

Eurasian Bank JSC

**Report on Review of the Consolidated
Interim Condensed Financial Statements
(Unaudited) for the nine months ended
30 September 2013**





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REPORT ON REVIEW OF THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

To Board of Directors of Eurasian Bank JSC

We have reviewed the accompanying consolidated interim condensed statement of financial position of Eurasian Bank JSC (hereinafter the "Bank") as at September 30, 2013 and the related consolidated interim condensed statement of comprehensive income, consolidated interim condensed statement of changes in equity, consolidated interim condensed statement of cash flows for the nine months then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements do not give a true and fair view in accordance with IFRS (IAS) 34 "Interim Financial Reporting".

Other Matter

Consolidated interim condensed financial statements of the Bank for nine months ended 30 September 2012 were not reviewed.

BDO Kazakhstanaudit LLP

General State License on audit activity № 0000276 issued by Ministry of Finance of RK dated 24.06.2004 (original license № 0000001 AK Kazakhstanaudit was reregistered due to change of name to BDO Kazakhstanaudit)


Koshkimbayev S.Kh.
Managing partner,
General director
BDO Kazakhstanaudit LLP




December 03, 2013



| | Note | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|--|------|--|--|
| Interest income | 4 | 49,140,235 | 35,882,594 |
| Interest expense | 4 | (21,340,203) | (17,246,488) |
| Net interest income | | 27,800,032 | 18,636,106 |
| Fee and commission income | 5 | 8,945,938 | 6,287,051 |
| Fee and commission expense | 6 | (1,255,670) | (647,393) |
| Net fee and commission income | | 7,690,268 | 5,639,658 |
| Net loss on other financial instruments at fair value through profit or loss | | (97,911) | (291,985) |
| Net foreign exchange income | 7 | 1,910,257 | 3,035,513 |
| Net loss on available-for-sale financial assets | | (290) | (23,918) |
| Other operating loss | | (803,427) | (209,835) |
| Operating income | | 36,498,929 | 26,785,539 |
| Impairment losses | 8 | (6,464,245) | (3,100,156) |
| Personnel expenses | 9 | (11,253,969) | (9,233,966) |
| Other general administrative expenses | 10 | (7,509,604) | (6,218,685) |
| Profit before income tax | | 11,271,111 | 8,232,732 |
| Income tax expense | 11 | (2,556,557) | (1,930,856) |
| Net profit for the year | | 8,714,554 | 6,301,876 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Revaluation reserve for available-for-sale financial assets: | | | |
| - Net change in fair value | | 95,558 | 42,585 |
| - Net change in fair value transferred to profit or loss | | 290 | 23,918 |
| Foreign currency translation differences for foreign operations | | (141,571) | 135,379 |
| Total other comprehensive income for the period, net of income tax | | (45,723) | 201,882 |
| Total comprehensive income for the period | | 8,668,831 | 6,503,758 |
| Diluted and basic earnings per ordinary share, in KZT | 26 | 537.57 | 401.82 |


 Eggleton M.
 Chairman




 Nelina L.N.
 Chief Accountant



| | Note | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|------|---|-----------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 12 | 54,670,905 | 54,920,277 |
| Financial instruments at fair value through profit or loss | 13 | 1,583,691 | 1,262,873 |
| Available-for-sale financial assets | 14 | 10,932,526 | 18,423,546 |
| Loans and advances to banks | 15 | 10,957,302 | 8,187,890 |
| Loans to customers | 16 | 428,129,408 | 354,642,287 |
| Held-to-maturity investments | 17 | 22,427,735 | 10,327,192 |
| Current tax asset | | 552,145 | 885,141 |
| Property, equipment and intangible assets | | 18,114,516 | 16,760,598 |
| Other assets | 18 | 10,801,855 | 5,100,755 |
| Total assets | | 558,170,083 | 470,510,559 |
| LIABILITIES | | | |
| Financial instruments at fair value through profit or loss | 13 | 111,316 | 1,123 |
| Deposits and balances from banks | 19 | 5,032,411 | 21,228,576 |
| Amounts payable under repurchase agreements | | 150,371 | - |
| Current accounts and deposits from customers | 20 | 399,534,903 | 314,720,398 |
| Debt securities issued | 21 | 33,341,209 | 34,441,764 |
| Subordinated debt securities issued | 22 | 32,491,660 | 27,871,504 |
| Other borrowed funds | 23 | 24,525,654 | 18,562,156 |
| Deferred tax liability | 11 | 729,681 | 41,572 |
| Other liabilities | 24 | 7,799,973 | 5,859,263 |
| Total liabilities | | 503,717,178 | 422,726,356 |
| EQUITY | | | |
| Share capital | 25 | 30,110,207 | 30,110,207 |
| Share premium | | 25,632 | 25,632 |
| Reserve for general banking risks | | 8,234,923 | 6,650,265 |
| Revaluation reserve for available-for-sale financial assets | | (18,410) | (114,258) |
| Cumulative translation reserve | | (149,326) | (7,755) |
| Retained earnings | | 16,249,879 | 11,120,112 |
| Total equity | | 54,452,905 | 47,784,203 |
| Total liabilities and equity | | 558,170,083 | 470,510,559 |

Consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.



| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest receipts | 44,268,171 | 33,382,041 |
| Interest payments | (18,570,670) | (15,201,620) |
| Fee and commission receipts | 9,043,440 | 5,879,240 |
| Fee and commission payments | (1,255,670) | (647,394) |
| Net receipts/(payments) from financial instruments at fair value through profit or loss | 4,153 | (248,582) |
| Net receipts from foreign exchange | 2,115,017 | 3,049,271 |
| Other payments | (804,555) | (213,832) |
| Personnel payments | (10,755,979) | (8,373,279) |
| Other general administrative payments | (5,823,639) | (4,552,699) |
| (Increase)/decrease in operating assets | | |
| Financial instruments at fair value through profit or loss | (316,638) | (769,773) |
| Mandatory reserve | (3,746,419) | (733,540) |
| Loans and advances to banks | 972,614 | 39,495 |
| Amounts receivable under reverse repurchase agreements | - | 2,550,630 |
| Loans to customers | (76,259,601) | (92,714,144) |
| Other assets | (4,745,026) | (1,116,070) |
| Increase/(decrease) in operating liabilities | | |
| Deposits and balances from banks | (15,881,948) | (2,509,423) |
| Amounts payable under repurchase agreements | 150,371 | 17,096,551 |
| Current accounts and deposits from customers | 82,112,867 | 28,551,420 |
| Other liabilities | 1,549,222 | 1,020,110 |
| Net cash from/(used in) operating activities before income tax paid | 2,055,710 | (35,511,598) |
| Income tax paid | (1,559,983) | (185,558) |
| Cash flows from/(used in) operating activities | 495,727 | (35,697,156) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of available-for-sale financial assets | (10,425,278) | (40,870,880) |
| Sale and repayment of available-for-sale financial assets | 18,145,893 | 15,460,203 |
| Purchases of held-to-maturity investments | (19,002,660) | (32,205,501) |
| Redemption of held-to-maturity investments | 7,277,993 | 67,627,391 |
| Purchases of property and equipment and intangible assets | (3,318,379) | (2,710,504) |
| Sales of property and equipment and intangible assets | 8,662 | 50,125 |
| Capital expenditures | (951,223) | (559,559) |
| Cash flows (used in)/from investing activities | (8,264,992) | 6,791,275 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from debt securities issued | - | 1,130,025 |
| Repayment of debt securities issued | (1,295,789) | (52,420) |
| Receipts from subordinated debt securities issued | 14,506,329 | 1,261,246 |
| Repayment of subordinated debt securities issued | (10,000,000) | - |
| Receipts of other borrowed funds | 11,186,207 | 18,582,599 |
| Repayment of other borrowed funds | (5,441,816) | (10,771,167) |
| Proceeds from issuance of share capital | - | 5,900,003 |
| Dividends paid | (2,000,129) | - |
| Cash flows from financing activities | 6,954,802 | 16,050,286 |
| Net decrease in cash and cash equivalents | (814,463) | (12,855,595) |
| Effect of changes in exchange rates on cash and cash equivalents | 565,091 | (8,660) |
| Cash and cash equivalents as at the beginning of the period | 54,920,277 | 40,525,925 |
| Cash and cash equivalents as at the end of the period (Note 12) | 54,670,905 | 27,661,670 |

Consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.

| KZT'000 | Share capital | Share premium | Reserve for general banking risks | Revaluation reserve for available-for-sale financial assets | Cumulative translation reserve | Retained earnings | Total |
|---|-------------------|---------------|-----------------------------------|---|--------------------------------|-------------------|-------------------|
| Balance as at 1 January 2012 | 24,210,204 | 25,632 | 5,381,456 | (82,787) | (209,732) | 2,556,868 | 31,881,641 |
| Total comprehensive income | | | | | | | |
| Net profit for the period | - | - | - | - | - | 6,301,876 | 6,301,876 |
| Other comprehensive income | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | - | 42,585 | - | - | 42,585 |
| Net change in fair value of available-for-sale financial assets transferred to profit or loss | - | - | - | 23,918 | - | - | 23,918 |
| Foreign currency translation differences for foreign operations | - | - | - | - | 135,379 | - | 135,379 |
| Total other comprehensive income | - | - | - | 66,503 | 135,379 | - | 201,882 |
| Total comprehensive income for the period | | | | | | | |
| Shares issued | 5,900,003 | - | - | - | - | 6,301,876 | 6,503,758 |
| Increase in general reserve | - | - | 1,268,809 | - | - | (1,268,809) | - |
| Balance as at 30 September 2012 (unaudited) | 30,110,207 | 25,632 | 6,650,265 | (16,284) | (74,353) | 7,589,935 | 44,285,402 |
| Balance as at 1 January 2013 | 30,110,207 | 25,632 | 6,650,265 | (114,258) | (7,755) | 11,120,112 | 47,784,203 |
| Total comprehensive income | | | | | | | |
| Net profit for the period | - | - | - | - | - | 8,714,554 | 8,714,554 |
| Other comprehensive income | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | - | 95,558 | - | - | 95,558 |
| Net change in fair value of available-for-sale financial assets transferred to profit or loss | - | - | - | 290 | - | - | 290 |
| Foreign currency translation differences for foreign operations | - | - | - | - | (141,571) | - | (141,571) |
| Total other comprehensive income | - | - | - | 95,848 | (141,571) | - | (45,723) |
| Total comprehensive income for the period | | | | | | | |
| Dividends declared | - | - | - | - | - | 8,714,554 | 8,668,831 |
| Increase in general reserve | - | - | 1,584,658 | - | - | (2,000,129) | (2,000,129) |
| Balance as at 30 September 2013 (unaudited) | 30,110,207 | 25,632 | 8,234,923 | (18,410) | (149,326) | 16,249,879 | 54,452,905 |

Consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.





1 Background

(a) Organisation and operations

These consolidated interim condensed financial statements include the financial statements of Eurasian Bank JSC (the “Bank”) and its subsidiary, Eurasian Bank OJSC (together referred to as the “Group”).

Eurasian Bank JSC (the “Bank”) was established in 1994 in the Republic of Kazakhstan as a closed joint-stock company under the laws of the Republic of Kazakhstan. Due to a change in legislation introduced in 2003, the Bank was re-registered as a joint-stock company on 2 September 2003. The Bank operates based on general banking licence number 237 granted on 28 December 2007. The Bank also possesses licences number 0401100623 and number 0407100189 for brokerage, dealing and custodian activities. The principal activities of the Bank are deposit taking and customer account maintenance, lending and issuing guarantees, custodian services, cash and settlement operations, operations with securities and foreign exchange.

The activities of the Bank are regulated by the Committee for the control and supervision of the financial market and financial organisations of the National Bank of the Republic of Kazakhstan (the “FMSC”) and the National Bank of the Republic of Kazakhstan (the “NBRK”).

As at 30 September 2013 the Group has 20 regional branches (31 December 2012: 19) and 121 cash settlement centers (31 December 2012: 99) from which it conducts business throughout the Republic of Kazakhstan and Russian Federation.

The registered address of the Bank’s head office is 56 Kunayev str., Almaty, Republic of Kazakhstan. The majority of the Group’s assets and liabilities are located in Kazakhstan.

On 1 April 2010 the Bank acquired a subsidiary, Eurasian Bank OJSC, located in Moscow, Russian Federation.

On 1 January 2011 the Group acquired the retail assets of Prosto Kredit LLP and MKO Prosto Kredit LLP (“Prosto Kredit”) in the Republic of Kazakhstan.

(b) Shareholders

As at 30 September 2013 Eurasian Financial Company JSC (hereafter, EFC) is the Bank’s Parent company, which owns 100.00% of the Bank’s shares (2012: EFC owned 99.67%, Eurasian Industrial Company JSC owned 0.33%).

(c) Business environment

The Group’s operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. The consolidated interim condensed financial statements reflect management’s assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.



2 Basis of preparation

(a) Statement of compliance

The consolidated interim condensed financial statements are prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Accordingly, certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements have been omitted or condensed. The consolidated interim condensed financial statements should be read in conjunction with the consolidated financial statements and with notes to the consolidated financial statements of the Group for the year ended 31 December 2012.

(b) Basis of measurement

The consolidated interim condensed financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and available-for-sale financial assets are stated at fair value.

(c) Functional and presentation currency

The functional currency of the Bank is the Kazakhstan tenge ("KZT") as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The functional currency of the Bank's subsidiary is the Russian Rouble ("RUB") as, being the national currency of the Russian Federation, it reflects the economic substance of the majority of underlying events and circumstances relevant to it.

The KZT is the presentation currency for the purposes of these consolidated interim condensed financial statements.

In translating to KZT the assets and liabilities of the Bank's subsidiary that are included in the consolidated statement of financial position are translated at the foreign exchange rate ruling at the reporting date. All income and expense and equity items are translated at approximating rates at the dates of the transactions. The resulting exchange difference is recorded in the cumulative translation reserve.

Financial information presented in KZT is rounded to the nearest thousand.

Any conversion of RUB amounts to KZT should not be construed as a representation that RUB amounts have been, could be, or will be in the future, convertible into KZT at the exchange rate shown, or at any other exchange rate.

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

The currency exchange rates of KASE as at 30 September 2013 and 31 December 2012 were 153.62 Tenge and 150.74 to US\$ 1, accordingly. These rates were used for translation of monetary assets and liabilities denominated in US Dollars at 30 September 2013 and 31 December 2012.

(d) Use of estimates and judgments

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated interim condensed financial statements in conformity with IAS 34. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated interim condensed financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2012.



3 Significant accounting policies

In preparing these consolidated interim condensed financial statements the Group has applied the same accounting policies and methods of computation as those applied in the annual consolidated financial statements of the Group for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as at 1 January 2013, which are relevant for interim financial reporting.

Amendments to IAS 1 Presentation of Items of other comprehensive income.

The Group has applied the amendments to IAS 1 Presentation of Financial Statements "Presentation of Items of Other Comprehensive Income". The amendments require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendment affects presentation only and has no impact on the Group's consolidated financial position or performance.

Amendment to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities.

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

Amendment to IAS 34 Interim Financial Reporting and Segment Information for Total Assets and Liabilities.

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The amendment did not have an impact on the consolidated interim condensed financial statements of the Group.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures



3 Significant accounting policies, continued

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 11 is effective for annual periods beginning on or after 1 January 2013. The standard did not have an impact on the consolidated interim condensed financial statements of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for consolidated interim condensed financial statements, except for significant events and transactions in the interim period that must be disclosed. The standard did not have an impact on the consolidated interim condensed financial statements of the Group.

IFRS 13 Fair Value Measurement.

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed financial statements period. The Group provides these disclosures in the Notes to the consolidated interim condensed financial statements.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income and permanently excluded from profit and loss; expected returns on plan assets are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The amendment did not have an impact on the consolidated interim condensed financial statements of the Group.

(a) New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are not yet effective as at 30 September 2013, and are not applied in preparing these consolidated financial statements. The Group plans to adopt these pronouncements when they become effective.

The Group has not yet analysed the likely impact of the new standard on its financial position or performance.



3 Significant accounting policies, continued

(a) New standards and interpretations not yet adopted, continued

- *IFRS 9 Financial Instruments* will be effective for annual periods beginning on or after 1 January 2015. The new standard is to be issued in phases and is intended ultimately to replace International Financial Reporting Standard IAS 39 *Financial Instruments: Recognition and Measurement*. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The Group recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on the consolidated financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued. The Group does not intend to adopt this standard early.
- Amendments to IAS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application. The Amendments specify that an entity currently has a legally enforceable right to set-off if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments are effective for annual periods beginning on or after 1 January 2014, and are to be applied retrospectively.

Various Improvements to IFRS are dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than 1 January 2014. The Group has not yet analysed the likely impact of the improvements on its financial position or performance.



4 Net interest income

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|--|---|---|
| Interest income | | |
| Loans to customers | 48,050,787 | 35,301,030 |
| Held-to-maturity investments | 604,876 | 228,837 |
| Available-for-sale financial assets | 243,890 | 135,960 |
| Placements with banks | 128,961 | 13,591 |
| Financial instruments at fair value through profit or loss | 53,683 | 152,240 |
| Cash and cash equivalents | 31,414 | 41,915 |
| Amounts receivable under reverse repurchase agreements | 26,624 | 9,021 |
| | 49,140,235 | 35,882,594 |
| Interest expense | | |
| Current accounts and deposits from customers | 15,341,735 | 11,571,873 |
| Debt securities issued | 2,256,591 | 2,458,031 |
| Subordinated debt securities issued | 1,881,587 | 2,061,851 |
| Other borrowed funds | 1,193,317 | 1,070,401 |
| Deposits and balances from banks | 566,004 | 46,455 |
| Amounts payable under repurchase agreements | 100,969 | 37,877 |
| | 21,340,203 | 17,246,488 |
| | 27,800,032 | 18,636,106 |

5 Fee and commission income

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|---|---|---|
| Agent services | 6,180,939 | 3,234,399 |
| Settlement | 1,040,537 | 1,012,477 |
| Cash withdrawal | 687,872 | 728,307 |
| Guarantee and letter of credit issuance | 415,971 | 719,159 |
| Payment card maintenance fees | 405,923 | 296,315 |
| Custodian services | 41,235 | 48,931 |
| Cash delivery | 33,925 | 32,134 |
| Other | 139,536 | 215,329 |
| | 8,945,938 | 6,287,051 |



6 Fee and commission expense

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|-------------------------------|---|---|
| Agent services | 707,179 | 344,715 |
| Settlement | 294,488 | 97,565 |
| Cash withdrawal | 166,291 | 61,732 |
| Payment card maintenance fees | 65,410 | 82,676 |
| Custodian services | 11,261 | 11,121 |
| Other | 11,041 | 49,584 |
| | 1,255,670 | 647,393 |

7 Net foreign exchange income

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|------------------------------|---|---|
| Dealing, net | 1,832,971 | 3,028,837 |
| Translation differences, net | 77,286 | 6,676 |
| | 1,910,257 | 3,035,513 |

8 Impairment losses

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|------------------------------|---|---|
| Loans to customers (Note 16) | 6,502,092 | 3,055,515 |
| Other assets | (37,847) | 44,641 |
| | 6,464,245 | 3,100,156 |

9 Personnel expenses

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|--|---|---|
| Wages, salaries, bonuses and related taxes | 10,767,174 | 8,851,097 |
| Other employee costs | 486,795 | 382,869 |
| | 11,253,969 | 9,233,966 |



10 Other general administrative expenses

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|---|---|---|
| Depreciation and amortisation | 1,969,873 | 1,365,582 |
| Operating lease expense | 1,047,446 | 746,416 |
| Communications and information services | 848,247 | 748,752 |
| Advertising and marketing | 757,498 | 668,741 |
| Taxes other than on income | 745,064 | 556,392 |
| Security | 509,213 | 322,771 |
| Repairs and maintenance | 262,307 | 297,662 |
| Travel expenses | 219,242 | 218,008 |
| Professional services | 171,434 | 84,684 |
| Loan servicing | 137,396 | 565,750 |
| Insurance | 114,926 | 73,618 |
| Cash delivery services | 86,531 | 46,803 |
| Stationery and office supplies | 58,117 | 118,875 |
| Transportation | 43,178 | 40,147 |
| Payment cards production | 37,506 | 13,161 |
| Representation expenses | 10,308 | 25,562 |
| Trainings | 10,145 | 29,756 |
| Other | 481,173 | 296,005 |
| | 7,509,604 | 6,218,685 |

11 Income tax expense

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|---|---|---|
| Current tax expense | | |
| Current period | 1,868,448 | 424,542 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | 688,109 | 1,506,314 |
| Total income tax expense | 2,556,557 | 1,930,856 |

As at 30 September 2013 the applicable tax rate for current and deferred tax is 20% (2012: 20%).

Reconciliation of effective tax rate for the period ended 30 September:

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | % | Nine months ended 30 September 2012 (unaudited) KZT'000 | % |
|---------------------------------------|--|---------------|--|---------------|
| Profit before income tax | 11,271,111 | 100.00 | 8,232,732 | 100.00 |
| Income tax at the applicable tax rate | 2,254,222 | 20.00 | 1,646,546 | 20.00 |
| Tax-exempt income on securities | (169,753) | (1.51) | (87,358) | (1.06) |
| Non-deductible expenses | 472,088 | 4.19 | 371,668 | 4.51 |
| | 2,556,557 | 22.68 | 1,930,856 | 23.45 |



11 Income tax expense, continued

Deferred tax asset and liability

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax liability as at 30 September 2013 and 31 December 2012.

Movements in temporary differences during the nine month periods ended 30 September 2013 and 2012 are presented as follows.

| | Balance 1 January 2013 | Recognised in profit or loss (unaudited) | Balance 30 September 2013 (unaudited) |
|--|-----------------------------------|---|--|
| KZT'000 | | | |
| Loans to customers | 187,850 | (228,151) | (40,301) |
| Property and equipment | (687,119) | (204,978) | (892,097) |
| Other assets | 239,151 | (207,876) | 31,275 |
| Financial instruments at fair value through profit or loss | (776) | 20,693 | 19,917 |
| Other liabilities | 219,322 | (67,797) | 151,525 |
| | (41,572) | (688,109) | (729,681) |

| | Balance 1 January 2012 | Recognised in profit or loss (unaudited) | Balance 30 September 2012 (unaudited) |
|--|-----------------------------------|---|--|
| KZT'000 | | | |
| Loans to customers | 326,364 | (115,007) | 211,357 |
| Property and equipment | (635,450) | 119,585 | (515,865) |
| Other assets | 290,223 | (225,205) | 65,018 |
| Financial instruments at fair value through profit or loss | (14,631) | 19,676 | 5,045 |
| Other liabilities | 182,666 | 30,489 | 213,155 |
| Tax losses carried-forwards | 1,335,852 | (1,335,852) | - |
| | 1,485,024 | (1,506,314) | (21,290) |



12 Cash and cash equivalents

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|--|-------------------------------------|
| Cash on hand | 27,741,639 | 14,897,932 |
| Nostro accounts with the NBRK and the CBRF | 16,758,642 | 25,258,815 |
| Nostro accounts with other banks | | |
| - rated from AA- to AA+ | 30,694 | 68,981 |
| - rated from A- to A+ | 8,162,739 | 6,379,350 |
| - rated from BBB- to BBB+ | 310,150 | 377,354 |
| - rated from BB- to BB+ | 591,397 | 702,906 |
| - rated below B+ | 18,136 | 17,963 |
| - not rated | 122,590 | 51,878 |
| Total nostro accounts with other banks | 9,235,706 | 7,598,432 |
| Term deposits with other banks | | |
| - rated from BBB- to BBB+ | - | 1,141,210 |
| - rated from BB- to BB+ | - | 3,237,258 |
| - rated below B+ | 934,918 | 2,786,630 |
| Total term deposits with other banks | 934,918 | 7,165,098 |
| Total cash and cash equivalents | 54,670,905 | 54,920,277 |

The credit ratings are presented by standards of Fitch credit ratings agency.

None of cash and cash equivalents are impaired or past due.

As at 30 September 2013 the Group has 1 bank (2012: 1 bank), whose balances exceed 10% of equity. The gross value of these balances as at 30 September 2013 is KZT 16,446,599 thousand (2012: KZT 23,370,243 thousand).



13 Financial instruments at fair value through profit or loss

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| ASSETS | | |
| Held by the Group | | |
| Debt and other fixed-income instruments | | |
| - Government bonds | | |
| Russian Government Federal bonds (OFZ) | 1,063,924 | 1,259,771 |
| Total government bonds | 1,063,924 | 1,259,771 |
| - Corporate bonds | | |
| rated from BB- to BB+ | 352,690 | - |
| Total corporate bonds | 352,690 | - |
| Pledged under sale and repurchase agreements | | |
| Debt and other fixed-income instruments | | |
| - Corporate bonds | | |
| rated from B- to B+ | 167,077 | - |
| Total corporate bonds | 167,077 | - |
| Derivative financial instruments | | |
| Foreign currency contracts | - | 3,102 |
| | 1,583,691 | 1,262,873 |
| LIABILITIES | | |
| Derivative financial instruments | | |
| Foreign currency contracts | 111,316 | 1,123 |
| | 111,316 | 1,123 |

Foreign currency contracts

The tables below summarises, by major currencies, the contractual amounts of forward exchange contracts outstanding at 30 September 2013 and 31 December 2012 with details of the contractual exchange rates and remaining periods to maturity. Foreign currency amounts presented below are translated at rates effective at the reporting date. The resultant unrealised gains and losses on these unmatured contracts, along with the amounts payable and receivable on the matured but unsettled contracts, are recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

| Type of instrument | Notional amount | Maturity | Payments made by Bank | Payments received by Bank | Fair value Asset KZT'000 | Fair value Liability KZT'000 |
|--------------------------|-----------------|------------|-----------------------|---------------------------|--------------------------|------------------------------|
| 30 September 2013 | | | | | | |
| Foreign currency swap | USD | 22/10/2013 | KZT'000 | USD | | |
| | 50,000,000 | | 7,753,000 | 50,000,000 | - | 64,975 |
| Foreign currency swap | USD | 25/10/2013 | KZT'000 | USD | | |
| | 25,000,000 | | 3,891,250 | 25,000,000 | - | 44,124 |
| Foreign currency swap | EUR | 02/10/2013 | EUR | RUB'000 | | |
| | 4,000,000 | | 4,000,000 | 175,237 | - | 1,766 |
| Foreign currency swap | EUR | 01/10/2013 | EUR | RUB'000 | | |
| | 1,000,000 | | 1,000,000 | 43,807 | - | 451 |
| | | | | | - | 111,316 |



13 Financial instruments at fair value through profit or loss, continued

| Type of instrument | Notional amount | Maturity | Payments made by Bank | Payments received by Bank | Fair value Asset KZT'000 | Fair value Liability KZT'000 |
|--------------------------|------------------|------------|-----------------------|---------------------------|--------------------------|------------------------------|
| 31 December 2012 | | | | | | |
| Foreign currency swap | USD 2,000,000 | 03/01/2013 | USD 2,000,000 | KZT'000 301,300 | 724 | - |
| Foreign currency swap | USD 2,000,000 | 04/01/2013 | USD 2,000,000 | KZT'000 300,860 | 189 | - |
| Foreign currency forward | USD 750,000 | 15/03/2013 | USD 750,000 | KZT'000 115,928 | 2,189 | - |
| Foreign currency forward | USD 1,700,000 | 09/01/2013 | RUB'000 51,901 | USD 1,700,000 | - | 1,123 |
| | | | | | 3,102 | 1,123 |

14 Available-for-sale financial assets

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| Held by the Bank | | |
| Debt and other fixed-income instruments | | |
| - Government and municipal bonds | | |
| Treasury notes of the Ministry of Finance of the Republic of Kazakhstan | 10,918,414 | 2,432,074 |
| Notes of the NBRK | - | 15,977,527 |
| Total government and municipal bonds | 10,918,414 | 18,409,601 |
| Equity investments | | |
| - Corporate shares | 14,112 | 13,945 |
| | 10,932,526 | 18,423,546 |

15 Loans and advances to banks

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|--|---|-----------------------------|
| Mandatory reserves with the NBRK and the CBRF | 8,532,030 | 4,830,811 |
| Term deposits | | |
| - rated from A- to A+ | - | 477,135 |
| - rated from BBB- to BBB+ | - | 1,095 |
| - rated from BB- to BB+ | 507,119 | 785,419 |
| - rated below B+ | 834,907 | 1,513,080 |
| - not rated | 1,083,246 | 580,350 |
| Total term deposits | 2,425,272 | 3,357,079 |
| Total loans and advances to banks | 10,957,302 | 8,187,890 |

The credit ratings are presented by standards of «Fitch» credit ratings agency.

No loans and advances to banks are overdue or impaired as at 30 September 2013 (2012: nil).

(a) Concentration of loans and advances to banks

As at 30 September 2013 no banks (2012: nil) have balances that exceed 10% of equity.



15 Loans and advances to banks, continued

(b) Mandatory reserves with the NBRK and the CBRF

Under local legislations, the Group entities are required to maintain certain obligatory reserves that are computed as a percentage of certain liabilities of the entities. Such reserves must be held in either corresponding accounts with central banks or in physical cash and maintained based on average biweekly balances of the aggregate of deposits with the central banks and physical cash. The use of such funds is, therefore, subject to certain restrictions and they are excluded from cash and cash equivalents.

16 Loans to customers

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| Loans to corporate customers | | |
| Loans to large corporate | 179,487,531 | 176,841,374 |
| Loans to small and medium size companies | 36,078,293 | 36,773,851 |
| Total loans to corporate customers | 215,565,824 | 213,615,225 |
| Loans to retail customers | | |
| Car loans | 60,498,462 | 28,902,541 |
| Mortgage loans | 47,032,219 | 33,831,716 |
| Small business loans | 16,769,224 | 18,629,432 |
| Loans collateralised by cash | 170,080 | 528,559 |
| Uncollateralised consumer loans | 123,271,744 | 88,011,821 |
| Total loans to retail customers | 247,741,729 | 169,904,069 |
| Gross loans to customers | 463,307,553 | 383,519,294 |
| Impairment allowance | (35,178,145) | (28,877,007) |
| Net loans to customers | 428,129,408 | 354,642,287 |

Movements in the loan impairment allowance by classes of loans to customers for the period ended 30 September 2013 are as follows:

| | Loans to corporate customers KZT'000 | Loans to retail customers KZT'000 | Total KZT'000 |
|---|--|---|-------------------|
| Balance at the beginning of the period | 13,585,773 | 15,291,234 | 28,877,007 |
| Net charge | 958,559 | 5,543,533 | 6,502,092 |
| Recoveries/ (write-offs) | 49,753 | (371,471) | (321,718) |
| Effect of foreign currency translation | 74,487 | 46,277 | 120,764 |
| Balance at the end of the period (unaudited) | 14,668,572 | 20,509,573 | 35,178,145 |

Movements in the loan impairment allowance by classes of loans to customers for the period ended 30 September 2012 are as follows:

| | Loans to corporate customers KZT'000 | Loans to retail customers KZT'000 | Total KZT'000 |
|---|--|---|-------------------|
| Balance at the beginning of the period | 13,025,391 | 12,185,757 | 25,211,148 |
| Net charge | 1,077,853 | 1,977,662 | 3,055,515 |
| Write-offs | (15,093) | (19,706) | (34,799) |
| Effect of foreign currency translation | 36,830 | 29,209 | 66,039 |
| Balance at the end of the period (unaudited) | 14,124,981 | 14,172,922 | 28,297,903 |



16 Loans to customers, continued

(a) Credit quality of loans to customers

The following table provides information on the credit quality of loans to customers as at 30 September 2013:

| | Gross loans KZT'000 | Impairment allowance KZT'000 | Net loans KZT'000 | Impairment allowance to gross loans, % |
|---|------------------------|------------------------------------|----------------------|---|
| Loans to corporate customers | | | | |
| Loans to large corporate | | | | |
| Loans without individual signs of impairment | 167,264,082 | (2,547,402) | 164,716,680 | 1.52 |
| Impaired loans: | | | | |
| - not overdue | 3,450,491 | (3,239,403) | 211,088 | 93.88 |
| - overdue less than 90 days | 464,431 | (464,431) | - | 100.00 |
| - overdue more than 90 days and less than 1 year | 4,687,304 | (3,222,919) | 1,464,385 | 68.76 |
| - overdue more than 1 year | 3,621,223 | (2,514,899) | 1,106,324 | 69.45 |
| Total impaired loans | 12,223,449 | (9,441,652) | 2,781,797 | 77.24 |
| Total loans to large corporate | 179,487,531 | (11,989,054) | 167,498,477 | 6.68 |
| Loans to small and medium size companies | | | | |
| Loans without individual signs of impairment | 32,704,869 | (320,704) | 32,384,165 | 0.98 |
| Impaired loans: | | | | |
| - overdue less than 90 days | 82,741 | (79,258) | 3,483 | 95.79 |
| - overdue more than 90 days and less than 1 year | 215,559 | (129,143) | 86,416 | 59.91 |
| - overdue more than 1 year | 3,075,124 | (2,150,413) | 924,711 | 69.93 |
| Total impaired loans | 3,373,424 | (2,358,814) | 1,014,610 | 69.92 |
| Total loans to small and medium size companies | 36,078,293 | (2,679,518) | 33,398,775 | 7.43 |
| Total loans to corporate customers | 215,565,824 | (14,668,572) | 200,897,252 | 6.80 |



16 Loans to customers, continued

(a) Credit quality of loans to customers, continued

| | Gross loans KZT'000 | Impairment allowance KZT'000 | Net loans KZT'000 | Impairment allowance to gross loans, % |
|--|------------------------|------------------------------------|----------------------|---|
| Loans to retail customers | | | | |
| Car loans | | | | |
| - not overdue | 57,410,445 | (78,797) | 57,331,648 | 0.14 |
| - overdue less than 30 days | 1,290,974 | (3,145) | 1,287,829 | 0.24 |
| - overdue 30-89 days | 444,150 | (1,308) | 442,842 | 0.29 |
| - overdue 90-179 days | 284,862 | (63,555) | 221,307 | 22.31 |
| - overdue 180-360 days | 389,216 | (149,136) | 240,080 | 38.32 |
| - overdue more than 360 days | 678,815 | (300,981) | 377,834 | 44.34 |
| Total car loans | 60,498,462 | (596,922) | 59,901,540 | 0.99 |
| Mortgage loans | | | | |
| - not overdue | 40,872,415 | (915,249) | 39,957,166 | 2.24 |
| - overdue less than 30 days | 970,730 | (149,168) | 821,562 | 15.37 |
| - overdue 30-89 days | 540,233 | (74,316) | 465,917 | 13.76 |
| - overdue 90-179 days | 286,255 | (75,331) | 210,924 | 26.32 |
| - overdue 180-360 days | 261,192 | (78,640) | 182,552 | 30.11 |
| - overdue more than 360 days | 4,101,394 | (2,511,163) | 1,590,231 | 61.23 |
| Total mortgage loans | 47,032,219 | (3,803,867) | 43,228,352 | 8.09 |
| Small business loans | | | | |
| - not overdue | 9,170,458 | (392,559) | 8,777,899 | 4.28 |
| - overdue less than 30 days | 104,958 | (20,319) | 84,639 | 19.36 |
| - overdue 30-89 days | 190,679 | (53,534) | 137,145 | 28.08 |
| - overdue 90-179 days | 711,328 | (83,013) | 628,315 | 11.67 |
| - overdue 180-360 days | 282,105 | (117,106) | 164,999 | 41.51 |
| - overdue more than 360 days | 6,309,696 | (4,267,224) | 2,042,472 | 67.63 |
| Total small business loans | 16,769,224 | (4,933,755) | 11,835,469 | 29.42 |
| Loans collateralised by cash | | | | |
| - not overdue | 170,080 | - | 170,080 | - |
| Total loans collateralised by cash | 170,080 | - | 170,080 | - |
| Uncollateralised consumer loans | | | | |
| - not overdue | 99,104,784 | (975,834) | 98,128,950 | 0.98 |
| - overdue less than 30 days | 5,991,768 | (67,891) | 5,923,877 | 1.13 |
| - overdue 30-89 days | 3,844,031 | (250,560) | 3,593,471 | 6.52 |
| - overdue 90-179 days | 3,598,179 | (2,098,605) | 1,499,574 | 58.32 |
| - overdue 180-360 days | 5,038,946 | (3,367,340) | 1,671,606 | 66.83 |
| - overdue more than 360 days | 5,694,036 | (4,414,799) | 1,279,237 | 77.53 |
| Total uncollateralised consumer loans | 123,271,744 | (11,175,029) | 112,096,715 | 9.07 |
| Total loans to retail customers | 247,741,729 | (20,509,573) | 227,232,156 | 8.28 |
| Total loans to customers | 463,307,553 | (35,178,145) | 428,129,408 | 7.59 |



16 Loans to customers, continued

(a) Credit quality of loans to customers, continued

The following table provides information on the credit quality of loans to customers as at 31 December 2012:

| | Gross loans KZT'000 | Impairment allowance KZT'000 | Net loans KZT'000 | Impairment allowance to gross loans, % |
|---|------------------------|------------------------------------|----------------------|---|
| Loans to corporate customers | | | | |
| Loans to large corporate | | | | |
| Loans without individual signs of impairment | 165,985,888 | (2,663,266) | 163,322,622 | 1.60 |
| Impaired loans: | | | | |
| - not overdue | 6,844,306 | (5,787,648) | 1,056,658 | 84.56 |
| - overdue more than 90 days and less than 1 year | 627,354 | (420,101) | 207,253 | 66.96 |
| - overdue more than 1 year | 3,383,826 | (2,136,078) | 1,247,748 | 63.13 |
| Total impaired loans | 10,855,486 | (8,343,827) | 2,511,659 | 76.86 |
| Total loans to large corporate | 176,841,374 | (11,007,093) | 165,834,281 | 6.22 |
| Loans to small and medium size companies | | | | |
| Loans without individual signs of impairment | 32,948,812 | (155,456) | 32,793,356 | 0.47 |
| Impaired loans: | | | | |
| - not overdue | 161,558 | (104,871) | 56,687 | 64.91 |
| - overdue less than 90 days | 161,975 | (69,809) | 92,166 | 43.10 |
| - overdue more than 90 days and less than 1 year | 302,958 | (132,224) | 170,734 | 43.64 |
| - overdue more than 1 year | 3,198,548 | (2,116,320) | 1,082,228 | 66.17 |
| Total impaired loans | 3,825,039 | (2,423,224) | 1,401,815 | 63.35 |
| Total loans to small and medium size companies | 36,773,851 | (2,578,680) | 34,195,171 | 7.01 |
| Total loans to corporate customers | 213,615,225 | (13,585,773) | 200,029,452 | 6.36 |



16 Loans to customers, continued

(a) Credit quality of loans to customers, continued

| | Gross loans KZT'000 | Impairment allowance KZT'000 | Net loans KZT'000 | Impairment allowance to gross loans, % |
|--|------------------------|------------------------------------|----------------------|---|
| Loans to retail customers | | | | |
| Car loans | | | | |
| - not overdue | 27,351,661 | (354,629) | 26,997,032 | 1.30 |
| - overdue less than 30 days | 569,815 | (39,698) | 530,117 | 6.97 |
| - overdue 30-89 days | 194,081 | (18,750) | 175,331 | 9.66 |
| - overdue 90-179 days | 128,516 | (29,437) | 99,079 | 22.91 |
| - overdue 180-360 days | 222,700 | (76,984) | 145,716 | 34.57 |
| - overdue more than 360 days | 435,768 | (197,023) | 238,745 | 45.21 |
| Total car loans | 28,902,541 | (716,521) | 28,186,020 | 2.48 |
| Mortgage loans | | | | |
| - not overdue | 27,197,245 | (839,862) | 26,357,383 | 3.09 |
| - overdue less than 30 days | 972,083 | (171,886) | 800,197 | 17.68 |
| - overdue 30-89 days | 567,668 | (158,018) | 409,650 | 27.84 |
| - overdue 90-179 days | 1,377,968 | (803,144) | 574,824 | 58.28 |
| - overdue 180-360 days | 1,029,328 | (722,415) | 306,913 | 70.18 |
| - overdue more than 360 days | 2,687,424 | (1,543,662) | 1,143,762 | 57.44 |
| Total mortgage loans | 33,831,716 | (4,238,987) | 29,592,729 | 12.53 |
| Small business loans | | | | |
| - not overdue | 10,986,878 | (725,339) | 10,261,539 | 6.60 |
| - overdue less than 30 days | 202,157 | (44,561) | 157,596 | 22.04 |
| - overdue 30-89 days | 182,291 | (92,696) | 89,595 | 50.85 |
| - overdue 90-179 days | 679,917 | (257,604) | 422,313 | 37.89 |
| - overdue 180-360 days | 466,508 | (252,078) | 214,430 | 54.04 |
| - overdue more than 360 days | 6,111,681 | (4,174,095) | 1,937,586 | 68.30 |
| Total small business loans | 18,629,432 | (5,546,373) | 13,083,059 | 29.77 |
| Loans collateralised by cash | | | | |
| - not overdue | 501,949 | - | 501,949 | - |
| - overdue 30-89 days | 26,610 | - | 26,610 | - |
| Total loans collateralised by cash | 528,559 | - | 528,559 | - |
| Uncollateralised consumer loans | | | | |
| - not overdue | 76,200,669 | (1,048,616) | 75,152,053 | 1.38 |
| - overdue less than 30 days | 4,035,739 | (53,675) | 3,982,064 | 1.33 |
| - overdue 30-89 days | 2,011,008 | (25,785) | 1,985,223 | 1.28 |
| - overdue 90-179 days | 1,599,564 | (836,521) | 763,043 | 52.30 |
| - overdue 180-360 days | 2,585,348 | (1,664,720) | 920,628 | 64.39 |
| - overdue more than 360 days | 1,579,493 | (1,160,036) | 419,457 | 73.44 |
| Total uncollateralised consumer loans | 88,011,821 | (4,789,353) | 83,222,468 | 5.44 |
| Total loans to retail customers | 169,904,069 | (15,291,234) | 154,612,835 | 9.00 |
| Total loans to customers | 383,519,294 | (28,877,007) | 354,642,287 | 7.53 |



16 Loans to customers, continued

(b) Key assumptions and judgments for estimating the loan impairment

(i) Loans to corporate customers

Loan impairment results from one or more events that occurred after the initial recognition of the loan and that have an impact on the estimated future cash flows associated with the loan, and that can be reliably estimated. Loans without individual signs of impairment do not have objective evidence of impairment that can be directly attributed to them.

The objective indicators of loan impairment for loans to corporate customers include the following:

- overdue payments under the loan agreement
- significant difficulties in the financial conditions of the borrower
- deterioration in business environment, negative changes in the borrower's markets
- negative force-majeure events.

The Group estimates loan impairment for loans to corporate customers based on an analysis of the future cash flows for impaired loans and based on its past loss experience for portfolios of loans for which no indications of impairment has been identified.

In determining the impairment allowance for loans to corporate customers, management makes the following key assumptions:

- historic annual loss rate of 0.98-1.52%%
- a discount of between 15% and 50% to the originally appraised value if the property pledged is sold
- a delay of 12 to 36 months in obtaining proceeds from the foreclosure of collateral.

Changes in these estimates could affect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by one percent, the impairment allowance on loans to corporate customers as at 30 September 2013 would be KZT 2,008,973 thousand lower/higher (2012: KZT 2,000,295 thousand lower/higher).

(ii) Loans to retail customers

The Group estimates loan impairment for loans to retail customers based on its past historical loss experience on each type of loan. The significant assumptions used by management in determining the impairment losses for loans to retail customers include:

- loss migration rates are constant and can be estimated based on the historic loss migration pattern for the past 2-6 years
- recovery rates for uncollateralised loans are estimated based on historical cash recovery rates for the past 2-6 years
- a discount of between 15% and 50% to the annually appraised value if the property pledged is sold
- a delay of 12 months in obtaining proceeds from the foreclosure of collateral.

Changes in these estimates could affect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by plus minus three percent, the impairment allowance on loans to retail customers as at 30 September 2013 would be KZT 6,816,965 thousand lower/higher (2012: KZT 4,638,385 thousand lower/higher).



16 Loans to customers, continued

(c) Analysis of collateral

(i) Loans to corporate customers

The following table provides information on collateral and other credit enhancements securing loans to corporate customers, net of impairment, by types of collateral:

| 30 September 2013 (unaudited) KZT'000 | Loans to customers, carrying amount | Fair value of collateral - for collateral assessed as at reporting date | Fair value of collateral - for collateral assessed as at loan inception date | Fair value of collateral not determined |
|---|--|---|---|---|
| Loans without individual signs of impairment | | | | |
| Real estate | 44,795,626 | 23,632,039 | 21,163,587 | - |
| Future contract revenues | 37,906,104 | 31,850,025 | 6,056,079 | - |
| Grain | 22,540,122 | 22,540,122 | - | - |
| Insurance | 15,371,926 | - | 15,371,926 | - |
| Construction in progress | 10,885,138 | 10,719,968 | 165,170 | - |
| Equipment | 8,953,145 | 5,123,517 | 3,829,628 | - |
| Motor vehicles | 7,207,272 | 7,009,510 | 197,762 | - |
| Subsoil use | 5,954,011 | 5,954,011 | - | - |
| Guarantees | 4,751,554 | - | 4,751,554 | - |
| Cash and deposits | 2,605,930 | 52,888 | 2,553,042 | - |
| Goods in turnover | 1,826,735 | - | 1,826,735 | - |
| Other | 3,800,106 | 3,794,626 | 5,480 | - |
| No collateral or other credit enhancement | 30,503,176 | - | - | 30,503,176 |
| Total loans without individual signs of impairment | 197,100,845 | 110,676,706 | 55,920,963 | 30,503,176 |
| Overdue or impaired loans | | | | |
| Real estate | 2,796,198 | 751,623 | 2,044,575 | - |
| Insurance | 476,880 | - | 476,880 | - |
| Motor vehicles | 194,363 | 194,363 | - | - |
| Equipment | 111,491 | - | 111,491 | - |
| Guarantees | 36,094 | - | 36,094 | - |
| Future contract revenues | 23,519 | - | 23,519 | - |
| Grain | 16,669 | - | 16,669 | - |
| Goods in turnover | 10,921 | - | 10,921 | - |
| No collateral or other credit enhancement | 130,272 | - | - | 130,272 |
| Total overdue or impaired loans | 3,796,407 | 945,986 | 2,720,149 | 130,272 |
| Total loans to corporate customers | 200,897,252 | 111,622,692 | 58,641,112 | 30,633,448 |



16 Loans to customers, continued

(c) Analysis of collateral, continued

(i) Loans to corporate customers, continued

| 31 December 2012 KZT'000 | Loans to customers, carrying amount | Fair value of collateral - for collateral assessed as at reporting date | Fair value of collateral - for collateral assessed as at loan inception date | Fair value of collateral not determined |
|---|--|---|--|---|
| Loans without individual signs of impairment | | | | |
| Real estate | 41,049,402 | 19,118,262 | 21,931,140 | - |
| Future contract revenues | 38,026,405 | 33,546,537 | 4,479,868 | - |
| Insurance | 19,161,368 | - | 19,161,368 | - |
| Grain | 16,790,647 | 16,790,647 | - | - |
| Construction in progress | 10,603,557 | 10,470,684 | 132,873 | - |
| Equipment | 8,453,048 | 7,238,210 | 1,214,838 | - |
| Goods in turnover | 5,556,981 | 4,890,524 | 666,457 | - |
| Guarantees | 5,090,806 | - | 5,090,806 | - |
| Cash and deposits | 4,731,021 | - | 4,731,021 | - |
| Motor vehicles | 2,512,088 | 473,727 | 2,038,361 | - |
| Other | 3,321,563 | 3,195,463 | 126,100 | - |
| No collateral or other credit enhancement | 40,819,092 | -- | -- | 40,819,092 |
| Total loans without individual signs of impairment | <u>196,115,978</u> | <u>95,724,054</u> | <u>59,572,832</u> | <u>40,819,092</u> |
| Overdue or impaired loans | | | | |
| Real estate | 3,439,841 | 1,094,763 | 2,345,078 | - |
| Motor vehicles | 196,136 | - | 196,136 | - |
| Guarantees | 76,659 | - | 76,659 | - |
| Construction in progress | 13,041 | - | 13,041 | - |
| Equipment | 10,620 | - | 10,620 | - |
| Goods in turnover | 6,872 | - | 6,872 | - |
| Cash and deposits | 5,789 | - | 5,789 | - |
| No collateral or other credit enhancement | 164,516 | - | - | 164,516 |
| Total overdue or impaired loans | <u>3,913,474</u> | <u>1,094,763</u> | <u>2,654,195</u> | <u>164,516</u> |
| Total loans to corporate customers | <u>200,029,452</u> | <u>96,818,817</u> | <u>62,227,027</u> | <u>40,983,608</u> |

Collateral obtained

During the nine months ended 30 September 2013, the Group did not obtain certain assets by taking possession of collateral for loans to corporate customers (2012: nil).

During the nine months ended 30 September 2013, the Group did not obtain certain assets by taking possession of collateral for loans to retail customers (2012: nil).



16 Loans to customers, continued

(d) Industry and geographical analysis of the loan portfolio

Loans to customers were issued primarily to customers located within the Republic of Kazakhstan who operate in the following economic sectors:

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|-------------------------------------|---|-----------------------------|
| Loans to corporate customers | | |
| Wholesale trade | 56,687,370 | 54,460,389 |
| Agriculture, forestry and timber | 33,106,040 | 30,098,595 |
| Construction | 31,459,347 | 25,948,505 |
| Transport | 18,157,591 | 17,864,121 |
| Mining/metallurgy | 15,257,589 | 16,370,651 |
| Services | 12,545,261 | 8,030,071 |
| Retail trade | 11,957,511 | 10,569,052 |
| Lease, rental and leasing | 6,687,793 | 6,676,845 |
| Manufacturing | 5,953,661 | 5,522,765 |
| Foods production | 5,764,210 | 15,683,238 |
| Energy production and supply | 3,758,027 | 4,311,954 |
| Research activities | 3,153,938 | 4,820,585 |
| Financial intermediary | 3,085,369 | 3,870,388 |
| Medical and social care | 1,719,964 | 1,679,524 |
| Real estate | 994,489 | 1,922,944 |
| Machinery production | 610,426 | 35,396 |
| Entertainment | 601,665 | 630,457 |
| Publishing | 334,756 | 343,921 |
| Other | 3,730,817 | 4,775,824 |
| Loans to retail customers | | |
| Car loans | 60,498,462 | 28,902,541 |
| Mortgage loans | 47,032,219 | 33,831,716 |
| Small business loans | 16,769,224 | 18,629,432 |
| Loans collateralised by cash | 170,080 | 528,559 |
| Uncollateralised consumer loans | 123,271,744 | 88,011,821 |
| | 463,307,553 | 383,519,294 |
| Impairment allowance | (35,178,145) | (28,877,007) |
| | 428,129,408 | 354,642,287 |

(e) Significant credit exposures

As at 30 September 2013 the Group has 8 borrowers or groups of connected borrowers (2012: 8), whose loan balances exceed 10% of equity. The gross value of these loans as at 30 September 2013 is KZT 62,435,850 thousand (2012: KZT 50,108,373 thousand).



17 Held-to-maturity investments

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| Held by the Bank | | |
| Government bonds | | |
| Treasury notes of the Ministry of Finance of the Republic of Kazakhstan | 22,427,735 | 10,049,199 |
| Russian Government Federal bonds (OFZ) | - | 277,993 |
| Total government bonds | 22,427,735 | 10,327,192 |

No notes or bonds are overdue or impaired as at 30 September 2013 (2012: nil).

18 Other assets

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| Debtors on letters of credit | 4,742,743 | 21,906 |
| Accrued commission income | 1,172,516 | 1,270,018 |
| Debtors on loan operations | 855,233 | 931,164 |
| Plastic cards settlements | 299,058 | 119,668 |
| Receivables from insurance company | 169,613 | 300,415 |
| Due from American Express for travel cheques accepted | 2,649 | 72,528 |
| Other | 644,522 | 299,912 |
| Impairment allowance | (546,364) | (403,949) |
| Total other financial assets | 7,339,970 | 2,611,662 |
| Advances for capital expenditures | 2,620,129 | 1,875,568 |
| Taxes prepaid other than on income tax | 350,278 | 147,879 |
| Materials and supplies | 258,178 | 202,106 |
| Prepayments | 209,366 | 227,043 |
| Other | 23,934 | 36,497 |
| Total other non-financial assets | 3,461,885 | 2,489,093 |
| Total other assets | 10,801,855 | 5,100,755 |

19 Deposits and balances from banks

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|-----------------|---|-----------------------------|
| Term deposits | 4,999,565 | 21,157,779 |
| Vostro accounts | 32,846 | 70,797 |
| | 5,032,411 | 21,228,576 |

As at 30 September 2013 the Group has no banks whose balances exceed 10% of equity (2012: 1). The gross value of these balances as at 31 December 2012: KZT 10,335,556 thousand.



20 Current accounts and deposits from customers

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|--------------------------------------|---|-----------------------------|
| Current accounts and demand deposits | | |
| - Retail | 17,364,544 | 14,390,311 |
| - Corporate | 66,826,592 | 56,794,967 |
| Term deposits | | |
| - Retail | 110,501,084 | 84,624,820 |
| - Corporate | 204,842,683 | 158,910,300 |
| | 399,534,903 | 314,720,398 |

As at 30 September 2013, the Group maintains customer deposit balances of KZT 4,327,901 thousand (2012: KZT 3,843,703 thousand) that serve as collateral for loans and unrecognised credit instruments granted by the Group.

As at 30 September 2013, the Group has 9 customers (2012: 8 customers), whose balances exceed 10% of equity. These balances as at 30 September 2013 are KZT 113,331,430 thousand (2012: KZT 83,179,091 thousand).

21 Debt securities issued

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|------------------|---|-----------------------------|
| Par value | 31,820,649 | 32,943,090 |
| Premium | 233,502 | 637,256 |
| Accrued interest | 1,287,058 | 861,418 |
| | 33,341,209 | 34,441,764 |

A summary of bond issues at 30 September 2013 and 31 December 2012 is presented below:

| | Issue registration date | Maturity | Coupon rate | Effective rate | Carrying amount | |
|----------------------------|-------------------------|-----------|------------------|----------------|---|-----------------------------------|
| | | | | | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
| Bonds of the fifth issue | 01-Sep-08 | 01-Sep-23 | inflation +1% | 8.26% | 7,443,240 | 7,519,653 |
| Bonds of the seventh issue | 24-Sep-08 | 21-Jan-19 | inflation +1% | 8.52% | 1,375,899 | 1,402,812 |
| Bonds of the ninth issue | 15-Oct-08 | 15-Oct-15 | 13.00% | 9.94% | 22,262,827 | 23,229,746 |
| Bonds of the tenth issue | 13-Jul-11 | 13-Jul-14 | 7.00% | 7.60% | 2,259,243 | 2,289,553 |
| | | | | | 33,341,209 | 34,441,764 |



22 Subordinated debt securities issued

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|------------------|---|-----------------------------|
| Par value | 36,055,380 | 29,391,180 |
| Discount | (4,155,570) | (2,106,655) |
| Accrued interest | 591,850 | 586,979 |
| | 32,491,660 | 27,871,504 |

As at 30 September 2013 subordinated debt securities issued comprise unsecured obligations of the Group. In case of bankruptcy, the repayment of the subordinated debt securities would be made after repayment in full of all other liabilities of the Group.

A summary of subordinated debt issues at 30 September 2013 and 31 December 2012 is presented below:

| | Issue registration date | Maturity | Coupon rate | Effective rate | Carrying amount | |
|-----------------------------|-------------------------|-----------|---------------|----------------|---------------------------------------|--------------------------|
| | | | | | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
| Bonds of the third issue | 05-Apr-06 | 05-Apr-13 | inflation +1% | 8.64% | - | 10,112,631 |
| Bonds of the fourth issue | 04-Sep-07 | 04-Sep-14 | inflation +1% | 11.34% | 9,667,895 | 9,525,235 |
| Bonds of the sixth issue | 01-Sep-08 | 01-Sep-15 | 11.00% | 10.96% | 5,047,380 | 5,185,740 |
| Bonds of the eighth issue | 15-Oct-08 | 15-Oct-23 | inflation +1% | 11.00% | 7,872,165 | 3,047,898 |
| Bonds of the eleventh issue | 20-Nov-12 | 26-Dec-19 | 8.00% | 8.64% | 9,904,220 | - |
| | | | | | 32,491,660 | 27,871,504 |

23 Other borrowed funds

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|--|---|-----------------------------|
| Loans from state financial institutions | 18,395,182 | 15,332,623 |
| Loans from the Ministry of Finance of the Republic of Kazakhstan | 1,426,941 | 1,470,631 |
| Loans from banks | 4,703,531 | 1,758,902 |
| | 24,525,654 | 18,562,156 |

As at 30 September 2013, the terms and conditions of the loans outstanding are as follows:

| | Currency | Average interest rate | Year of maturity | Carrying amount KZT'000 |
|---|----------|-----------------------|------------------|-------------------------|
| Damu Entrepreneurship Development Fund JSC | KZT | 5,50-8,62% | 2013-2020 | 18,395,182 |
| The Ministry of Finance of the Republic of Kazakhstan | KZT | NBRK refinancing rate | 2024-2026 | 1,073,932 |
| The Ministry of Finance of the Republic of Kazakhstan | USD | Libor +1% | 2024-2025 | 353,009 |
| Foreign banks | EUR | 4,16-8,72% | 2013-2014 | 2,882,691 |
| Foreign banks | USD | 3,91-5,12% | 2013-2014 | 1,820,840 |
| | | | | 24,525,654 |



23 Other borrowed funds, continued

As at 31 December 2012, the terms and conditions of the loans outstanding are as follows:

| | Currency | Average interest rate | Year of maturity | Carrying amount KZT'000 |
|---|----------|-----------------------|------------------|----------------------------|
| Damu Entrepreneurship Development Fund JSC | KZT | 5.50-8.62% | 2013-2019 | 15,332,623 |
| The Ministry of Finance of the Republic of Kazakhstan | KZT | NBRK refinancing rate | 2024-2026 | 1,109,919 |
| The Ministry of Finance of the Republic of Kazakhstan | USD | Libor +1% | 2024-2025 | 360,712 |
| Foreign banks | EUR | 4.58-8.72% | 2013 | 1,758,902 |
| | | | | 18,562,156 |

24 Other liabilities

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| Prepayments for loans | 3,284,064 | 2,550,892 |
| Payables to borrowers on lending operations | 618,383 | 910,793 |
| Accrued administrative expenses | 308,105 | 350,716 |
| Capital expenditures payables | 271,436 | 478,098 |
| Plastic cards settlements | 252,797 | - |
| Payables to obligatory deposit insurance Fund | 137,854 | 3,328 |
| Payables to insurance company | 127,686 | - |
| Other financial liabilities | 477,907 | 244,822 |
| Total other financial liabilities | 5,478,232 | 4,538,649 |
| Other taxes payable | 748,087 | 117,390 |
| Vacation reserve | 596,509 | 430,111 |
| Amounts payable to employees | 555,840 | 537,050 |
| Deferred income | 421,193 | 235,367 |
| Other non-financial liabilities | 112 | 696 |
| Total other non-financial liabilities | 2,321,741 | 1,320,614 |
| Total other liabilities | 7,799,973 | 5,859,263 |

Prepayments for loans comprise payments made by retail borrowers ahead of schedule. These payments are settled against the loan balance at the date the instalments fall due.



25 Share capital

(a) Issued capital and share premium

Issued and outstanding share capital as at 30 September 2013 and 31 December 2012 comprised of the following fully paid ordinary shares:

| | 30 September 2013 (unaudited) Shares | 31 December 2012 Shares |
|--|--|----------------------------|
| Issued at KZT 955.98 | 8,368,300 | 8,368,300 |
| Issued at KZT 1,523.90 | 2,631,500 | 2,631,500 |
| Issued at KZT 1,092.00 | 2,930,452 | 2,930,452 |
| Issued at KZT 6,532.60 | 2,280,881 | 2,280,881 |
| Total issued and outstanding shares | 16,211,133 | 16,211,133 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and general meetings of the Bank.

In April 2013 dividends of KZT 2,000,129 thousand were declared and in May-August 2013 they were paid.

26 Earnings per share

The calculation of earnings per share is based on the net profit, and a weighted average number of ordinary shares outstanding during the period, calculated as shown below. The Group has no dilutive potential ordinary shares.

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|---|---|---|
| Net profit | 8,714,554 | 6,301,876 |
| Weighted average number of ordinary shares | 16,211,133 | 15,683,181 |
| Basic and diluted earnings per share, in KZT | 537.57 | 401.82 |

27 Analysis by segment

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the chief operating decision maker, the Chairman of the Management Board (the "Chairman"), reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the reportable segments.

- Retail banking – includes loans, deposits and other transactions with retail customers;
- Corporate banking – includes loans, deposits and other transactions with corporate customers;
- Small and medium size companies banking - includes loans, deposits and other transactions with small and medium size companies;
- Assets and Liabilities management – includes maintaining of liquid assets portfolio (cash, nostro accounts with the NBRK and other banks, interbank financing (up to 1 month), investments into liquid assets and bonds issue management;
- Treasury – includes group financing via interbank borrowings and using derivatives for hedging market risks and investments into liquid securities (corporate bonds).



27 Analysis by segment, continued

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports that are reviewed by the Chairman. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to others who operate within these industries. Inter-segment pricing is determined on an arm's length basis.

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| ASSETS | | |
| Retail banking | 208,154,194 | 143,636,011 |
| Corporate banking | 152,406,235 | 163,797,053 |
| Assets and liabilities management | 89,365,341 | 74,162,188 |
| Small and medium size companies banking | 43,321,539 | 48,097,028 |
| Treasury | 4,866,349 | 4,412,384 |
| Unallocated assets | 57,723,461 | 31,833,347 |
| Total assets | 555,837,119 | 465,938,011 |
| LIABILITIES | | |
| Corporate banking | 225,347,311 | 178,891,857 |
| Retail banking | 123,296,368 | 98,464,545 |
| Assets and liabilities management | 76,418,796 | 75,316,939 |
| Small and medium size companies banking | 30,930,197 | 56,765,887 |
| Treasury | - | 363,249 |
| Unallocated liabilities | 45,452,235 | 8,348,239 |
| Total liabilities | 501,444,907 | 418,150,716 |

Reconciliations of reportable segment total assets and total liabilities:

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|---|---|-----------------------------|
| Total reportable segment assets | 555,837,119 | 465,938,011 |
| Consolidation effect | 6,783,263 | 10,177,001 |
| Other adjustments | (4,450,299) | (5,604,453) |
| Total assets | 558,170,083 | 470,510,559 |
| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
| Total reportable segment liabilities | 501,444,907 | 418,150,716 |
| Consolidation effect | 6,722,568 | 10,182,230 |
| Other adjustments | (4,450,297) | (5,606,590) |
| Total liabilities | 503,717,178 | 422,726,356 |

27 Analysis by segment, continued

Segment information for the main reportable segments for the nine months ended 30 September 2013 is set out below:

| (unaudited) KZT'000 | Corporate banking | Small and medium size companies banking | Retail banking | Treasury | Assets and liabilities management | Unallocated assets and liabilities | Total |
|--|----------------------|--|-------------------|----------------|---|--|-------------------|
| Interest income | 13,290,066 | 4,210,514 | 25,745,833 | 118,739 | 811,634 | 51,917 | 44,228,703 |
| Fee and commission income | 1,790,347 | 1,137,823 | 8,756,198 | - | - | 288,909 | 11,973,277 |
| Net gain on securities, dealing and translation differences | 595,189 | 227,044 | 392,678 | 372,808 | (74,541) | 2,149 | 1,515,327 |
| Other income | 266,300 | 110,116 | 1,027,932 | - | - | - | 1,404,348 |
| Funds transfer pricing | 12,085,442 | 971,221 | 6,866,800 | - | 11,831,200 | 79,771 | 31,834,434 |
| Revenue | 28,027,344 | 6,656,718 | 42,789,441 | 491,547 | 12,568,293 | 422,746 | 90,956,089 |
| Interest expense | (7,927,363) | (1,192,555) | (6,350,085) | - | (5,244,244) | (38,402) | (20,752,649) |
| Fee and commission expense | (105,283) | (37,365) | (1,154,731) | (5,558) | (58,947) | (91,107) | (1,452,991) |
| Impairment losses | (758,017) | 189,326 | (5,827,180) | - | - | 2,956 | (6,392,915) |
| Funds transfer pricing | (9,504,116) | (2,697,414) | (14,505,758) | (148,705) | (4,833,869) | (144,572) | (31,834,434) |
| Operational costs (direct) | (1,104,015) | (1,105,412) | (7,901,220) | (43,872) | (557,826) | (70,913) | (10,783,258) |
| Operational costs (indirect) | (2,051,527) | (1,152,768) | (4,913,854) | (47,907) | (437,866) | (113,642) | (8,717,564) |
| Corporate income tax | (1,185,018) | (268,282) | (1,014,099) | (40,435) | - | (5,246) | (2,513,080) |
| Segment result | 5,392,005 | 392,248 | 1,122,514 | 205,070 | 1,435,541 | (38,180) | 8,509,198 |
| Other segment items | | | 107,151 | - | - | 3,226,243 | 3,333,394 |
| Additions of property and equipment | - | - | (1,424,365) | (7,501) | (140,594) | (41,809) | (1,963,550) |
| Depreciation and amortisation | (123,779) | (225,502) | - | - | - | - | - |



27 Analysis by segment, continued

Segment information for the main reportable segments for the nine months ended 30 September 2012 is set out below:

| (unaudited) KZT'000 | Corporate banking | Small and medium size companies banking | Retail banking | Treasury | Assets and liabilities management | Unallocated assets and liabilities | Total |
|--|----------------------|--|-------------------|------------------|---|--|-------------------|
| Interest income | 13,584,943 | 4,541,441 | 14,112,806 | 13,060 | 446,608 | 537 | 32,699,395 |
| Fee and commission income | 1,796,180 | 1,237,926 | 4,902,516 | - | 3 | 422,461 | 8,359,086 |
| Net gain on securities, dealing and translation differences | 1,064,686 | 268,436 | 349,029 | 1,411,340 | (290,564) | 3,892 | 2,806,819 |
| Other income | 44,123 | 97,543 | 329,188 | - | - | - | 470,854 |
| Funds transfer pricing | 8,808,200 | 431,829 | 4,915,310 | - | 5,139,917 | 83,841 | 19,379,097 |
| Revenue | 25,298,132 | 6,577,175 | 24,608,849 | 1,424,400 | 5,295,964 | 510,731 | 63,715,251 |
| Interest expense | (6,193,472) | (1,255,878) | (4,590,998) | - | (4,744,040) | (28,192) | (16,812,580) |
| Fee and commission expense | (140,980) | (19,448) | (985,029) | (5,736) | (62,789) | (44,106) | (1,258,088) |
| Impairment losses | (116,008) | (500,241) | (2,226,142) | - | 2 | - | (2,842,389) |
| Funds transfer pricing | (8,041,488) | (2,063,334) | (6,961,647) | (3,029) | (2,258,006) | (51,594) | (19,379,098) |
| Operational costs (direct) | (1,131,688) | (914,257) | (5,487,524) | (77,017) | (282,684) | (113,720) | (8,006,890) |
| Operational costs (indirect) | (2,310,828) | (1,026,779) | (3,127,644) | (46,827) | (447,721) | (191,237) | (7,151,036) |
| Corporate income tax | (960,615) | (288,795) | (552,741) | (131,751) | - | (2,381) | (1,936,283) |
| Segment result | 6,403,053 | 508,443 | 677,124 | 1,160,040 | (2,499,274) | 79,501 | 6,328,887 |
| Other segment items | | | 153,967 | - | - | 2,556,534 | 2,710,501 |
| Additions of property and equipment | - | - | (970,145) | (4,863) | (46,975) | (21,808) | (1,360,150) |
| Depreciation and amortisation | (186,134) | (130,225) | - | - | - | - | - |





27 Analysis by segment, continued

Reconciliations of reportable segment revenues and profit or loss:

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|-----------------------------------|---|---|
| Reportable segment revenue | 90,956,089 | 63,715,251 |
| Funds transfer pricing | (31,834,434) | (19,379,097) |
| Other adjustments | (132,443) | 92,423 |
| Consolidation effect | 1,007,218 | 776,581 |
| Total revenue | 59,996,430 | 45,205,158 |
| Reportable segment profit | 8,509,198 | 6,328,887 |
| Difference in impairment losses | (69,137) | (255,750) |
| Other adjustments | 66,998 | 492,711 |
| Consolidation effect | 207,495 | (263,972) |
| Total profit | 8,714,554 | 6,301,876 |

Consolidation effect. Consolidation effect occurs due to the fact that the Chairman reviews internal management reports on a stand-alone basis.

Other adjustments. These adjustments mostly represent netting of other assets and other liabilities. Other adjustments occur due to the fact that the Chairman reviews internal management reports prepared on a gross-up basis whereas for IFRS financial statements purposes netting is made for certain other assets/liabilities included in unallocated assets/liabilities.

Funds transfer pricing. For the purpose of internal management reporting transfer pricing represents the allocation of income and expense between segments that attract cash resources and to segments that create interest income generating assets using cash resources.

Information about major customers and geographical areas

For the year ended 30 September 2013, there are no corporate customers revenues from which individually exceed 10% of total revenue.

The majority of revenues from external customers relate to residents of the Republic of Kazakhstan. The majority of non-current assets are located in the Republic of Kazakhstan.

28 Risk management

Management of risk is fundamental to the business of banking and is an essential element of the Group's operations. The major risks faced by the Group are those related to market risk, credit risk and liquidity risk.

(a) Risk management policies and procedures

There are no significant changes in risk management policies and procedures since 31 December 2012.

28 Risk management, continued

(b) Market risk

(i) Interest rate risk

Interest rate gap analysis

Interest rate risk is managed principally through monitoring interest rate gaps. A summary of the interest gap position as at 30 September 2013 and 31 December 2012 for major financial instruments is as follows:

| (unaudited) KZT'000 | Less than 3 months | 3-6 months | 6-12 months | 1-5 years | More than 5 years | Non-interest bearing | Carrying amount |
|---|-----------------------|-------------------|---------------------|--------------------|----------------------|-------------------------|--------------------|
| 30 September 2013 | | | | | | | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | 3,320,953 | - | - | - | - | 51,349,952 | 54,670,905 |
| Financial instruments at fair value through profit or loss | 1,583,691 | - | - | 2,443,681 | - | - | 1,583,691 |
| Available-for-sale financial assets | 5,035 | 8,462,812 | 6,881 | - | 5 | 14,112 | 10,932,526 |
| Loans and advances to banks | 2,424,837 | - | - | - | 435 | 8,532,030 | 10,957,302 |
| Loans to customers | 44,291,053 | 19,021,010 | 38,759,190 | 247,919,008 | 78,139,147 | - | 428,129,408 |
| Held-to-maturity investments | 150,514 | 11,889,643 | 2,387,752 | 6,000,123 | 1,999,703 | - | 22,427,735 |
| | 51,776,083 | 39,373,465 | 41,153,823 | 256,362,812 | 80,139,290 | 59,896,094 | 528,701,567 |
| LIABILITIES | | | | | | | |
| Financial instruments at fair value through profit or loss | - | - | - | - | - | 111,316 | 111,316 |
| Deposits and balances from banks | 1,702,485 | 753,125 | 2,289,148 | - | - | 287,653 | 5,032,411 |
| Amounts payable under repurchase agreements | 150,371 | - | - | - | - | - | 150,371 |
| Current accounts and deposits from customers | 104,224,039 | 23,727,941 | 85,755,456 | 113,851,022 | 9,032,743 | 62,943,702 | 399,534,903 |
| Debt securities issued | 1,189,902 | 1,454,571 | 9,623,810 | 21,072,926 | - | - | 33,341,209 |
| Subordinated debt securities issued | 8,081,054 | 94,139 | 9,618,061 | 5,003,075 | 9,695,331 | - | 32,491,660 |
| Other borrowed funds | 5,083,782 | 2,635,999 | 2,553,440 | 9,957,343 | 4,295,090 | - | 24,525,654 |
| | 120,431,633 | 28,665,775 | 109,839,915 | 149,884,366 | 23,023,164 | 63,342,671 | 495,187,524 |
| | (68,655,550) | 10,707,690 | (68,686,092) | 106,478,446 | 57,116,126 | (3,446,577) | 33,514,043 |



28 Risk management, continued

(b) Market risk, continued

(i) Interest rate risk, continued

Interest rate gap analysis, continued

| KZT'000 | Less than 3 months | 3-6 months | 6-12 months | 1-5 years | More than 5 years | Non-interest bearing | Carrying amount |
|--|-----------------------|---------------------|----------------------|--------------------|----------------------|-------------------------|--------------------|
| 31 December 2012 | | | | | | | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | 10,300,601 | - | - | - | - | 44,619,676 | 54,920,277 |
| Financial instruments at fair value through profit or loss | 1,259,771 | - | - | 2,390,854 | - | 3,102 | 1,262,873 |
| Available-for-sale financial assets | 16,006,281 | 11,672 | 787 | - | 7 | 13,945 | 18,423,546 |
| Loans and advances to banks | 1,846,719 | - | 1,510,190 | - | 170 | 4,830,811 | 8,187,890 |
| Loans to customers | 52,721,139 | 9,094,147 | 29,580,608 | 204,394,102 | 58,852,291 | - | 354,642,287 |
| Held-to-maturity investments | 323,426 | 20,472 | 1,983,962 | 5,999,677 | 1,999,655 | - | 10,327,192 |
| | 82,457,937 | 9,126,291 | 33,075,547 | 212,784,633 | 60,852,123 | 49,467,534 | 447,764,065 |
| LIABILITIES | | | | | | | |
| Financial instruments at fair value through profit or loss | 8,793,545 | - | - | - | - | 1,123 | 1,123 |
| Deposits and balances from banks | 47,399,946 | 507,195 | 11,842,047 | - | - | 85,789 | 21,228,576 |
| Current accounts and deposits from customers | 1,633,992 | 32,929,224 | 105,014,912 | 69,537,994 | 9,617,443 | 50,220,879 | 314,720,398 |
| Debt securities issued | 371,917 | 571,263 | 7,361,088 | 24,875,421 | - | - | 34,441,764 |
| Subordinated debt securities issued | 3,733,214 | 10,164,776 | 12,330,876 | 5,003,935 | - | - | 27,871,504 |
| Other borrowed funds | 61,932,614 | 1,643,585 | 2,554,759 | 9,320,960 | 1,309,638 | - | 18,562,156 |
| | 20,525,323 | 45,816,043 | 139,103,682 | 108,738,310 | 10,927,081 | 50,307,791 | 416,825,521 |
| | 20,525,323 | (36,689,752) | (106,028,135) | 104,046,323 | 49,925,042 | (840,257) | 30,938,544 |





28 Risk management, continued

(b) Market risk, continued

(i) Interest rate risk, continued

Average interest rates

The table below displays average effective interest rates for interest bearing assets and liabilities as at 30 September 2013 and 31 December 2012. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

| | 30 September 2013 (unaudited) | | | 31 December 2012 | | |
|--|------------------------------------|-------|---------------------|------------------------------------|-------|---------------------|
| | Average effective interest rate, % | | | Average effective interest rate, % | | |
| | KZT | USD | Other currencies | KZT | USD | Other currencies |
| Interest bearing assets | | | | | | |
| Cash and cash equivalents | - | - | 2.50 | 6.00 | 0.50 | 4.12 |
| Financial instruments at fair value through profit or loss | - | - | 6.00 | - | - | 6.80 |
| Available-for-sale financial assets | 3.16 | - | - | 4.17 | - | - |
| Loans and advances to banks | - | 0.10 | 3.25 | 0.02 | 2.91 | - |
| Loans to customers | 16.79 | 10.02 | 10.64 | 18.83 | 10.57 | 12.29 |
| Held-to-maturity investments | 3.63 | - | - | 4.54 | 3.74 | 12.00 |
| Interest bearing liabilities | | | | | | |
| Deposits and balances from banks | | | | | | |
| - Term deposits | 6.64 | - | - | 7.74 | 1.45 | - |
| Current accounts and deposits from customers | | | | | | |
| - Corporate customers | 5.72 | 3.76 | 1.84 | 6.88 | 3.25 | 5.38 |
| - Retail customers | 7.94 | 5.52 | 3.29 | 9.18 | 6.12 | 4.07 |
| Debt securities issued | 9.28 | - | - | 8.70 | - | - |
| Subordinated debt securities issued | 10.43 | - | - | 9.51 | - | - |
| Other borrowed funds | | | | | | |
| - Loans from financial institutions | 7.76 | - | - | 7.48 | - | - |
| - Loans from banks | - | 4.15 | 4.80 | - | - | 6.86 |
| - Loans from the Ministry of Finance of the Republic of Kazakhstan | 5.50 | 2.03 | - | 5.50 | 2.25 | - |



28 Risk management, continued

(b) Market risk, continued

(i) Interest rate risk, continued

Interest rate sensitivity analysis

The management of interest rate risk based on interest rate gap analysis is supplemented by monitoring the sensitivity of financial assets and liabilities. An analysis of sensitivity of profit or loss and equity (net of taxes) to changes in interest rates (repricing risk) based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 30 September 2013 and 31 December 2012 is as follows:

| | 30 September 2013 (unaudited) | | 31 December 2012 | |
|----------------------|----------------------------------|-------------------|---------------------------|-------------------|
| | Profit or loss KZT'000 | Equity KZT'000 | Profit or loss KZT'000 | Equity KZT'000 |
| 100 bp parallel fall | (564,423) | (564,423) | (251,828) | (251,828) |
| 100 bp parallel rise | 564,423 | 564,423 | 251,828 | 251,828 |

An analysis of sensitivity of profit or loss and equity as a result of changes in the fair value of financial instruments at fair value through profit or loss and available-for-sale financial assets due to changes in the interest rates based on positions existing as at 30 September 2013 and 31 December 2012 and a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves is as follows:

| | 30 September 2013 (unaudited) | | 31 December 2012 | |
|----------------------|----------------------------------|-------------------|---------------------------|-------------------|
| | Profit or loss KZT'000 | Equity KZT'000 | Profit or loss KZT'000 | Equity KZT'000 |
| 100 bp parallel fall | 3,160 | 414,147 | 5,715 | 109,197 |
| 100 bp parallel rise | (3,160) | (414,147) | (5,715) | (109,197) |

(ii) Currency risk

The Group has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group hedges its exposure to currency risk. The Group manages its foreign currency position through the limits established for each currency and net foreign currency position limits.



28 Risk management, continued

(b) Market risk, continued

(ii) Currency risk, continued

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 30 September 2013:

| | USD KZT'000 | RUB * KZT'000 | EUR KZT'000 | Other currencies KZT'000 | Total KZT'000 |
|---|---------------------|------------------|-------------------|--------------------------------|--------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 29,841,657 | 1,131,738 | 6,359,439 | 176,822 | 37,509,656 |
| Financial instruments at fair value through profit or loss | - | 1,583,691 | - | - | 1,583,691 |
| Available-for-sale financial assets | - | - | 4,112 | - | 4,112 |
| Loans and advances to banks | 1,586,875 | 83,134 | 833,672 | - | 2,503,681 |
| Loans to customers | 71,932,796 | 3,592,171 | 3,688,193 | - | 79,213,160 |
| Other financial assets | 5,293,775 | 1,129 | 828,462 | 11 | 6,123,377 |
| Total assets | 108,655,103 | 6,391,863 | 11,713,878 | 176,833 | 126,937,677 |
| LIABILITIES | | | | | |
| Financial instruments at fair value through profit or loss | - | - | 2,217 | - | 2,217 |
| Deposits and balances from banks | 964,097 | 239,516 | 935,205 | 16 | 2,138,834 |
| Amounts payable under repurchase agreements | - | 150,371 | - | - | 150,371 |
| Current accounts and deposits from customers | 115,790,841 | 4,136,009 | 6,840,490 | 212,784 | 126,980,124 |
| Other borrowed funds | 2,173,849 | - | 2,882,691 | - | 5,056,540 |
| Other financial liabilities | 140,734 | 12,389 | 19,475 | 124 | 172,722 |
| Total liabilities | 119,069,521 | 4,538,285 | 10,680,078 | 212,924 | 134,500,808 |
| Net position as at 30 September 2013 (unaudited) | (10,414,418) | 1,853,578 | 1,033,800 | (36,091) | (7,563,131) |
| The effect of derivatives held for risk management | 11,644,250 | - | - | - | 11,644,250 |
| Net position with the effect of derivatives held for risk management as at 30 September 2013 (unaudited) | 1,229,832 | 1,853,578 | 1,033,800 | (36,091) | 4,081,119 |



28 Risk management, continued

(b) Market risk, continued

(ii) Currency risk, continued

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2012:

| | USD KZT'000 | RUB * KZT'000 | EUR KZT'000 | Other KZT'000 | Total KZT'000 |
|--|-------------------|-------------------|------------------|------------------|-------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 22,874,087 | 7,342,416 | 6,160,532 | 485,444 | 36,862,479 |
| Financial instruments at fair value through profit or loss | 913 | 1,259,771 | - | - | 1,260,684 |
| Loans and advances to banks | 3,352,492 | 128,334 | - | - | 3,480,826 |
| Loans to customers | 42,616,874 | 3,055,249 | 2,385,609 | - | 48,057,732 |
| Held-to-maturity investments | - | 277,993 | - | - | 277,993 |
| Other financial assets | 1,370,796 | 27 | 154,251 | - | 1,525,074 |
| Total assets | 70,215,162 | 12,063,790 | 8,700,392 | 485,444 | 91,464,788 |
| LIABILITIES | | | | | |
| Deposits and balances from banks | 8,222,238 | 2 | 2,086 | 15 | 8,224,341 |
| Current accounts and deposits from customers | 61,098,671 | 8,794,259 | 6,796,498 | 454,192 | 77,143,620 |
| Other borrowed funds | 360,712 | - | 1,758,902 | - | 2,119,614 |
| Other financial liabilities | 175,762 | 17,062 | 1,223 | 168 | 194,215 |
| Total liabilities | 69,857,383 | 8,811,323 | 8,558,709 | 454,375 | 87,681,790 |
| Net position as at 31 December 2012 | 357,779 | 3,252,467 | 141,683 | 31,069 | 3,782,998 |
| The effect of derivatives held for risk management | (460,659) | (257,429) | - | - | (718,088) |
| Net position with the effect of derivatives held for risk management as at 31 December 2012 | (102,880) | 2,995,038 | 141,683 | 31,069 | 3,064,910 |

* A portion of the net RUB position equivalent to KZT 3,070,575 thousand (2012: KZT 3,016,984 thousand) is not subject to direct currency risk exposure as it represents net assets of the subsidiary that are remeasured through cumulative translation reserve.

A weakening of the KZT, as indicated below, against the following currencies at 30 September 2013 and 31 December 2012 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is on net of tax basis and is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

| | 30 September 2013 (unaudited) KZT'000 | | 31 December 2012 KZT'000 | |
|--|---|-------------------|-----------------------------|-------------------|
| | Profit or loss KZT'000 | Equity KZT'000 | Profit or loss KZT'000 | Equity KZT'000 |
| 10% appreciation of USD against KZT | 98,387 | 98,387 | (8,230) | (8,230) |
| 10% appreciation of RUB against KZT | (97,360) | 148,286 | (1,756) | 239,603 |
| 10% appreciation of EUR against KZT | 82,704 | 82,704 | 11,335 | 11,335 |
| 10% appreciation of other currencies against KZT | (2,887) | (2,887) | 2,486 | 2,486 |

A strengthening of the KZT against the above currencies at 30 September 2013 and 31 December 2012 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.



28 Risk management, continued

(b) Market risk, continued

(iii) Value at Risk estimates

There are no significant changes in VaR estimates since 31 December 2012.

A summary of the VaR estimates in respect of foreign currency risk of the Bank at 30 September 2013 and 31 December 2012 is as follows:

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|-----------------------|---|-----------------------------|
| Foreign exchange risk | 150,119 | 210,269 |

(c) Credit risk

There are no significant changes in credit risk policies and procedures since 31 December 2012.

The maximum exposure to credit risk from financial assets at the reporting date is as follows:

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|--|---|-----------------------------|
| ASSETS | | |
| Cash and cash equivalents | 26,929,266 | 40,022,345 |
| Financial instruments at fair value through profit or loss | 1,583,691 | 1,262,873 |
| Available-for-sale financial assets | 10,918,414 | 18,409,601 |
| Loans and advances to banks | 10,957,302 | 8,187,890 |
| Loans to customers | 428,129,408 | 354,642,287 |
| Held-to-maturity investments | 22,427,735 | 10,327,192 |
| Other financial assets | 7,339,970 | 2,611,662 |
| Total maximum exposure | 508,285,786 | 435,463,850 |

For the analysis of concentration of credit risk in respect of loans to customers refer to Note 16.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in Note 29.

As at 30 September 2013 and 31 December 2012 the Group did not have debtors or groups of connected debtors, credit risk exposure to whom exceeds 10% of maximum credit risk exposure.

(d) Liquidity risk

There were no significant changes in liquidity policies since 31 December 2012.

28 Risk management, continued

(d) Liquidity risk, continued

The table below shows an analysis, by expected maturities, of the amounts recognised in the consolidated statement of financial position, excluding derivative instruments, as at 30 September 2013:

| (unaudited) KZT'000 | Demand and less than 1 month | From 1 to 3 months | From 3 to 12 months | From 1 to 5 years | More than 5 years | No maturity | Overdue | Total |
|---|------------------------------------|-----------------------|------------------------|----------------------|----------------------|------------------|-------------------|--------------------|
| Non-derivative assets | | | | | | | | |
| Cash and cash equivalents | 54,670,905 | - | - | - | - | - | - | 54,670,905 |
| Financial instruments at fair value through profit or loss | 1,583,691 | - | 8,469,693 | 2,443,681 | - | - | - | 1,583,691 |
| Available-for-sale financial assets | - | 5,035 | - | 5 | 14,112 | - | - | 10,932,526 |
| Loans and advances to banks | 1,591,165 | 833,672 | - | 435 | 8,532,030 | - | - | 10,957,302 |
| Loans to customers | 3,208,955 | 34,406,613 | 53,167,563 | 243,089,393 | 77,086,377 | - | 17,170,507 | 428,129,408 |
| Held-to-maturity investments | 47,972 | 102,542 | 14,277,395 | 6,000,123 | 1,999,703 | - | - | 22,427,735 |
| Other financial assets | 2,023,512 | 1,232,046 | 3,681,404 | 4,233 | 177,139 | - | 221,636 | 7,339,970 |
| Total assets | 63,126,200 | 36,579,908 | 79,596,055 | 251,537,430 | 79,263,659 | 8,546,142 | 17,392,143 | 536,041,537 |
| Non-derivative liabilities | | | | | | | | |
| Deposits and balances from banks | 1,974,758 | - | 3,042,272 | - | 15,381 | - | - | 5,032,411 |
| Amounts payable under repurchase agreements | 150,371 | - | - | - | - | - | - | 150,371 |
| Current accounts and deposits from customers | 78,174,900 | 78,005,653 | 116,352,534 | 115,507,000 | 11,494,816 | - | - | 399,534,903 |
| Debt securities issued | 1,189,900 | - | 2,322,918 | 21,072,926 | 8,755,465 | - | - | 33,341,209 |
| Subordinated debt securities issued | 288,822 | 208,889 | 9,712,200 | 5,003,075 | 17,278,674 | - | - | 32,491,660 |
| Other borrowed funds | 1,050,143 | 2,698,026 | 4,953,224 | 10,631,994 | 5,192,267 | - | - | 24,525,654 |
| Other financial liabilities | 5,129,851 | 6,978 | 249,028 | 92,375 | - | - | - | 5,478,232 |
| Total liabilities | 87,958,745 | 80,919,546 | 136,632,176 | 152,307,370 | 42,736,603 | - | - | 500,554,440 |
| Net position | (24,832,545) | (44,339,638) | (57,036,121) | 99,230,060 | 36,527,056 | 8,546,142 | 17,392,143 | 35,487,097 |



28 Risk management, continued

(d) Liquidity risk, continued

The table below shows an analysis, by expected maturities, of the amounts recognised in the consolidated statement of financial position, excluding derivative instruments, as at 31 December 2012:

| KZT'000 | Demand and less than 1 month | From 1 to 3 months | From 3 to 12 months | From 1 to 5 years | More than 5 years | No maturity | Overdue | Total |
|---|------------------------------------|-----------------------|------------------------|----------------------|----------------------|------------------|-------------------|--------------------|
| Non-derivative assets | | | | | | | | |
| Cash and cash equivalents | 52,625,885 | 2,294,392 | - | - | - | - | - | 54,920,277 |
| Financial instruments at fair value through profit or loss | 1,259,771 | - | - | - | - | - | - | 1,259,771 |
| Available-for-sale financial assets | 6,996,829 | 9,009,452 | 12,459 | 2,390,854 | 7 | 13,945 | - | 18,423,546 |
| Loans and advances to banks | 1,846,573 | 145 | 1,510,190 | - | 171 | 4,830,811 | - | 8,187,890 |
| Loans to customers | 29,051,566 | 18,858,526 | 36,911,533 | 201,543,658 | 58,069,799 | - | 10,207,205 | 354,642,287 |
| Held-to-maturity investments | - | 323,426 | 2,004,434 | 5,999,677 | 1,999,655 | - | - | 10,327,192 |
| Other financial assets | 2,173,708 | 40,517 | 385,355 | 36 | 12,046 | - | - | 2,611,662 |
| Total assets | 93,954,332 | 30,526,458 | 40,823,971 | 209,934,225 | 60,081,678 | 4,844,756 | 10,207,205 | 450,372,625 |
| Non-derivative liabilities | | | | | | | | |
| Deposits and balances from banks | 8,370,758 | 508,576 | 12,349,242 | - | - | - | - | 21,228,576 |
| Current accounts and deposits from customers | 78,811,161 | 16,938,914 | 138,405,488 | 70,556,216 | 10,008,619 | - | - | 314,720,398 |
| Debt securities issued | 131,590 | 158,567 | 571,263 | 24,875,421 | 8,704,923 | - | - | 34,441,764 |
| Subordinated debt securities issued | - | 371,917 | 10,164,776 | 14,339,059 | 2,995,752 | - | - | 27,871,504 |
| Other borrowed funds | 1,178,762 | 913,497 | 4,510,343 | 9,852,542 | 2,107,012 | - | - | 18,562,156 |
| Other financial liabilities | 4,059,729 | 570 | 262 | 478,088 | - | - | - | 4,538,649 |
| Total liabilities | 92,552,000 | 18,892,041 | 166,001,374 | 120,101,326 | 23,816,306 | - | - | 421,363,047 |
| Net position | 1,402,332 | 11,634,417 | (125,177,403) | 89,832,899 | 36,265,372 | 4,844,756 | 10,207,205 | 29,009,578 |





28 Risk management, continued

(d) Liquidity risk, continued

Management believes that the following factors address the liquidity gap up to 1 year:

- Management's analysis of behaviour of holders of term deposits during the past three years indicates that offering of competitive interest rates provides for high level of renewals
- The balance of customer accounts and deposits from related parties, which is due up to 1 year, is KZT 48,200,575 thousand as at 30 September 2013. Management believes that the term deposits will be extended when they fall due and withdrawals of significant customer accounts, if required, will be coordinated with the Group's liquidity management objectives
- Management manages liquidity risk using VAR methodology for the assessment of current accounts stability index. Results of the management's daily monitoring of stability of the current accounts balance indicate sufficiency of the Group's current level of liquidity.

29 Commitments

The Group has outstanding commitments to extend loans. These commitments take the form of approved loans and credit card limits and overdraft facilities.

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. The Group also provides guarantees by acting as settlement agent in securities borrowing and lending transactions.

The Group applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans to customers.

The contractual amounts of commitments are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted.

| | 30 September 2013 (unaudited) KZT'000 | 31 December 2012 KZT'000 |
|----------------------------------|---|-----------------------------|
| Contracted amount | | |
| Loan and credit line commitments | 65,238,940 | 34,881,570 |
| Guarantees | 19,821,310 | 13,506,792 |
| Letters of credit | 11,467,108 | 3,286,799 |
| | 96,527,358 | 51,675,161 |

The total outstanding contractual commitments above do not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

As at 30 September 2013 the Group has no customer whose balances exceed 10% of total commitments (2012: 2 customers). The value of such commitments as at 31 December 2012 is KZT 12,663,424 thousand.



30 Related party transactions

(a) Control relationships

The Group's parent company is Eurasian Financial Company JSC (the "Parent company"). The Parent company is controlled by the group of individuals, Mr. Mashkevich A.A., Mr. Shodiyev P.K., Ibragimov A.R., each of whom owns 33.3%. Publicly available financial statements are produced by the Group's Parent company.

(b) Transactions with the members of the Board of Directors, the Management Board and other key management personnel

Total remuneration included in personnel expenses for the nine months ended 30 September 2013 and 2012 is as follows:

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|-----------------------------------|---|---|
| Members of the Board of Directors | 424,062 | 687,563 |
| Members of the Management Board | 321,344 | 429,275 |
| Other key management personnel | 848,691 | 559,592 |
| | 1,594,097 | 1,676,430 |

These amounts include non-cash benefits in respect of the members of the Board of Directors, the Management Board and other key management personnel.

The outstanding balances and average interest rates as at 30 September 2013 and 31 December 2012 for transactions with the members of the Board of Directors, the Management Board and other key management personnel are as follows:

| | 30 September 2013 (unaudited) KZT'000 | Average interest rate, % | 31 December 2012 KZT'000 | Average interest rate, % |
|---|--|--------------------------------|--------------------------------|--------------------------------|
| Consolidated statement of financial position | | | | |
| ASSETS | | | | |
| Loans to customers | 2,412,041 | 7.50 | 178 | 12.18 |
| LIABILITIES | | | | |
| Current accounts and deposits from customers | 9,630,461 | 7.86 | 7,966,733 | 8.19 |

Amounts included in profit or loss in relation to transactions with the members of the Board of Directors, the Management Board and other key management personnel for the nine months ended 30 September are as follows:

| | Nine months ended 30 September 2013 (unaudited) KZT'000 | Nine months ended 30 September 2012 (unaudited) KZT'000 |
|-----------------------|---|---|
| Profit or loss | | |
| Interest income | 109,159 | 121 |
| Interest expense | (470,379) | (412,578) |

30 Related party transactions, continued

(c) Transactions with other related parties

The outstanding balances and the related average interest rates as at 30 September 2013 and related profit or loss amounts of transactions for the nine month ended 30 September 2013 with other related parties are as follows.

| | Parent company | | Other subsidiaries of the Parent company | | Other related parties* | | Total KZT'000 |
|---|----------------|--------------------------|--|--------------------------|------------------------|--------------------------|------------------|
| | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | |
| (unaudited) | | | | | | | |
| Consolidated statement of financial position | | | | | | | |
| ASSETS | | | | | | | |
| Loans to customers (principal balance) | - | - | - | - | 3,112,299 | 14.07 | 3,112,299 |
| - In KZT | - | - | - | - | 77,076 | 10.87 | 77,076 |
| - In USD | - | - | - | - | 94,562 | 12.24 | 94,562 |
| - In other currencies | - | - | - | - | (53,397) | - | (53,397) |
| Loans to customers (provision for impairment) | - | - | - | - | - | - | - |
| Other assets | - | - | 36,147 | - | 180 | - | 36,327 |
| - In KZT | - | - | - | - | 179,995 | - | 179,995 |
| - In USD | - | - | - | - | - | - | - |



30 Related party transactions, continued
(c) Transactions with other related parties, continued

| | Parent company | | Other subsidiaries of the Parent company | | Other related parties* | | Total KZT'000 |
|---|----------------|--------------------------|--|--------------------------|------------------------|--------------------------|------------------|
| | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | |
| (unaudited) | | | | | | | |
| LIABILITIES | | | | | | | |
| Deposits and balances from customers | | | | | | | |
| - In KZT | 1,414 | - | 3,972,470 | 4.30 | 24,413,986 | 3.22 | 28,387,870 |
| - In USD | 1,924,761 | 1.00 | 140,289 | 2.17 | 14,243,811 | 1.47 | 16,308,861 |
| - In other currencies | - | - | 241,645 | 7.05 | 3,565,521 | 1.58 | 3,807,166 |
| Debt securities issued | | | | | | | |
| - In KZT | - | - | 731,950 | 12.60 | - | - | 731,950 |
| Subordinated debt securities issued | | | | | | | |
| - In KZT | - | - | 42,150 | 6.94 | - | - | 42,150 |
| Other liabilities | | | | | | | |
| - In KZT | - | - | 134,653 | - | 1,020 | - | 135,673 |
| Items not recognised in the consolidated statement of financial position | | | | | | | |
| Loans and credit line commitments | - | - | - | - | 221,157 | - | 221,157 |
| Guarantees issued | - | - | - | - | 180 | - | 180 |
| Guarantees received | - | - | - | - | 175,435 | - | 175,435 |
| Letters of credit | - | - | - | - | 6,863,754 | - | 6,863,754 |
| Profit (loss) | | | | | | | |
| Interest income | - | - | - | - | 247,609 | - | 247,609 |
| Interest expense | (2,125) | - | (349,040) | - | (847,792) | - | (1,198,957) |
| Fee and commission income | 173 | - | 12,025 | - | 339,579 | - | 351,777 |
| Other operating loss | (14,761) | - | (84,418) | - | 2,777 | - | (96,402) |
| Reversal of impairment losses | - | - | - | - | 223,166 | - | 223,166 |
| Other general administrative expenses | - | - | (754,849) | - | - | - | (754,849) |



30 Related party transactions, continued

(c) Transactions with other related parties, continued

The outstanding balances and the related average interest rates as at 31 December 2012 and related profit or loss amounts of transactions for the nine month ended 30 September 2012 with other related parties are as follows.

| | Parent company | | Other subsidiaries of the Parent company | | Other related parties* | | Total KZT'000 |
|---|----------------|--------------------------|--|--------------------------|------------------------|--------------------------|------------------|
| | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | |
| Consolidated statement of financial position | | | | | | | |
| ASSETS | | | | | | | |
| Loans to customers (principal balance) | - | - | - | - | 4,493,708 | 13.34 | 4,493,708 |
| - In KZT | - | - | - | - | 370,001 | 10.12 | 370,001 |
| - In USD | - | - | - | - | 62,695 | 14.00 | 62,695 |
| - In other currencies | - | - | - | - | (286,878) | - | (286,878) |
| Loans to customers (allowance for impairment) | - | - | - | - | - | - | - |
| Other assets: | - | - | 91,074 | - | 3,444 | - | 94,518 |
| - In KZT | - | - | - | - | - | - | - |



30 Related party transactions, continued
(c) Transactions with other related parties, continued

| | Parent company | | Other subsidiaries of the Parent company | | Other related parties* | | Total KZT'000 |
|---|----------------|--------------------------|--|--------------------------|------------------------|--------------------------|------------------|
| | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | KZT'000 | Average interest rate, % | |
| LIABILITIES | | | | | | | |
| Deposits and balances from customers | | | | | | | |
| - In KZT | 13,210 | - | 5,445,607 | 5.37 | 22,738,248 | 1.11 | 28,197,065 |
| - In USD | - | - | 53,500 | - | 11,007,876 | 1.33 | 11,061,376 |
| - In other currencies | - | - | 41,222 | - | 4,742,299 | 1.74 | 4,783,521 |
| Debt securities issued | | | | | | | |
| - In KZT | - | - | 710,098 | 12.69 | - | - | 710,098 |
| Subordinated debt securities issued | | | | | | | |
| - In KZT | - | - | 33,947 | 6.78 | - | - | 33,947 |
| Other liabilities | | | | | | | |
| - In KZT | - | - | 5,282 | - | 3,227 | - | 8,509 |
| - In other currencies | - | - | - | - | 41 | - | 41 |
| Items not recognised in the consolidated statement of financial position | | | | | | | |
| Loans and credit line commitments | | | | | | | |
| Guarantees issued | - | - | - | - | 617,302 | - | 617,302 |
| Guarantees received | - | - | - | - | 146,842 | - | 146,842 |
| Letters of credit | - | - | - | - | 296,650 | - | 296,650 |
| Profit (loss), unaudited | | | | | | | |
| Interest income, unaudited | - | - | - | - | 329,697 | - | 329,697 |
| Interest expense, unaudited | (18,889) | - | (341,392) | - | (657,519) | - | (1,017,800) |
| Fee and commission income, unaudited | 214 | - | 116,882 | - | 562,363 | - | 679,459 |
| Other operating loss, unaudited | - | - | (22,297) | - | (10) | - | (22,307) |
| Reversal of impairment losses, unaudited | - | - | - | - | 324,398 | - | 324,398 |
| Other general administrative expenses, unaudited | - | - | (69,805) | - | - | - | (69,805) |

*Other related parties are the entities that are controlled by the Parent company's shareholders.

As at 30 September 2013 the loans to customers in the amount of KZT 31,735,904 thousand were insured by the insurance company under common control (31 December 2012: KZT 22,128,022 thousand).



31 Financial assets and liabilities: fair values and accounting classifications

(a) Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 30 September 2013:

| (unaudited) KZT'000 | Trading | Held-to- maturity | Loans and receivables | Available-for- sale | Other amortised cost | Total carrying amount | Fair value |
|--|------------------|----------------------|--------------------------|------------------------|-------------------------|--------------------------|--------------------|
| Cash and cash equivalents | - | - | 54,670,905 | - | - | 54,670,905 | 54,670,905 |
| Financial instruments at fair value through profit or loss | 1,583,691 | - | - | - | - | 1,583,691 | 1,583,691 |
| Available-for-sale financial assets | - | - | - | 10,932,526 | - | 10,932,526 | 10,932,526 |
| Loans and advances to banks | - | - | 10,957,302 | - | - | 10,957,302 | 10,961,957 |
| Loans to customers | - | - | 200,897,252 | - | - | 200,897,252 | 203,407,834 |
| Loans to corporate customers | - | - | 227,232,156 | - | - | 227,232,156 | 230,865,250 |
| Loans to retail customers | - | - | - | - | - | - | - |
| Held-to-maturity investments | - | 22,427,735 | - | - | - | 22,427,735 | 22,427,735 |
| Other financial assets | - | - | 7,339,970 | - | - | 7,339,970 | 7,339,970 |
| | 1,583,691 | 22,427,735 | 501,097,585 | 10,932,526 | - | 536,041,537 | 542,189,868 |
| Financial instruments at fair value through profit or loss | 111,316 | - | - | - | - | 111,316 | 111,316 |
| Deposits and balances from banks | - | - | - | - | 5,032,411 | 5,032,411 | 5,048,081 |
| Amounts payable under repurchase agreements | - | - | - | - | 150,371 | 150,371 | 150,371 |
| Current accounts and deposits from customers | - | - | - | - | 399,534,903 | 399,534,903 | 406,522,921 |
| Debt securities issued | - | - | - | - | 33,341,209 | 33,341,209 | 33,978,775 |
| Subordinated debt securities issued | - | - | - | - | 32,491,660 | 32,491,660 | 29,361,744 |
| Other borrowed funds | - | - | - | - | 24,525,654 | 24,525,654 | 26,244,939 |
| Other financial liabilities | - | - | - | - | 5,478,232 | 5,478,232 | 5,478,232 |
| | 111,316 | - | - | - | 500,554,440 | 500,665,756 | 506,896,379 |



31 Financial assets and liabilities: fair values and accounting classifications, continued

(a) Accounting classifications and fair values, continued

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2012:

| KZT'000 | Trading | Held-to-maturity | Loans and receivables | Available-for-sale | Other amortised cost | Total carrying amount | Fair value |
|--|------------------|-------------------|-----------------------|--------------------|----------------------|-----------------------|--------------------|
| Cash and cash equivalents | - | - | 54,920,277 | - | - | 54,920,277 | 54,920,277 |
| Financial instruments at fair value through profit or loss | 1,262,873 | - | - | - | - | 1,262,873 | 1,262,873 |
| Available-for-sale financial assets | - | - | - | 18,423,546 | - | 18,423,546 | 18,423,546 |
| Loans and advances to banks | - | - | 8,187,890 | - | - | 8,187,890 | 8,187,890 |
| Loans to customers | - | - | 200,029,452 | - | - | 200,029,452 | 206,221,920 |
| Loans to corporate customers | - | - | 154,612,835 | - | - | 154,612,835 | 153,717,435 |
| Loans to retail customers | - | - | - | - | - | - | - |
| Held-to-maturity investments | - | 10,327,192 | - | - | - | 10,327,192 | 10,300,736 |
| Other financial assets | - | - | 2,611,662 | - | - | 2,611,662 | 2,611,662 |
| | 1,262,873 | 10,327,192 | 420,362,116 | 18,423,546 | - | 450,375,727 | 455,646,339 |
| Financial instruments at fair value through profit or loss | 1,123 | - | - | - | - | 1,123 | 1,123 |
| Deposits and balances from banks | - | - | - | - | 21,228,576 | 21,228,576 | 21,228,576 |
| Current accounts and deposits from customers | - | - | - | - | 314,720,398 | 314,720,398 | 316,678,100 |
| Debt securities issued | - | - | - | - | 34,441,764 | 34,441,764 | 33,206,182 |
| Subordinated debt securities issued | - | - | - | - | 27,871,504 | 27,871,504 | 24,790,278 |
| Other borrowed funds | - | - | - | - | 18,562,156 | 18,562,156 | 18,562,156 |
| Other financial liabilities | - | - | - | - | 4,538,649 | 4,538,649 | 4,538,649 |
| | 1,123 | - | - | - | 421,363,047 | 421,364,170 | 419,005,064 |





31 Financial assets and liabilities: fair values and accounting classifications, continued

(a) Accounting classifications and fair values, continued

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index price. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

For more complex instruments, the Group uses proprietary valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs includes certain loans and securities for which there is no active market.

As disclosed in Note 14, the fair value of unquoted equity securities available-for-sale with a carrying value of KZT 14,112 thousand (2012: KZT 13,945 thousand) cannot be determined.

The following assumptions are used by management to estimate the fair values of financial instruments:

- discount rates of 5.5 – 12.2% and 9.0 – 21.6% are used for discounting future cash flows from loans to corporate customers and loans to retail customers, respectively
- discount rates of 0.3 – 5.1% and 0.6 – 7.4% are used for discounting future cash flows from current accounts and deposits of corporate and retail customers, respectively
- quoted market prices are used for determination of fair value of debt securities issued.

The estimates of fair value are intended to approximate the amount for which a financial instrument can be exchanged between knowledgeable, willing parties in an arm's length transaction. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

(b) Fair value hierarchy

The Group measures fair values for financial instruments recorded on the consolidated statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.



31 Financial assets and liabilities: fair values and accounting classifications, continued

(b) Fair value hierarchy, continued

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at 30 September 2013, by the level in the fair value hierarchy into which the fair value measurement is categorised:

| (unaudited) KZT'000 | Level 1 | Level 2 | Total |
|--|------------------|-------------------|-------------------|
| Financial instruments at fair value through profit or loss | | | |
| - Debt instruments | 1,583,691 | - | 1,583,691 |
| - Derivative liabilities | - | (111,316) | (111,316) |
| Available-for-sale financial assets | | | |
| - Debt and other fixed income instruments | - | 10,918,414 | 10,918,414 |
| | 1,583,691 | 10,807,098 | 12,390,789 |

The table below analyses financial instruments measured at fair value at 31 December 2012, by the level in the fair value hierarchy into which the fair value measurement is categorised:

| KZT'000 | Level 1 | Level 2 | Total |
|--|------------------|-------------------|-------------------|
| Financial instruments at fair value through profit or loss | | | |
| - Debt instruments | 1,259,771 | - | 1,259,771 |
| - Derivative assets | - | 3,102 | 3,102 |
| - Derivative liabilities | - | (1,123) | (1,123) |
| Available-for-sale financial assets | | | |
| - Debt and other fixed income instruments | - | 18,409,601 | 18,409,601 |
| | 1,259,771 | 18,411,580 | 19,671,351 |

Due to low market liquidity, management consider that quoted prices in active markets are not available, including for government securities listed on the Kazakhstan Stock Exchange. Accordingly, as at 30 September 2013 and 31 December 2012 the estimated fair value of these financial instruments is based on the results of valuation techniques involving the use of observable market inputs.

As at 30 September 2013 and 31 December 2012 the Group does not have any financial instruments for which fair value is based on valuation techniques involving the use of non-market inputs.

32 Subsequent events

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