

**JOINT STOCK COMPANY  
BANK CENTERCREDIT**

**Interim Condensed Consolidated Financial  
Information (Unaudited)  
For the six months ended 30 June 2015**

# JOINT STOCK COMPANY BANK CENTERCREDIT

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## JOINT STOCK COMPANY BANK CENTERCREDIT

### STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

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Management is responsible for the preparation of interim condensed consolidated financial information that presents fairly the interim consolidated financial position of Joint Stock Company Bank CenterCredit and its subsidiaries (collectively - "the Group") as at 30 June 2015 and the results of its operations for the three and six months periods then ended, as well as cash flows and changes in equity for the six months period then ended, in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

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

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IAS 34 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's interim consolidated financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

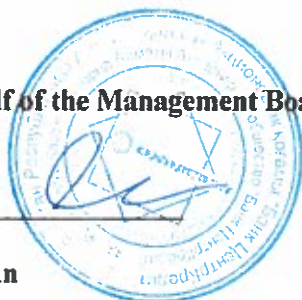
- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the interim consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial information of the Group comply with IAS 34;
- Maintaining statutory accounting records in compliance with legislation of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial information for the six months ended 30 June 2015 was authorized for issue by the Management Board of JSC Bank CenterCredit on 28 July 2015.

On behalf of the Management Board:

Lee V.S.  
Chairman

28 July 2015  
Almaty, Kazakhstan



  
Yang Jinhwan  
Managing Director

28 July 2015  
Almaty, Kazakhstan

  
Nurgaliyeva A. T.  
Chief Accountant

28 July 2015  
Almaty, Kazakhstan

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

To the Shareholders and Board of Directors of Joint Stock Company Bank CenterCredit:

### Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Joint Stock Company Bank CenterCredit and its subsidiaries (collectively - "the Group") as at 30 June 2015, and the related interim consolidated statements of profit or loss and other comprehensive income for the three and six months then ended, and the interim consolidated statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

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

*Deloitte, LLP*

28 July 2015  
Almaty, Kazakhstan

# JOINT STOCK COMPANY BANK CENTERCREDIT

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

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

	Notes	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Interest income	4, 24	23,819	23,239	45,056	45,137
Interest expense	4, 24	(11,892)	(11,598)	(24,365)	(22,625)
<b>NET INTEREST INCOME</b>					
BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		11,927	11,641	20,691	22,512
Provision for impairment losses on interest bearing assets	5	(8,954)	(8,465)	(13,442)	(16,621)
<b>NET INTEREST INCOME</b>		<b>2,973</b>	<b>3,176</b>	<b>7,249</b>	<b>5,891</b>
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	6	(1,085)	(170)	(645)	655
Net realized gain on investments available-for-sale		70	12	20	59
Net gain/(loss) on foreign exchange operations	7	302	990	(1,125)	1,734
Fee and commission income	8	5,553	5,560	9,925	10,060
Fee and commission expense	8	(806)	(563)	(1,160)	(996)
Recovery/(provision) for impairment losses on other transactions	5	345	(1,481)	337	(3,338)
Other income		200	2	185	3
<b>NET NON-INTEREST INCOME</b>		<b>4,579</b>	<b>4,350</b>	<b>7,537</b>	<b>8,177</b>
<b>OPERATING INCOME</b>		<b>7,552</b>	<b>7,526</b>	<b>14,786</b>	<b>14,068</b>
<b>OPERATING EXPENSES</b>	9, 24	<b>(6,919)</b>	<b>(6,997)</b>	<b>(13,348)</b>	<b>(12,598)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>633</b>	<b>529</b>	<b>1,438</b>	<b>1,470</b>
Income tax (expense)/benefit	10	(334)	16	(787)	(284)
<b>NET PROFIT</b>		<b>299</b>	<b>545</b>	<b>651</b>	<b>1,186</b>
<b>Attributable to:</b>					
Owners of the parent		291	532	640	1,158
Non-controlling interest		8	13	11	28
		<b>299</b>	<b>545</b>	<b>651</b>	<b>1,186</b>
<b>EARNINGS PER SHARE</b>					
Basic (KZT)	11	1.80	2.64	3.95	5.75
Diluted (KZT)	11	1.80	2.64	3.95	5.75

On behalf of the Management Board:

Lee V.S.  
Chairman

28 July 2015  
Almaty, Kazakhstan



Yang  
Yang Jinhwan  
Managing Director

28 July 2015  
Almaty, Kazakhstan

Nurgaliyeva A.T.  
Chief Accountant

28 July 2015  
Almaty, Kazakhstan

Selected explanatory notes on pages 9-58 form an integral part of this interim condensed consolidated financial information.

# JOINT STOCK COMPANY BANK CENTERCREDIT

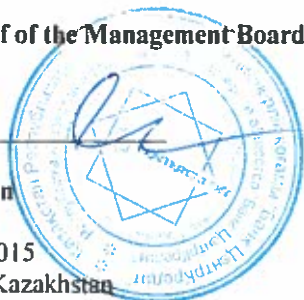
## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED) (in Kazakhstani tenge and in millions)

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
NET PROFIT	299	545	651	1,186
OTHER COMPREHENSIVE INCOME				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translating foreign operations	14	43	134	820
Net (loss)/gain resulting on revaluation of available-for-sale investments during the period	(60)	302	2	313
Reclassification adjustment relating to available-for-sale investments disposed of in the period	(70)	(12)	(20)	(59)
OTHER COMPREHENSIVE (LOSS)/ INCOME AFTER INCOME TAX	(116)	333	116	1,074
TOTAL COMPREHENSIVE INCOME	183	878	767	2,260
Attributable to:				
Owners of the parent	175	865	756	2,232
Non-controlling interest	8	13	11	28
TOTAL COMPREHENSIVE INCOME	183	878	767	2,260

On behalf of the Management Board:

Lee V.S.  
Chairman

28 July 2015  
Almaty, Kazakhstan



Yang Jinhwan  
Managing Director

28 July 2015  
Almaty, Kazakhstan

Nurgaliyeva A.T.  
Chief Accountant

28 July 2015  
Almaty, Kazakhstan

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# JOINT STOCK COMPANY BANK CENTERCREDIT

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015 (UNAUDITED) (in Kazakhstani tenge and in millions)

	Notes	30 June 2015 (unaudited)	31 December 2014
<b>ASSETS</b>			
Cash and cash equivalents	12, 24	111,441	112,628
Obligatory reserves		13,433	17,321
Financial assets at fair value through profit or loss	13	23,916	24,297
Investments available-for-sale	14	53,601	53,576
Investments held-to-maturity	15	4,888	9,644
Due from banks		7,142	8,348
Loans to customers and banks	16, 24	813,033	829,402
Current income tax assets		841	1,181
Other assets	17	22,233	17,738
Property, equipment and intangible assets		33,854	32,160
<b>TOTAL ASSETS</b>		<b>1,084,382</b>	<b>1,106,295</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Due to banks and financial institutions	18	121,079	117,880
Customer and banks accounts	19, 24	782,464	808,296
Debt securities issued	20	31,011	30,862
Deferred income tax liabilities	10	768	236
Subordinated bonds		52,007	54,012
Other liabilities	21	10,823	9,530
<b>Total liabilities</b>		<b>998,152</b>	<b>1,020,816</b>
<b>EQUITY:</b>			
Equity attributable to owners of the parent:			
Share capital	22	69,775	69,791
Investments available-for-sale fair value deficit		(1,256)	(1,238)
Foreign currency translation deficit		(518)	(652)
Retained earnings		17,802	17,162
<b>Total equity attributable to owners of the parent</b>		<b>85,803</b>	<b>85,063</b>
Non-controlling interest		427	416
<b>Total equity</b>		<b>86,230</b>	<b>85,479</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,084,382</b>	<b>1,106,295</b>

On behalf of the Management Board:

Lee V.S.  
Chairman

28 July 2015  
Almaty, Kazakhstan



*Jenny*  
Yang Jinhwan  
Managing Director

28 July 2015  
Almaty, Kazakhstan

*A.T.*  
Nurgaliyeva A.T.  
Chief Accountant

28 July 2015  
Almaty, Kazakhstan

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## JOINT STOCK COMPANY BANK CENTERCREDIT

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

(in Kazakhstani tenge and in millions)

	Share capital	Investments available-for-sale fair value deficit	Foreign currency translation (deficit)/reserve	Retained earnings	Total equity attributable to owners of the parent	Non- controlling interest	Total equity
31 December 2013	69,826	(258)	(325)	16,077	85,320	1,550	86,870
Net profit	-	-	-	1,158	1,158	28	1,186
Other comprehensive income	-	254	820	-	1,074	-	1,074
Net repurchase of treasury shares	(7)	-	-	-	(7)	-	(7)
Payment of dividends	-	-	-	-	-	(351)	(351)
30 June 2014 (unaudited)	69,819	(4)	495	17,235	87,545	1,227	88,772
31 December 2014	69,791	(1,238)	(652)	17,162	85,063	416	85,479
Net profit	-	-	-	640	640	11	651
Other comprehensive (loss)/income	-	(18)	134	-	116	-	116
Net repurchase of treasury shares	(16)	-	-	-	(16)	-	(16)
30 June 2015 (unaudited)	69,775	(1,256)	(518)	17,802	85,803	427	86,230

On behalf of the Management Board:

Lee V.S.  
Chairman

28 July 2015  
Almaty, Kazakhstan

Yang Jinhwan  
Managing Director

28 July 2015  
Almaty, Kazakhstan

Nurgaliyeva A.T.  
Chief Accountant

28 July 2015  
Almaty, Kazakhstan

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# JOINT STOCK COMPANY BANK CENTERCREDIT

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

(in Kazakhstani tenge and in millions)

	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Interest received	42,455	50,514
Interest paid	(25,247)	(25,442)
Fee and commission received	9,395	9,996
Fee and commission paid	(1,141)	(1,053)
Other income/(expenses) received/(paid)	185	(5)
Operating expenses paid	(13,118)	(14,375)
	<hr/>	<hr/>
Cash flows from operating activities before changes in operating assets and liabilities	12,529	19,635
Changes in operating assets and liabilities:		
Obligatory reserves	3,888	(3,836)
Financial assets at fair value through profit or loss	152	(1,624)
Due from banks	1,206	(3,458)
Loans to customers and banks	3,672	(62,192)
Other assets	(1,579)	(1,827)
Due to banks and financial institutions	3,676	77,168
Customer and banks accounts	(25,432)	1,014
Other liabilities	29	6,828
	<hr/>	<hr/>
Cash (outflow)/inflow from operating activities before taxation	(1,859)	31,708
Income tax paid	-	(111)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(1,859)	31,597
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds on maturity and sale of investments available-for-sale	6,913	13,659
Purchase of investments available-for-sale	(6,806)	(9,799)
Proceeds on maturity of investments held-to-maturity	6,926	4,243
Purchase of investments held-to-maturity	(2,549)	-
Purchase of property, equipment and intangible assets	(2,679)	(1,064)
Proceeds on sale of property and equipment	36	-
	<hr/>	<hr/>
Net cash inflow from investing activities	1,841	7,039

# JOINT STOCK COMPANY BANK CENTERCREDIT

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED) (CONTINUED) (in Kazakhstani tenge and in millions)

	Notes	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Purchase of treasury shares		(16)	(7)
Repurchase and repayment of debt securities issued		-	(38,205)
Proceeds from debt securities issued		6	-
Proceeds from subordinated bonds issued		-	910
Repayment of subordinated bonds		(2,000)	-
Payment of dividends		-	(351)
		<u>(2,010)</u>	<u>(37,653)</u>
Net cash outflow from financing activities			
<i>Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents</i>		841	16,804
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,187)</u>	<u>17,787</u>
CASH AND CASH EQUIVALENTS, beginning of the period	12	<u>112,628</u>	<u>141,511</u>
CASH AND CASH EQUIVALENTS, end of the period	12	<u>111,441</u>	<u>159,298</u>

On behalf of the Management Board:

Lee V.S.  
Chairman

28 July 2015  
Almaty, Kazakhstan



Yang Jinhwan  
Managing Director

28 July 2015  
Almaty, Kazakhstan

Nurgaliyeva A.T.  
Chief Accountant

28 July 2015  
Almaty, Kazakhstan

Selected explanatory notes on pages 9-58 form an integral part of this interim condensed consolidated financial information.

# JOINT STOCK COMPANY BANK CENTERCREDIT

## SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

*(in Kazakhstani tenge and in millions, unless otherwise stated)*

### 1. ORGANIZATION

JSC Bank CenterCredit (“the Bank”) is a Joint Stock Company (“JSC”), 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”). The Bank conducts its business under License number 248 dated 13 December 2007.

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

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

The registered address is: 38, Al Farabi Ave., Almaty, the Republic of Kazakhstan.

As at 30 June 2015 and 31 December 2014, the Bank had 20 branches in the Republic of Kazakhstan.

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

Name	Country of operation	30 June 2015 (unaudited)	31 December 2014	Type of operation
LLP Center Leasing	Republic of Kazakhstan	90.75%	90.75%	Finance lease
JSC BCC Invest	Republic of Kazakhstan	95.19%	95.19%	Brokerage and dealer activity
LLC Bank BCC- Moscow	Russian Federation	100.00%	100.00%	Banking services
LLP BCC-SAOO	Republic of Kazakhstan	100.00%	100.00%	Management of distressed assets

As at 30 June 2015 and 31 December 2014, the following ultimate beneficial shareholders owned individually more than 5% of the issued shares of the Group:

	30 June 2015 (unaudited) %	31 December 2014 %
Kookmin Bank	41.93	41.93
Baiseitov B.R.	25.60	25.60
IFC	10.00	10.00
Other (individually hold less than 5%)	22.47	22.47
Total	<u>100.00</u>	<u>100.00</u>

The interim condensed consolidated financial information was authorized for issue by the Management Board of JSC Bank CenterCredit on 28 July 2015.

## 2. BASIS OF PRESENTATION

### *Accounting basis*

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (“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. The interim condensed 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 as at 31 December 2014.

The interim condensed consolidated financial information has been prepared on the accrual basis of accounting under the historical cost convention, except for the measurement of buildings at revalued amounts and the measurement of investments available-for-sale, financial assets and liabilities at fair value through profit or loss, and derivative financial instruments at fair value.

The preparation of the interim condensed consolidated financial information in conformity with IAS 34 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 consolidated 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 setup of impairment loss provisions on loans and investments, determination of the fair value of financial instruments and determination of the deferred tax assets.

Although the interim condensed consolidated financial information is unaudited, it does reflect all adjustments that, in the opinion of Management of the Group, are necessary for a fair presentation of the consolidated results of operations for the interim periods. All such adjustments to the interim condensed consolidated 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 interim condensed 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” or “Tenge”).

## 3. SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies, presentation and methods of computation have been followed in these interim condensed consolidated financial information as were applied in the preparation of the Group’s financial statements for the year ended 31 December 2014, except for the impact of the adoption of the following amended standards:

Amendments to IAS 19 - Defined Benefit Plans: Employee contributions;  
Annual Improvements to IFRSs 2010-2012 Cycle;  
Annual Improvements to IFRSs 2011-2013 Cycle;

## **Amendments to IAS 19 - Defined Benefit Plans: Employee contributions**

The amendments to IAS 19 Employee Benefits clarify the requirements related to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, amendments permit a practical expedient if the amount of the contributions is independent of the number of years of service, such contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered. There is no any impact of these amendments on the financial statements as the Group's defined benefit plans do not stipulate contributions from employees.

## **Annual Improvements to IFRSs 2010-2012 Cycle**

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 2 change the definition of 'vesting condition' and 'market condition' and add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IAS 39 or IFRS 9 or a non-financial asset or liability.

The amendments to IFRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments and clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/ amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

There is no significant effect of these amendments on the consolidated financial statements.

## **Annual Improvements to IFRSs 2011-2013 Cycle**

The Annual Improvements to IFRSs 2011-2013 Cycle include the following amendments to various IFRSs.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of a financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether the property meets the definition of investment property in terms of IAS 40, and whether the transaction meets the definition of a business combination under IFRS 3.

There is no significant effect of these amendments on the consolidated financial statements.

The Group did not early adopt any other standard, amendment or interpretation that has been issued and is not yet effective.

#### 4. NET INTEREST INCOME

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
<b>Interest income comprises:</b>				
Interest income on financial assets recorded at amortized cost:				
- interest income on unimpaired assets	17,049	8,194	33,756	20,844
- interest income on impaired assets	5,524	13,722	8,820	21,792
Interest income on financial assets at fair value	1,246	1,323	2,480	2,501
<b>Total interest income</b>	<b>23,819</b>	<b>23,239</b>	<b>45,056</b>	<b>45,137</b>
Interest income on financial assets recorded at amortized cost:				
Interest on loans to customers and banks	22,219	20,920	41,841	38,546
Interest on investments held-to-maturity	85	239	199	504
Penalties on loans to customers and banks	256	725	508	3,491
Interest on due from banks	13	32	28	95
<b>Total interest income on financial assets recorded at amortized cost</b>	<b>22,573</b>	<b>21,916</b>	<b>42,576</b>	<b>42,636</b>
Interest income on financial assets at fair value:				
Interest income on financial assets available-for-sale	818	776	1,652	1,505
Interest income on financial assets at fair value through profit or loss	428	547	828	996
<b>Total interest income on financial assets recorded at fair value</b>	<b>1,246</b>	<b>1,323</b>	<b>2,480</b>	<b>2,501</b>
<b>Total interest income</b>	<b>23,819</b>	<b>23,239</b>	<b>45,056</b>	<b>45,137</b>
<b>Interest expense comprises:</b>				
Interest expense on financial liabilities recorded at amortized cost				
<b>Total interest expense</b>	<b>11,892</b>	<b>11,598</b>	<b>24,365</b>	<b>22,625</b>
Interest expense on financial liabilities recorded at amortized cost:				
Interest on customer and banks accounts	7,568	7,436	15,520	14,643
Interest on debt securities issued	766	329	1,554	951
Interest on due to banks and financial institutions	2,385	2,824	4,926	4,979
Interest on subordinated bonds	1,173	1,009	2,365	2,052
<b>Total interest expense on financial liabilities recorded at amortized cost</b>	<b>11,892</b>	<b>11,598</b>	<b>24,365</b>	<b>22,625</b>
<b>Net interest income before provision for impairment losses on interest bearing assets</b>	<b>11,927</b>	<b>11,641</b>	<b>20,691</b>	<b>22,512</b>

During the year ended 31 December 2014, the Group has amended its policy on recognition of interest income on impaired assets so that it is now being recognized using method of unwind of discount. Present value of future cash flows increases due to the passage of time thus reducing allowance for impairment losses. This is referred to as unwinding effect that is disclosed in Note 5.

## 5. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

	Corporate loans**	Small and medium-sized enterprises**	Mortgage loans	Consumer loans	Business development	Car loans	Total loans to customers (Note 16)
For three months ended 30 June 2014 and 2015	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
31 March 2014 (unaudited)	153,100	6,748	28,734	20,734	6,897	1,120	217,333
Additional provision recognized/(recovery of provision)	717	1,753	1,155	1,563	3,409	(132)	8,465
Unwind of discount*	(3,240)	(62)	(486)	(549)	(178)	(4)	(4,519)
Write-off of assets	(68,170)	(1,031)	(719)	(40)	(117)	(1)	(70,078)
Recovery of assets previously written off	-	8	6	5	-	-	19
Exchange rate difference	(766)	903	(108)	(81)	(146)	(8)	(206)
<b>30 June 2014 (unaudited)</b>	<b>81,641</b>	<b>8,319</b>	<b>28,582</b>	<b>21,632</b>	<b>9,865</b>	<b>975</b>	<b>151,014</b>
31 March 2015 (unaudited)	123,568	10,406	2,317	2,761	8,275	30	147,357
Additional provision recognized/(recovery of provision)	7,181	(860)	1,607	436	594	(4)	8,954
Unwind of discount*	(3,014)	(150)	(480)	(438)	(293)	-	(4,375)
Write-off of assets	(17,471)	15	(434)	64	(27)	(1)	(17,854)
Recovery of assets previously written off	358	-	13	1	-	1	373
Exchange rate difference	26	42	(62)	67	(4)	-	69
<b>30 June 2015 (unaudited)</b>	<b>110,648</b>	<b>9,453</b>	<b>2,961</b>	<b>2,891</b>	<b>8,545</b>	<b>26</b>	<b>134,524</b>

\* Recognized in interest income

\*\* Presented above categories of small and medium-sized enterprises and corporate loans include both loans to customer and loans to banks



	Corporate loans**	Small and medium-sized enterprises**	Mortgage loans	Consumer loans	Business development	Car loans	Total loans to customers (Note 16)
For six months ended	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
30 June 2014 and 2015							
31 December 2013 (unaudited)	144,784	10,205	19,140	16,108	5,745	1,246	197,228
(Recovery of provision)/additional provision recognized	(289)	(1,588)	9,557	5,193	4,085	(337)	16,621
Unwind of discount*	(3,240)	(62)	(486)	(549)	(178)	(4)	(4,519)
Write-off of assets	(68,074)	(1,117)	(729)	(40)	(117)	(1)	(70,078)
Recovery of assets previously written off	153	9	6	5	2	-	175
Exchange rate difference	8,307	872	1,094	915	328	71	11,587
<b>30 June 2014 (unaudited)</b>	<b>81,641</b>	<b>8,319</b>	<b>28,582</b>	<b>21,632</b>	<b>9,865</b>	<b>975</b>	<b>151,014</b>
31 December 2014 (unaudited)	116,472	14,374	3,153	2,711	12,286	40	149,036
Additional provision recognized/(recovery of provision)	18,419	(4,682)	1,728	1,055	(3,076)	(2)	13,442
Unwind of discount*	(5,925)	(263)	(1,032)	(889)	(542)	(1)	(8,652)
Write-off of assets	(19,680)	(205)	(892)	(79)	(222)	(12)	(21,090)
Recovery of assets previously written off	358	-	38	1	-	1	398
Exchange rate difference	1,004	229	(34)	92	99	-	1,390
<b>30 June 2015 (unaudited)</b>	<b>110,648</b>	<b>9,453</b>	<b>2,961</b>	<b>2,891</b>	<b>8,545</b>	<b>26</b>	<b>134,524</b>

\* Recognized in interest income

\*\* Presented above categories of small and medium-sized enterprises and corporate loans include both loans to customer and loans to banks

During six months ended 30 June 2015 and 2014, the Group has written off loans in the amount of KZT 21,090 million and KZT 70,078 million, respectively. Changes introduced to the Tax Code as at 1 January 2014 allow the write-off of loans without this being considered forgiveness of the loan for tax purposes and are therefore not subject to corporate income tax.

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

	Other assets	Guarantees and letters of credit	Total
For three months ended 30 June 2014 and 2015	(Note 17) (unaudited)	(Note 21) (unaudited)	(unaudited)
31 March 2014 (unaudited)	2,719	3,019	5,738
Additional provision recognized	428	1,053	1,481
Write-off of assets	(48)	-	(48)
Recovery of assets previously written off	1,254	-	1,254
Exchange rate difference	396	(473)	(77)
<b>30 June 2014 (unaudited)</b>	<b>4,749</b>	<b>3,599</b>	<b>8,348</b>
31 March 2015 (unaudited)	1,831	2,365	4,196
Recovery of provision recognized	(58)	(287)	(345)
Write-off of assets	(440)	-	(440)
Exchange rate difference	22	3	25
<b>30 June 2015 (unaudited)</b>	<b>1,355</b>	<b>2,081</b>	<b>3,436</b>
	Other assets	Guarantees and letters of credit	Total
For six months ended 30 June 2014 and 2015	(Note 17) (unaudited)	(Note 21) (unaudited)	(unaudited)
31 December 2013	1,891	1,780	3,671
Additional provision recognized	1,545	1,793	3,338
Write-off of assets	(90)	-	(90)
Recovery of assets previously written off	1,254	-	1,254
Exchange rate difference	149	26	175
<b>30 June 2014 (unaudited)</b>	<b>4,749</b>	<b>3,599</b>	<b>8,348</b>
31 December 2014	2,291	1,894	4,185
(Recovery)/additional provision recognized	(503)	166	(337)
Write-off of assets	(457)	-	(457)
Exchange rate difference	24	21	45
<b>30 June 2015 (unaudited)</b>	<b>1,355</b>	<b>2,081</b>	<b>3,436</b>

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

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(1,085)	(170)	(645)	655
<b>Total net (loss)/gain on financial assets and liabilities at fair value through profit or loss</b>	<b>(1,085)</b>	<b>(170)</b>	<b>(645)</b>	<b>655</b>
Net (loss)/gain on operations with financial assets and liabilities at fair value through profit or loss comprise:				
Realized gain on trading operations	23	12	20	38
Unrealized loss on operations with securities	(1,126)	(756)	(458)	(10)
Unrealized (loss)/gain on operations with derivative financial instruments	(150)	573	(448)	596
Realized gain on operations with derivative financial instruments	168	1	241	31
<b>Total net (loss)/gain on operations with financial assets and liabilities at fair value through profit or loss</b>	<b>(1,085)</b>	<b>(170)</b>	<b>(645)</b>	<b>655</b>

**7. NET GAIN/(LOSS) ON FOREIGN EXCHANGE OPERATIONS**

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Dealing, net	625	(1,881)	1,923	2,687
Translation differences, net	(323)	2,871	(3,048)	(953)
<b>Total net gain/(loss) on foreign exchange operations</b>	<b>302</b>	<b>990</b>	<b>(1,125)</b>	<b>1,734</b>

## 8. FEE AND COMMISSION INCOME AND EXPENSE

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
<b>Fee and commission income:</b>				
Cash operations	1,344	1,381	2,399	2,522
Settlements	1,235	1,224	2,354	2,262
Payment cards	1,059	1,035	1,967	1,916
Guarantees	826	1,068	1,468	1,853
Custodian activities	488	234	554	329
Foreign exchange operations	269	269	507	510
Internet-banking operations	149	131	291	253
Documentary operations	37	-	64	-
Trust operations	10	13	21	26
Other	136	205	300	389
<b>Total fee and commission income</b>	<b>5,553</b>	<b>5,560</b>	<b>9,925</b>	<b>10,060</b>
<b>Fee and commission expense:</b>				
Custodian activities	456	232	490	316
Settlements	274	265	518	510
Documentary operations	34	19	65	36
Purchase and sale of securities	15	16	28	22
Foreign exchange operations	1	4	5	52
Other	26	27	54	60
<b>Total fee and commission expense</b>	<b>806</b>	<b>563</b>	<b>1,160</b>	<b>996</b>

## 9. OPERATING EXPENSES

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Staff costs	3,383	3,133	6,430	5,615
Taxes other than income tax	597	562	1,131	1,041
Deposit Insurance Fund expenses	577	564	1,217	1,195
Depreciation and amortization	519	853	1,046	1,356
Operating leases expenses	464	499	913	1,006
Administrative expenses	456	410	856	730
Security expenses	219	188	402	336
Property and equipment maintenance	205	74	285	121
Telecommunications	139	137	280	257
Business trip expenses	53	69	98	99
Advertising costs	46	47	94	61
Professional services	35	47	76	72
Other expenses	226	414	520	709
<b>Total operating expenses</b>	<b>6,919</b>	<b>6,997</b>	<b>13,348</b>	<b>12,598</b>

## 10. INCOME TAXES

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.

Deferred taxes reflect the net tax effect 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 June 2015 and 31 December 2014 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Current income tax expense	367	-	818	300
Adjustments recognised in the period for current tax of prior periods	(563)	(935)	(563)	(935)
Deferred income tax expense	<u>530</u>	<u>919</u>	<u>532</u>	<u>919</u>
<b>Income tax expense/ (benefit)</b>	<u><u>334</u></u>	<u><u>(16)</u></u>	<u><u>787</u></u>	<u><u>284</u></u>

During the six months ended 30 June 2014, due to the changes introduced to the Tax Code in relation to deductibility of interest expense, the Group has recalculated corporate income tax return for 2013 year and adjusted income tax expense correspondingly.

The tax rate used for the six months ended 30 June 2015 and the year ended 31 December 2014 is the corporate tax rate of 20%, payable by corporate entities in the Republic of Kazakhstan on taxable profits under tax law in that jurisdiction.

	Six months ended 30 June 2015 (unaudited)	Year ended 31 December 2014
<b>Deferred income tax (liability)/ asset</b>		
Beginning of the period	(236)	1,132
Change in deferred tax (liability)/asset recognized in profit or loss	<u>(532)</u>	<u>(1,368)</u>
<b>End of the period</b>	<u><u>(768)</u></u>	<u><u>(236)</u></u>

## 11. EARNINGS PER SHARE

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

	Three months ended 30 June 2015 (unaudited)	Three months ended 30 June 2014 (unaudited)	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
<b>Basic and diluted earnings per share</b>				
Net profit attributable to owners of the parent	291	532	640	1,158
Less: additional dividends that would be paid on full distribution of profit to the preferred shareholders	-	(104)	-	(226)
Earnings attributable to ordinary shareholders	<u>291</u>	<u>428</u>	<u>640</u>	<u>932</u>
Weighted average number of ordinary shares for purposes of basic earnings per share	<u>162,077,104</u>	<u>162,191,222</u>	<u>162,077,482</u>	<u>162,229,362</u>
Earnings per share – basic and diluted (tenge)	<u>1.80</u>	<u>2.64</u>	<u>3.95</u>	<u>5.75</u>

The Group has calculated the book value of one share per each class of shares in accordance with the methodology for computation of the book value of one share, provided by KASE.

The book value of one share per each class of shares as at 30 June 2015 and 31 December 2014 is as follows:

Class of shares	30 June 2015 (unaudited)			31 December 2014		
	Outstanding shares (number outstanding)	Amount for calculation of book value KZT million	Book value of one share, KZT	Outstanding shares (number outstanding)	Amount for calculation of book value KZT million	Book value of one share, KZT
Ordinary shares	161,980,520	72,700	449	162,021,348	71,914	444
Preference shares	39,249,255	<u>11,775</u>	300	39,249,255	<u>11,775</u>	300
		<u>84,475</u>			<u>83,689</u>	

The management of the Group believes that it fully complies with the requirement of KASE as of the reporting date.

## 12. CASH AND CASH EQUIVALENTS

	30 June 2015 (unaudited)	31 December 2014
Deposits with financial institutions	74,902	76,894
Cash on hand	29,569	32,130
Cash in transit	<u>6,970</u>	<u>3,604</u>
<b>Total cash and cash equivalents</b>	<u>111,441</u>	<u>112,628</u>

As at 30 June 2015, the Group had deposits with NBRK which individually and in the aggregate exceeded 10% of the Group's equity. As at 31 December 2014, the Group had deposits with NBRK, Citibank, N.Y. which individually and in the aggregate 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 June 2015 (unaudited)	31 December 2014
Financial assets held for trading:		
Debt securities	20,001	20,407
Equity securities	977	646
<b>Total financial assets held for trading</b>	<b>20,978</b>	<b>21,053</b>
Derivative financial instruments	2,938	3,244
<b>Total financial assets at fair value through profit or loss</b>	<b>23,916</b>	<b>24,297</b>

	30 June 2015 (unaudited)		31 December 2014	
	Nominal interest rate %	Fair value	Nominal interest rate %	Fair value
<b>Debt securities:</b>				
Government bonds of the Republic of Kazakhstan	4.80-7.80	8,736	4.80-7.80	8,638
Kazakhstan corporate bonds	4.63-13.00	5,819	4.63-13.00	6,364
Russian corporate bonds	7.75-18.50	3,269	7.75-12.60	4,398
Government bonds of the Russian Federation	6.88-10.89	2,177	6.88-8.15	1,007
<b>Total debt securities</b>		<b>20,001</b>		<b>20,407</b>

	30 June 2015 (unaudited)	31 December 2014
<b>Equity securities*:</b>		
Shares of Kazakhstan corporations	564	645
Shares of International corporations	412	-
Shares of Russian corporations	1	1
<b>Total equity securities</b>	<b>977</b>	<b>646</b>

\*Ownership interest in equity securities is below 1%

	Notional value	30 June 2015 (unaudited) Net fair value		Notional value	31 December 2014 Net fair value	
		Asset	Liability		Asset	Liability
<b>Foreign currency contracts:</b>						
Swaps	121,288	2,938	121	181,335	3,244	144
<b>Total derivative financial instruments</b>		<b>2,938</b>	<b>121</b>		<b>3,244</b>	<b>144</b>

The table above shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk.

As at 30 June 2015 and 31 December 2014, financial assets at fair value through profit or loss included Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan, Government bonds of Russian Federation and other securities of KZT 3,447 million and KZT 8,727 million, respectively, were pledged under repurchase agreements with the other banks (Note 26). All repurchase agreements as at 30 June 2015 and 31 December 2014 mature before 20 July 2015 and 5 January 2015, respectively.

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

	30 June 2015 (unaudited)		31 December 2014	
Debt securities	53,459		53,439	
Equity securities	142		137	
<b>Total investments available-for-sale</b>	<b>53,601</b>		<b>53,576</b>	

	30 June 2015 (unaudited)		31 December 2014	
	Nominal interest rate %	Fair value	Nominal interest rate %	Fair value
<b>Debt securities:</b>				
Government bonds of the Republic of Kazakhstan	3.30-8.75	35,127	3.30-8.75	32,705
Kazakhstan corporate bonds	3.26-8.80	13,350	3.26-8.90	16,397
Russian corporate bonds	4.22-12.00	4,982	4.22-12.00	4,337
<b>Total debt securities</b>		<b>53,459</b>		<b>53,439</b>

	30 June 2015 (unaudited)	31 December 2014
<b>Equity securities:</b>		
Shares of Kazakhstan corporations	131	126
Shares of International corporations	11	11
<b>Total equity securities</b>	<b>142</b>	<b>137</b>
<b>Total investments available-for-sale</b>	<b>53,601</b>	<b>53,576</b>

As at 30 June 2015 and 31 December 2014, investments available-for-sale included Treasury bonds of the Ministry of Finance of Republic of Kazakhstan and other securities of KZT 2,915 million and KZT 4,015 million, respectively, were pledged under repurchase agreements with the other banks (Note 26). All repurchase agreements as at 30 June 2015 and 31 December 2014 mature before 23 July 2015 and 5 January 2015, respectively.



## 15. INVESTMENTS HELD-TO-MATURITY

	30 June 2015 (unaudited)		31 December 2014	
	Nominal interest rate %	Amount	Nominal interest rate %	Amount
Kazakhstan corporate bonds	3.26-13.00	3,163	7.40-13.00	2,906
Government bonds of the Republic of Kazakhstan	4.87-8.10	1,046	4.40-8.10	6,440
International corporate bonds	6.08-8.75	679	6.10	298
<b>Total investments held-to-maturity</b>		<b>4,888</b>		<b>9,644</b>

As at 30 June 2015 and 31 December 2014, investments held to maturity included Treasury bonds of the Ministry of Finance of Republic of Kazakhstan of KZT 581 million and KZT 3,117 million, respectively, which pledged under repurchase agreements with other banks (Note 26). All repurchase agreements as at 30 June 2015 and 31 December 2014 mature before 17 July 2015 and 5 January 2015, respectively.

## 16. LOANS TO CUSTOMERS AND BANKS

	30 June 2015 (unaudited)	31 December 2014
Originated loans to customers	893,140	913,729
Net investment in finance lease	4,828	4,841
Accrued interest	47,051	53,361
	945,019	971,931
Less: allowance for impairment losses	(134,512)	(148,995)
<b>Total loans to customers</b>	<b>810,507</b>	<b>822,936</b>
Originated loans to banks	1,792	4,680
Accrued interest	5	18
Less: allowance for impairment losses	(12)	(41)
<b>Total loans to customers and banks</b>	<b>1,785</b>	<b>4,657</b>
<b>Loans under reverse repurchase agreements</b>	<b>741</b>	<b>1,809</b>
<b>Total loans to customers and banks</b>	<b>813,033</b>	<b>829,402</b>

Movement in allowances for impairment losses on loans to customers and banks for the six months ended 30 June 2015 and 2014 is disclosed in Note 5.

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 June 2015 (unaudited)	31 December 2014
Loans collateralized by real estate	682,401	708,156
Loans collateralized by goods in turnover	74,549	79,049
Loans collateralized by equipment	54,687	49,850
Loans collateralized by corporate guarantees	54,619	56,315
Loans collateralized by other assets	43,883	35,031
Loans collateralized by cash	13,295	18,833
Unsecured loans	<u>21,585</u>	<u>24,697</u>
	945,019	971,931
Less: allowance for impairment losses	<u>(134,512)</u>	<u>(148,995)</u>
<b>Total loans to customers</b>	<u><u>810,507</u></u>	<u><u>822,936</u></u>
	30 June 2015 (unaudited)	31 December 2014
<b>Analysis by sector:</b>		
Individuals	365,503	371,488
Trading	150,208	154,025
Industrial construction	68,018	76,453
Rent of real estate	60,871	56,873
Manufacturing	53,463	49,330
Residential construction	46,356	58,268
Agriculture	44,232	45,576
Food industry	33,172	47,510
Transportation and equipment maintenance	27,214	27,656
Telecommunications and transport	14,899	12,187
Oil and gas	14,273	13,463
Energy	12,536	10,112
Mass media	930	998
Other	<u>53,344</u>	<u>47,992</u>
	945,019	971,931
Less: allowance for impairment losses	<u>(134,512)</u>	<u>(148,995)</u>
<b>Total loans to customers</b>	<u><u>810,507</u></u>	<u><u>822,936</u></u>

Loans to customers comprise the following products:

	30 June 2015 (unaudited)	31 December 2014
<b>Loans to legal entities</b>		
Corporate loans	521,060	539,107
Small and medium-sized enterprises	58,456	61,336
	<u>579,516</u>	<u>600,443</u>
<b>Loans to individuals</b>		
Mortgage loans	158,003	164,991
Consumer loans	117,844	120,755
Business development	83,069	79,259
Car loans	6,587	6,483
	<u>365,503</u>	<u>371,488</u>
Less: allowance for impairment losses	<u>(134,512)</u>	<u>(148,995)</u>
<b>Total loans to customers</b>	<u>810,507</u>	<u>822,936</u>

As at 30 June 2015 and 31 December 2014 the Group provided loans to 17 and 18 borrowers totaling KZT 243,289 million and KZT 242,835 million, which individually and in aggregate exceeded 10% of the Group's equity, respectively.

As at 30 June 2015 and 31 December 2014, a significant amount of loans (98% of total portfolio) is granted to companies operating in the Republic of Kazakhstan, which represents a significant geographical concentration in one region.

As at 30 June 2015 and 31 December 2014, loans to customers included loans totaling KZT 65,402 million and KZT 62,250 million, respectively, with terms renegotiated. Otherwise these loans would be past due or impaired.

	Carrying value before allowance	30 June 2015 (unaudited) Allowance for impairment losses	Carrying value	Carrying value before allowance	31 December 2014 Allowance for impairment losses	Carrying Value
Loans to customers individually determined to be impaired	267,857	(110,400)	157,457	293,068	(114,056)	179,012
Loans to customers collectively determined to be impaired	65,443	(10,076)	55,367	69,186	(14,495)	54,691
Unimpaired loans	<u>611,719</u>	<u>(14,036)</u>	<u>597,683</u>	<u>609,677</u>	<u>(20,444)</u>	<u>589,233</u>
<b>Total</b>	<u>945,019</u>	<u>(134,512)</u>	<u>810,507</u>	<u>971,931</u>	<u>(148,995)</u>	<u>822,936</u>

During the year ended 31 December 2014 the Group clarified its definition of unimpaired loans so that a loan is considered unimpaired if it is overdue more than 90 days provided that Loss Given Default ("LGD") coefficient is less than 5%. The carrying value before allowance of loans to customers collectively determined to be impaired has decreased by KZT 43,694 million as a result. This did not result in a change in the allowance for impairment.

In determining the impairment allowance for the loans that are individually significant, management of the Bank makes the assumption of delay of one to three years in obtaining proceeds from sale of collateral.

Analysis by credit quality of loans to corporations outstanding as at 30 June 2015 and 31 December 2014 was as follows:

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
<b>Corporate loans</b>				
<b>As at 30 June 2015</b>				
<b>Individually impaired</b>				
Not past due	162,929	(66,140)	96,789	40.59%
Overdue:				
up to 30 days	44,007	(20,981)	23,026	47.68%
31 to 60 days	4,148	(2,014)	2,134	48.55%
61 to 90 days	2,987	(933)	2,054	31.24%
91 to 180 days	10,993	(2,824)	8,169	25.69%
over 180 days	36,443	(13,112)	23,331	35.98%
<b>Total individually impaired loans</b>	<b>261,507</b>	<b>(106,004)</b>	<b>155,503</b>	<b>40.54%</b>
<b>Collectively assessed</b>				
Not past due	4,853	(123)	4,730	2.53%
Overdue:				
up to 30 days	216	(5)	211	2.31%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	695	(29)	666	4.17%
over 180 days	-	-	-	0.00%
<b>Total collectively assessed loans</b>	<b>5,764</b>	<b>(157)</b>	<b>5,607</b>	<b>2.72%</b>
<b>Unimpaired loans</b>				
Not past due	237,877	(4,025)	233,852	1.69%
Overdue:				
up to 30 days	13,794	(296)	13,498	2.15%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	2,118	(163)	1,955	7.70%
over 180 days	-	-	-	0.00%
<b>Total unimpaired loans</b>	<b>253,789</b>	<b>(4,484)</b>	<b>249,305</b>	<b>1.77%</b>
<b>Total corporate loans</b>	<b>521,060</b>	<b>(110,645)</b>	<b>410,415</b>	<b>21.23%</b>

<b>Corporate loans As at 31 December 2014</b>	<b>Gross loans</b>	<b>Provision for impairment</b>	<b>Net loans</b>	<b>Provision for impairment to gross loans</b>
<b>Individually impaired</b>				
Not past due	178,391	(67,611)	110,780	37.90%
Overdue:				
up to 30 days	14,986	(5,441)	9,545	36.31%
31 to 60 days	28,451	(8,767)	19,684	30.81%
61 to 90 days	9,486	(2,215)	7,271	23.35%
91 to 180 days	12,394	(4,746)	7,648	38.29%
over 180 days	45,295	(22,933)	22,362	50.63%
<b>Total individually impaired loans</b>	<b>289,003</b>	<b>(111,713)</b>	<b>177,290</b>	<b>38.65%</b>
<b>Collectively assessed</b>				
Not past due	3,620	(26)	3,594	0.72%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	224	(165)	59	73.66%
<b>Total collectively assessed loans</b>	<b>3,844</b>	<b>(191)</b>	<b>3,653</b>	<b>4.97%</b>
<b>Unimpaired loans</b>				
Not past due	240,646	(1,387)	239,259	0.58%
Overdue:				
up to 30 days	235	(1)	234	0.43%
31 to 60 days	3,354	(2,279)	1,075	67.95%
61 to 90 days	1,147	(227)	920	19.79%
91 to 180 days	603	(424)	179	70.32%
over 180 days	275	(209)	66	76.00%
<b>Total unimpaired loans</b>	<b>246,260</b>	<b>(4,527)</b>	<b>241,733</b>	<b>1.84%</b>
<b>Total corporate loans</b>	<b>539,107</b>	<b>(116,431)</b>	<b>422,676</b>	<b>21.60%</b>

Analysis by credit quality of loans to small and medium-sized enterprises outstanding as at 30 June 2015 and 31 December 2014 was as follows:

Small and medium-sized enterprises As at 30 June 2015	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
<b>Individually impaired</b>				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	2,352	(1,734)	618	73.72%
<b>Total individually impaired loans</b>	<b>2,352</b>	<b>(1,734)</b>	<b>618</b>	<b>73.72%</b>
<b>Collectively assessed</b>				
Not past due	695	(190)	505	27.34%
Overdue:				
up to 30 days	100	(7)	93	7.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	157	(12)	145	7.64%
over 180 days	6,609	(3,608)	3,001	54.59%
<b>Total collectively assessed loans</b>	<b>7,561</b>	<b>(3,817)</b>	<b>3,744</b>	<b>50.48%</b>
<b>Unimpaired loans</b>				
Not past due	38,204	(933)	37,271	2.44%
Overdue:				
up to 30 days	1,905	(25)	1,880	1.31%
31 to 60 days	946	(27)	919	2.85%
61 to 90 days	162	(7)	155	4.32%
91 to 180 days	1,174	(107)	1,067	9.11%
over 180 days	6,152	(2,794)	3,358	45.42%
<b>Total unimpaired loans</b>	<b>48,543</b>	<b>(3,893)</b>	<b>44,650</b>	<b>8.02%</b>
<b>Total small and medium-sized enterprises</b>	<b>58,456</b>	<b>(9,444)</b>	<b>49,012</b>	<b>16.16%</b>

<b>Small and medium-sized enterprises As at 31 December 2014</b>	<b>Gross loans</b>	<b>Provision for impairment</b>	<b>Net loans</b>	<b>Provision for impairment to gross loans</b>
<b>Individually impaired</b>				
Not past due	1,415	(896)	519	63.32%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	2,287	(1,447)	840	63.27%
over 180 days	-	-	-	0.00%
<b>Total individually impaired loans</b>	<b>3,702</b>	<b>(2,343)</b>	<b>1,359</b>	<b>63.29%</b>
<b>Collectively assessed</b>				
Not past due	1,081	(256)	825	23.68%
Overdue:				
up to 30 days	163	(38)	125	23.31%
31 to 60 days	18	(8)	10	44.44%
61 to 90 days	18	(8)	10	44.44%
91 to 180 days	851	(377)	474	44.30%
over 180 days	5,924	(4,868)	1,056	82.17%
<b>Total collectively assessed loans</b>	<b>8,055</b>	<b>(5,555)</b>	<b>2,500</b>	<b>68.96%</b>
<b>Unimpaired loans</b>				
Not past due	39,654	(1,228)	38,426	3.10%
Overdue:				
up to 30 days	1,053	(168)	885	15.95%
31 to 60 days	565	(285)	280	50.44%
61 to 90 days	126	(47)	79	37.30%
91 to 180 days	2,164	(221)	1,943	10.21%
over 180 days	6,017	(4,527)	1,490	75.24%
<b>Total unimpaired loans</b>	<b>49,579</b>	<b>(6,476)</b>	<b>43,103</b>	<b>13.06%</b>
<b>Total small and medium-sized enterprises</b>	<b>61,336</b>	<b>(14,374)</b>	<b>46,962</b>	<b>23.43%</b>

Analysis by credit quality of mortgage loans outstanding as at 30 June 2015 and 31 December 2014 was as follows:

Mortgage As at 30 June 2015	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
<b>Individually impaired</b>				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	550	(550)	-	100.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	656	(323)	333	49.24%
<b>Total individually impaired loans</b>	<b>1,206</b>	<b>(873)</b>	<b>333</b>	<b>72.39%</b>
<b>Collectively assessed</b>				
Not past due	2,294	(18)	2,276	0.78%
Overdue:				
up to 30 days	2,510	(14)	2,496	0.56%
31 to 60 days	1,149	(5)	1,144	0.44%
61 to 90 days	334	(1)	333	0.30%
91 to 180 days	167	(4)	163	2.40%
over 180 days	13,325	(1,161)	12,164	8.71%
<b>Total collectively assessed loans</b>	<b>19,779</b>	<b>(1,203)</b>	<b>18,576</b>	<b>6.08%</b>
<b>Unimpaired loans</b>				
Not past due	115,766	(88)	115,678	0.08%
Overdue:				
up to 30 days	7,037	(17)	7,020	0.24%
31 to 60 days	2,599	(9)	2,590	0.35%
61 to 90 days	2,130	(14)	2,116	0.66%
91 to 180 days	1,267	(13)	1,254	1.03%
over 180 days	8,219	(744)	7,475	9.05%
<b>Total unimpaired loans</b>	<b>137,018</b>	<b>(885)</b>	<b>136,133</b>	<b>0.65%</b>
<b>Total mortgage loans</b>	<b>158,003</b>	<b>(2,961)</b>	<b>155,042</b>	<b>1.87%</b>



Mortgage As at 31 December 2014	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
<b>Individually impaired</b>				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	189	-	189	0.00%
over 180 days	-	-	-	0.00%
<b>Total individually impaired loans</b>	<b>189</b>	<b>-</b>	<b>189</b>	<b>0.00%</b>
<b>Collectively assessed</b>				
Not past due	2,967	(136)	2,831	4.58%
Overdue:				
up to 30 days	308	(8)	300	2.60%
31 to 60 days	194	(11)	183	5.67%
61 to 90 days	998	(38)	960	3.81%
91 to 180 days	521	(33)	488	6.33%
over 180 days	16,740	(1,321)	15,419	7.89%
<b>Total collectively assessed loans</b>	<b>21,728</b>	<b>(1,547)</b>	<b>20,181</b>	<b>7.12%</b>
<b>Unimpaired loans</b>				
Not past due	124,655	(135)	124,520	0.11%
Overdue:				
up to 30 days	4,456	(58)	4,398	1.30%
31 to 60 days	1,785	(76)	1,709	4.26%
61 to 90 days	941	(55)	886	5.84%
91 to 180 days	1,552	(154)	1,398	9.92%
over 180 days	9,685	(1,128)	8,557	11.65%
<b>Total unimpaired loans</b>	<b>143,074</b>	<b>(1,606)</b>	<b>141,468</b>	<b>1.12%</b>
<b>Total mortgage loans</b>	<b>164,991</b>	<b>(3,153)</b>	<b>161,838</b>	<b>1.91%</b>

Analysis by credit quality of car loans outstanding as at 30 June 2015 and 31 December 2014 was as follows:

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
<b>Car loans</b>				
<b>As at 30 June 2015</b>				
<b>Collectively assessed</b>				
Not past due	12	-	12	0.00%
Overdue:				
up to 30 days	2	-	2	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	1	-	1	0.00%
over 180 days	17	(2)	15	11.76%
<b>Total collectively assessed</b>	<b>32</b>	<b>(2)</b>	<b>30</b>	<b>6.25%</b>
<b>Unimpaired loans</b>				
Not past due	6,077	(12)	6,065	0.20%
Overdue:				
up to 30 days	175	(1)	174	0.57%
31 to 60 days	51	-	51	0.00%
61 to 90 days	39	-	39	0.00%
91 to 180 days	66	(1)	65	1.52%
over 180 days	147	(10)	137	6.80%
<b>Total unimpaired loans</b>	<b>6,555</b>	<b>(24)</b>	<b>6,531</b>	<b>0.37%</b>
<b>Total car loans</b>	<b>6,587</b>	<b>(26)</b>	<b>6,561</b>	<b>0.39%</b>
<b>Car loans</b>				
<b>As at 31 December 2014</b>				
<b>Collectively assessed</b>				
Not past due	9	-	9	0.00%
Overdue:				
up to 30 days	1	-	1	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	3	-	3	0.00%
over 180 days	12	(1)	11	8.33%
<b>Total collectively assessed</b>	<b>25</b>	<b>(1)</b>	<b>24</b>	<b>4.00%</b>
<b>Unimpaired loans</b>				
Not past due	6,079	(25)	6,054	0.41%
Overdue:				
up to 30 days	185	(2)	183	1.08%
31 to 60 days	37	(1)	36	2.70%
61 to 90 days	22	(1)	21	4.55%
91 to 180 days	56	(4)	52	7.14%
over 180 days	79	(6)	73	7.59%
<b>Total unimpaired loans</b>	<b>6,458</b>	<b>(39)</b>	<b>6,419</b>	<b>0.60%</b>
<b>Total car loans</b>	<b>6,483</b>	<b>(40)</b>	<b>6,443</b>	<b>0.62%</b>

Analysis by credit quality of consumer loans outstanding as at 30 June 2015 and 31 December 2014 was as follows:

<b>Consumer loans As at 30 June 2015</b>	<b>Gross loans</b>	<b>Provision for impairment</b>	<b>Net loans</b>	<b>Provision for impairment to gross loans</b>
<b>Individually impaired</b>				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	1,329	(604)	725	45.45%
over 180 days	166	(72)	94	43.37%
<b>Total individually impaired loans</b>	<b>1,495</b>	<b>(676)</b>	<b>819</b>	<b>45.22%</b>
<b>Collectively assessed</b>				
Not past due	5,785	(41)	5,744	0.71%
Overdue:				
up to 30 days	744	(4)	740	0.54%
31 to 60 days	1,121	(3)	1,118	0.27%
61 to 90 days	332	(3)	329	0.90%
91 to 180 days	263	(6)	257	2.28%
over 180 days	11,595	(1,072)	10,523	9.25%
<b>Total collectively assessed loans</b>	<b>19,840</b>	<b>(1,129)</b>	<b>18,711</b>	<b>5.69%</b>
<b>Unimpaired loans</b>				
Not past due	75,482	(183)	75,299	0.24%
Overdue:				
up to 30 days	5,772	(19)	5,753	0.33%
31 to 60 days	2,516	(12)	2,504	0.48%
61 to 90 days	1,886	(15)	1,871	0.80%
91 to 180 days	1,593	(17)	1,576	1.07%
over 180 days	9,260	(840)	8,420	9.07%
<b>Total unimpaired loans</b>	<b>96,509</b>	<b>(1,086)</b>	<b>95,423</b>	<b>1.13%</b>
<b>Total consumer loans</b>	<b>117,844</b>	<b>(2,891)</b>	<b>114,953</b>	<b>2.45%</b>

<b>Consumer loans As at 31 December 2014</b>	<b>Gross loans</b>	<b>Provision for impairment</b>	<b>Net loans</b>	<b>Provision for impairment to gross loans</b>
<b>Individually impaired</b>				
Not past due	99	-	99	0.00%
Overdue:				
up to 30 days	1	-	1	0.00%
31 to 60 days	1	-	1	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	73	-	73	0.00%
over 180 days	-	-	-	0.00%
<b>Total individually impaired loans</b>	<b>174</b>	<b>-</b>	<b>174</b>	<b>0.00%</b>
<b>Collectively assessed</b>				
Not past due	6,000	(44)	5,956	0.73%
Overdue:				
up to 30 days	3,016	(58)	2,958	1.92%
31 to 60 days	117	(5)	112	4.27%
61 to 90 days	1,711	(63)	1,648	3.68%
91 to 180 days	448	(24)	424	5.36%
over 180 days	12,157	(908)	11,249	7.47%
<b>Total collectively assessed loans</b>	<b>23,449</b>	<b>(1,102)</b>	<b>22,347</b>	<b>4.70%</b>
<b>Unimpaired loans</b>				
Not past due	77,054	(353)	76,701	0.46%
Overdue:				
up to 30 days	3,982	(63)	3,919	1.58%
31 to 60 days	1,784	(52)	1,732	2.91%
61 to 90 days	1,017	(45)	972	4.42%
91 to 180 days	2,069	(122)	1,947	5.90%
over 180 days	11,226	(974)	10,252	8.68%
<b>Total unimpaired loans</b>	<b>97,132</b>	<b>(1,609)</b>	<b>95,523</b>	<b>1.66%</b>
<b>Total consumer loans</b>	<b>120,755</b>	<b>(2,711)</b>	<b>118,044</b>	<b>2.25%</b>

Analysis by credit quality of loans issued for business development purposes as at 30 June 2015 and 31 December 2014 was as follows:

<b>Business development As at 30 June 2015</b>	<b>Gross loans</b>	<b>Provision for impairment</b>	<b>Net loans</b>	<b>Provision for impairment to gross loans</b>
<b>Individually impaired</b>				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	1,297	(1,113)	184	85.81%
over 180 days	-	-	-	0.00%
<b>Total individually impaired loans</b>	<b>1,297</b>	<b>(1,113)</b>	<b>184</b>	<b>85.81%</b>
<b>Collectively assessed</b>				
Not past due	1,172	(24)	1,148	2.05%
Overdue:				
up to 30 days	75	-	75	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	28	-	28	0.00%
91 to 180 days	128	(3)	125	2.34%
over 180 days	11,064	(3,741)	7,323	33.81%
<b>Total collectively assessed loans</b>	<b>12,467</b>	<b>(3,768)</b>	<b>8,699</b>	<b>30.22%</b>
<b>Unimpaired loans</b>				
Not past due	53,420	(524)	52,896	0.98%
Overdue:				
up to 30 days	2,923	(29)	2,894	0.99%
31 to 60 days	823	(9)	814	1.09%
61 to 90 days	321	(14)	307	4.36%
91 to 180 days	1,465	(84)	1,381	5.73%
over 180 days	10,353	(3,004)	7,349	29.02%
<b>Total unimpaired loans</b>	<b>69,305</b>	<b>(3,664)</b>	<b>65,641</b>	<b>5.29%</b>
<b>Total business development</b>	<b>83,069</b>	<b>(8,545)</b>	<b>74,524</b>	<b>10.29%</b>

<b>Business development As at 31 December 2014</b>	<b>Gross loans</b>	<b>Provision for impairment</b>	<b>Net loans</b>	<b>Provision for impairment to gross loans</b>
<b>Collectively assessed</b>				
Not past due	846	(5)	841	0.59%
Overdue:				
up to 30 days	164	(49)	115	29.88%
31 to 60 days	1	-	1	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	131	(109)	22	83.21%
over 180 days	10,943	(5,936)	5,007	54.24%
<b>Total collectively assessed loans</b>	<b>12,085</b>	<b>(6,099)</b>	<b>5,986</b>	<b>50.47%</b>
<b>Unimpaired loans</b>				
Not past due	54,040	(1,418)	52,622	2.62%
Overdue:				
up to 30 days	1,572	(161)	1,411	10.24%
31 to 60 days	1,048	(96)	952	9.16%
61 to 90 days	520	(146)	374	28.08%
91 to 180 days	891	(261)	630	29.29%
over 180 days	9,103	(4,105)	4,998	45.10%
<b>Total unimpaired loans</b>	<b>67,174</b>	<b>(6,187)</b>	<b>60,987</b>	<b>9.21%</b>
<b>Total business development</b>	<b>79,259</b>	<b>(12,286)</b>	<b>66,973</b>	<b>15.50%</b>

As at 30 June 2015 and 31 December 2014, the Group entered as a lessor into finance leasing agreements. 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 June 2015 and 31 December 2014 are presented as follows:

	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014</b>
Not later than one year	405	551
From one year to five years	2,398	2,515
More than five years	10,433	10,443
Minimum lease payments	13,236	13,509
Less: unearned finance income	(8,408)	(8,668)
<b>Net investment in finance lease</b>	<b>4,828</b>	<b>4,841</b>
Current portion	88	71
Long-term portion	4,740	4,770
<b>Net investment in finance lease, before allowance for impairment</b>	<b>4,828</b>	<b>4,841</b>
Less: allowance for impairment losses	(79)	(19)
<b>Net investment in finance lease, net of allowance for impairment</b>	<b>4,749</b>	<b>4,822</b>

Fair values of assets pledged and carrying value of loans under reverse repurchase agreements as at 30 June 2015 and 31 December 2014 are presented as follows:

	30 June 2015 (unaudited)		31 December 2014	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Kazakhstan corporate bonds	741	1,133	10	12
Bonds of the Ministry of Finance of the Republic of Kazakhstan	-	-	1,799	1,971
<b>Total</b>	<b>741</b>	<b>1,133</b>	<b>1,809</b>	<b>1,983</b>

## 17. OTHER ASSETS

	30 June 2015 (unaudited)	31 December 2014
<b>Other financial assets:</b>		
Receivables	6,524	4,463
Accrued commission	2,773	2,243
Western Union and other wireless transfers	114	131
	9,411	6,837
Less allowances for impairment losses	(1,199)	(1,608)
<b>Total other financial assets</b>	<b>8,212</b>	<b>5,229</b>
<b>Other non-financial assets:</b>		
Non-current assets held for sale	6,919	3,866
Repossessed collateral	5,674	7,502
Advances paid	623	339
Tax settlements, other than income tax	931	1,435
Inventory	30	50
	14,177	13,192
Less accumulated impairment	(156)	(683)
<b>Total other non-financial assets</b>	<b>14,021</b>	<b>12,509</b>
<b>Total other assets</b>	<b>22,233</b>	<b>17,738</b>

Movement in allowances for impairment losses on other assets for the six months ended 30 June 2015 and 2014 is disclosed in Note 5.

As at 30 June 2015 and 31 December 2014, non-current assets held for sale are represented by assets foreclosed by the Group from non-performing borrowers. These assets have been initially recognized at fair value and subsequently measured at the lower of fair value less cost to dispose or the carrying value, as the appropriate level of management has committed to a plan to sell the assets and an active program to locate a buyer and complete the sale plan has been initiated. The Group expects to dispose of these assets within a year.

Repossessed collateral represents real estate accepted by the Group from the non-performing borrowers. These assets have been initially recognized at fair value and subsequently measured at the lower of fair value less cost to dispose or the carrying value. As at 30 June 2015, the Management have not decided yet on whether the repossessed collateral will be sold or used as property and equipment.

## 18. DUE TO BANKS AND FINANCIAL INSTITUTIONS

	Interest rate, %	30 June 2015 (unaudited)	31 December 2014
Long-term loans due to banks and financial institutions	0.93-7.90	57,245	50,489
Loans due to Government of the Republic of Kazakhstan and NBRK	5.50	30,141	30,148
Perpetual debt	9.13	13,767	13,600
Loans due to international credit organizations	4.90	4,944	-
Subordinated loan	LIBOR +4.5-		
	LIBOR +6.5	4,655	4,559
Correspondent accounts of banks	-	699	706
Short-term loans due to banks and financial institutions	3.28-7.00	354	970
Accrued interest	-	2,050	2,540
		<u>113,855</u>	<u>103,012</u>
Loans under repurchase agreements	1.00-12.10	<u>7,224</u>	<u>14,868</u>
<b>Total due to banks and financial institutions</b>		<u><u>121,079</u></u>	<u><u>117,880</u></u>

During the six months ended 30 June 2015 and year ended 31 December 2014, the Group has received long term loans from JSC Entrepreneurship Development Fund DAMU ("DAMU") in the amount of KZT 3,000 million and KZT 8,000 million, respectively, at 2.00% p.a. maturing in 2035 with the possibility of early recall. The loan was received in accordance with the Government program ("the Program") to finance small and medium-sized enterprises ("SME") of certain industries. According to the loan agreement between DAMU and the Group, the Group is responsible to extend loans to SME borrowers, eligible to participate in the Program, at 6% with the maturity not exceeding 10 years. The Group's obligation to repay the loan to DAMU is not contingent on collectability of the loans extended to SME borrowers. The Group is obligated to pay 5% penalty on the amounts not extended to SME borrowers within 6 months after receiving the money from DAMU. The Management of the Group believes that there are no other similar financial instruments and due to specific nature of SME clients, this product represents separate market. As a result, the loan from DAMU was received in an orderly transaction and as such has been recorded at fair value at the recognition date.

During the six months ended 30 June 2015 the Group has received long term loans from JSC Development Bank of Kazakhstan in the amount of KZT 4,000 million at 1.00% p.a. and KZT 2,000 million at 2.00% p.a. maturing in 2035.

In February 2014, the Group received a loan from NBRK in the amount of KZT 30,000 million at 5.50% p.a. In February 2015 this loan was prolonged to February 2016.

The perpetual non-cumulative debt was issued by the Group in March 2006 with an option to repay in whole, but not in part, on any interest payment date from and including 3 March 2016 at face value of USD 100 million. Interest payment dates are 3 March and 3 September in each year.

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

Interest on the subordinated loan is repayable semiannually, and principal is repayable at the end of the term in 2015. In the event of bankruptcy or liquidation of the Group, repayment of all subordinated debt is subordinate to the repayments of the Group's liabilities to all other creditors.

In January 2015, the Group has received the first tranche in the amount of KZT 5,000 million of the long term loan from European Bank for Reconstruction and Development. Total amount of the loan is KZT 10,000 million at 6.20% p.a. maturing in 2020.





As at 30 June 2015 and 31 December 2014, customer accounts totaling KZT 89,298 million and KZT 86,348 million were due to six and five customers, respectively. This represents a significant concentration.

	30 June 2015 (unaudited)	31 December 2014
<b>Analysis by sector:</b>		
Individuals	336,305	335,607
Social services	149,329	127,767
Real estate construction	69,851	75,143
Trade	37,271	37,971
Education and health care	34,391	38,908
Insurance companies and pension fund	27,216	31,618
Transportation and communication	25,961	27,620
Manufacturing	13,626	10,196
Energy	10,573	9,334
Metallurgy	9,577	9,791
Agriculture	7,501	7,253
Research and engineering	6,969	6,334
Oil and gas	6,522	6,567
Entertainment services	4,163	3,445
Fuel	3,543	3,823
Chemical production	2,327	4,088
Machinery	1,667	1,331
Public administration	431	30,859
Other	28,957	30,756
<b>Total customer accounts</b>	<b>776,180</b>	<b>798,411</b>

Banks accounts as at 30 June 2015 and 31 December 2014 comprised the following:

	30 June 2015 (unaudited)	31 December 2014
Time deposits	4,393	9,600
Demand deposits	1,863	1
	6,256	9,601
Accrued interest	28	284
<b>Total bank accounts</b>	<b>6,284</b>	<b>9,885</b>

## 20. DEBT SECURITIES ISSUED

	CCY	Issue date	Maturity date	Annual coupon rate, %	30 June 2015 (unaudited)	31 December 2014
Kazakhstan bonds	KZT	16/08/2005- 16/03/2015	16/08/2015- 16/03/2022	6.20-8.50	30,523	30,382
					30,523	30,382
Accrued interest					488	480
<b>Total debt securities issued</b>					<b>31,011</b>	<b>30,862</b>

During the year ended 31 December 2014, the Bank repaid Eurobonds with nominal value of KZT 38,169 million. During the year ended 31 December 2014, the Bank repaid bonds with nominal value of KZT 3,447 million.

The Group is obligated to comply with financial covenants in relation to debt securities issued. These covenants include stipulated ratios, debt to equity ratios and other ratios. As at 30 June 2015 and 31 December 2014, the Group has not breached any of these covenants. Interest on debt securities issued is repayable semiannually.

## 21. OTHER LIABILITIES

	30 June 2015 (unaudited)	31 December 2014
<b>Other financial liabilities:</b>		
Settlements on other transactions	4,309	3,091
Obligations under financial guarantees issued	2,259	2,033
Provision for guarantees and letters of credit (Note 5)	2,081	1,894
Accrued commission expenses	389	370
Derivative financial instruments (Note 13)	121	144
	<u>9,159</u>	<u>7,532</u>
<b>Other non-financial liabilities:</b>		
Taxes payable, other than income tax	982	1,391
Other non-financial liabilities	682	607
	<u>1,664</u>	<u>2,000</u>
<b>Total other liabilities</b>	<u><u>10,823</u></u>	<u><u>9,530</u></u>

## 22. SHARE CAPITAL

As at 30 June 2015, 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)	(476,280)	161,980,520
Preference shares	39,249,255	-	-	39,249,255

As at 31 December 2014, 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)	(435,452)	162,021,348
Preference shares	39,249,255	-	-	39,249,255

All ordinary shares are ranked equally, carry one vote, and have no par value.

Preference shares are cumulative and convertible into ordinary shares according to the decision of the Board of Directors, one preferred share can be exchanged for one ordinary share.

According to Kazakhstan's Law on Joint Stock Companies dividends can be 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 can be made on the basis of financial results for the year.

The terms of the Preferred Shares require that the Group pay a nominal dividend amount of 0.01 KZT per share in order to comply with Kazakhstan legislation, which represents the liability component. This legislation requires joint stock companies to pay a certain guaranteed amount of dividends on Preferred shares. According to Kazakhstan legislation on Joint Stock Companies, dividend payments on the Preferred shares cannot be less than the dividends paid on common shares. Furthermore, the dividends on common shares will not be paid until dividends on Preferred shares are fully paid.

	Six months ended 30 June 2015 (unaudited) Quantity, in thousands	Year ended 31 December 2014  Quantity, in thousands
Preference shares, beginning of the period	39,249	39,249
Preference shares issued	-	-
<b>Preference shares, end of the period</b>	<u>39,249</u>	<u>39,249</u>
Ordinary shares, beginning of the period	162,021	162,289
Treasury shares repurchased	(729)	(1,062)
Treasury shares sold	688	794
<b>Ordinary shares, end of the period</b>	<u>161,980</u>	<u>162,021</u>

### 23. FINANCIAL 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 interim consolidated statement of financial position.

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

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

The risk-weighted amount is obtained by applying credit conversion factor and counterparty risk weightings according to the principles employed by the Basle Committee on Banking Supervision.

As at 30 June 2015 and 31 December 2014, the nominal or contract amounts and risk-weighted amounts were:

	30 June 2015 (unaudited)		31 December 2014	
	Nominal Amount	Risk weighted amount	Nominal amount	Risk weighted amount
<b>Financial guarantees and commitments:</b>				
Guarantees issued and similar commitments	117,144	105,429	95,835	90,839
Letters of credit and other transaction related contingent obligations	<u>3,798</u>	<u>189</u>	<u>2,591</u>	<u>518</u>
<b>Total financial guarantees and commitments</b>	<u>120,942</u>	<u>105,618</u>	<u>98,426</u>	<u>91,357</u>

The table below summarizes nominal values of guarantees and similar commitments secured by type of collateral, rather than the fair value of the collateral itself:

	30 June 2015 (unaudited)	31 December 2014
Real estate	30,434	13,660
Movables	22,249	24,004
Receivables	15,851	22,216
Cash deposits	11,715	4,996
Corporate guarantees	2,525	4,631
Land	958	359
Goods in turnover	411	285
Other	3,001	17
Unsecured guarantees	<u>30,000</u>	<u>25,667</u>
<b>Total</b>	<u><u>117,144</u></u>	<u><u>95,835</u></u>

The table below summarizes the amounts of letters of credit and other transactions related to contingent obligations secured by type of collateral, rather than the fair value of the collateral itself:

	30 June 2015 (unaudited)	31 December 2014
Cash deposits	2,853	13
Real estate	263	835
Goods in turnover	248	547
Receivables	234	-
Unsecured letters of credit	200	415
Other	<u>-</u>	<u>781</u>
<b>Total</b>	<u><u>3,798</u></u>	<u><u>2,591</u></u>

Extension of loans to customers within credit line limits is approved by the Group on a case-by-case basis and is dependent on borrowers' financial performance, debt service and other conditions.

### Capital commitments

As at 30 June 2015 and 31 December 2014, the Group had no material commitments for capital expenditures outstanding.

### Operating lease commitments

As at 30 June 2015 and 31 December 2014, there was no material operating lease commitments under non-cancelable operating leases outstanding.

### Fiduciary activities

In the normal course of its business, the Group enters into agreements with limited right of decision making with clients for management of their assets in accordance with specific criteria established by the client. The Group may be liable for losses or actions aimed at appropriation of the clients' funds if such funds or securities are not returned to the client. The balance of the clients' funds under the management of the Group as at 30 June 2015 and 31 December 2014, including assets under trusteeship are KZT 578,307 million and KZT 543,071 million, respectively.

Managed assets are not included in the interim consolidated statement of financial position of the Group, as these assets are not assets of the Group. The face value of the securities differs from the market value of the indicated securities.

### **Legal proceedings**

From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material losses will be incurred and respectively no provision has been made in this interim condensed consolidated financial information.

### **Taxation**

Commercial legislation of the Republic of Kazakhstan and countries where the Group operates, including tax legislation, may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgments of business activities. If a particular treatment, based on management's judgment of the Group's business activities, was to be challenged by the tax authorities, the Group may be assessed additional taxes, penalties and interest.

Such uncertainty may relate to the valuation of financial instruments, valuation of provision for impairment losses and the market pricing of deals. Additionally such uncertainty may relate to the valuation of temporary differences on the provision and recovery of the provision for impairment losses on loans to customers and receivables, as an underestimation of the taxable profit. The management of the Group believes that it has accrued all tax amounts due and therefore no allowance has been made in the interim consolidated financial statements.

### **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 June 2015 and 31 December 2014, the Group was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

### **Operating environment**

Emerging markets such as Republic of Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Republic of Kazakhstan continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Republic of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because the Republic of Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market, which decreased significantly during 2015. Management is unable to reliably estimate the effects of any further price fluctuations on the Group's financial position.

## 24. TRANSACTIONS WITH RELATED PARTIES

In considering each possible related party relationship, 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 June 2015 (unaudited)		31 December 2014	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
<b>Cash and cash equivalents</b>	29	111,441	15	112,628
- shareholder	29		15	
<b>Loans to customers and banks, gross</b>	104	947,557	107	978,438
- key management personnel of the entity or its parent	104		107	
<b>Provision for impairment losses on loans to customers and banks</b>	-	(134,524)	-	(149,036)
- key management personnel of the entity or its parent	-		-	
<b>Customer and banks accounts</b>	23,278	782,464	24,733	808,296
- key management personnel of the entity or its parent	16,497		17,402	
- close family members of key management personnel	6,781		7,331	
<b>Guarantees issued and similar commitment</b>	15	120,942	12	98,426
- other	15		12	

Secured and unsecured loans and guarantees are made to key management personnel of the entity and shareholders in the ordinary course of business. These loans are made on substantially the same terms, including interest rates, as for comparable transactions with persons of a similar standing or, where applicable, with other employees. The transactions did not involve more than the normal credit risk or present other unfavorable features.

Amounts deposited by the parent and other related parties earn interest at the same rates as those offered to the market or on the same terms and conditions applicable to other employees within the Group.

Included in the interim consolidated statement of profit or loss for the six months ended 30 June 2015 and 2014 are the following amounts which arose due to transactions with related parties:

	Three months ended 30 June 2015 (unaudited)		Three months ended 30 June 2014 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
<b>Interest income</b>	2	23,819	-	23,239
- key management personnel of the entity or its parent	2		-	
<b>Interest expense</b>	(240)	(11,892)	(386)	(11,598)
- key management personnel of the entity or its parent	(163)		(286)	
- close family members of key management personnel	(77)		(100)	
<b>Operating expenses</b>	(79)	(6,919)	(37)	(6,997)
- key management personnel of the entity or its parent	(79)		(37)	

	Six months ended 30 June 2015 (unaudited)		Six months ended 30 June 2014 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
<b>Interest income</b>	4	45,056	2	45,137
- key management personnel of the entity or its parent	4		1	
- close family members of key management personnel	-		1	
<b>Interest expense</b>	(564)	(24,365)	(652)	(22,625)
- key management personnel of the entity or its parent	(391)		(494)	
- close family members of key management personnel	(173)		(158)	
<b>Operating expenses</b>	(146)	(13,348)	(83)	(12,598)
- key management personnel of the entity or its parent	(146)		(83)	

Key management personnel compensation for the six months ended 30 June 2015 and 2014 is presented by short-term employee benefits.



## 25. SEGMENT REPORTING

The segment information below is presented on the basis used by the Group's chief operating decision maker to evaluate performance, in accordance with IFRS 8 and in accordance with the segment reporting presented in the consolidated financial statements for the six months ended 30 June 2015.

Segment information about these businesses is presented below:

	Retail banking	Corporate banking	Investment banking	Six months ended 30 June 2015* (unaudited)
Interest income	21,744	20,939	2,683	45,366
Interest expense	(7,240)	(12,808)	(4,627)	(24,675)
Recovery/(provision) of impairment losses on interest bearing assets	295	(13,737)	-	(13,442)
Net non-interest income	2,799	5,342	(604)	7,537
Operating expenses	<u>(6,985)</u>	<u>(6,245)</u>	<u>(118)</u>	<u>(13,348)</u>
<b>Profit/(loss) before income tax</b>	<u>10,613</u>	<u>(6,509)</u>	<u>(2,666)</u>	<u>1,438</u>
Segment assets**	<u>350,620</u>	<u>639,387</u>	<u>93,534</u>	<u>1,083,541</u>
Segment liabilities**	<u>337,037</u>	<u>509,557</u>	<u>150,790</u>	<u>997,384</u>
<b>Other segment items</b>				
Depreciation charge on property, equipment and intangible assets	(548)	(489)	(9)	(1,046)
Loans to customers and banks	365,503	447,530	-	813,033
Customer and banks accounts	336,305	446,159	-	782,464
Financial guarantees and commitments	-	120,942	-	120,942

\*- In order to reconcile to the amounts presented in the interim consolidated statement of profit or loss, interest income and interest expense include non-eliminated intercompany transactions in the amount of KZT 310 million and KZT (310) million.

\*\*- net of current income tax assets and deferred tax liabilities

	Retail banking	Corporate banking	Investment banking	Six months ended 30 June 2014* (unaudited)
Interest income	19,307	22,973	3,004	45,284
Interest expense	(8,136)	(10,100)	(4,536)	(22,772)
Provision of impairment losses on interest bearing assets	(14,744)	(1,877)	-	(16,621)
Net non-interest income	3,514	3,790	873	8,177
Operating expenses	(6,150)	(6,289)	(159)	(12,598)
<b>(Loss)/profit before income tax</b>	<b>(6,209)</b>	<b>8,497</b>	<b>(818)</b>	<b>1,470</b>
Segment assets**	313,397	721,881	100,476	1,135,754
Segment liabilities**	328,776	544,276	176,325	1,049,377
<b>Other segment items</b>				
Depreciation charge on property, equipment and intangible assets	(662)	(677)	(17)	(1,356)
Loans to customers and banks	313,021	497,166	-	810,187
Customer and banks accounts	331,158	472,983	-	804,141
Financial guarantees and commitments	-	121,644	-	121,644

\*- In order to reconcile to the amounts presented in the interim consolidated statement of profit or loss, interest income and interest expense include non-eliminated intercompany transactions in the amount of KZT 177 million and KZT (177) million.

\*\* - net of current income tax assets and deferred income tax assets

### Geographical segments

	Kazakhstan	Other non-OECD countries	OECD countries	As at and for the six months ended 30 June 2015 (unaudited)
Interest income	44,519	537	-	45,056
Interest expense	(23,740)	(625)	-	(24,365)
Segment assets*	1,067,025	16,516	-	1,083,541
Segment liabilities*	981,791	15,593	-	997,384
Contingent liabilities	120,942	-	-	120,942
Capital expenditures	2,679	-	-	2,679

\*- net of current income tax assets and deferred income tax liabilities

	Kazakhstan	Other non-OECD countries	OECD countries	As at and for the six months ended 30 June 2014 (unaudited)
Interest income	43,590	1,547	-	45,137
Interest expense	(21,899)	(726)	-	(22,625)
Segment assets*	1,108,481	27,273	-	1,135,754
Segment liabilities	1,025,264	24,113	-	1,049,377
Contingent liabilities	121,644	-	-	121,644
Capital expenditures	1,064	-	-	1,064

\*- net of current income and deferred income tax assets

Interest income, interest expense, segment assets and segment liabilities, contingent liabilities and capital expenditure have generally been allocated based on domicile of the counterparty. Tangible assets (cash on hand, precious metals, premises and equipment) have been allocated based on the country in which they are physically held.

## 26. TRANSFERRED FINANCIAL ASSETS

**Transfers that did not qualify for derecognition of the financial asset in its entirety**

### *Securities lending and repurchase agreements*

The Group enters into repo and reverse repo transactions on a regular basis. The securities lent or sold under agreements to repurchase are transferred to a third party and the Group receives cash in exchange. These transactions are conducted under KASE terms. The Group has determined that it retains substantially all the risks and rewards of these securities, which includes credit risk, market risk, and therefore it has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

The Group may sell or repledge any securities borrowed or purchased under agreements to resell, but has an obligation to return the securities and the counterparty retains substantially all the risks and rewards of ownership. Consequently, the securities are not recognised by the Group, which instead recognises a separate asset for any cash collateral provided.

Details of transferred financial assets that are not derecognised in their entirety as at 30 June 2015 and 31 December 2014 are disclosed below:

	Financial assets at fair value through profit or loss (Note 13)	Investments available-for- sale (Note 14)	Investments held-to- maturity (Note 15)	Total
<b>As at 30 June 2015:</b>				
Carrying amount of assets	4,096	2,915	581	7,592
Carrying amount of associated liabilities (Loans under repurchase agreements)	3,925	2,764	535	7,224
<b>As at 31 December 2014:</b>				
Carrying amount of assets	8,727	4,015	3,117	15,859
Carrying amount of associated liabilities (Loans under repurchase agreements)	8,117	3,751	3,000	14,868

## 27. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Fair value of the Group's financial assets and financial liabilities measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobser- vable input(s)	Relationship of unobservable inputs to fair value
	30 June 2015 (unaudited)	31 December 2014				
Non-derivative financial assets at fair value through profit or loss - debt securities (Note 13)	20,001	20,407	Level 1	Quoted bid prices in an active market.	N/A	N/A
Non-derivative financial assets at fair value through profit or loss- equity securities (Note 13)	977	646	Level 1	Quoted bid prices in an active market.	N/A	N/A
Non-derivative investments available-for-sale- debt securities (Note 14)	53,459	53,439	Level 1	Quoted bid prices in an active market.	N/A	N/A
Derivative financial assets (Note 13)	-	3	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	N/A	N/A
Derivative financial liabilities (see Note 13)	-	16	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	N/A	N/A
Derivative financial assets (Note 13)	2,938	3,241	Level 3	Discounted cash flows. USD part was calculated using observable inputs and spot rates, KZT part was calculated using implied rate by calibration to market	KZT implied rate	The greater KZT implied rate – the smaller fair value
Derivative financial liabilities (Note 13)	121	128	Level 3	Discounted cash flows. USD part was calculated using observable inputs and spot rates, KZT part was calculated using implied rate by calibration to market	KZT implied rate	The greater KZT implied rate – the smaller fair value

There were no transfers between Level 1 and 2 in the period.

As at 30 June 2015 and 31 December 2014, equity securities included in investments available-for-sale amounted to KZT 142 million and KZT 137 million, respectively, are carried at cost because it is practically difficult to quantify the intrinsic value of the equity securities issued by unlisted entities. In addition, probabilities and range of estimated cash flows of the unlisted equity securities cannot be reasonably assessed.

**Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)**

Except as detailed below, management of the Group considers that the fair value of financial assets and liabilities approximates their carrying value (the fair value of which varies from carrying value within the range of 5%):

	30 June 2015 (unaudited)		31 December 2014	
	Carrying value	Fair value	Carrying value	Fair value
Loans to customers and banks	813,033	788,076	829,402	691,046
Customer and bank accounts	782,464	774,768	808,296	782,319
Subordinated bonds	52,007	48,475	54,012	51,216

The carrying amount of cash and cash equivalents, due from banks, other financial assets and other financial liabilities approximates fair value due to short-term nature of such financial assets.

	30 June 2015			Total
	Level 1	Level 2	Level 3	
Loans to customers and banks	-	-	788,076	788,076
Customer and bank accounts	-	774,768	-	774,768
Subordinated bonds	48,475	-	-	48,475

	31 December 2014			Total
	Level 1	Level 2	Level 3	
Loans to customers and banks	-	-	691,046	691,046
Customer and bank accounts	-	782,319	-	782,319
Subordinated bonds	51,216	-	-	51,216

Fair value of subordinated bonds was calculated based on quoted market prices.

Fair value of loans to customers and banks was determined on the basis of contractual cash flows discounted at market rates, published by NBRK and prevailed at the period end and adjusted for credit risk of counterparties.

## 28. REGULATORY MATTERS

The following table analyses the Group's regulatory capital resources for capital adequacy purposes:

	30 June 2015 (unaudited)	31 December 2014
<b>Composition of regulatory capital</b>		
<b>Tier 1</b>		
Share capital	69,775	69,791
Retained earnings	17,802	17,162
Non-controlling interest	427	416
Total qualifying tier 1 capital	<u>88,004</u>	<u>87,369</u>
<b>Tier 2</b>		
Subordinated debt	44,002	43,685
Perpetual debt	13,767	13,600
Other reserves	(1,774)	(1,890)
Total qualifying tier 2 capital	<u>55,995</u>	<u>55,395</u>
Total regulatory capital	<u>143,999</u>	<u>142,764</u>
Risk weighted assets	<u>948,894</u>	<u>929,135</u>
Tier 1 capital ratio	<u>9.27%</u>	<u>9.40%</u>
Total capital adequacy ratio	<u>15.18%</u>	<u>15.37%</u>

Quantitative measures established by the Basel Committee to ensure capital adequacy require the Group to maintain minimum amounts and ratios of total capital adequacy (8%) and tier 1 capital (4%) to risk weighted assets.

## 29. RISK MANAGEMENT POLICIES

Management of risk is fundamental to the Group's banking business and is an essential element of the Group's operations. There have been no changes in risk management policies since year ended 31 December 2014.

## Geographical concentration

The geographical concentration of assets and liabilities is set out below:

	Kazakhstan	Other non-OECD countries	OECD countries	30 June 2015 Total (unaudited)
<b>Financial assets</b>				
Cash and cash equivalents	105,221	1,588	4,632	111,441
Obligatory reserves	13,135	298	-	13,433
Financial assets at fair value through profit or loss	18,048	5,456	412	23,916
Investments available-for-sale	48,608	4,982	11	53,601
Investments held-to-maturity	4,209	-	679	4,888
Due from banks	5,663	-	1,479	7,142
Loans to customers and banks	797,279	15,745	9	813,033
Other financial assets	8,178	34	-	8,212
<b>Total financial assets</b>	<b>1,000,341</b>	<b>28,103</b>	<b>7,222</b>	<b>1,035,666</b>
<b>Financial liabilities</b>				
Due to banks and financial institutions	90,778	2,990	27,311	121,079
Customer and bank accounts	767,916	10,668	3,880	782,464
Debt securities issued	31,011	-	-	31,011
Subordinated bonds	52,007	-	-	52,007
Other financial liabilities	9,070	89	-	9,159
<b>Total financial liabilities</b>	<b>950,782</b>	<b>13,747</b>	<b>31,191</b>	<b>995,720</b>
<b>Net position</b>	<b>49,559</b>	<b>14,356</b>	<b>(23,969)</b>	
	<b>Kazakhstan</b>	<b>Other non-OECD countries</b>	<b>OECD countries</b>	<b>31 December 2014 Total</b>
<b>Financial assets</b>				
Cash and cash equivalents	98,882	1,057	12,689	112,628
Obligatory reserves	17,136	185	-	17,321
Financial assets at fair value through profit or loss	18,888	5,409	-	24,297
Investments available-for-sale	49,229	4,336	11	53,576
Investments held to maturity	9,346	-	298	9,644
Due from banks	6,902	-	1,446	8,348
Loans to customers and banks	809,105	20,286	11	829,402
Other financial assets	5,190	39	-	5,229
<b>Total financial assets</b>	<b>1,014,678</b>	<b>31,312</b>	<b>14,455</b>	<b>1,060,445</b>
<b>Financial liabilities</b>				
Due to banks and financial institutions	89,217	5,122	23,541	117,880
Customer and bank accounts	804,203	4,074	19	808,296
Debt securities issued	30,862	-	-	30,862
Subordinated bonds	54,012	-	-	54,012
Other financial liabilities	7,473	59	-	7,532
<b>Total financial liabilities</b>	<b>985,767</b>	<b>9,255</b>	<b>23,560</b>	<b>1,018,582</b>
<b>Net position</b>	<b>28,911</b>	<b>22,057</b>	<b>(9,105)</b>	

## Liquidity risk

The following tables provide an analysis of financial assets and liabilities grouped on the basis of the remaining period from the interim consolidated statement of financial position date to the contractual maturity date. The presentation below is based upon the information provided internally to key management personnel of the Group.

Investments available-for-sale and financial assets at fair value through profit or loss are classified into “up to 1 month” category. Although investments held to maturity are grouped on the basis of the remaining period from the reporting date to their maturity date, in case of liquidity crisis the Group can immediately realise short-term Treasury Notes of the Republic of Kazakhstan that are classified as investments held to maturity.

	Weighted average effective interest rate	On demand and up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	30 June 2015 (unaudited) Total
<b>Financial assets</b>							
Cash and cash equivalents	2.75%	-	1,868	-	-	-	1,868
Financial assets at fair value through profit or loss	7.53%	22,939	-	-	-	-	22,939
Investments available-for- sale	4.98%	53,459	-	-	-	-	53,459
Investments held to maturity	6.40%	268	12	1,275	3,212	121	4,888
Due from banks	0.15%	1,383	-	-	-	-	1,383
Loans to customers and banks	9.62%	124,103	62,579	163,208	292,740	170,403	813,033
<b>Total interest bearing financial assets</b>		202,152	64,459	164,483	295,952	170,524	897,570
Cash and cash equivalents		109,573	-	-	-	-	109,573
Obligatory reserves		13,433	-	-	-	-	13,433
Financial assets at fair value through profit or loss		977	-	-	-	-	977
Investments available-for- sale		142	-	-	-	-	142
Due from banks		5,759	-	-	-	-	5,759
Other financial assets		8,212	-	-	-	-	8,212
<b>Total financial assets</b>		<u>340,248</u>	<u>64,459</u>	<u>164,483</u>	<u>295,952</u>	<u>170,524</u>	<u>1,035,666</u>
<b>Financial liabilities</b>							
Due to banks and financial Institutions	3.86%	9,611	6,882	47,382	33,426	23,079	120,380
Customer and banks Accounts	5.37%	47,163	46,389	328,622	61,891	39,937	524,002
Debt securities issued	7.80%	-	4,623	2,335	24,053	-	31,011
Subordinated bonds	8.55%	-	2,059	7,460	25,783	16,705	52,007
<b>Total interest bearing financial liabilities</b>		56,774	59,953	385,799	145,153	79,721	727,400
Due to banks and financial institutions		699	-	-	-	-	699
Customer and banks accounts		258,462	-	-	-	-	258,462
Other financial liabilities		9,159	-	-	-	-	9,159
<b>Total financial liabilities</b>		<u>325,094</u>	<u>59,953</u>	<u>385,799</u>	<u>145,153</u>	<u>79,721</u>	<u>995,720</u>
Liquidity gap		15,154	4,506	(221,316)	150,799	90,803	
Interest sensitivity gap		145,378	4,506	(221,316)	150,799	90,803	
<b>Cumulative interest sensitivity gap</b>		<u>145,378</u>	<u>149,884</u>	<u>(71,432)</u>	<u>79,367</u>	<u>170,170</u>	
<b>Cumulative interest sensitivity gap as a percentage of total financial assets</b>		<u>14.04%</u>	<u>14.47%</u>	<u>(6.90%)</u>	<u>7.66%</u>	<u>16.43%</u>	



	Weighted average effective interest rate	On demand and up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2014 Total
<b>Financial assets</b>							
Financial assets at fair value through profit or loss	7.19%	23,651	-	-	-	-	23,651
Investments available-for-sale	5.62%	53,439	-	-	-	-	53,439
Investments held to maturity	8.05%	6,395	939	322	1,870	118	9,644
Due from banks	0.15%	1,353	-	-	-	-	1,353
Loans to customers and banks	9.10%	82,816	60,530	178,117	334,964	172,975	829,402
<b>Total interest bearing financial assets</b>		167,654	61,469	178,439	336,834	173,093	917,489
Cash and cash equivalents		112,628	-	-	-	-	112,628
Obligatory reserves		17,321	-	-	-	-	17,321
<b>Financial assets at fair value through profit or loss</b>							
Investments available-for-sale		646	-	-	-	-	646
Due from banks		137	-	-	-	-	137
Other financial assets		6,995	-	-	-	-	6,995
		5,229	-	-	-	-	5,229
<b>Total financial assets</b>		310,610	61,469	178,439	336,834	173,093	1,060,445
<b>Financial liabilities</b>							
Due to banks and financial institutions	3.86%	16,104	33,238	9,043	30,419	28,370	117,174
Customer and bank accounts	4.99%	85,061	138,329	221,835	84,411	1,791	531,427
Debt securities issued	7.85%	-	132	6,805	23,925	-	30,862
Subordinated bonds	8.85%	-	65	7,432	29,775	16,740	54,012
<b>Total interest bearing financial liabilities</b>		101,165	171,764	245,115	168,530	46,901	733,475
Due to banks and financial institutions		706	-	-	-	-	706
Customer and banks accounts		276,869	-	-	-	-	276,869
Other financial liabilities		7,532	-	-	-	-	7,532
<b>Total financial liabilities</b>		386,272	171,764	245,115	168,530	46,901	1,018,582
Liquidity gap		(75,662)	(110,295)	(66,676)	168,304	126,192	
Interest sensitivity gap		66,489	(110,295)	(66,676)	168,304	126,192	
Cumulative interest sensitivity gap		66,489	(43,806)	(110,482)	57,822	184,014	
Cumulative interest sensitivity gap as a percentage of total financial assets		6.27%	(4.13%)	(10.42%)	5.45%	17.35%	

Based on prior experience, the Group considers it highly unlikely that all customer accounts seek repayment on maturity. Historically the majority of such deposits is rolled over. Management is confident that the Group will be able to obtain required funds in order to replace attracted liabilities with duration up to twelve months. In particular, management believe that the continued support of its shareholders and access to borrowings from international financial institutions means that the Group would be able to obtain appropriate resources.

### Market risk

Market risk includes interest rate risk, currency risk and other pricing risks to which the Group is exposed. There have been no changes as to the way the Group measures risk or to the risk, it is exposed for the six months ended 30 June 2015 since year ended 31 December 2014.

## Interest rate risk

The majority of the Group's loan contracts and other financial assets and liabilities that bear floating interest contain clauses enabling the interest rate to be changed at the option of the lender. The Group monitors its interest rate margin and consequently does not consider itself exposed to significant interest rate risk or consequential cash flow risk.

## Currency risk

The Group's exposure to foreign currency exchange rate risk as at 30 June 2015 is presented in the tables below:

	KZT	USD 1 USD = 186.2 KZT	EUR 1 EUR = 207.48 KZT	Other currencies	30 June 2015 Total (unaudited)
<b>Financial assets</b>					
Cash and cash equivalents	24,535	73,067	11,963	1,876	111,441
Obligatory reserves	13,135	-	-	298	13,433
Financial assets at fair value through profit or loss	15,273	3,188	-	5,455	23,916
Investments available-for-sale	36,767	14,667	1,976	191	53,601
Investments held-to-maturity	2,266	2,325	297	-	4,888
Due from banks	4,904	2,238	-	-	7,142
Loans to customers and banks	660,241	147,248	1,751	3,793	813,033
Other financial assets	7,933	187	57	35	8,212
<b>Total financial assets</b>	<b>765,054</b>	<b>242,920</b>	<b>16,044</b>	<b>11,648</b>	<b>1,035,666</b>
<b>Financial liabilities</b>					
Due to banks and financial institutions	95,375	21,542	1,288	2,874	121,079
Customer and banks accounts	447,463	314,052	13,964	6,985	782,464
Debt securities issued	31,011	-	-	-	31,011
Subordinated bonds	52,007	-	-	-	52,007
Other financial liabilities	6,630	2,153	188	188	9,159
<b>Total financial liabilities</b>	<b>632,486</b>	<b>337,747</b>	<b>15,440</b>	<b>10,047</b>	<b>995,720</b>
<b>Open position</b>	<b>132,568</b>	<b>(94,827)</b>	<b>604</b>	<b>1,601</b>	

## Derivative financial instruments and spot contracts

Fair value of derivative financial instruments and spot contracts are included in the currency analysis presented below and the following table presents further analysis of currency risk by types of derivative financial instruments and spot contracts as at 30 June 2015:

	KZT	USD 1 USD = 186.2 KZT	EUR 1 EUR = 207.48 KZT	Other currencies	30 June 2015 (unaudited)
Accounts receivable on spot and derivative contracts	11,556	108,359	822	551	121,288
Accounts payable on spot and derivative contracts	(102,571)	(13,102)	(1,338)	(2,200)	(119,211)
<b>Net spot and derivative financial instruments position</b>	<b>(91,015)</b>	<b>95,257</b>	<b>(516)</b>	<b>(1,649)</b>	<b>2,077</b>
<b>Open position</b>	<b>41,553</b>	<b>430</b>	<b>88</b>	<b>(48)</b>	

The Group's exposure to foreign currency exchange rate risk as at 31 December 2014 is presented in the tables below:

	KZT	USD 1 USD = 182.35 KZT	EUR 1 EUR = 221.59 KZT	Other currencies	31 December 2014 Total
<b>Financial assets</b>					
Cash and cash equivalents	21,220	74,417	15,664	1,327	112,628
Obligatory reserves	17,136	-	-	185	17,321
Financial assets at fair value through profit or loss	15,420	3,464	-	5,413	24,297
Investments available-for-sale	40,251	11,036	2,114	175	53,576
Investments held to maturity	7,717	1,927	-	-	9,644
Due from banks	5,832	2,516	-	-	8,348
Loans to customers and banks	682,020	140,289	3,136	3,957	829,402
Other financial assets	4,729	397	55	48	5,229
<b>Total financial assets</b>	<b>794,325</b>	<b>234,046</b>	<b>20,969</b>	<b>11,105</b>	<b>1,060,445</b>
<b>Financial liabilities</b>					
Due to banks and financial institutions	90,026	21,350	1,606	4,898	117,880
Customer and banks accounts	408,024	377,521	18,331	4,420	808,296
Debt securities issued	30,862	-	-	-	30,862
Subordinated bonds	54,012	-	-	-	54,012
Other financial liabilities	5,921	1,335	165	111	7,532
<b>Total financial liabilities</b>	<b>588,845</b>	<b>400,206</b>	<b>20,102</b>	<b>9,429</b>	<b>1,018,582</b>
<b>Open position</b>	<b>205,480</b>	<b>(166,160)</b>	<b>867</b>	<b>1,676</b>	

## 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 by types of derivative financial instruments and spot contracts as at 31 December 2014:

	KZT	USD 1 USD = 182.35 KZT	EUR 1 EUR = 221.59 KZT	Other currencies	31 December 2014 Total
Accounts receivable on spot and derivative contracts	11,556	169,295	129	355	181,335
Accounts payable on spot and derivative contracts	<u>(166,394)</u>	<u>(11,568)</u>	<u>-</u>	<u>(2,873)</u>	<u>(180,835)</u>
<b>Net spot and derivative financial instruments position</b>	<u><b>(154,838)</b></u>	<u><b>157,727</b></u>	<u><b>129</b></u>	<u><b>(2,518)</b></u>	<u><b>500</b></u>
<b>Open position</b>	<u><b>50,642</b></u>	<u><b>(8,433)</b></u>	<u><b>996</b></u>	<u><b>(842)</b></u>	

## 30. SUBSEQUENT EVENTS

Up to the date of issue of these financial statements Management have not identified any significant subsequent events which require disclosure.