

Notes to Interim Financial Statements for Period ended on 30 June 2012

1. Organization

Bank RBK JSC has been established as a commercial bank in form of a joint stock company subject to laws of the Republic of Kazakhstan. The Bank has been incorporated with a registered office in the Republic of Kazakhstan.

The Bank has been operating since 1992 and it was established as Meken Private Bank. In April 1996 the Bank was reorganized to Alash-Bank Closed Joint Stock Company. In May 2005 the Bank was re-registered as joint stock company subject to laws of the Republic of Kazakhstan. On 22 August 2005 the Bank changed its name to Kazakhstan Innovation Commercial Bank JSC or KAZINCOMBANK JSC. On 23 September 2011 the Bank changed its name to Bank RBK JSC.

As of 30 June 2012 and 31 December 2011 the Bank had the following shareholders:

List of shareholders with 5 and more per cent of total outstanding common shares

Shareholder	30 June 2012	31 December 2011
	Stake, %	Stake, %
Lyukhudzyayev Farid	11,00%	11,00%
Temirtau Electrometallurgical Combine JSC	9,64%	9,64%
NORTH WIND Ltd.	8,00%	8,00%
INTERTRANS C.A. LTD	7,90%	7,90%
WELTON LTD	7,88%	7,88%
ALEMTRADINGCOMMERZ LTD	7,86%	7,86%
GEFEST COMMERZ LTD	6,60%	6,60%
Mukhtarov B.M.	6,60%	6,60%
Rozmanova O.V.	5,72%	5,72%
Yelgeldin Zh.M.	5,03%	5,03%
Other with less than 5% shareholding	23,77%	23,77%
Total	100,00%	100,00%

List of shareholders with 5 and more per cent of total outstanding preference shares

NORTH WIND LTD	5,26%	0,00%
VELTON LTD	13,16%	0,00%
ALEMTRADINGCOMMERZ LTD	5,26%	0,00%
GEFEST COMMERZ LTD	5,26%	0,00%
Yermembetov A.Sh.	14,47%	0,00%
Other with less than 5% shareholding	56,59%	0,00%
Total	100,00%	0,00%

2. Key principles of presentation

Key accounting principles

Interim financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) issued by the IFRS Committee. Interim financial statements have been prepared in compliance with IFRS subject to historical cost accounting rules with adjustment for initial recognition of financial instruments at fair value, revaluation of fixed assets, assets held for sale and financial assets available for sale.

These financial statements have been executed in KZT.

3. Key principles of accounting policy

During preparation of these interim financial statements the Bank has applied the same principles of accounting policy and calculation methods that were applied to the preparation of financial statements for a year ended on 31 December 2011. The accounting policy was not amended for six months ended on 30 June 2012.

Following is a review of changes in reserve for impairment of loan portfolio in terms of classes; loans extended to customers in January – June 2012.

<i>(in '000 KZT)</i>	Corporate loans	Retail loans	Total
Reserve for impairment of loan portfolio as of 31 December 2011	(153 999)	(6 230)	(160 229)
Deductions to the impairment reserve during year	(392 089)	(11 705)	(403 794)
Restoration of the impairment reserve during year	113 838	4 263	118 121
Restoration of reserve for funds withdrawn from the category	(56)		(56)
Reserve for impairment of loan portfolio as of 30 June 2012	(432 286)	(13 672)	(445 958)

Following is information about collaterals available as of 30 June 2012

<i>(in '000 KZT)</i>	Corporate loans	Retail loans	Total
Unsecured loans	589 842	674 841	1 264 683
Secured loans with the following as collateral:			
- equipment	263 298	-	263 298
- goods for sale and goods	7 281 384	14 954	7 296 338
- real estate	10 103 272	2 636 462	12 739 734
- third party guarantees	2 044 141	36 734	2 080 875
- cash	2 226 027	1 196 157	3 422 184
- future assets	13 046 946	145 085	13 192 031
- multicollateral	5 539 389	-	5 539 389
- other assets	749 665	130 478	880 143
Total loans and advances	41 843 964	4 834 711	46 678 675

6. Investment securities available for sale

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Government securities of the Finance Ministry of RK	6 160 955	2 401 412
Notes of the National Bank of RK	986 603	5 852 026
Corporate securities	3 715 402	1 351 746
Total debt securities	10 862 960	9 605 184

Following is a review of debt securities in terms of credit quality as of 30 June 2012

<i>(in '000 KZT)</i>	Government securities of the Finance Ministry of RK	Corporate bonds	Total
Undue and unimpaired			
Standard & Poor's:BBB+	-	307 245	307 245
Standard & Poor's:BBB	-	1 644 398	1 644 398
Moody's Investors Service: Ba3	-	485 973	485 973
Fitch Ratings: BBB		798 903	798 903
Fitch Ratings: BBB-		478 883	478 883
Unrated	7 147 558	-	7 147 558
Total undue and unimpaired	7 147 558	3 715 402	10 862 960

7. Fixed assets and intangible assets

<i>(in '000 KZT)</i>	Land and structures	Hardware	Vehicles	Equipment, etc	Fixed assets in progress and rented buildings	Total fixed assets	Intangible assets	Total
Cost or estimate as of 31 December 2010	579 235	20 414	3 242	44 397	-	647 288	21 477	668 765
Receipts	71 713	63 426	5 100	186 140	173 425	499 804	46 141	545 945
Disposals		(1 020)	(3 242)	(3 002)		(7 264)		(7 264)
Cost or estimate as of 31 December 2011	650 948	82 820	5 100	227 535	173 425	1 139 828	67 618	1207446
Receipts		54 012	65 996	108 967	365 197	594 172	30 333	624505
Withdrawals		(473)	(1 540)	(5 383)		(7 396)		(7 396)
Put in operation		481	65 187	5 829	(254 346)	(182 849)	182 849	-
Cost or estimate as of 30 Jun 2012	650 948	136840	134 743	336 948	284 276	1 543 755	280 800	1824555
Accumulated depreciation as of 31 Dec 2010	(5 886)	(9 458)	(1 351)	(22 165)		(38 860)	(16 592)	(55 452)
Accruals for year	(5614)	(6 953)	(286)	(8 982)	(1 680)	(23 515)	(4 276)	(27 791)
Written off upon disposal		1020	1 594	2 565		5 179		5 179
Accumulated depreciation as of 31 December 2011	(11 500)	(15 391)	(43)	(28 582)	(1 680)	(57 196)	(20 868)	(78 064)
Accruals for period	(3 183)	(9 025)	(2 533)	(20 418)	(17 062)	(52 223)	(9 325)	(61 548)
Written off upon disposal		460	15	4 798		5 273		5 273
Accumulated depreciation as of 30 Jun 2012	(14 685)	(23956)	(2 561)	(44 202)	(18 742)	(104 146)	(30 193)	(134339)
Book value as of 31 December 2010	573 349	10 956	1 891	22 232	-	608 428	4 885	613 313
Book value as of 31 December 2011	639 448	67 429	5 057	198 953	171 745	1 082 632	46 750	1129382
Book value as of 31 Jun 2012	636 263	112 884	132 182	292 746	265 534	1 439 609	250 607	1690216

8. Other financial assets

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Investments	100 030	100 030
Other debtors	844 517	556 307
Prepaid interest on raised loans and deposits	70 362	-
Total other financial assets	1 014 909	656 337

Investments include shares in Almaty Financial Center JSC. Investments are accounted at original cost

9. Other assets

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Prepaid services	57 346	63 631
Prepaid goods	10 276	3 221
Prepaid taxes	1 761	75
Inventories	14 463	14 563
Prepaid capital investments	66 821	81 735
Other	841	16
Total other assets	151 508	163 241

10. Funds held for customers

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
State and public organizations	8 511 216	1 241 813
- Current/ settlement accounts	641 901	224 240
- Fixed-term deposits	7 869 315	1 017 573
Other legal entities	37 603 743	25 667 374
- Current/ settlement accounts	13 631 016	6 842 421
- Fixed-term deposits	9 853 452	17 596 894
- Deposits as collateral of obligations	14 115 584	1 225 687
- Other deposits	3 691	2 372
Individuals	12 730 821	6 198 918
- Current accounts/demand accounts	338 075	210 180
- Fixed-term deposits	10 826 758	4 608 722
- Deposits as collateral of obligations	1 565 988	1 380 016
Total funds held for customers	58 845 780	33 108 105

11. Other financial liabilities

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Funds of customers received from the budget	329 710	-
Accounts payable	85 335	37 991
Commission fees	1 880	325
Total financial liabilities	416 925	38 316

12. Other liabilities

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Accounts payable for goods	370	378
Accounts payable for services	45 238	9 926
Accrued staff bonus expenses	45 642	18 326
Taxes payable except for income tax	54 210	27 534
Accounts payable under capital expenses	54 465	20 469
Total other liabilities	199 945	76 633

13. Interest income and expenses

<i>(in '000 KZT)</i>	30 June 2012	30 June 2011
Interest income		
Loans and advances to customers	2 246 253	476 993
Investment securities available for sale	270 471	24 577
Reverse REPO transactions	1 607	50
Correspondent accounts with other banks	335	119
Funds with other banks	5 752	-
Total interest income	2 524 418	501 739
Interest expenses		
Fixed-term deposits	1 161 839	158 902
REPO transactions	8 468	1 590
Investments in securities available for sale	31 434	1 305
Subordinated debt	6 375	138
Total interest expenses	1 208 116	161 935
Net interest expenses	1 316 302	339 804

14. Commission income and expenses

<i>(in '000 KZT)</i>	30 June 2012	30 June 2011
Commission income		
- Cash transactions	74 007	20 518
- Foreign exchange purchase and sale transactions	49 067	8 326
- Settlement transactions	33 787	14 537
- Issued guarantees	149 723	48 413
- Other	9 244	8 269
Total commission income	315 828	100 063
Commission expenses		
- Settlement transactions	3 345	3 247
Securities purchase and sale transactions	7 388	518
- Other	111	73
Total commission expenses	10 844	3 838
Net commission income	304 984	96 225

15. Administrative expenses

<i>(in '000 KZT)</i>	30 June 2012	30 June 2011
Staff costs	677 746	241 106
Depreciation of fixed assets	52 416	7 531
Other taxes except for income tax	50 536	10 454
Safeguarding costs	61 215	15 119
Operating lease expenses	69 275	14 503
Communication services	12 622	4 807
Transportation costs	15 333	3 564
Advertising and marketing services	143 696	2 351
Professional services	60 659	48 172
Stationery and office supplies	5 825	1 566
Travel expenses	5 919	1 584
Depreciation of intangible assets	9 324	974
Professional membership fee	7 656	239
Repair costs	5 318	25 686
Insurance costs	600	67
Staff training	1 830	203
Retail deposit insurance costs	42 137	-
Hospitality expenses	2 091	106
Other	74 631	36 829
Total administrative and other operating costs	1 298 829	414 861

16. Segmentation analysis

The following table sets out segment information of reporting segments for half-year ended on 30 June 2012

<i>(in '000 KZT)</i>	Corporate bank operations	Retail bank services	Investment activities
Assets			
Funds with other banks	9 264		
Loans and advances to customers	41 407 100	4 825 617	
Investment securities			10 862 960
Accounts receivable under reverse REPO transactions			4 750 347
Other financial assets	858 706	56 173	100 030
Total segment assets	42 275 070	4 881 790	15 713 337
Liabilities			
Funds held for customers	46 114 959	12 730 821	2 000 007
Accounts payable under REPO transactions			
Other financial liabilities	413 131	3 794	
Total segment liabilities	46 528 090	12 734 615	2 000 007

Segmentation analysis

<i>(in '000 KZT)</i>	Corporate bank operations	Retail bank services	Investment activities	Total
For period ended on 30 June 2012				
Interest income	1 943 346	308 994	272 078	2 524 418
Interest expenses	(760 451)	(407 763)	(39 902)	(1 208 116)
Net interest income	1 182 895	(98 769)	232 176	1 316 302
Restoration of reserve /(reserve) for loan portfolio impairment	(280 077)	(5 596)		(285 673)
Net interest income after creation of reserve for loan portfolio impairment	902 818	(104 365)	232 176	1 030 629
Commission income under reporting segments	299 915	15 913		315 828
Commission expenses under reporting segments	(3 402)	(27)	(7 415)	(10 844)
Income less costs of foreign exchange transactions	83 173			83 173
Income less costs of foreign exchange revaluation	6 974			6 974
Creation of reserves for other transactions	(55 418)			(55 418)
Other operating income	23 222			23 222
Segment results	1 257 282	(88 479)	224 761	1 393 564

Segmentation analysis

The following table sets out segment information of reporting segments for year ended on 31 December 2011

<i>(in '000 KZT)</i>	Corporate bank operations	Retail bank services	Investment activities	Total
Assets				
Funds with other banks	1 781			1 781
Loans and advances to customers	12 397 173	3 465 513		15 862 686
Investment securities under reverse REPO transactions			9 603 554 4 933 523	9 603 554 4 933 523
Other financial assets	556 307		100 030	656 337
Total segment assets	12 955 261	3 465 513	14 637 107	31 057 881
Liabilities				
Funds held for customers	26 909 187	6 198 918		33 108 105
Accounts payable under REPO transactions			96 001	96 001
Other financial liabilities	32 061	5 936	319	38 316
Total segment liabilities	26 941 248	6 204 854	96 320	33 242 422

Segmentation analysis

<i>(in '000 KZT)</i>	Corporate bank operations	Retail bank services	Investment activities	Total
For a period ended on 30 Jun 2011				
Interest income	466 660	10 452	24 627	501 739
Interest expenses	(136 167)	(22 872)	(2 896)	(161 935)
Net interest expenses	330 493	(12 420)	21 731	339 804
Restoration of reserve/(reserve) for loan portfolio impairment	10 605	(3 527)		7 078
Net interest income after creation of reserve for loan portfolio impairment	341 098	(15 947)	21 731	346 882
Commission income under reporting segments	97 166	2 897		100 063
Commission expenses under reporting segments	(3 298)	(540)		(3 838)
Income less costs of foreign exchange transactions	16 923			16 923
Income less costs of foreign exchange revaluation	(287)			(287)
(Reserves)/ restoration of reserve for loan liabilities	(45)			(45)
Other operating income	791			791
Segment results	452 348	(13 590)	21 731	460 489

Segmentation analysis

Reconciliation of profit or losses, assets and liabilities under reporting segments

<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Total segment assets	62 870 197	31 057 881
Fixed asses	1 690 216	1 129 382
Cash and equivalents	7 175 875	6 519 444
Pre-paid current income tax	587	587
Other assets	151 508	163 241
Total assets	71 888 383	38 870 535
Total compulsory segments	61 262 712	33 242 422
Deferred tax liability	82 559	82 559
Other liabilities	199 945	76 633
Subordinated debt	156 375	-
Other liabilities	61 701 591	33 401 614
<i>(in '000 KZT)</i>	30 June 2012	31 December 2011
Total segment results	1 393 564	460 489
Administrative and other operating expenses	(1 298 829)	(414 861)
Pre-tax income	94 735	45 628
Income tax expenses	-	-
Income for period	94 735	45 628

17. Transactions with related parties

<i>(in '000 KZT)</i>	30 June 2012			31 December 2011		
	Shareholders	Members of Management Board	Others	Shareholders	Members of Management Board	Others
Total loans and advances to customers (contract interest rate: 2011: 12%-16%, Q2 2012: 11%-19%)	31 686	16 118	902 400	-	17 443	552 074
Funds held for customers (contract interest rate: zero)	31 368	1 637	1 413 444	154 440	412	30 753
Funds held for customers (contract interest rate: 4%-7% in USD)	149	-	33 073	-	-	69 402
Funds held for customers (contract interest rate: 4%-10%)	30 547	-	362 457	71 712	-	238 780
Undisbursed credit facilities	-	-	50 000	-	-	25 804

<i>(in '000 KZT)</i>	30 June 2012			31 December 2011		
	Shareholders	Members of Management Board	Others	Shareholders	Members of Management Board	Others
Interest income	953	947	68 327	-	2 220	24 868
Interest expenses	3 489	-	7 840	1 712	-	5 429

18. Earnings per share

Basic and diluted earnings per share calculated as ratio of net income for six months payable to shareholders of the bank to an average weighted number of common shares.

	30 June 2012	30 June 2011
Income for period	94 735	45 628
Net income payable to holders of common shares	94 735	45 628
Average weighted number of common shares to calculate basic and diluted earnings per share	500 000	332 290
Basic and diluted earnings per share for income owned by shareholders of the Bank (in KZT per share)	189	137

19. Book value of shares

Book value per share of each type of shares as of 30 June 2012 and 31 December 2011

Type of shares	30 June 2012			31 Dec 2011		
	Number of outstanding shares	Net assets	Book value of 1 share	Number of outstanding shares	Net assets	Book value of 1 share
Common	500 000	5 436 185	10 872	500 000	5 442	10 844
Preference	450 000	4 500 000	10 000	-	-	-