

1 Introduction

JSC "RBK Bank" is established as the commercial bank in a legal form of a joint stock company in accordance with the legislative requirements of the Republic of Kazakhstan. The Bank has been registered and has a legal address on the territory of the Republic of Kazakhstan.

The Bank operates since March 1992, it was established as a private bank "Meken". In April 1996 the Bank was transformed into Closed Joint Stock Company "Alash-Bank". In May 2005 the Bank was re-registered into Joint Stock Company in accordance with the legislative requirements of the Republic of Kazakhstan. As of August 22, 2005 the Bank changed its name into JSC "Kazakhstan Innovation Commercial Bank" or JSC "KAZINCOMBANK". As of September 23, 2011 the Bank was re-named to JSC "RBK Bank".

The Banks shareholders are physical persons and legal entities. The list of shareholders owning 5 and more per cent of the total number of placed common stocks as of September 30, 2013 and December 31, 2012 is provided below:

Shareholders	September 30,	December 31,
	2013	2012
	Share,%	Share,%
Farid Lyukhudzyayev	11,0%	11,0%
G.K. Zhauarova	9,5%	0,0%
M.M. Utepbergenov	9,0%	0,0%
LLP "INTERTRANS C.A."	9,0%	9,0%
Zh.M Yelgeldin	9,0%	9,0%
LLP "WELTON"	0,0%	8,9%
G.S. Kim.	8,4%	8,4%
T.T. Dzhumayev	8,3%	8,3%
E.V. Mamedov	8,3%	8,3%
LLP "GEFEST COMMERCE"	0,0%	7,8%
LLP "NORTH WIND"	5,3%	7,0%
D.A. Mazhitov	5,2%	0,0%
Other with shareholding up to 5%	17,1%	22,3%
Total	100,0%	100,0%

Since the year 2011 Farid Lyukhudzyayev has the status of the Bank's Major Shareholder.

The list of shareholders owning 5 and more per cent of the total number of placed preferred stocks as of September 30, 2013 and December 31, 2012 is provided below:

Shareholders	September 30,	December 31,
	2013	2012
	Share,%	Share,%
LLP "CITY GARANT INVESTMENTS"	44,2%	44,3%
LLP "WELTONH"	22,2%	22,2%
LLP "NORTH WIND"	11,1%	11,1%
LLP "ALEM TRADINGCOMMERCE"	11,1%	11,1%
LLP "GEFEST COMMERCE"	0,0%	11,0%
Other with shareholding up to 5%	11,4%	0,2%
Total	100,0%	100,0%

2 Main Representation Principles

Main Accounting Principles

The Interim Financial Statements have been drawn-up in accordance with the International Financial Reporting Standards (IFRS), issued by the International Financial Reporting Standards Committee. The interim financial information is prepared in accordance with IFRS based on historical value accounting regulations, with adjustment to initial recognition of financial instruments at the fair value, revaluation of fixed assets, assets held for sale, and financial assets available for sale.

These Financial Statements are provided in Kazakhstan tenge.

3 Main Principles of Accounting Policy

When preparing these interim financial statements the same accounting principles and calculation methods as those used for drawing-up of the annual financial statements for the year ended as of December 31, 2012, have been used.

For the period ended as of September 30, 2013 the accounting policy was amended by the resolution of the Board of Directors as of April 30, 2013 in the part of interest income/expenses accounting at the effective rate, used for discounting of future cash flows, for measurement of loss from devaluation. In this connection the Bank has prepared the Plan of Measures for Provision of Compliance with IFRS and NBRK Requirements in the part of interest income accounting. Currently the Bank has concluded the contract for consulting services provision with respect to amendment of the accounting and taxation policies in accordance with IFRS, as well as for calculation and automation of interest income accounting using the effective interest rate.

4 Cash and Cash Equivalents

(in thousand tenge)

	September 30 , 2013	December 31, 2012
Cash on hands	6 565 449	2 759 373
Balance under accounts in the NBRK ҰК	11 883 158	3 212 977
Obligatory provisions on accounts in the NBRK	-	-
Term Deposits		
- with credit rating "BBB"	-	248 102
- without rating	1 509 874	-
Total term deposits	1 509 874	248 102
"Nostro" accounts in other banks:		
- with credit rating from "A+" up to "A-"	5 185 385	1 936 803
- with credit rating from "BBB" up to "BBB-"	117 931	34 541
- with credit rating from "BB" up to "BB-"	110 007	93 578
- with credit rating from "B+" up to "B-"	26 633	1 118
Total "Nostro" accounts in other banks	5 439 956	2 066 040
Total cash and cash equivalents	25 398 437	8 286 492

As of September 30, 2013 no cash and cash equivalents item was devalued or overdue.

5 Loans and Advances to Customers (Continued)

See below the credit quality analysis as of September 30, 2013:

<i>(in thousand tenge)</i>	Loans before provisions for devaluation	Provisions for devaluation	Loans minus provisions for devaluation	Provisions to loans amount Ratio before provisions deduction,
Loans to Large-scale companies				
Individual depreciated loan				
Undue	34 928 252	(111 025)	34 817 228	0,32%
overdue for less than 30 days	3 113 545	(12 154)	3 101 391	0,39%
Total individual depreciated loans	38 041 797	(123 179)	37 918 619	0,32%
Loans depreciated on joint basis				
Undue	7 417 562	(14 676)	7 402 886	0,20%
overdue for less than 30 days	1 142 027	(5 062)	1 136 965	0,44%
Total loans depreciation of which is assessed on joint basis	8 559 589	(19 738)	8 539 851	0,23%
Total loans to large-scale companies	46 601 386	(142 917)	46 458 470	0,31%
Loans to small- and medium-scale companies				
Individual depreciated loans				
Undue	21 828 908	(1 027 966)	20 800 942	4,71%
- overdue for less than 30 days	72 329	(299)	72 030	0,41%
- overdue for a period from 30 up to 90 days	1 038 132	(26 937)	1 011 195	2,59%
- overdue for a period from 91 up to 180 days	820 814	(60 596)	760 218	7,38%
- overdue for a period from 181 up to 360 days	1 747 272	(1 646 347)	100 925	94,22%
- more than 360 days	990 444	(990 444)	-	100,00%
Total individual depreciated loans	26 497 899	(3 752 589)	22 745 310	14,16%
Loans depreciation of which is assessed on joint basis				
Undue	28 435 869	(80 451)	28 355 418	0,28%
- overdue for less than 30 days	2 810 186	(5 301)	2 804 885	0,19%
Total loans depreciation of which is assessed on joint basis	31 246 055	(85 752)	31 160 303	0,27%
Total loans to small- and medium-scale compan	57 743 954	(3 838 341)	53 905 613	6,65%
Total corporate loans	104 345 340	(3 981 258)	100 364 083	3,82%

5 Loans and Advances to Customers (continued)

See below the credit quality analysis as of September 30, 2013 (Continued):

<i>Consumer credits and other loans to physical persons</i>	Loans before provisions for devaluation	Provisions for devaluation	Loans minus provisions for devaluation	Provisions to loans amount Ratio before provisions deduction, %
Individual depreciated loans				
undue	-	-	-	-
- overdue for a period from 30 up to 90 days	96 396	(20 411)	75 985	21,17%
- overdue for a period from 91 up to 180 days	281 451	(110 894)	170 557	39,40%
- overdue for a period from 181 up to 360 days	256 619	(233 219)	23 400	90,88%
- more than 360 days	27 827	(28 602)	(776)	102,79%
Total individual depreciated loans	662 293	- 393 126	269 166	59,36%
Loans depreciation of which is assessed on joint basis				
Undue	18 118 205	(67 647)	18 050 558	0,37%
-overdue for less than 30 days	1 003 021	(3 747)	999 274	0,37%
- overdue for a period from 30 up to 90 days	90 832	(343)	90 489	0,38%
Total loans depreciation of which is assessed on joint basis	19 212 058	(71 737)	19 140 321	0,37%
Total consumer credits and other loans to physical persons	19 874 351	(464 863)	19 409 487	2,34%

5 Loans and Advances to Customers (Continued)

See below credit quality analysis as of December 31, 2012:

<i>(in thousand tenge)</i>	Loans before provisions for devaluation	Provisions for devaluation	Loans minus provisions for devaluation	Provisions to loans amount Ratio before provisions deduction,
Loans to large-scale companies				
Individual depreciated loans				
Loans depreciation of which is assessed on joint basis				
	4 911 042	(21 147)	4 889 895	0,4
Total loans to large-scale companies	4 911 042	(21 147)	4 889 895	0,4
Loans to small- and medium-scale companies				
Individual depreciated loans				
Loans depreciation of which is assessed on joint basis				
Undue	20 497 642	(88 161)	20 409 481	0,4
- overdue for less than 30 days	571 221	(571 221)	-	100,0
- overdue for a period from 30 up to 90 days	3 456	(3 456)	-	100,0
- overdue for a period from 91 up to 180 days	849 463	(827 205)	22 258	97,4
- overdue for a period from 181 up to 360 days	156 649	(144 165)	12 484	92,0
Total individual depreciated loans	22 078 431	(1 634 207)	20 444 224	7,4
Loans depreciation of which is assessed on joint basis				
Undue	30 974 156	(133 258)	30 840 897	0,4
Total loans depreciation of which is assessed on joint basis	30 974 156	(133 258)	30 840 897	0,4
Total loans to small- and medium-scale companies	53 052 587	(1 767 465)	51 285 121	3,3
Total corporate loans	57 963 629	(1 788 613)	56 175 016	3,1
	Loans before provisions for devaluation	Provisions for devaluation	Loans minus provisions for devaluation	Provisions to loans amount Ratio before provisions deduction,
<i>(in thousand tenge)</i>				
Consumer credits and other loans to physical persons				
Individual depreciated loans				
Undue	156 551	(156 551)	-	100,0
- overdue for a period from 30 up to 90 days	9 854	(9 854)	-	100,0
- overdue for a period from 91 up to 180 days	28 550	(28 550)	-	100,0
- overdue for a period from 181 up to 360 days	7 615	(7 615)	-	100,0
- overdue for a period exceeding 360 days	539	(539)	-	100,0
Total Individual depreciated loans	203 109	(203 109)	-	100
Loans depreciation of which is assessed on joint basis				
Undue	8 963 789	(13 547)	8 950 242	0,2
- overdue for less than 30 days	178 891	(275)	178 616	0,2
- overdue for a period from 30 up to 90 days	28 727	(42)	28 685	0,1
- overdue for a period exceeding 360 days	313	-	313	-
Total loans depreciation of which is assessed on joint basis	9 171 720	(13 864)	9 157 856	0,2
Total consumer credits and other loans to physical persons	9 374 829	(216 973)	9 157 856	2,3

5 Loans and Advances to Customers (Continued)

See below the information on pledged collateral as of September 30, 2013:

<i>(in thousand tenge)</i>	Corporate Loans	Retail Loans	Total	%
Unsecured loans	641 972	1 813 934	2 455 906	2,0%
Loans secured by:				
- assets to be received in future under contracts	7 034 051	-	7 034 051	5,7%
- real estate	12 892 870	13 044 040	25 936 910	20,9%
- third parties' guarantees	24 902 989	2 053 931	26 956 920	21,7%
- goods in circulation	5 764 222	-	5 764 222	4,6%
- monetary funds	2 053 226	1 109 743	3 162 969	2,5%
- equipment	639 428	-	639 428	0,5%
- multi-pledge	2 739 701	-	2 739 701	2,2%
- transport	5 177	204 482	209 659	0,2%
- other assets	47 671 704	1 648 221	49 319 925	39,7%
Total loans and advances to customers	104 345 340	19 874 351	124 219 691	100%

See below the information on pledged collateral as of 31.12.2012:

<i>(in thousand tenge)</i>	Corporate Loans	Retail Loans	Total	%
Unsecured loans	191 755	2 040 027	2 231 782	3,3%
Loans secured by:				
- assets to be received in future under contracts	13 979 501	-	13 979 501	20,8%
- real estate	12 908 597	4 711 961	17 620 558	26,2%
- third parties' guarantees	12 377 597	908 772	13 286 369	19,7%
- goods in circulation and goods to be received in the future	9 925 603	-	9 925 603	14,7%
- monetary funds	3 501 733	1 335 256	4 836 989	7,2%
- equipment	1 161 081	-	1 161 081	1,7%
- multi-pledge	917 777	-	917 777	1,4%
- transport	335 503	171 541	507 044	0,8%
- other assets	2 664 482	207 272	2 871 754	4,3%
Total amount of loans and advances to customers	57 963 629	9 374 829	67 338 458	100%

<i>(in thousand tenge)</i>	September 30, 2013		December 31, 2012	
	thousand tenge	%	thous and tenge	%
Retail Loans				
Consumer credits	18 400 364	93%	8 431 363	90%
Mortgage loans	1 330 510	7%	857 780	9%
Loans for automobile purchase	143 477	1%	85 686	1%
Total loans to physical persons	19 874 351	100%	9 374 829	100%

5 Loans and Advances to Customers

<i>(in thousand tenge)</i>	September 30 , 2013	December 31, 2012
Corporate Loans	104 345 340	57 963 629
Retail Loans	19 874 351	9 374 829
Loans and advances to customers before provisions for devaluation	124 219 691	67 338 458
Provisions for credit portfolio devaluation	(4 446 121)	(2 005 586)
Total loans and advances to customers	119 773 570	65 332 872

See below the analysis of provisions for devaluation change as per class of loans disbursed to the customers for the period ended as of September 30, 2013:

<i>(in thousand tenge)</i>	Corporate Loans	Retail Loans	Total
As of January 1, 2013	(1 788 613)	(216 973)	(2 005 586)
Net provisions	(2 183 037)	(247 734)	(2 430 771)
Exchange rate difference	(9 607)	(157)	(9 764)
Provisions for credit portfolio devaluation as of September 30, 2013	(3 981 257)	(464 864)	(4 446 121)

The information on change of provisions for devaluation as per loan classes and advances to the customers for the year ended as of December 31, 2012:

<i>(in thousand tenge)</i>	Corporate Loans	Retail Loans	Total
as of January 1, 2012	(153 999)	(6 230)	(160 229)
Net provisions	(1 634 326)	(210 743)	(1 845 069)
Exchange rate difference	(288)	-	(288)
Provisions for credit portfolio devaluation as of December 31, 2012	(1 788 613)	(216 973)	(2 005 586)

5 Loans and Advances to Customers (Continued)

Upon assessment of loans and advances to customers devaluation, the Bank applies the following key assumptions and assessments:

- The credit portfolio contains the individually significant loans (more than 10% of the equity), which are considered individually upon determination of provisions for devaluation.
- Loans not attributed to individually significant and not having the features of devaluation, are grouped by the similar credit risk features and are jointly assessed for the subject of devaluation.
- The assessment is made as per the corporate and retail customers.
- For detection of devaluation features the Bank makes the complex analysis of the corporate customers' financial condition. If no objective features of devaluation exists the individually significant loans will be applied with the collective devaluation ratio of the group having similar credit risk features.
- The joint devaluation ratio is calculated on the basis of the Bank's historical data and is determined as the average ratio of overdue and written-off loans to the total amount of loans, not attributed to the individually significant ones.

6 Financial Assets Available for Sale

(in thousand tenge)

	September 30, 2012	December 31, 2012
Government Bonds of RK		
State Securities of the Ministry of Finance of RK	31 034 650	7 425 242
Notes of the NBRK	1 998 520	994 687
Securities of NWF "Samruk-Kazyna"	299 127	304 840
Total state bonds	33 332 297	8 724 769
State bonds of foreign states		
Securities of International Financial Institutions	1 445 018	214 687
Securities of Foreign States	1 698 669	646 150
Total state bonds of foreign states	3 143 687	860 837
Corporate bonds	7 033 870	3 026 779
Total debt securities	43 509 854	12 612 385

6 Financial Assets Available for Sale (Continued)

See below the analysis of the debt securities as per credit quality as of September 30, 2013:

in thousand tenge

	State Securities of MF RK	Notes of the NBRK	Securities of NWF "Samruk- Kazyna"	Securities of IFI	Securities of foreign states	Corporate bonds	Total
Undue and not devaluated							
Fitch Ratings: "AAA"	-	-	-	482 197	-	-	482 197
Fitch Ratings: "BBB"	-	-	-	-	-	147 407	147 407
Fitch Ratings: "BBB"	-	-	-	962 822	-	3 317 710	4 280 532
Fitch Ratings: "BBB-"	-	-	-	-	-	830 325	830 325
Moody's: "Baa3"	-	-	-	-	-	950 965	950 965
Moody's: "Baa2"	-	-	-	-	-	492 838	492 838
Moody's: "Ba3"	-	-	-	-	-	479 702	479 702
Standard & Poor's: "BBB+"	33 033 170	-	299 127	-	-	-	33 332 297
Standard & Poor's: "BBB"	-	-	-	-	1 698 669	350 438	2 049 107
Standard & Poor's: "BB+"	-	-	-	-	-	464 484	464 484
Total undue and no devaluated	33 033 170	-	299 127	1 445 019	1 698 669	7 033 869	43 509 854

See below the analysis of debt securities as per credit quality as of December 31, 2012:

(in thousand tenge)

	State Securities of MF RK	Notes of the NBRK	Securities of NWF "Samruk- Kazyna"	Securities of IFI	Securities of foreign states	Corporate bonds	Total
Undue and not devaluated							
Standard & Poor's: "AAA"	-	-	-	164 400	-	-	164 400
Standard & Poor's: "A-"	-	-	-	50 287	-	331 057	381 344
Standard & Poor's: "BBB+"	7 425 242	994 687	304 840	-	-	-	8 724 769
Standard & Poor's: "BBB"	-	-	-	-	646 150	1 327 573	1 973 723
Standard & Poor's: "BBB-"	-	-	-	-	-	877 971	877 971
Moody's Investors Service: "Ba3"	-	-	-	-	-	490 178	490 178
Total undue and not devaluated	7 425 242	994 687	304 840	214 687	646 150	3 026 779	12 612 385

7 Fixed Assets and Intangible Assets

<i>(in thousand tenge)</i>	Land and buildings	Computer equipment	Transport facilities	Equipment and other	Fixed assets under construction	Total fixed assets	Intangible assets	Total
Value or estimated value as of December 31, 2012	653 520	149 144	152 289	429 375	296 256	1 680 584	365 531	2 046 115
Revenues	-	18 701	128 816	106 150	300 729	554 396	797	555 193
Retirement	-	(470)	-	(44)	-	(514)	-	(514)
Commissioned	-	1 943	-	106 576	(203 034)	(94 515)	19 636	(74 879)
Value or estimated value as of September 30, 2013	653 520	169 318	281 105	642 057	393 951	2 139 951	385 964	2 525 915
Accumulated depreciation as of December 31, 2012	(17 871)	(34 647)	(9 534)	(71 240)	(40 823)	(174 115)	(58 360)	(232 475)
Accrued for the period	(10 790)	(25 267)	(19 825)	(95 116)	(32 692)	(183 690)	(55 310)	(239 000)
Written-off upon retirement	-	330	-	16	-	346	-	346
Accumulated depreciation as of September 30, 2013	(28 661)	(59 584)	(29 359)	(166 340)	(73 515)	(357 459)	(113 670)	(471 129)
Book value as of December 31, 2012	635 649	114 497	142 755	358 135	255 433	1 506 469	307 171	1 813 640
Book value as of September 30, 2013	624 859	109 734	251 746	475 717	320 436	1 782 492	272 294	2 054 786

8 Other Assets*(in thousand tenge)*

	September 30, 2013	December 31, 2012
Financial Assets		
Investments	100 030	100 030
Debtors under guarantees and documentary payments	367 421	346 698
Prepayment of interests on deposits	53 405	84 207
Other financial assets	154 847	36 891
Provisions for devaluation	(51 393)	(39 329)
Total other financial assets	624 310	528 497
Non-financial assets		
Advance payment for goods and services	130 335	14 763
Prepayment of capital costs	177 576	20 874
Commodities and materials	15 840	31 808
Other non-financial assets	7 888	15 911
Provisions for devaluation	(100)	(1 007)
Total other non-financial assets	331 539	82 349
Total other assets	955 849	610 846

9 Customers' Funds*(in thousand tenge)*

	September 30 , 2013	December 31, 2012
State and Public Organizations		
- Current/payment accounts	37 710 899	3 493 167
- Term deposits	23 497 242	7 472 777
- Deposits provided as security under obligations	241 255	560 184
Other Legal Entities		-
- Current/payment accounts	23 613 526	17 655 196
- Term deposits	35 692 693	17 798 234
- Deposits provided as security under obligations	15 366 927	9 382 090
- Other deposits	19 968	31 792
Physical Persons		-
Current accounts/call accounts	1 188 932	359 913
- Term deposits	25 476 396	14 816 879
- Deposits provided as security under obligations	1 563 588	1 389 814
- Other deposits	88	-
Total customers' funds	164 371 514	72 960 046

10 Other Liabilities*(in thousand tenge)*

	September 30, 2013	December 31, 2012
Financial Liabilities		
Creditors under banking activity	82 110	46 383
Other financial liabilities	23 813	34 501
Total other financial liabilities	105 923	80 884
Non-financial liabilities		
Provisions for vacations	125 842	54 281
Advance payment for goods and services	14 726	22 025
Prepayment under capital costs	1 150	22 313
Taxes payable , except for income tax	102 105	
Other non-financial liabilities	138 582	8 871
Total non-financial liabilities	382 405	107 490
Total other liabilities	488 328	188 374

11 Earning per share

The book value of one common stock and one preferred stock as of September 30, 2013 and December 31, 2012 is provided below:

Stock type	September 30, 2013			December 31, 2012		
	Number of outstanding shares	Net assets, thousand tenge	Book value of one stock, tenge	Number of outstanding shares	Net assets, thousand tenge	Book value of one stock, tenge
Common	1 000 000	11 284 027	11 284	1 000 000	10 571 006	10 571
Preferred	450 000	4 500 000	10 000	450 000	4 500 000	10 000

Calculation of the basic earnings per one share owned by shareholders is provided as follows:

	September 30 , 2013	December 31, 2012
<i>in thousand tenge, if not specified otherwise)</i>		
Income for the period	1 043 373	400 587
Minus dividends, which may be paid to preferred share holders in case of full income distribution	333 000	360 000
Net income, due to holders of common stocks	710 373	40 587
Average-weighted number of common stocks for calculation of basic and diluted earning per share	1 000 000	1 013 846
Basic and diluted earning per share for incomes due to Bank's shareholders (in tenge per share)	710	40

12 Interest Incomes and Expenses*(in thousand tenge)*

	<u>September 30,</u> <u>2013</u>	<u>September 30 ,</u> <u>2012</u>
Interest incomes		
Loans and advances to customers	9 536 241	3 911 307
Financial assets available for sale	852 453	356 081
Reverse REPO transactions	44 747	3 220
Correspondent accounts in other banks	5 029	561
Funds in other banks	18 713	10 256
Total interest incomes	<u>10 457 183</u>	<u>4 281 425</u>
Interest expenses		
Term deposits	4 604 535	1 531 142
REPO transactions	17 468	18 856
Subordinated debt	7 667	10 125
Issued bonds/securities	239 082	-
Total interest expenses	<u>4 868 752</u>	<u>1 560 123</u>
Net interest incomes	<u>5 588 431</u>	<u>2 721 302</u>

13 Commission Incomes and Expenses*(in thousand tenge)*

	<u>September 30,</u>	<u>September 30,</u>
Commission incomes		
- Кассовые операции	245 480	134 033
- Foreign currency purchase-sale transactions	144 005	86 901
- Payment operations	117 701	62 567
- Guarantees issued	462 130	271 807
- Other	27 312	11 459
Total commission incomes	<u>996 628</u>	<u>566 767</u>
Commission expenses		
- Payment operations	21 745	8 441
- Agent services	3 437	18 345
-Securities purchase-sale transactions	13 230	12 945
- Other	14 660	975
Total commission expenses	<u>53 072</u>	<u>40 706</u>
Net commission income	<u>943 556</u>	<u>526 061</u>

14 Administrative and other Operating Expenses*(in thousand tenge)*

	September 30, 2013	September 30, 2012
Expenses for personnel	1 847 111	1 123 333
Advertising and marketing services	296 332	224 566
Wear and depreciation	238 999	113 759
Expenses for operating leasing	168 992	108 869
Expenses for security services	141 056	102 593
Professional services	109 574	86 754
Other taxes, except for income tax	98 070	82 656
Costs for repair	11 114	39 575
Expenses for maintenance of leased and administrative buildings	36 354	23 933
Transportation costs	26 175	22 363
Communication services	31 393	19 824
Business trip expenses	17 168	11 339
Stationery	10 651	8 306
Professional membership contribution	1 772	1 488
Insurance costs	2 645	1 060
Entertainment expenses	4 445	3 682
Employees training	2 102	3 000
Costs for physical persons' deposits insurance	122 495	69 162
Other	140 631	83 608
Total administrative and other operating expenses	3 307 079	2 129 870

15 Segment Analysis

The main form of information representation as per segments of the Bank's activity is provision of information as per operating segments.

The operating segments are the company's elements carrying out financial and economic activity allowing to get incomes or providing for incurring of some expenses, whose operating results are on the regular basis analyzed by the official responsible for operating decisions, and with respect to which separate financial information is available. The official responsible for operating decisions may a person or group of persons dealing with distribution of resources and results of the company's activities.

The functions of the official responsible for operating decisions shall be exercised by the Bank's Management Board. In order to make operating decisions and resources distribution the Management Board uses the financial information based on IFRS.

Description of Products and Services being the Source of Income of the Reporting Segments

The Bank's operations are arranged in the three business-segments:

Corporate Banking Operations, representing the direct debit instruments, current accounts, deposits, overdrafts, loans and other lending instruments, foreign currency and derivative products.

Retail Banking Operations, representing the private banking services, private customers' current accounts, savings. deposits and consumer loans.

Investment Activity with respect to assets and liabilities, required for support of liquidity, requirements to Bank's financing and assets and liabilities management.

The segment information on the reporting segments assets for the period ended on September 30, 2013 is provided below:

<i>(in thousand tenge)</i>	Corporate banking	Retail banking	Investment activity	Total
Assets				
Funds in other banks	167 950	-	-	167 950
Loans and advances to customers	100 364 083	19 409 487		119 773 570
Financial assets available for sale			43 509 854	43 509 854
Дебиторская задолженность по сделкам обратного РЕПО				-
Other financial assets	465 864	58 416	100 030	624 310
Total assets under segments	100 997 897	19 467 903	43 609 884	164 075 684
Liabilities				
Customers' funds	136 142 510	28 229 004	-	164 371 514
Funds of large-scale institutions			40	40
Outstanding debt securities			10 349 607	10 349 607
Subordinated debt obligations			307 667	307 667
Other financial liabilities	93 537	12 386		105 923
Total liabilities under segments	136 236 047	28 241 390	10 657 314	175 134 751

The segment information on the reporting segment assets for the year ended as of December 31, 2012 is provided below:

<i>(in thousand tenge)</i>	Corporate banking	Retail banking	Investment activity	Total
Assets				
Funds in other banks	9 346	-	-	9 346
Loans and advances to customers	56 185 938	9 146 934		65 332 872
Financial assets available for sale	-	-	12 612 385	12 612 385
Other financial assets	336 791	91 676	100 030	528 497
Total assets under segments	56 532 075	9 238 610	12 712 415	78 483 100
Liabilities				
Customers' funds	56 393 440	16 566 606	-	72 960 046
Other financial liabilities	31 164	49 720	-	80 884
Total liabilities under segments	56 424 604	16 616 326	-	73 040 930

15 Segment Analysis (Continued)

The table below provides the segment information based on the activity results for the period ended as of September 30, 2013.

The Bank applies the transfer pricing system according to which every business segment depending on the surplus, or deficit of the resources for financing of its active operations either receives the transfer income or incurs the transfer expenses at the predetermined transfer rates as per currency and the term. This system allows to the Bank to get the objective view of the interest margin distribution among all operations, and determine the yield of each business segment.

<i>(in thousand tenge)</i>	Corporate banking	Retail banking	Investment activity	Elimination	Total
Interest Incomes	7 985 305	1 550 932	920 946		10 457 183
Interest Expenses	(2 921 812)	(1 332 308)	(614 632)		(4 868 752)
Internal interest incomes/expenses	862 270	899 920	(26 340)	(1 735 850)	-
Net interest incomes	5 925 763	1 118 544	279 974	(1 735 850)	5 588 431
Net provisions for credit portfolio devaluation	(2 183 037)	(247 734)	-		(2 430 772)
Net interest incomes after provisions for credit portfolio devaluation	3 742 726	870 810	279 974	(1 735 850)	3 157 659
Commission incomes under reported segments	887 009	101 302	8 317		996 628
Commission expenses under reported segments	(13 016)	(9 349)	(30 707)		(53 072)
Incomes from foreign currency transactions	314 926	5 271	(18 645)		301 552
Incomes from operations with financial assets available for sale	-	-	67 957		67 957
Results under the segment	4 931 645	968 034	306 896	(1 735 850)	4 470 724

15 Segment Analysis (Continued)

The table below provides the segment information on the activity results for the period ended as of September 30, 2012.

<i>(in thousand tenge)</i>	Corporate banking	Retail banking	Investment activity	Elimination	Total
Interest incomes	3 432 995	478 312	370 118		4 281 425
Interest expenses	(766 985)	(635 575)	(157 563)		(1 560 123)
Internal interest incomes/expenses	457 101	499 453	(14 870)	(941 684)	-
Net interest incomes	3 123 111	342 190	197 685	(941 684)	2 721 302
Net provisions for credit portfolio devaluation	(1 127 498)	(7 763)			(1 135 261)
Net interest incomes after provisions for credit portfolio devaluation	1 995 613	334 427	197 685	(941 684)	1 586 041
Commission incomes under reported segments	542 997	23 770	-		566 767
Commission expenses under reported segments	(9 417)	(18 345)	(12 944)		(40 706)
Incomes from foreign currency transactions	159 260				159 260
Incomes from transactions with financial assets available for			17 990		17 990
Results under the segment	2 688 453	339 852	202 731	(941 684)	2 289 352

See below the collation of incomes, assets and liabilities under the reported segments:

<i>(in thousand tenge)</i>	September 30 , 2013	December 31, 2012
Total assets under segments	164 075 684	78 483 100
Fixed assets	2 054 786	1 813 640
Cash and cash equivalents	25 398 437	8 286 492
Other assets	331 539	82 349
Total assets	191 860 446	88 665 581
Total liabilities under segments	175 134 751	73 040 930
Current income tax payable	198 298	15 547
Deferred tax liability	88 671	117 813
Other liabilities	382 405	107 490
Total liabilities	175 804 125	73 281 780

15 Segment Analysis (Continued)

See below collation of incomes, assets and liabilities under the reported segments (continued):

	September 30, 2013	September 30, 2012
<i>(in thousand tenge)</i>		
Total results under the segment	4 470 724	2 289 352
Other operating incomes	105 311	80 130
Administrative and other operating expenses	(3 307 079)	(2 129 870)
Net provisions under other operations	(11 054)	(57 369)
Income before taxation	1 257 902	182 243
Expenses for income tax	(214 529)	(3 691)
Income for the period	1 043 373	178 552

All Bank's incomes are generated within Kazakhstan. The geographical regions of the banking activities under the balance sheet are submitted by the Financial Risks Management Department for these Financial Statements based on the actual location of counteragents, that is on the basis of counteragents' economic risks, but not legal risks.

16 Financial Risks Management

Foreign Exchange Risk. Foreign exchange risk is the risk of expenses (losses) incurred in connection with change of foreign currencies exchange rates while the Bank's activities. The risk of expenses (losses) arises due to revaluation of the Bank's currency positions in terms of values thereof. The Bank has the assets and liabilities expressed in several foreign currencies. The foreign exchange risk arises in the cases, when the available or forecasted assets expressed in any foreign currency exceed or are less in value than the available or forecasted liabilities in the same currency.

The Bank manages its market risks through establishment of the limits on open positions under the financial instruments, repayment terms and currency, which are regularly controlled, revised and approved by the Bank's authorized body.

The Bank controls compliance with the established limits on foreign currencies on the daily basis. The table below provides the general analysis of the Bank's foreign exchange risk as of September 30, 2013:

<i>(in thousand tenge)</i>	Monetary financial assets	Monetary financial liabilities	Net balance position
Tenge	158 295 394	144 595 601	13 699 793
US dollars	30 044 295	29 440 741	603 554
Euro	942 760	935 186	7 574
Russian roubles	178 893	186 660	(7 767)
Pound sterling	11 227	(657)	11 884
Swiss franc	1 459	-	1 459
Chinese yuan	93	-	93
Total	189 474 121	175 157 531	14 316 590

The table below provides the general analysis of the Bank's foreign exchange risk as of December 31, 2012:

(in thousand tenge)

	Monetary financial assets	Monetary financial liabilities	Net balance position
Tenge	71 069 993	(56 907 041)	14 162 952
US dollars	12 930 797	(13 431 788)	(500 991)
Euro	2 417 834	(2 377 931)	39 903
Russian roubles	348 318	(324 170)	24 148
Pound Sterling	2 650	-	2 650
Total	86 769 592	(73 040 930)	13 728 662

Interest Rate Risk. The Bank assumes the risk resulting from adverse fluctuation of the market interest rates impact on its financial position and cash flows. Such fluctuations may increase the interest margin level, but in case of unexpected interest rates change the interest margin may decrease and result in losses. The Management establishes the limits with respect to the acceptable interest rates difference and controls compliance with the established limits on the regular basis.

The Bank applies gaps analysis for interest rate risk management. The Bank groups the financial assets and financial liabilities by terms of repayment or interest rate review, whichever is earlier, and calculates the gap for each group. The positive gap value means that increase of interests rates with the fixed repayment terms results in net interest income increase (decrease of interest rates results in net interest income decrease).

The negative gap value means that increase of the interest rates with the fixed repayment terms results in net interest income decrease (decrease of interest rates with the fixed repayment term results in net interest income decrease).

Also the Bank analyses the interest rates by the similar instruments available at the market and assesses the probable effect on the weekly basis.

The Bank monitors the interest rates on financial instruments. The table below provides the interest rates on the basis of the reports, analyzed by the Bank's key managers:

	Tenge	US dollars	Other
Assets			
Cash and cash equivalents	0,41	0,21	1,40
Loans and advances to customers	14,50	13,80	5,20
Financial assets available for sale	4,30	4,50	3,80
Liabilities			
Customers' funds	7,40	5,50	2,70
- Term deposits of legal entities	7,00	2,80	2,50
- Term deposits of physical persons	9,40	6,60	2,80

“-“ symbol in the table above means that the Bank has no interest rate-sensitive assets or liabilities, expressed in the corresponding currency.

16 Financial Risks Management (Continued)

Geographical Risk Concentration. See below the analysis of geographical concentration of the Bank's financial assets and liabilities as of September 30, 2013:

<i>(in thousand tenge)</i>	Kazakhstan	OECD	Other	Total
Financial Assets				
Cash and cash equivalents	17 965 811	7 186 954	245 672	25 398 437
Funds in other banks	167 950	-	-	167 950
Loans and advances to customers	119 773 570	-	-	119 773 570
Financial assets available for sale	36 084 046	-	7 425 808	43 509 854
Other financial assets	624 310	-	-	624 310
Total financial assets	174 615 687	7 186 954	7 671 480	189 474 121
Financial liabilities				
Customers' funds	164 219 864	96 895	54 756	164 371 515
Other financial liabilities	10 786 016	-	-	10 786 016
Total financial liabilities	175 005 880	96 895	54 756	175 157 531
Net balance position	(390 193)	7 090 059	7 616 724	14 316 590
Liabilities of credit nature, note 24	28 732 924	-	-	28 732 924

See below analysis of geographical concentration of the Bank's financial assets and liabilities as of December 31, 2012:

<i>(in thousand tenge)</i>	Kazakhstan	OECD	Other	Total
Financial Assets				
Cash and cash equivalents	4 520 028	3 378 744	387 720	8 286 492
Funds in other banks	9 346	-	-	9 346
Loans and advances to customers	65 332 872	-	-	65 332 872
Accounts receivable Reverse REPO transactions	-	-	-	-
Financial assets available for sale	9 907 939	164 400	2 540 046	12 612 385
Other financial assets	528 489	8	-	528 497
Total financial assets	80 298 674	3 543 152	2 927 766	86 769 592
Financial liabilities				
Customers' funds	72 862 937	60 100	37 009	72 960 046
Accounts payable under REPO transactions	-	-	-	-
Other financial liabilities	80 376	508	-	80 884
Total financial liabilities	72 943 313	60 608	37 009	73 040 930
Net balance position	7 355 361	3 482 544	2 890 757	13 728 662
Liabilities of credit nature, note 24	11 053 549	-	-	11 053 549

The assets and liabilities of credit nature as a rule are classified according to the country of counteragent's location. Cash monetary funds and fixed assets are classified according to the country of physical location thereof.

Other Risks Concentration. The Management controls and discloses the information of credit risk concentration based on the received reports containing the data on the borrowers with the total amount of disbursed loans exceeding 10 per cent of equity capital, concentration as per branches, regions and etc.

Liquidity Risk. The liquidity risk is defined as the risk that the Company may face the difficulties while its financial obligations fulfillment. The Bank is exposed to risk because of daily necessity to use the available monetary funds for settlement of accounts under overnight deposits, customers accounts, deposits repayment, disbursement of loans, payments under guarantee letters and derivative financial

instruments, payments under which are made by derivative monetary funds. The Bank does not accumulate the monetary funds for the case of necessity in one-time fulfillment of all above obligations, since based on the accumulated experience, with the sufficient accuracy extent it is possible to forecast the monetary funds level required for fulfillment of such obligations. The liquidity risk is managed by the Bank's Assets and Liabilities Management Committee.

The Bank tries to maintain the stable financing base consisting mainly of the other banks' funds, legal entities' deposits, physical persons deposits, and to invest the funds into the diversified liquid assets portfolios in order to be able quickly and without any difficulties to fulfill the unexpected liquidity requirements.

Bank's liquidity management requires analysis of the liquid assets level required for settlement of liabilities upon maturity thereof; provision of access to various sources of financing; availability of plans for the case of any problems with financing and provision of control of the balance liquidity ratios compliance with the legislative requirements.

The information on financial assets and liabilities is submitted to the Bank's Treasury Department. The Treasury Department provides availability of the adequate short-term liquid assets portfolio, mainly consisting of the short-term liquid trading securities, deposits in banks and other interbank instruments for maintenance of the sufficient liquidity level within the Bank, generally.

The treasury department controls the daily liquidity position and jointly with the Risk Department regularly performs stress-testing for liquidity at different scenarios covering the standard and more unfavorable market conditions.

The below table show distribution of liabilities as of September 30, 2013 and December 31, 2012 under the agreed terms remaining before repayment. The amounts provided in the table represent the contract non-discounted cash flows, and the total amount of liabilities connected with lending. Such non-discounted cash flows differ from the amounts reflected in the balance sheet, since the balance amounts are based on the discounted cash flows.

In the cases when the amount payable is not fixed, the amount in the table is determined on the basis of the conditions existing as of the reporting date. The foreign currency payments shall be translated using the spot exchange rate existing as of the reporting date.

16 Financial Risks Management (Continued)

The table below provides the analysis of financial liabilities as per terms of repayment as provided for by the contract conditions as of September 30, 2013:

(in thousand tenge)

	Upon demand and less than 1 month	from 1 up to 3 months	from 3 up to 12 months	from 12 months up to 5 years	more than 5 years	Total
Liabilities						
Customers' funds	76 077 766	9 946 692	44 191 934	34 079 722	75 401	164 371 515
Other financial liabilities	463 577	-	-	6 964 910	3 336 806	10 765 293
Unused credit facilities	28 732 924	-	-	-	-	28 732 924
Guarantees issued	1 193 706	10 348 038	9 520 832	8 469 806	-	29 532 382
Total potential future payments under financial liabilities	106 467 973	20 294 730	53 712 766	49 514 438	3 412 207	233 402 114

The table below provides the analysis of financial liabilities as per repayment terms as provided for by the contract conditions as of December 31, 2012

(in thousand tenge)

	Upon demand and less than 1 month	from 1 up to 3 months	from 3 up to 12 months	from 12 months up to 5 years до 5 лет	more than 5 years	Total
Liabilities						
Customers' funds	28 212 148	7 846 214	24 846 935	12 009 749	45 000	72 960 046
Other financial liabilities	13 201	-	-	67 383	300	80 884
Unused credit facilities	11 053 549	-	-	-	-	11 053 549
Guarantees issued	2 628 486	8 008 700	10 023 612	51 307	-	20 712 105
Total potential future payments under financial liabilities	41 907 384	15 854 914	34 870 547	12 128 439	45 300	104 806 584

16 Financial Risks Management (Continued)

For liquidity management the Bank does not use the above analysis as per repayment terms without discounting. Instead the Bank controls the expected repayment terms provided in the table below as of September 30, 2013:

(in thousand tenge)

	Upon demand and less than 1 month	from 1 up to 3 months	from 3 up to 12 months	from 12 months up to 5 years	more than 5 years	Total
Cash and cash equivalents	25 398 437	-	-	-	-	25 398 437
Funds in other banks	167 950	-	-	-	-	167 950
Loans and advances to customers	15 825 760	13 333 573	53 344 433	31 081 454	6 188 350	119 773 570
Financial assets available for sale	43 509 854	-	-	-	-	43 509 854
Other financial assets	605 493	561	15 839	2 407	10	624 310
Total financial assets	85 507 494	13 334 134	53 360 272	31 083 861	6 188 360	189 474 121
Customers' funds	76 077 766	9 946 692	44 191 934	34 079 722	75 401	164 371 515
Other financial liabilities	10 786 016	-	-	-	-	10 786 016
Total financial liabilities	86 863 782	9 946 692	44 191 934	34 079 722	75 401	175 157 531
Net gap as of September 31, 2013	(1 356 288)	3 387 442	9 168 338	(2 995 861)	6 112 959	14 316 590
Cumulative gap as of September 30, 2013	14 335 918	18 722 901	23 955 424	10 884 902	16 056 321	16 056 321

The table below provides the analysis as per expected maturities as of December 31, 2012:

(in thousand tenge)

	Upon demand and less than 1 month	from 1 up to 3 months	from 3 up to 12 months	from 12 months up to 5 years	more than 5 years	Total
Cash and cash equivalents	8 286 492	-	-	-	-	8 286 492
Funds in other banks	9 346	-	-	-	-	9 346
Loans and advances to customers	8 450 601	10 292 178	20 703 353	23 291 360	2 746 249	65 483 741
Financial assets available for sale	12 612 385	-	-	-	-	12 612 385
Financial assets available for sale	373 279	10 661	31 333	11 656	101 568	528 497
Financial assets available for sale	29 732 103	10 302 839	20 734 686	23 303 016	2 847 817	86 920 461
Customers' funds	28 212 148	7 846 214	24 846 935	12 009 749	45 000	72 960 046
Other financial liabilities	13 201	-	-	67 383	300	80 884
Total financial liabilities	28 225 349	7 846 214	24 846 935	12 077 132	45 300	73 040 930
Net gap as of December 31, 2012	1 506 754	2 456 625	(4 112 249)	11 225 884	2 802 517	13 879 531
Cumulative gap as of December 31, 2012	1 506 754	3 963 379	(148 870)	11 077 014	13 879 531	13 879 531

In the opinion of the Bank's management, coincidence and/or controlled non-coincidence of the terms of placement and repayment, and interest rates under assets and liabilities is the underlying factor for successful management of the Bank. In Banks, usually, no full coincidence under the specified positions exists, since the transactions frequently have uncertain repayment terms and different nature. Non-coincidence of such positions potentially increases yield of the activity, simultaneously increasing the risk of loss. Assets and liabilities maturities and possibility of interest liabilities substitution at the acceptable value upon maturities thereof are the important factors for assessment of the Bank's liquidity and its risks in case of interest rates and foreign exchange rates change.

17 Related Parties Transactions

The Parties are considered related if they are jointly controlled, or one of them has the possibility to control the other, or may have material impact on financial and operating decisions of the other party. When considering the relations with all related parties the Bank takes into account the economic content of such relations, but not only the legal form thereof.

See below the balances under the related parties transactions as of September 30, 2013 and December 31, 2012:

<i>(in thousand tenge, if not specified otherwise)</i>	September 30, 2013				December 31, 2012			
	interest rates	Shareholders	Members of the Management Board and of the Board of Directors	Other	interest rates	Shareholders	Members of the Management Board and of the Board of Directors	Other
Total amount of loans and advances to customers , in tenge	11%-21%	-	-	974 519	6%-12%	-	14 793	1 517 322
Total amount of loans and advances to customers , in US dollars	12,5%	250 809	-	-	12,5%	-	-	152 727
Customers' funds, customers' current accounts	-	35 931	13 930	683 423	-	25 053	2 052	353 686
Customers' funds, deposits in tenge	3%-10%	13 408	17 916	359 171	3%-10%	29 669	-	3 699 152
Customers' funds, deposits in US dollars	5,5%-7%	114 517	1 691 443	355 560	6,5%-7%	8 084	840 943	971 507
Customers' funds, deposits in Euro	2%	-	-	1 633	0	-	-	-
Unused credit facilities		7 592	41 343	26 000		-	-	-
Issued guarantees		-	-	-		-	-	65 520

See below income and expense items under related parties transactions for the period ended as of September 30, 2013 and December 31, 2012:

<i>(in thousand tenge)</i>	September 30, 2013			December 31, 2012		
	Shareholders	Members of the Management Board and of the Board of Directors	Other	Shareholders	Members of the Management Board and of the Board of Directors	Other
Interest incomes	11 861	-	115 490	-	1 905	141 651
Interest expenses	12 436	69 827	30 496	1 448	42 819	235 217
Commission incomes	-	-	-	-	-	-
Administrative and other operating expenses, including :		105 543		-	104 100	-
- amount of remuneration to the members of the Board of Directors		68 715		-	32 547	-
- amount of remuneration to the members of the Bank's Management Board		36 828		-	71 553	-

Chairman of the Management Board

Chief Accountant



M.K.Zhakubayeva

A.A.Dauletbekova