirements and therefore was entitled to use the amounts without any restrictions.

Components of deposits with financial institutions with maturity less than three months:

	Interest rates (%)		30 September 2012 (unaudited)	31 December 2011
	Min	Max		
Term deposits with banks	0.11	5.50	109,729	108,022
Term deposits with NBRK	-	-	-	6,000
			109,729	114,022
Accrued interest			3	20
<b>Total</b>			<b>109,732</b>	<b>114,042</b>

As of September 30, 2012 the Group had deposits with NBRK, J.P Morgan A.G Frankfurt, CITIBANK, N.Y., Societe Generale, Landesbank Baden-Wuerttemberg, Stuttgart, Germany, BNP PARIBAS, Paris, and as of 31 December 2011, the Group had deposits with CitiBank, New-York, NBRK, Deutsche Bank, London, Landesbank Baden-Wuerttemberg AG, Societe Generale, JP Morgan A.G Frankfurt, France, BNP Paribas, ING Bank, the Netherlands, which in aggregate and individually exceeded 10% of the Group's equity.

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

Financial assets at fair value through profit or loss comprise:

	30 September 2012 (unaudited)	31 December 2011
Financial assets held for trading:		
Debt securities	18,586	12,201
Equity Securities	108	313



<b>Total financial assets held for trading</b>	18,694	12,514
Derivative financial instruments	3,902	3,817
<b>Total financial assets at fair value through profit or loss</b>	<u>22,596</u>	<u>16,331</u>

	30 September 2012 (unaudited)		31 December 2011	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value
<b>Debt securities:</b>				
JSC Halyk Bank	9.25-13	844	7.00-13.00	1,095
JSC Prodcorporation	7.50	2,029	-	-
Ministry of Finance of the Republic of Kazakhstan	3.70-8.0	5,892	3.70-7.80	2,263
OJSC Transneft	-	-	8.75	798
OJSC Bank Zenit	8.75	588	7.10-8.75	685
OJSC Rosselkhozbank	0	723	9.00	700
JSC KazMunayGas EP*	0	731	-	679
Subsidiary Bank of JSC VTB Bank – VTB Capital	4.767-7.0	381	6.47	459
JSC Eurasian Bank	9.0-13.0	350	8.30-13.00	408
JSC Eurasian Development Bank	7.50	861	7.50	342
OJSC Bank Petrokommerts	9.70	295	7.75	329
OJSC MDM Bank	9.50	299	9.50	277
OJSC Alfa Bank	8.25	295	8.25	280
Promsvyaz	8.75	294	-	-
OJSC AIKB Tatfondbank	10.25	278	8.75	261
OJSC VEB-Leasing	8.80	277	8.80	257
CB Loko Bank»	10.10	276	8.10	265
Subsidiary bank of JSC Sberbank of Russia	-	-	5.72	1,000
JSC Doszhan Temir Zholy	5	243	8.75	204
CB Rosbank	6.90-7.40	242	6.90-7.40	224
OJSC Gazprombank	6.75	244	6.75	233
LLC Sudostroitelny Bank	11.00	244	9.75	236
OJSC Vnesheconombank	6.90	134	6.90	122
Bank Cedr	9.25	123	-	-
JSC Tsesna Bank	8.0	247	9.00	97
JSC ATF Bank	8.50	51	8.50	51
JSC Kazakhstan Mortgage Company	7-8	860	9.20-9.70	13
ATF Capital B.V.	-	-	9.00-9.25	923
OJSC AzTichBank	10.25	263		
JSC Caspi Bank	9	137		
Center Invest 02	10.4	251		
Nomos Bank 11	9.5	397		
Federalny Zaim	7.1	246		
Federalny Zaim	6.88	491		
<b>Total debt securities</b>		<u>18,586</u>		<u>12,201</u>

	30 September 2012 (unaudited)		31 December 2011	
	Ownership interest	Fair value	Ownership interest	Fair value
<b>Equity Securities:</b>				
JSC Kazakhtelecom	-	72	-	288
JSC KazMunayGaz EP	-	26	-	8
JSC Halyk Bank	-	7	-	7
Others	-	3	-	10
<b>Total equity securities</b>		<u>108</u>		<u>313</u>

	30 September 2012 (unaudited)			31 December 2011		
	Nominal amount	Net fair value		Nominal amount	Net fair value	
		Asset	Liability		Asset	Liability (Note 22)
<b>Derivative financial instruments:</b>						
<b>Foreign currency contracts</b>						
Swaps	22,778	3,783	-	17,509	3,673	4
Embedded derivatives	-	119	-	961	144	-
<b>Securities Contracts</b>						
Swaps		-	-		-	-
<b>Total Derivative Financial Instruments</b>		<u>3,902</u>	<u>-</u>		<u>3,817</u>	<u>4</u>

In the table above, fair value of derivative financial instruments, booked as assets and liabilities, are provided with their notional principal amount. Notional principal amount is an amount of asset, rate of exchange or index, on the basis of which the change of derivative instrument fair value is measured. Notional principal amount indicates the volume of transactions at the year-end and is not an indicator of market or credit risks.

As of the time of executing financial instruments, it represents only mutual exchange of pledges with transfer of minimum interest. At the same time, these instruments imply high usage of borrowed funds and are exposed to high volatility.

Insignificant change in value of assets, interest rate, or index, underlying derivative contract, may considerably affect the Bank's gain or loss.

#### 14. INVESTMENTS AVAILABLE-FOR- SALE

	30 September 2012 (unaudited)	31 December 2011
Debt securities	73,232	86,156
Equity securities	184	213
<b>Total investments available for sale</b>	<u>73,416</u>	<u>86,369</u>

	30 September 2012 (unaudited)		31 December 2011	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value
<b>Debt securities:</b>				
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	2.25-8.75	36,471	8.75	35,022
NBRK Notes*	-	26,849	-	47,834
JSC NC Prodcorporation	7.50	3,561	7.50	502
JSC KazMunaiGaz	-	1,186	-	1,103
JSC Kazcommertzbank	6.40-6.90	888	9.50-10.40	898
JSC SB VTB Bank (Kazakhstan)	8.00	1,571	7.00	796
JSC Development Bank of Kazakhstan	7.375	815	-	-
JSC Halyk Bank of Kazakhstan	7.75	515	-	-
JSC RT Holding	7.00	1	9.90	1
VTB Capital S.A.	9.00	596	-	-
RSHB Capital S.A.	7.00	778		
		<u>73,232</u>		<u>86,156</u>

\* - As of September 30, 2012 and December 31, 2011 the yield on NBRK notes accounted for 1.45 percent and 1.50 percent, respectively.  
 \*\* - As of September 30, 2012 and December 31, 2011, the yield on bonds of JSC KazMunayGaz accounted for 6.44 percent and 6.88 percent per annum, respectively.

	30 September 2012 (unaudited)		31 December 2011	
	Ownership interest	Fair value	Ownership interest	Fair value
<b>Equity securities:</b>				
JSC Kazakhstan Stock Exchange	3.06	66	3.06	101
JSC Pension Fund Atameken	1.96	66	2.00	66
Pervoe Creditnoe Buro LLP	18.40	37	18.40	37
Others	-	15	-	9
<b>Total equity securities</b>		<u>184</u>		<u>213</u>
<b>Total investments available for sale</b>		<u>73,416</u>		<u>86,369</u>

As at 30 September 2012, investments available-for-sale included short-term notes of the NBRK, pledged under REPO operations in the amount of KZT 500 mln. As at 30 September 2012, maturity date of REPO operations falls on 5 October 2012.

As at 30 September 2012, interest accrued on debt securities available-for-sale amounted to KZT 677 mln.

## 15. INVESTMENTS HELD TO MATURITY

	30 September 2012 (unaudited)		31 December 2011	
	Nominal interest rate	Amount	Nominal interest rate	Amount
NBRK Notes*		9,963		
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	4.30-8.75	14,343	4.30-8.75	15,788
JSC NC Prodcorporation	8.00-10.50	0	8.00	2,11
JSC Kazakhstan Mortgage Company	4.61-5.60	1,535	7.50-9.70	1,620
Subsidiary of OJSC Bank VTB	6.609	1,082	-	-
NWF Samruk Kazyna	5.89	395	5.89-6.50	389
JP Morgan Chase Bank	3.8301263	296	5.26	302
JSC Halyk Bank	7.5-6.10	296	7.50-13.00	301
OJSC Gazprom	9.625	155	-	-
JSC Agricultural Credit Corporation	7.90	0	8.90	151
JSC Astana Finance	0,00	106	7.50-10.80	106
JSC Kazkommertsbank	6.90	57	10.40	59
JSC BTA Ipoteka	4.70	31	8.50	31
JSC ATF Bank	8.40	26	8.80	27
Federalny zaim	6,00	23	-	-
		<u>28,308</u>		<u>20,884</u>
Less allowance for impairment losses		<u>(106)</u>		<u>(106)</u>
<b>Total investments held to maturity</b>		<u>28,202</u>		<u>20,778</u>

Movement in allowances for impairment losses on investments held to maturity for nine months ended September 30, 2012 and year ended 31 December 2011 is disclosed in Note 4.

## 16. DUE FROM BANKS

	30 September 2012 (unaudited)	31 December 2011
Due from banks	6,107	5,990
Accrued interest	6	20
<b>Total due from banks</b>	<u>6,113</u>	<u>6,010</u>

## 17. LOANS TO CUSTOMERS AND BANKS

	30 September 2012 (unaudited)	31 December 2011
Originated loans to customers	839,069	811,406
Net investment in finance lease	5,978	6,393
Accrued interest	54,874	62,236
	<u>899,921</u>	<u>880,035</u>
Less: allowance for impairment losses	(133,160)	(124,536)
<b>Total loans to customers</b>	<u>766,761</u>	<u>755,499</u>
Originated loans to banks	5,633	4,978
Accrued interest	6	7
	<u>5,639</u>	<u>4,985</u>
Less: allowance for impairment losses	-	-
<b>Total loans to banks</b>	<u>5,639</u>	<u>4,985</u>
<b>Loans under reverse repurchase agreements</b>	<u>9,477</u>	<u>4,322</u>
<b>Total loans to customers and banks</b>	<u>781,877</u>	<u>764,806</u>

Movement in allowances for impairment losses on loans to customers and banks for the nine months ended 30 September 2012 and year ended 31 December 2011 is disclosed in Note 4.

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

	30 September 2012 (unaudited)	31 December 2011
Loans collateralized by real estate	595,841	589,718
Loans collateralized by inventories	119,539	122,648
Loans collateralized by equipment	122,446	117,855
Loans collateralized by company guarantees	12,784	15,569
Loans collateralized by other assets	27,333	15,538
Loans collateralized by cash	10,112	8,478
Unsecured loans	11,866	10,229
	<u>899,921</u>	<u>880,035</u>
Less: allowance for impairment losses	(133,160)	(124,536)
<b>Total loans to customers</b>	<u>766,761</u>	<u>755,499</u>

	30 September 2012 (unaudited)	31 December 2011
<b>Analysis by economic sector:</b>		
Individuals	318,942	305,705
Trading	175,295	178,671
Industrial construction	67,702	54,083
Manufacturing	50,796	57,434
Food industry	46,739	47,885
Residential construction	50,248	48,174
Rent of real estate	43,864	40,232
Agriculture	32,297	37,608
Transportation and equipment maintenance	27,419	27,138
Oil and gas	21,679	20,794
Telecommunications and transport	10,908	12,658
Power industry	8,714	8,120
Mass media	5,412	5,726
Other	39,906	35,807
	<hr/>	<hr/>
	899,921	880,035
Less: allowance for impairment losses	(133,160)	(124,536)
	<hr/>	<hr/>
<b>Total loans to customers</b>	<b>766,761</b>	<b>755,499</b>

Loans to individuals comprise the following products:

	30 September 2012 (unaudited)	31 December 2011
Mortgage loans	154,403	154,732
Consumer loans	103,250	88,671
Business development	55,240	58,088
Car loans	4,194	4,214
	<hr/>	<hr/>
	317,087	305,705
Less: allowance for impairment losses	(12,692)	(12,090)
	<hr/>	<hr/>
<b>Total loans to individuals</b>	<b>304,395</b>	<b>293,615</b>

	30 September 2012 (unaudited)		Carrying value	31 December 2011		
	Carrying value before allowance	Allowance for impairment losses		Carrying value before allowance	Allowance for impairment losses	Carrying value
Loans to customers individually determined to be impaired	286,252	(108,770)	177,482	275,495	(104,525)	170,970
Loans to customers collectively determined to be impaired	186,027	(24,390)	161,637	147,185	(20,011)	127,174
Unimpaired loans	427,642	-	427,642	457,355	-	457,355
<b>Total</b>	<b>899,921</b>	<b>(133,160)</b>	<b>766,761</b>	<b>880,035</b>	<b>(124,536)</b>	<b>755,499</b>

As at 30 September 2012 and 31 December 2011, the Group has finance leasing agreements concluded in the capacity of a lessor. The interest rate inherent in leases is fixed at the contract date for all of the lease terms.

The components of net investment in finance lease as at 30 September 2012 and 31 December 2011 are presented as follows:

	30 September 2012 (unaudited)	31 December 2011
Not later than one year	2,046	1,976
From one year to five years	2,077	2,535
More than five years	6,977	7,468
Minimum lease payments	11,100	11,979
Less: unearned finance income	(5,122)	(5,586)
Net investment in finance lease	5,978	6,393
Current portion	2,046	1,483
Long-term portion	3,932	4,910
<b>Net investment in finance lease</b>	<b>5,978</b>	<b>6,393</b>

Fair values of assets pledged and carrying value of loans under reverse purchase agreements as at 30 September 2012 and 31 December 2011 are presented as follows:

	30 September 2012 (unaudited)		31 December 2011	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Bonds of the Ministry of Finance of the Republic of Kazakhstan	3,000	3,158	822	904
Notes of the NBRK	-	-	3,500	3,684
<b>Total</b>	<b>6,475</b>	<b>7,015</b>	<b>4,322</b>	<b>4,588</b>

## 18. OTHER ASSETS

Other assets are as follows:

	30 September 2012 (unaudited)	31 December 2011
<b>Other financial assets:</b>		
Accounts receivable	1,606	1,782
Accrued fee	516	470
Western Union and other wire transfers	509	24
Other financial assets	592	12
	<u>3,224</u>	<u>2,288</u>
Less: allowance for impairment losses	<u>(239)</u>	<u>(375)</u>
<b>Total other financial assets:</b>	<u>2,985</u>	<u>1,913</u>
<b>Other non-financial assets:</b>		
Long-term assets available-for-sale	6,893	6,724
Taxes other than income tax	1,062	1,411
Advances paid	991	1,251
Inventories	257	222
	<u>9,204</u>	<u>9,608</u>
Less: allowance for impairment losses	<u>(1,025)</u>	<u>(774)</u>
<b>Total other non-financial assets</b>	<u>8,180</u>	<u>8,834</u>
<b>Total other assets</b>	<u>11,164</u>	<u>10,747</u>

Movement in allowances for impairment losses on other assets for the nine months ended 30 September 2012 and year ended 31 December 2011 is disclosed in Note 4.

## 19. BORROWINGS FROM BANKS AND FINANCIAL INSTITUTIONS

Title	Annual interest rate (%)		30 September 2012 (unaudited)	31 December 2011
	min	max		
Long-term loans from other banks and financial institutions	1.29	8.0	28,726	33,054
Loans from international credit organizations	3.85	8.4	16,359	24,630
Subordinated loan	LIBOR+4.5	LIBOR+6.5	25,390	22,260
Perpetual debt	9.13	9.13	12,116	13,357
Short-term loans due to banks and financial institutions	1.45	9.7	3,456	10,958
Loans due to the Government of the Republic of Kazakhstan	6.50	7.50	263	345
Correspondent accounts of banks	-	-	300	328
Accrued interest			<u>1,191</u>	<u>1,124</u>
			<u>87,798</u>	<u>106,056</u>
Loans under repurchase agreements	06	06	<u>2,734</u>	<u>120</u>
<b>Total due to banks and financial institutions</b>			<u>90,535</u>	<u>106,176</u>

The Perpetual debt was issued by the Group in March 2006 with an option to repay in 2016 at face value at 100 mln. USD. Interest payment date falls on March 3 and September 3 annually.

Principal and interest on loans due to banks are repayable either quarterly, semiannually or at the end of the term, depending on the agreed repayment schedule.

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

As at 30 September 2012 and 31 December 2011 the Group had long-term loans received from Eurasian Development Bank and JSC Entrepreneurship Development Fund DAMU that individually and in aggregate exceeded 10% of the Group's equity.

Fair value of assets pledged and carrying value of loans under repurchase agreements as at 30 September 2012 and 31 December 2011 are represented as follows:

	30 September 2012 (unaudited)		31 December 2011	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
NBRK notes	-	-	-	-
Ministry of Finance of the Republic of Kazakhstan bonds	500	526	120	175
<b>Total</b>	<u>500</u>	<u>526</u>	<u>120</u>	<u>175</u>

## 20. CUSTOMER AND BANKS ACCOUNTS

	30 September 2012 (unaudited)	31 December 2011
<b>Recorded at amortized cost:</b>		
Customer accounts	776,480	711,526
Banks accounts	13,811	11,605
	<u>790,291</u>	<u>723,131</u>
Accrued interest	4,750	4,203
<b>Total customer and banks accounts</b>	<u>795,041</u>	<u>727,334</u>
	30 September 2012 (unaudited)	31 December 2011
Time deposits	534,877	461,757
Demand deposits	241,602	249,769
	<u>776,479</u>	<u>711,526</u>
Accrued interest	4,104	4,001
<b>Total customer accounts</b>	<u>780,583</u>	<u>715,527</u>

	30 September 2012 (unaudited)	31 December 2011
<b>Analysis by economic sector:</b>		
Individuals	213,092	373,018
Agriculture	22,471	23,434
Social services	162,343	118,968
Construction	75,511	51,850
Transportation and communication	29,159	11,657
Manufacturing	15,637	16,259
Insurance	54,904	11,664
Metallurgy	50,061	18,072
R&D	17,471	10,394



Fuel	39,359	32,345
Trade	46,040	23,092
Others	54,536	24,774
<b>Total customer accounts</b>	<b>780,583</b>	<b>715,527</b>

Banks accounts as at 30 September 2012 and 31 December 2011 comprised the following:

	<b>30 September 2012 (unaudited)</b>	<b>31 December 2011</b>
Time deposits	13,807	11,600
Demand deposits	5	5
	13,812	11,605
Accrued interest	646	202
<b>Total banks accounts</b>	<b>14,458</b>	<b>11,807</b>

## 21. DEBT SECURITIES ISSUED

	<b>CCY</b>	<b>Issue date (dd/mm/yy)</b>	<b>Maturity date (dd/mm/yy)</b>	<b>Annual coupon rate, %</b>	<b>30 September 2012 (unaudited)</b>	<b>31 December 2011</b>
International bonds	USD	30/01/2007- 22/03/2011	30/01/2014- 07/05/2013	8.625-12.50	67,344	94,135
Kazakhstani bonds	KZT	29/12/2004- 27/12/2005	29/12/2014 27/12/2015	5.60-6.90	7,009	11,788
International eurobonds	JPY	-	-	-	-	11,043
Bonds issued in Russian Federation	USD	20/11/2009- 30/01/2012	20/12/2012- 31/01/2014	0.00-13.0	383	675
Bonds issued in Russian Federation	RUR	10/09/2010- 27/09/2012	27/12/2012- 07/04/2013	3.50-8.50	207	581
					74,943	118,222
Accrued interest					1,851	3,343
<b>Total debt securities issued</b>					<b>76,794</b>	<b>121,565</b>

Interest on debt securities issued is repayable semiannually.

## 22. OTHER LIABILITIES

	<b>30 September 2012 (unaudited)</b>	<b>31 December 2011</b>
<b>Other financial liabilities:</b>		
Settlements in respect of other operations	6,785	3,780
Derivative financial instruments (Note 13)	42	4
Accrued commission expenses	384	497
	7,211	4,281
<b>Other non-financial liabilities:</b>		
Taxes other than income tax	859	957
Allowance for guarantees and L/Cs (Note 4)	1,582	968
Other non-financial liabilities	389	436

Total other liabilities

10,041

6,642

Movement in allowances for impairment losses on guarantees and other liabilities for the nine months ended 30 September 2012 and year ended 31 December 2011 is disclosed in Note 4.

### 23. SUBORDIATED BONDS

	CCY	Issue date (dd/mm/yy)	Maturity date (dd/mm/yy)	Annual coupon rate, %	30 September 2012 (unaudited)	31 December 2011
Floating rate	KZT	11/11/2008	11/11/2023	5.60-6.90	26,938	26,904
Fixed rate	KZT	27/06/2008	27/06/2018	11.00	5,999	5,999
					<u>32,937</u>	<u>32,903</u>
Accumulated interest expense					<u>869</u>	<u>489</u>
<b>Total subordinated bonds</b>					<u><u>33,806</u></u>	<u><u>33,392</u></u>

Interest on subordinated bonds is payable semiannually; principal is payable at the end of term.

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

### 24. SHARE CAPITAL

As at 30 September 2012, the Bank's share capital comprised the following:

	Authorized share capital	Share capital authorized and not issued	Repurchased share capital	Total share capital
Ordinary shares	260,750,745	(98,293,945)	(733,843)	161,722,957
Preference shares	39,249,255	-	-	39,249,255

As at 31 December 2011, the Bank's share capital comprised the following:

	Authorized share capital	Share capital authorized and not issued	Repurchased share capital	Total share capital
Ordinary shares	260,750,745	(98,293,945)	(231,630)	162,225,170
Preference shares	39,249,255	-	-	39,249,255

All ordinary shares are ranked equally, carry one vote, and have no par value. As at 30 September 2012 and 31 December 2011 repurchased ordinary shares amounted to KZT 128 mln and KZT 45 mln, respectively.

According to Kazakhstan's Law on Joint Stock Companies dividends are payable on ordinary shares in the form of money or securities of the Bank on condition that the decision was made at the annual meeting of shareholders of the Bank. In accordance with Regulation of the Group dividend payments are made on the basis of financial results for the year.

Preference shares have no voting rights and are not redeemable. Preference shares have a right to receive dividends prior to common stockholders. Conversion of preferred shares is performed based on the decision of the Board of Directors. Guaranteed dividend amount per one preference share is KZT 0.01.

	Nine months ended 30 September 2012 (unaudited)	Year ended 31 December 2011
<b>Preference shares, beginning of the period</b>	39,249,255	39,249,255
Preference shares issued	-	-
<b>Preference shares, end of the period</b>	39,249,255	39,249,255
<b>Common shares, beginning of the period</b>	162,225,170	162,437,982
Common shares issued	-	-
Treasury shares purchased	(924,358)	(327,857)
Treasury shares sold	422,145	115,045
<b>Common shares, end of the period</b>	161,722,957	162,225,170

### Taxation

Kazakhstani commercial legislation and tax legislation of the Republic of Kazakhstan in particular may give rise to varying interpretations and amendments, which may be retrospective in nature. In addition, as Management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result, the Group may be assessed additional taxes, penalties and interest. The Group believes that it has already made all tax payments, and therefore no provision has been made in the condensed interim consolidated financial information.

Tax periods remain open to review by the tax authorities for five years. However, tax authorities may perform additional reviews, if considered necessary. In accordance with judicial rulings, the period of review can be altered, if the court acknowledges the fact of interdiction to conducting the tax review by the tax authorities.

### Pensions and retirement plans

Employees of the Group receive pension benefits from pension funds in accordance with the laws and regulations of the Republic of Kazakhstan and Russian Federation. As at 30 September 2012 and 31 December 2011, the Group was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current and former employees.

 <b>V.S. Lee</b> Chairman of Management Board		 <b>A.T. Nurgaliyeva</b> Chief Accountant
--	---	--