JOINT STOCK COMPANY KAZKOMMERTSBANK

Condensed Interim Consolidated Financial Information (Unaudited)
For the six months ended 30 June 2013

JOINT STOCK COMPANY KAZKOMMERTSBANK

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

Management is responsible for the preparation of the condensed interim consolidated financial information that presents fairly the consolidated financial position of the Joint Stock Company Kazkommertsbank ("the Bank") and its subsidiaries ("the Group") as at 30 June 2013 and the results of its operations for the three and the six month period then ended, as well as cash flows and changes in equity for the six month period then ended, in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

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

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

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the consolidated financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial information of the Group complies with IAS 34;
- Maintaining accounting records in compliance with legislation of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Detecting and preventing fraud and other irregularities.

The condensed interim consolidated financial information of the Group for the six months ended 30 June 2013 was approved by the Management Board of JSC Kazkommertsbank on 22 July 2013.

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairperson of the Board

22 July 2013
Almaty

Shoinbekova G.K.
Chief Accountant

22 July 2013
Almaty

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

To the Shareholders and Board of Directors of JSC Kazkommertsbank:

We have reviewed the accompanying condensed interim consolidated financial information of JSC Kazkommertsbank and its subsidiaries ("the Group") which comprises the interim consolidated statement of financial position as at 30 June 2013 and the related interim consolidated income statement and interim consolidated statement of comprehensive income for the three and the six months then ended, the interim consolidated statements of changes in equity and cash flows for the six months ended 30 June 2013, and a summary of significant accounting policies and selected explanatory information. Management of the Group is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Deloitte, LLP

22 July 2013
Almaty

JOINT STOCK COMPANY KAZKOMMERTSBANK

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Notes	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
Interest income	5, 18	56,124	56,697	113,771	114,628
Interest expense	5, 18	(26,215)	(27,352)	(53,442)	(54,811)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		29,909	29,345	60,329	59,817
Provision for impairment losses on interest bearing assets	6, 18	(19,824)	(24,236)	(37,501)	(49,908)
NET INTEREST INCOME		10,085	5,109	22,828	9,909
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	7	2,846	(6,865)	(1,567)	(2,440)
Net (loss)/gain on foreign exchange and precious metals operations	8	(603)	4,687	3,769	5,350
Fee and commission income		7,635	6,742	14,720	12,813
Fee and commission expense		(2,138)	(2,061)	(4,374)	(4,040)
Net realized gain on investments available-for-sale		12	4	71	614
Dividend income		247	8,449	252	8,454
Other income		3,790	1,016	6,405	2,709
NET NON-INTEREST INCOME		11,789	11,972	19,276	23,460
OPERATING EXPENSES	9, 18	(8,282)	(8,428)	(16,057)	(16,767)
PROFIT BEFORE OTHER OPERATING PROVISIONS		13,592	8,653	26,047	16,602
Provision for impairment losses on other transactions	6, 18	(2,090)	(1,133)	(5,118)	(1,576)
Provision for guarantees and other contingencies	6, 18	(2,041)	(750)	(2,353)	(139)
PROFIT BEFORE INCOME TAX		9,461	6,770	18,576	14,887
Income tax expense	10	(1,435)	(142)	(3,242)	(1,899)
NET PROFIT		8,026	6,628	15,334	12,988
Attributable to:					
Ordinary shareholders of the Parent		7,011	5,828	13,376	11,455
Preference shareholders of the Parent		932	751	1,767	1,442
Non-controlling interest		83	49	191	91
		8,026	6,628	15,334	12,988
EARNINGS PER SHARE					
Basic and diluted (KZT)	11	9.01	7.49	17.20	14.72

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairperson of the Board

22 July 2013
Almaty

Shoinbekova G.K.
Chief Accountant

22 July 2013
Almaty

The notes on pages 10-37 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY KAZKOMMERTSBANK

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
NET PROFIT FOR THE PERIOD	8,026	6,628	15,334	12,988
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Net (loss)/gain resulting on revaluation of property	(13)	73	(13)	73
Net (loss)/gain on cash flows hedges	(34)	91	462	231
Income tax	9	(18)	(85)	(46)
	(38)	146	364	258
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(639)	(1,332)	(1,167)	118
Net loss resulting on revaluation of available-for-sale investments during the period	(257)	(1,452)	(5)	(113)
Reclassification adjustment relating to available-for-sale investments disposed of in the period	(12)	(4)	(71)	(614)
Income tax	39	280	(8)	159
	(869)	(2,508)	(1,251)	(450)
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX	(907)	(2,362)	(887)	(192)
TOTAL COMPREHENSIVE INCOME	7,119	4,266	14,447	12,796
Attributable to:				
Ordinary shareholders of the Parent	6,026	3,596	12,279	10,919
Preference shareholders of the Parent	1,011	613	1,999	1,777
Non-controlling interest	82	57	169	100
TOTAL COMPREHENSIVE INCOME	7,119	4,266	14,447	12,796

On behalf of the Management Board of the Bank:

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22 July 2013
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JOINT STOCK COMPANY KAZKOMMERTSBANK

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013 (UNAUDITED)

	Notes	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
ASSETS:			
Cash and balances with national (central) banks	12	307,304	106,497
Precious metals		2,574	3,823
Financial assets at fair value through profit or loss	13	133,118	118,822
Loans and advances to banks and other financial institutions		113,095	146,703
Loans to customers	14, 18	1,901,811	1,917,692
Investments available-for-sale		18,619	15,682
Investments held to maturity		6,895	6,937
Goodwill		2,405	2,405
Property, equipment and intangible assets		33,781	32,520
Deferred income tax assets	10	2,044	4,220
Other assets		128,540	89,511
TOTAL ASSETS		2,650,186	2,444,812
LIABILITIES AND EQUITY			
LIABILITIES:			
Loans and advances from banks and other financial institutions		102,333	110,477
Customer accounts	15, 18	1,788,752	1,553,576
Financial liabilities at fair value through profit or loss	13	3,868	8,877
Debt securities issued	16	247,492	297,247
Other borrowed funds		17,045	18,631
Provisions	6	21,720	15,549
Dividends payable		396	40
Other liabilities		23,218	10,296
		2,204,824	2,014,693
Subordinated debt		122,979	122,150
Total liabilities		2,327,803	2,136,843
EQUITY:			
Equity attributable to equity holders of the Parent:			
Issued and outstanding share capital		9,009	9,008
Share premium reserve		194,687	194,721
Property and equipment revaluation reserve		5,659	5,808
Other reserves		111,544	97,117
Total equity attributable to equity holders of the Parent		320,899	306,654
Non-controlling interest		1,484	1,315
Total equity		322,383	307,969
TOTAL LIABILITIES AND EQUITY		2,650,186	2,444,812

On behalf of the Management Board of the Bank:

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22 July 2013
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Chief Accountant

22 July 2013
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JOINT STOCK COMPANY KAZKOMMERTSBANK

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Share capital (KZT million)	Treasury shares (KZT million)	Share premium reserve (KZT million)	Property and equipment revaluation reserve (KZT million)	Investments available-for-sale fair value deficit[1] (KZT million)	Cumulative translation reserve[1] (KZT million)	Hedging reserve[1] (KZT million)	Statutory reserves[1] (KZT million)	Retained earnings[1] (KZT million)	Total equity attributable to equity holders of the Parent (KZT million)	Non-controlling interest (KZT million)	Total equity (KZT million)
31 December 2011	9,044	(21)	194,924	5,488	(621)	(1,273)	402	172,009	55,568	435,520	1,112	436,632
Net profit	-	-	-	-	-	-	-	-	12,897	12,897	91	12,988
Other comprehensive income	-	-	-	66	(568)	116	185	-	-	(201)	9	(192)
Total comprehensive income	-	-	-	66	(568)	116	185	-	12,897	12,696	100	12,796
Transfer to statutory reserve	-	-	-	-	-	-	-	12,115	(12,115)	-	-	-
Repurchase of treasury shares	-	(8)	(150)	-	-	-	-	-	-	(158)	-	(158)
Release of property and equipment revaluation reserve due to depreciation and disposal of previously revalued assets	-	-	-	(38)	-	-	-	-	38	-	-	-
30 June 2012 (unaudited)	9,044	(29)	194,774	5,516	(1,189)	(1,157)	587	184,124	56,388	448,058	1,212	449,270

JOINT STOCK COMPANY KAZKOMMERTSBANK

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Share capital	Treasury shares	Share premium reserve	Property and equipment revaluation reserve	Investments available-for-sale fair value deficit [1]	Cumulative translation reserve[1]	Hedging reserve[1]	Statutory reserves[1]	Retained earnings[1]	Total equity attributable to equity holders of the Parent	Non-controlling interest	Total equity
	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)	(KZT million)
31 December 2012	9,044	(36)	194,721	5,808	(98)	122	591	802	95,700	306,654	1,315	307,969
Net profit	-	-	-	-	-	-	-	-	15,143	15,143	191	15,334
Other comprehensive income	-	-	-	(5)	(84)	(1,145)	369	-	-	(865)	(22)	(887)
Total comprehensive income	-	-	-	(5)	(84)	(1,145)	369	-	15,143	14,278	169	14,447
Transfer to statutory reserve	-	-	-	-	-	-	-	4,302	(4,302)	-	-	-
Sale/(repurchase) of treasury shares	-	1	(34)	-	-	-	-	-	-	(33)	-	(33)
Release of property and equipment revaluation reserve due to depreciation and disposal of previously revalued assets	-	-	-	(144)	-	-	-	-	144	-	-	-
30 June 2013 (unaudited)	9,044	(35)	194,687	5,659	(182)	(1,023)	960	5,104	106,685	320,899	1,484	322,383

[1]The amounts included within the Investments available-for-sale fair value (deficit)/reserve, Cumulative translation reserve, Hedging reserve, Statutory reserves and Retained earnings, in the above table, are included within "Other reserves" in the interim consolidated statement of financial position.

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairperson of the Board

22 July 2013
Almaty

Shoinbekova G.K.
Chief Accountant

22 July 2013
Almaty

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received on loans and advances to banks and other financial institutions	716	1,296
Interest received from financial assets at fair value through profit or loss	3,403	3,753
Interest received from loans to customers	79,169	84,310
Interest received from investments available-for-sale	458	377
Interest received from investments held to maturity	138	149
Interest paid on loans and advances from banks and other financial institutions	(1,168)	(2,085)
Interest paid on customer accounts	(37,800)	(32,092)
Interest paid on debt securities issued	(14,979)	(17,367)
Interest paid on other borrowed funds	(596)	(673)
Interest paid on subordinated debt	(3,599)	(5,038)
Fee and commission received	14,828	12,432
Fee and commission paid	(4,386)	(4,087)
Other income received	6,398	2,668
Operating expenses paid	(14,485)	(15,034)
Cash inflow from operating activities before changes in operating assets and liabilities	28,097	28,609
Changes in operating assets and liabilities		
(Increase)/decrease in operating assets:		
Funds deposited with National Bank of the Republic of Kazakhstan	(4,780)	2,985
Funds deposited with Central Bank of Russian Federation	927	(73)
Funds deposited with National Bank of the Kyrgyz Republic	(41)	(30)
Funds deposited with National Bank of Tajikistan	(39)	(5)
Precious metals	1,249	(2,262)
Financial assets at fair value through profit or loss	(20,372)	51,096
Loans and advances to banks and other financial institutions	4,550	(20,306)
Loans to customers	(4,434)	(57,299)
Other assets	(20,375)	(2,544)
Increase/(decrease) in operating liabilities:		
Loans and advances from banks and other financial institutions	(8,608)	24,358
Customer accounts	233,040	(26,070)
Other liabilities	12,972	1,460
Cash inflow/(outflow) from operating activities before taxation	222,186	(81)
Income tax paid	(1,159)	(233)
Net cash inflow/(outflow) from operating activities	221,027	(314)

JOINT STOCK COMPANY KAZKOMMERTSBANK

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Notes	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets		(1,996)	(829)
Proceeds on sale of property, equipment and intangible assets		14	646
Dividends received		252	8,454
Proceeds on sale of investments available-for-sale		3,511	2,603
Purchase of investments available-for-sale		(6,411)	(1,141)
Purchase of investments held to maturity		(252)	(2,700)
Proceeds on maturity of investments held to maturity		180	100
Net cash (outflow)/inflow from investing activities		(4,702)	7,133
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repurchase of treasury shares		(33)	(158)
Proceeds from debt securities issued		1,486	6,677
Repurchase and repayment of debt securities issued		(50,085)	(28,521)
Repayment of other borrowed funds		(1,421)	(2,933)
Net cash outflow from financing activities		(50,053)	(24,935)
Effect of changes in foreign exchange rate on cash and cash equivalents		930	(24)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		167,202	(18,140)
CASH AND CASH EQUIVALENTS, beginning of period	12	178,245	78,064
CASH AND CASH EQUIVALENTS, end of period	12	345,447	59,924

On behalf of the Management Board of the Bank:

Zhussupova N.A.
Chairperson of the Board

22 July 2013
Almaty

Shoinbekova G.K.
Chief Accountant

22 July 2013
Almaty

The notes on pages 10-37 form an integral part of this condensed interim consolidated financial information.

1. ORGANISATION

Joint Stock Company ("JSC") Kazkommertsbank ("the Bank", or "Kazkommertsbank") is a Joint Stock Company and has operated in the Republic of Kazakhstan since 1990. The Bank's activities are regulated by the National Bank of the Republic of Kazakhstan ("the NBRK") and by the Committee for control and supervision of financial market and financial organizations of the NBRK ("the FMSC") in accordance with the license № 48 dated 27 December 2007. The Bank's primary business consists of commercial banking activities, operations with securities, foreign currencies and derivative instruments, originating loans and guarantees.

The registered office of the Bank is located at: 135Zh, Gagarin Str., Almaty, 050060, the Republic of Kazakhstan.

As at 30 June 2013 and 31 December 2012, the Bank has 23 branches in the Republic of Kazakhstan.

Kazkommertsbank is the Parent company of the banking group ("the Group"). The subsidiaries consolidated in the condensed interim consolidated financial information for the six months ended 30 June 2013 are consistent with those presented in the consolidated financial statements for the year ended 31 December 2012:

Name	Country of operation	Proportion or ownership interest/voting rights 30 June 2013 (unaudited)	31 December 2012	Type of operation
JSC Kazkommerts Securities	Republic of Kazakhstan	100%	100%	Securities market transactions
LLP Processing Company	Republic of Kazakhstan	100%	100%	Payment card processing and other related services
Kazkommerts International B.V.	Kingdom of Netherlands	100%	100%	Raising funds for the Bank on international capital markets
Kazkommerts Finance II B.V.	Kingdom of Netherlands	100%	100%	Raising funds for the Bank on international capital markets
Kazkommerts Capital II B.V.	Kingdom of Netherlands	100%	100%	Raising funds for the Bank on international capital markets
JSC OCOPAIM GRANTUM Asset Management	Republic of Kazakhstan	100%	100%	Investment management of pension assets
JSC Life Insurance Company Kazkommerts Life	Republic of Kazakhstan	100%	100%	Life insurance
CJSC Kazkommertsbank Tajikistan	Republic of Tajikistan	100%	100%	Commercial bank
JSC Insurance Company Kazkommerts-Policy	Republic of Kazakhstan	100%	100%	Insurance
OJSC Commercial Bank Moskommertsbank	Russian Federation	100%	100%	Commercial bank
KUSA-KKB-1 LLP	Republic of Kazakhstan	100%	-	Management of stress assets
KUSA KKB-2 LLP	Republic of Kazakhstan	100%	-	Management of stress assets
OJSC Kazkommertsbank Kyrgyzstan	Kyrgyz Republic	95.75%	95.75%	Commercial bank
JSC Grantum APF	Republic of Kazakhstan	82.52%	82.52%	Pension fund

In December 2011, Kazakhstan adopted the Law of the Republic of Kazakhstan on the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan regarding the Regulation of Banking Activities and Financial Institutions with Respect to Risk Mitigation, which stipulated that commercial banks create special subsidiaries to purchase banks' non-working (stress) assets and manage them. On 28 January 2013, the Bank's special subsidiaries for the management of stress assets – KUSA-KKB-1 LLP and KUSA KKB-2 LLP - were registered by the Ministry of Justice of the Republic of Kazakhstan.

2. BASIS OF PRESENTATION

Accounting basis

The condensed interim consolidated financial information of the Group has been prepared in accordance with International Accounting Standard ("IAS") 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 condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements and with selective notes to the consolidated financial statements of the Group for the year ended 31 December 2012.

The condensed interim consolidated financial information has been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments according to IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") and measurement of property and equipment at revalued amounts according to IAS 16, Property, Plant and Equipment ("IAS 16").

The preparation of the condensed interim consolidated financial information in conformity with IAS 34 requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities of the Group, and disclosure of contingent assets and liabilities at the reporting date, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to change relate to the allowance for impairment of loans and receivables and determination of the fair value of financial instruments.

The condensed interim consolidated financial information reflects all adjustments that, in the opinion of management of the Group, are necessary for a fair presentation of the results of operations for the interim period. All such adjustments to the financial information are of a normal, recurring nature. Because the results from common banking activities are closely related and responsive to changes in market conditions, the results for any interim period are not necessarily indicative of the results that can be expected for the year.

Functional currency

Items included in the financial statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The reporting currency of this condensed interim consolidated financial information is the Kazakhstan tenge ("KZT").

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing this condensed interim consolidated financial information 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. There were no changes in accounting policies during the six months ended 30 June 2013, except for the accounting policies and impact of the adoption of the Standards and Interpretations described below.

Valuation of financial instruments

The Group classifies its financial instruments using a fair value hierarchy that reflects the significance of the inputs used in measuring the fair value of those instruments. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below summarizes the Group's financial assets and liabilities held at fair value by valuation methodology at 30 June 2013 and 31 December 2012, respectively:

Category as per the interim consolidated statement of financial position		**Quoted prices in active markets (Level 1) (KZT million)**	**Internal models based on market prices (Level 2) (KZT million)**	**Internal models (unobservable inputs) (Level 3) (KZT million)**	**30 June 2013 (unaudited) Total (KZT million)**
Assets:					
Trading assets	Debt securities	124,172	-	86	124,258
	Equity investments	5,337	-	-	5,337
Derivative financial instruments	Foreign exchange and interest rate contracts	-	3,523	-	3,523
Investments available-for-sale	Debt securities	17,064	-	-	17,064
	Equity securities	1,555	-	-	1,555
Total		148,128	3,523	86	151,737
Liabilities:					
Derivative financial instruments	Foreign exchange and interest rate contracts	-	3,868	-	3,868
Total		-	3,868	-	3,868

Category as per the consolidated statement of financial position		Quoted prices in active markets (Level 1) (KZT million)	Internal models based on market prices (Level 2) (KZT million)	Internal models (unobservable inputs) (Level 3) (KZT million)	31 December 2012 Total (KZT million)
Assets:					
Trading assets	Debt securities	103,561	-	83	103,644
	Equity investments	6,355	-	-	6,355
Derivative financial instruments	Foreign exchange and interest rate contracts	-	8,823	-	8,823
Investments available-for-sale	Debt securities	13,965	-	-	13,965
	Equity securities	1,717	-	-	1,717
Total		125,598	8,823	83	134,504
Liabilities:					
Derivative financial instruments	Foreign exchange and interest rate contracts	-	8,877	-	8,877
Total		-	8,877	-	8,877

Securities lending and repurchase agreements

The Group has a plan to borrow and lend securities and to sell securities under agreements to repurchase (repos) and to purchase securities under agreements to resell (reverse repos). The securities lent or sold under agreements to repurchase are transferred to a third party and the Group receives cash in exchange, or other financial assets.

The Group has determined that it retains substantially all the risks and rewards of these securities, which include credit risk and market risk, and therefore it has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

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

As at 30 June 2013, the fair value of securities transferred as collateral under loans under repurchase agreements amounted to KZT 67,407 million (31 December 2012: KZT 77,936 million).

	Financial assets at fair value through profit or loss
Total carrying amount of the original assets before the transfer	67,342
As at 30 June 2013 (unaudited):	
Carrying amount of assets	67,407
Carrying amount of associated liabilities (loans under repurchase agreements)	61,497
Total carrying amount of the original assets before the transfer	77,936
As at 31 December 2012:	
Carrying amount of assets	77,936
Carrying amount of associated liabilities (loans under repurchase agreements)	71,486

As at 30 June 2013, the fair value of securities received as collateral under reverse repurchase agreements amounted to KZT 9,699 million (31 December 2012: KZT 11,623 million).

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements 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.

Application of IFRS 12 Disclosure of Interests in Other Entities resulted in more extensive disclosures in the interim condensed consolidated financial statements (see Note 1).

IFRS 13 *Fair Value Measurement*

IFRS 13 Fair Value Measurement establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 Fair Value Measurement is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures amount fair value measurements, except in specified circumstances. Application of IFRS 13 Fair Value Measurement resulted in more extensive disclosures in the interim condensed consolidated financial information (see Note 3).

Amendments to IAS 1 Presentation of Financial Statements "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 amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

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 Group provides this disclosure as total segment assets and was previously reported to the chief operating decision maker.

However, this amendment does not impact the disclosure as the Group disclosed previously total segment liabilities also (Note 19).

4. RECLASSIFICATIONS

For the six months ended 30 June 2012, some accounts of interim consolidated financial statements were reclassified for consistency with current period information. The Management of the Group reclassified commission expenses on insurance activity from fee and commission expenses to other income, as they believe that such classification better reflects the nature of these expenses.

As per Interim Consolidated Income Statement	**Amount (KZT million)**	**As per previous report Six months ended 30 June 2012 (unaudited) (KZT million)**	**As per reclassified report Six months ended 30 June 2012 (unaudited) (KZT million)**
Fee and commission expense	2,117	(6,157)	(4,040)
Other income	(2,117)	4,826	2,709
As per Interim Consolidated Statement of Cash flows			
Fee and commission paid	2,117	(6,204)	(4,087)
Other income received	(2,117)	4,785	2,668

5. NET INTEREST INCOME

	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
Interest income comprise:				
Interest income on financial assets recorded at amortized cost:				
- interest income on homogenous and individually assessed watch assets	35,332	37,707	70,945	72,375
- interest income on impaired financial assets	13,988	12,327	27,325	27,687
- interest income on unimpaired financial assets	5,113	5,138	12,120	11,141
Interest income on financial assets at fair value through profit or loss	1,502	1,349	2,978	3,060
Interest income on investments available-for-sale	189	176	403	365
Total interest income	56,124	56,697	113,771	114,628
Interest income on financial assets recorded at amortized cost comprise:				
Interest on loans to customers	54,055	54,256	109,444	109,681
Interest on loans and advances to banks and other financial institutions	324	788	831	1,362
Interest on investments held to maturity	54	128	115	160
Total interest income on financial assets recorded at amortized cost	54,433	55,172	110,390	111,203
Interest income on financial assets at fair value through profit or loss:				
Interest income on financial assets held-for-trading	1,502	1,349	2,978	3,060
Total interest income on financial assets at fair value through profit or loss	1,502	1,349	2,978	3,060
Interest income on investments available-for-sale	189	176	403	365
Total interest income	56,124	56,697	113,771	114,628
Interest expense comprise:				
Interest expense on financial liabilities recorded at amortized cost	26,215	27,352	53,442	54,811
Total interest expense	26,215	27,352	53,442	54,811
Interest expense on financial liabilities recorded at amortized cost comprise:				
Interest on customer accounts	17,867	16,601	35,724	33,328
Interest on debt securities issued	5,068	6,121	10,925	12,392
Interest on subordinated debt	2,209	2,912	4,384	5,894
Interest on loans and advances from banks and other financial institutions	621	1,187	1,487	2,098
Preference share dividends	178	174	351	377
Other interest expense	272	357	571	722
Total interest expense on financial liabilities recorded at amortized cost	26,215	27,352	53,442	54,811
Net interest income before provision for impairment losses on interest bearing assets	29,909	29,345	60,329	59,817

6. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

Individually assessed watch assets represent loans with some minor indicators of deterioration in credit quality not yet resulting in the impairment of the loan. Such indicators may include minor breaches of loan covenants, and/or some factors leading to the deterioration of the financial position of the borrower, which are not yet affecting the ability of the borrower to repay the amounts in due course. Watch list loans are subject to stricter monitoring of financial position, collateral and other enhanced credit risk management tools in comparison with unimpaired assets.

The Group expects changes in the banking legislation of the Republic of Kazakhstan regarding the introduction of general dynamic reserves in 2013. This general dynamic reserve is supposed to be created through an appropriation of retained earnings in the equity of the Bank on the basis of the methodology approved by the regulator of the Republic of Kazakhstan. The methodology involves the creation of several pools of loans for which there is a risk of unexpected loss detection. Additionally the methodology requires a counter-cyclical tool that will neutralize the effect of the financial and economic crisis on the banking system of the Republic of Kazakhstan.

The Group classifies corporate loans as non-performing and accordingly impaired if there is a default on payment of the principal or accrued interest for 30 days or more.

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

	Loans and advances to banks and other financial institutions (KZT million)	**Loans to customers (KZT million) (Note 14)**	**Investments available-for-sale (KZT million)**	**Total (KZT million)**
31 March 2012 (unaudited)	208	681,718	186	682,112
(Recovery of provision)/additional provision recognized	(2)	24,238	-	24,236
Write-off of assets	-	(7,573)	-	(7,573)
Foreign exchange difference	(13)	4,007	-	3,994
30 June 2012 (unaudited)	193	702,390	186	702,769
31 March 2013 (unaudited)	127	920,316	147	920,590
Additional provision recognized	23	19,762	39	19,824
Write-off of assets	-	(2,357)	-	(2,357)
Foreign exchange difference	1	2,608	-	2,609
30 June 2013 (unaudited)	151	940,329	186	940,666
31 December 2011	160	658,108	186	658,454
Additional provision recognized	47	49,861	-	49,908
Write-off of assets	-	(10,429)	-	(10,429)
Foreign exchange difference	(14)	4,850	-	4,836
30 June 2012 (unaudited)	193	702,390	186	702,769
31 December 2012	280	923,287	186	923,753
(Recovery of provision)/additional provision recognized	(130)	37,631	-	37,501
Write-off of assets	-	(22,725)	-	(22,725)
Foreign exchange difference	1	2,136	-	2,137
30 June 2013 (unaudited)	151	940,329	186	940,666

As at 30 June 2013, the Group has identified certain corporate customer loans, where under the contractual terms of the loan agreements there are no cash flows to the Group in the next few years. These loans are considered impaired by management. In accordance with IAS 39, interest should continue to be accrued on impaired loans, even where there are doubts in relation to its collection. The accrued interest income on these loans for the six months ended 30 June 2013 amounted to KZT 20,963 million (30 June 2012: KZT 21,244 million). Management has established an allowance for loan losses against this interest. While there is currently evidence of impairment, the Group continues to progress work out strategies on these loans. The Group regularly evaluates probability of cash flows and introduces respective changes to the list of these corporate loans.

	30 June 2013 (unaudited) (KZT million)	**31 December 2012 (KZT million)**
Insurance provisions, gross	16,681	12,876
Reinsurance share in provision	(4,132)	(3,322)
	12,549	9,554

The movements in insurance provisions, allowances for impairment losses on other transactions were as follows:

	Insurance provisions, gross (KZT million)	**Other assets (KZT million)**	**Total (KZT million)**
31 March 2012 (unaudited)	8,478	3,879	12,357
Additional provision recognized	638	495	1,133
Write-off of assets	-	(63)	(63)
Foreign exchange difference	-	37	37
30 June 2012 (unaudited)	9,116	4,348	13,464
31 March 2013 (unaudited)	16,353	5,709	22,062
Additional provision recognized	328	1,274	1,602
Write-off of assets	-	(693)	(693)
Foreign exchange difference	-	5	5
30 June 2013 (unaudited)	16,681	6,295	22,976
31 December 2011	8,200	3,773	11,973
Additional provision recognized	916	660	1,576
Write-off of assets	-	(128)	(128)
Foreign exchange difference	-	43	43
30 June 2012 (unaudited)	9,116	4,348	13,464
31 December 2012	12,876	4,890	17,766
Additional provision recognized	3,805	2,123	5,928
Write-off of assets	-	(728)	(728)
Foreign exchange difference	-	10	10
30 June 2013 (unaudited)	16,681	6,295	22,976

Insurance provisions, net of reinsurance, comprised:

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)	30 June 2012 (unaudited) (KZT million)
Annuity insurance	7,439	4,432	4,095
Civil liability for damage	2,262	1,851	497
Property	899	1,395	1,967
Civil liability for owners of vehicles	605	645	665
Life insurance	363	252	204
Medical insurance	295	276	-
Accidents	223	226	348
Vehicles	206	193	240
Freight	97	104	88
Financial loss insurance	47	71	190
Other	113	109	822
	12,549	9,554	9,116

Other includes provisions for insurance of private lawyers, auditors and audit organizations, medical, owners of air and marine transport and others.

The movements in provision for guarantees and other contingencies were as follows:

	Guarantees and other contingencies (KZT million)
31 March 2012 (unaudited)	1,916
Additional provision recognized	750
Foreign exchange difference	10
30 June 2012 (unaudited)	2,676
31 March 2013 (unaudited)	2,983
Additional provision recognized	2,041
Foreign exchange difference	15
30 June 2013 (unaudited)	5,039
31 December 2011	2,524
Additional provision recognized	139
Foreign exchange difference	13
30 June 2012 (unaudited)	2,676
31 December 2012	2,673
Additional provision recognized	2,353
Foreign exchange difference	13
30 June 2013 (unaudited)	5,039

The movements in provision for reinsurance assets were as follows:

	Reinsurance assets (KZT million)
31 December 2012	(3,322)
Reinsurance share in provision	(810)
30 June 2013 (unaudited)	(4,132)

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

	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
Net gain/(loss) on financial assets and liabilities held-for-trading	2,846	(6,865)	(1,567)	(2,440)
	2,846	(6,865)	(1,567)	(2,440)
Net gain/(loss) on financial assets and liabilities held-for-trading comprise:				
Realized gain on trading operations	17	79	264	768
Unrealized (loss)/gain on fair value adjustment	(84)	(3,132)	931	(1,657)
Net gain/(loss) on operations with derivative financial instruments	2,913	(3,812)	(2,762)	(1,551)
	2,846	(6,865)	(1,567)	(2,440)

8. NET (LOSS)/GAIN ON FOREIGN EXCHANGE AND PRECIOUS METALS OPERATIONS

	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
Translation differences, net	1,549	3,517	2,772	2,741
Dealing, net	(2,152)	1,170	997	2,609
	(603)	4,687	3,769	5,350

9. OPERATING EXPENSES

	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
Staff costs	4,156	4,510	8,411	9,333
Depreciation and amortization	809	810	1,539	1,617
Property and equipment maintenance	630	641	1,171	1,122
Lease	545	625	1,064	1,238
Taxes, other than income tax	444	347	843	665
Advertising and communications costs	435	438	842	859
Security	233	242	437	333
Bank card services	219	208	425	419
Other expenses	811	607	1,325	1,181
	8,282	8,428	16,057	16,767

10. INCOME TAX

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Bank and its subsidiaries operate; such tax accounts may differ from IFRS.

The Group is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and a tax free regime for certain income.

Deferred taxes reflect the net tax effects of temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 30 June 2013 and 31 December 2012 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Tax effect of temporary differences as at 30 June 2013 and 31 December 2012:

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Deferred income tax assets:		
Tax losses carried forward on securities and derivatives	3,489	3,391
Tax losses carried forward on business activities	1,036	3,070
Unrealised loss on trading securities and derivatives	981	1,016
Allowance for impairment losses on loans and advances to banks and customers	739	533
Bonuses accrued	661	459
Unrealised gain on revaluation of financial instruments treated as cash flow hedges	14	-
Provision on guarantees and letters of credit	-	1
Other assets	65	273
Total deferred income tax assets	6,985	8,743
Deferred income tax liabilities:		
Property, equipment and intangible assets	(2,168)	(2,151)
Unrealised gain on trading securities and derivatives	(1,593)	(1,538)
Provision for guarantees and other contingencies	(4)	-
Unrealised gain on revaluation of financial instruments treated as cash flow hedges	-	(147)
Other liabilities	(3)	(3)
Total deferred income tax liabilities	(3,768)	(3,839)
Unrecognized deferred tax asset	(1,173)	(684)
Net deferred income tax assets	2,044	4,220

Relationships between tax expenses and accounting profit for the six months ended 30 June 2013 and 2012 are explained as follows:

	Three months ended 30 June 2013 (unaudited) (KZT million)	**Three months ended 30 June 2012 (unaudited) (KZT million)**	**Six months ended 30 June 2013 (unaudited) (KZT million)**	**Six months ended 30 June 2012 (unaudited) (KZT million)**
Profit before income tax	9,461	6,770	18,576	14,887
Tax at the statutory tax rate (20%)	1,892	1,354	3,715	2,977
Tax effect of permanent differences:				
- tax exempt income	(1,072)	(2,175)	(2,185)	(2,476)
- non-deductible expense	615	963	1,712	1,398
Income tax expense	1,435	142	3,242	1,899
Current income tax (benefit)/expense	(1,139)	-	1,159	225
Deferred income tax expense	2,574	142	2,083	1,674
Income tax expense	1,435	142	3,242	1,899

The corporate income tax rate in the Republic of Kazakhstan was 20% during the six months ended 30 June 2013 and 2012.

	Six months ended 30 June 2013 (unaudited) (KZT million)	**Year ended 31 December 2012 (KZT million)**
Deferred income tax (assets)/liabilities		
As at beginning of the period	(4,220)	29,131
Increase/(decrease) of deferred tax asset	2,083	(33,534)
Change in hedging reserve	92	47
Change in available-for-sale reserve	8	136
Change in deferred tax liability from revaluation of property and equipment	(7)	-
As at end of the period	(2,044)	(4,220)

11. EARNINGS PER SHARE

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

Dividend payments per ordinary shares cannot exceed the dividends per share on preference shares for the same period. Therefore, net profit for the period is allocated to the ordinary shares and the preference shares in accordance with their legal and contractual dividend rights to participate in undistributed earnings:

	Three months ended 30 June 2013 (unaudited) (KZT million)	Three months ended 30 June 2012 (unaudited) (KZT million)	Six months ended 30 June 2013 (unaudited) (KZT million)	Six months ended 30 June 2012 (unaudited) (KZT million)
Basic and diluted earnings per share				
Net profit attributable to equity holders of the Parent	7,943	6,579	15,143	12,897
Less: additional dividends that would be paid on full distribution of profit to the preferred shareholders	(932)	(751)	(1,767)	(1,442)
Net profit attributable to ordinary shareholders	7,011	5,828	13,376	11,455
Weighted average number of ordinary shares for basic and diluted earnings per share	777,909,898	778,033,262	777,824,902	778,085,049
Earnings per share – basic and diluted (KZT)	9.01	7.49	17.20	14.72

The book value per share for each type of shares as at 30 June 2013 and 31 December 2012 is as follows:

	30 June 2013 (unaudited)			31 December 2012		
Type of shares	**Outstanding shares**	**Net asset value (KZT million)**	**Book value per share, KZT**	**Outstanding shares**	**Net asset value (KZT million)**	**Book value per share, KZT**
Ordinary shares	777,773,078	314,340	404.15	777,588,523	300,454	386.39
Preferred shares	123,088,628	13,407	108.92	123,209,769	13,038	105.82
		327,747			313,492	

The number of outstanding ordinary and preferred shares is calculated net of treasury shares.

According to amendments enacted to the Kazakhstan Stock Exchange ("the KASE") Listing Rules effective from 25 August 2010, listed companies are required to present book value per share (ordinary and preferred) in their financial statements. The Management of the Group believes that the book value per share is calculated in accordance with the methodology in the KASE Listing Rules.

12. CASH AND BALANCES WITH NATIONAL (CENTRAL) BANKS

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Cash on hand	50,109	50,188
Balances with the national (central) banks	257,195	56,309
	307,304	106,497

Cash and cash equivalents for the purposes of the interim consolidated statement of cash flows are comprised of the following:

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)	30 June 2012 (unaudited) (KZT million)
Cash and balances with national (central) banks	307,304	106,497	81,196
Loans and advances to banks with original maturities less than 3 months	83,060	112,733	33,625
Less funds deposited with the National Bank of the Republic of Kazakhstan ("the NBRK")	(42,586)	(37,806)	(51,668)
Less funds deposited with the Central Bank of Russian Federation ("the CBR")	(2,047)	(2,974)	(2,989)
Less funds deposited with the National Bank of the Kyrgyz Republic ("the NBKR")	(174)	(133)	(156)
Less funds deposited with the National Bank of Tajikistan ("the NBT")	(110)	(72)	(84)
	345,447	178,245	59,924

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

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Debt securities	124,258	103,644
Equity investments	5,337	6,355
Derivative financial instruments	3,523	8,823
	133,118	118,822

	Notional amount	30 June 2013 (unaudited) Fair value (KZT million)		Notional amount	31 December 2012 Fair value (KZT million)	
		Assets	Liabilities		Assets	Liabilities
Derivative financial instruments:						
Foreign exchange contracts:						
Swaps	221,743	3,503	(2,945)	166,073	8,701	(1,514)
Spot	6,320	20	(17)	21,723	23	(12)
Forwards	-	-	-	4,540	22	-
Interest rate contracts:						
Swaps	8,978	-	(906)	34,193	77	(7,351)
		3,523	(3,868)		8,823	(8,877)

As at 30 June 2013, the Group used quoted market prices from independent information sources to value all of its financial assets at fair value through profit or loss, with the exception of derivative financial instruments, which are valued using valuation models based on market data, and certain debt securities, which are valued using valuation models based on non-observable market data.

14. LOANS TO CUSTOMERS

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Recorded as loans and receivables:		
Originated loans	2,835,246	2,834,240
Net investments in finance lease	6,894	6,739
	2,842,140	2,840,979
Less allowance for impairment losses	(940,329)	(923,287)
	1,901,811	1,917,692

As at 30 June 2013, accrued interest income included in loans to customers amounted to KZT 368,311 million (31 December 2012: KZT 371,611 million).

Movements in allowances for impairment losses on loans to customers for the six months ended 30 June 2013 and 2012 are disclosed in Note 6.

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

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Analysis by type of collateral:		
Loans collateralized by real estate	1,083,355	1,053,504
Loans collateralized by equipment	377,107	400,186
Loans collateralized by inventories	146,239	175,388
Loans collateralized by shares of the banks and other companies	128,961	135,693
Loans collateralized by accounts receivable	56,791	61,316
Loans collateralized by mixed types of collateral	17,312	11,667
Loans collateralized by cash or Kazakhstan Government guarantees	8,464	15,977
Loans collateralized by guarantees of enterprises	5,391	11,579
Loans with collateral under the registration process (property, land, shares, guarantees, etc.)	1,597	7,883
Unsecured loans	76,594	44,499
	1,901,811	1,917,692

Mixed collateral consists of multiple types of collateral including real estate, guarantees and inventories. Loans are classified as being collateralized by mixed collateral where it is impractical to split this collateral into the categories disclosed above.

In addition to the collateral disclosed above, as at 30 June 2013, the Bank has its own bonds and Eurobonds (previously issued by its subsidiary Kazkommerts Finance II B.V.) with a fair value of KZT 47 million (USD 313 thousand) (31 December 2012: KZT 47 million (USD 313 thousand)) as collateral for certain loans.

	30 June 2013 (unaudited) (KZT million)	**31 December 2012 (KZT million)**
Analysis by sector:		
Housing construction	520,998	504,032
Commercial real estate construction	295,325	296,818
Individuals	244,867	213,185
Wholesale and retail trade	165,877	197,549
Hospitality business	132,273	138,146
Real estate	117,866	113,363
Production of other non-metal materials	107,354	103,829
Transport and communication	40,956	40,262
Investments and finance	40,399	39,860
Energy	35,081	43,558
Industrial and other construction	34,499	36,321
Production of construction materials	19,845	19,325
Agriculture	14,660	21,847
Food industry	13,138	15,259
Mining and metallurgy	11,999	8,786
Medicine	7,529	7,323
Machinery construction	4,931	4,233
Other	94,214	113,996
	1,901,811	1,917,692

During the six months ended 30 June 2013 and the year ended 31 December 2012, the Group received non-financial assets by taking possession of collateral it held as security. As at 30 June 2013, such assets in the amount of KZT 69,884 million (31 December 2012: KZT 71,853 million) are included in the other assets line. These assets are represented mostly by real estate, the majority of which will be realized through auctions.

Loans to individuals comprise the following products:

	30 June 2013 (unaudited) (KZT million)	**31 December 2012 (KZT million)**
Mortgage loans	118,898	123,104
Consumer loans	120,591	83,595
Car loans	2,227	2,536
Business loans	2,156	2,186
Other	995	1,764
	244,867	213,185

As at 30 June 2013, the Group granted loans to the borrowers, which individually exceeded 10% of the Group's equity, in the total amount of KZT 916,736 million (31 December 2012: KZT 832,629 million), which are represented by loans issued to 16 borrowers.

As at 30 June 2013, a significant part of loans 90.68% (31 December 2012: 90.52%) of the total portfolio is granted to companies operating in the territory of the Republic of Kazakhstan, which represents a significant geographical concentration.

As at 30 June 2013 and 31 December 2012, there were no loans under reverse repurchase agreements.

15. CUSTOMER ACCOUNTS

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Recorded at amortized cost:		
Time deposits	1,159,395	1,064,077
Demand deposits	518,758	379,974
JSC National Welfare Fund "Samruk-Kazyna", JSC Entrepreneurship Development Fund "Damu" and JSC Stress Assets Fund	108,024	105,883
Accounts in precious metals	2,575	3,642
	1,788,752	1,553,576

As at 30 June 2013, customer accounts included accrued interest expense of KZT 10,768 million (31 December 2012: KZT 12,844 million).

As at 30 June 2013, customer accounts were pledged as a guarantee for issued letters of credit and other transactions relating to contingent liabilities of KZT 5,278 million (31 December 2012: KZT 6,626 million).

As at 30 June 2013, the total amount of funds deposited under the stabilization program of the Government of Kazakhstan by means of deposits from JSC National Welfare Fund "Samruk-Kazyna" and JSC Stress Assets Fund excluding accrued interest amounted to KZT 103,015 million (31 December 2012: KZT 103,701 million), including:

- KZT 21,943 million for refinancing mortgage loans (initially granted and deposited in the Bank KZT 24,000 million);
- KZT 77,432 million for completion of construction projects in Almaty and Astana (initially granted and deposited in the Bank KZT 111,998 million); and
- KZT 3,640 million for financing large-scale businesses in the manufacturing sector.

As at 30 June 2013, customer accounts of KZT 885,508 million or 49.5% (31 December 2012: KZT 645,158 million or 42.11%) were due to 10 customers, which represents a significant concentration. The Management of the Group believes that in the event of withdrawal of funds, the Group would be given sufficient notice as to realize its liquid assets to enable repayment.

	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Analysis by sector:		
Individuals	661,349	659,384
Chemical and petrochemical industry	300,772	199,811
Distribution of electricity, gas and water	119,832	70,207
Transport and communication	102,646	96,591
Investments and finance	95,109	105,072
Public organizations and unions	87,039	84,825
Government related entities	81,595	83,355
Agriculture	64,454	12,519
Construction	54,599	60,053
Education	48,300	35,944
Individual services	47,222	41,419
Wholesale and retail trade	41,581	49,602
Mining and metallurgy	15,184	10,887
Other	69,070	43,907
	1,788,752	1,553,576

16. DEBT SECURITIES ISSUED

	Currency	Maturity date	Annual coupon rate %	30 June 2013 (unaudited) (KZT million)	31 December 2012 (KZT million)
Recorded at amortized cost:					
Eurobonds of JSC Kazkommertsbank (previously Kazkommerts International B.V.):					
Issued in April 2003 at the price of 97.548%	USD	April 2013	8.50	-	45,940
Issued in April 2004 at the price of 99.15%	USD	April 2014	7.875	29,120	29,016
Issued in November 2005 at the price of 98.32%	USD	November 2015	8.00	41,502	42,671
Issued in November 2006 at the price of 98.282%	USD	November 2016	7.50	44,291	43,121
Issued in February 2007 at the price of 99.277%	EUR	February 2017	6.875	77,684	78,202
Issued in May 2011, at the price 99.353%*	USD	May 2018	8.50	45,457	45,188
				238,054	284,138
(Less)/including:					
Discount on Eurobonds issued				(1,520)	(1,791)
Accrued interest on Eurobonds issued				3,869	7,401
Total issued Eurobonds of JSC Kazkommertsbank (previously Kazkommerts International B.V.)				240,403	289,748
Debt securities issued of JSC Kazkommertsbank at the price 102.21%-104.48%		April 2016	9.00	2,329	2,329
Accrued interest expenses on debt securities issued of JSC Kazkommertsbank				47	47
Premium on debt securities issued of JSC Kazkommertsbank				51	60
Issued promissory notes of OJSC Moskommertsbank at the price of 88.00%-100.00%		April 2014	5.5-12.00	609	414
Accrued interest expense on issued promissory notes of OJSC Moskommertsbank				-	9
Issued bonds of Moscow Stars B.V. at the price of 99.00%		March 2022	1.94-5.44	4,047	4,633
Accrued interest expense on issued bonds of Moscow Stars B.V.				6	7
				247,492	297,247

* Eurobonds issued by JSC Kazkommertsbank initially.

As at 30 June 2013, accrued interest expense included in debt securities issued amounted to KZT 3,922 million (31 December 2012: KZT 7,465 million).

During the six months ended 30 June 2013, the Bank acquired its own bonds for a total nominal amount of KZT 1,062 million (USD 7 million) (31 December 2012: KZT 556 million (USD 3.6 million)) and realized previously repurchased bonds for a total nominal amount of KZT 1,056 million (USD 7 million) (31 December 2012: KZT 6,119 million (USD 41 million)).

On 16 April 2013, the Bank has repaid Eurobonds issued in April 2003 for the original amount of USD 500 million. The Eurobond was repaid in full on the date of its maturity from the Bank's own funds.

17. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the interim consolidated statement of financial position.

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

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

As at 30 June 2013, provision for losses on guarantees and other contingencies amounted to KZT 5,067 million (31 December 2012: KZT 2,683 million), where reserves (provisions) for covering losses on granted guarantees and other contingencies amounted to KZT 5,039 million (31 December 2012: KZT 2,673 million) and commission income on granted guarantees amounted to KZT 28 million (31 December 2012: KZT 10 million).

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

As at 30 June 2013 and 31 December 2012, the nominal or contract amounts and risk-weighted amounts were:

	30 June 2013 (unaudited) (KZT million)	**31 December 2012 (KZT million)**
Contingent liabilities and credit commitments:		
Guarantees issued and similar commitments	99,241	79,314
Commitments on loans and unused credit lines	13,054	13,947
Letters of credit and other transaction related to contingent obligations	3,893	3,952
Commitments on loans sold to JSC Kazakhstan Mortgage Company with recourse	25	28
	116,213	97,241
Less collateral in cash	(5,278)	(6,626)
Less allowances	(5,039)	(2,673)
Total contingent liabilities and credit commitments, net	105,896	87,942
Total risk-weighted amount	96,684	87,440

The decision to issue loans to customers within open credit lines is made by the Group at the request of a customer and depends on the financial position of the borrower, credit history and other factors. As at 30 June 2013, the amount of liabilities on such unused credit lines equals KZT 266,480 million (31 December 2012: KZT 417,634 million). The decision to issue further funds is not obligatory since the Group is entitled to suspend or stop providing the borrower with a credit line or deny the borrower the credit line without warning the borrower for any reason including: the borrower violates the obligations before the Group; insufficiency of collateral when revaluing the collateral due to a decrease in its pledge value or if change of prices in the market; or as a result of provision of the credit line (provision of loan) the Group will violate any of the prudential norms established by the regulatory authorities for the second-tier banks.

Legal proceedings

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

Taxation

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

Such uncertainty may relate to the valuation of financial instruments, valuation of provision for impairment losses and the market pricing of deals. Additionally such uncertainty may relate to the valuation of temporary differences on the provision and recovery of the provision for impairment losses on loans to customers, as an underestimation of the taxable profit. The management of the Group believes that it has accrued all probable tax amounts due. Income tax related provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Operating environment

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

Because the Republic of Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market.

18. TRANSACTIONS WITH RELATED PARTIES

Related parties or transactions with related parties are assessed in accordance with IAS 24, Related Party Disclosures.

In considering each possible related party relationship, special attention is directed to the substance of the relationship, and not merely the legal form. Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	30 June 2013 (unaudited) (KZT million)		31 December 2012 (KZT million)	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Loans to customers	1,036	2,842,140	1,015	2,840,979
- key management personnel of the entity or its parent	1,036		1,015	
Allowance for impairment losses on loans to customers	(80)	(940,329)	(61)	(923,287)
- key management personnel of the entity or its parent	(80)		(61)	
Customer accounts	5,973	1,788,752	5,359	1,553,576
- parent company	1,919		1,467	
- entities with joint control or significant influence over the entity	255		349	
- key management personnel of the entity or its parent	3,681		3,494	
- other related parties	118		49	
Commitments on loans and unused credit lines	94	13,054	110	13,947
- key management personnel of the entity or its parent	94		110	
Guarantees issued and similar commitments	-	99,241	12	79,314
- key management personnel of the entity or its parent	-		12	

Included in the interim consolidated income statement for the six months ended 30 June 2013 and 2012 are the following amounts which arose due to transactions with related parties:

	Six months ended 30 June 2013 (unaudited) (KZT million)		**Six months ended 30 June 2012 (unaudited) (KZT million)**	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Interest income	32	113,771	37	114,628
- key management personnel of the entity or its parent	32		37	
Interest expense	(153)	(53,442)	(138)	(54,811)
- parent company	(34)		(31)	
- entities with joint control	(1)		-	
- key management personnel of the entity or its parent	(118)		(107)	
Operating expenses	(277)	(16,057)	(260)	(16,767)
Short-term employee benefits	(277)	(8,411)	(260)	(9,333)
(Provision)/recovery of provision for impairment losses on interest bearing assets, other transactions, guarantees and other contingencies	(21)	(44,972)	7	(51,623)
- key management personnel of the entity or its parent	(21)		7	

Key management personnel compensation for the six months ended 30 June 2013 and 2012 is represented by short-term employee benefits.

As at 30 June 2013 and 31 December 2012, the Group does not pledge any assets in connection with guarantees issued to management.

19. SEGMENT REPORTING

Business segments

The Group is managed and reported on the basis of four main operating segments. The Group's segments are strategic business units that offer different products and services which are managed separately.

- Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, documentary credits, foreign currency and derivative products.
- Investment banking – representing financial instruments trading, structured financing, and merger and acquisitions advice.
- Other – representing insurance operations and other activities.

Retail Banking offers a range of personal banking, savings and mortgage products and services. Corporate Banking offers business banking services principally to small and mid sized companies and commercial loans to larger corporate and commercial customers. Investment Banking consists of assets and liabilities required to support the liquidity and funding requirements of the Group, Asset and Liability Management activities, Group Capital and shared services.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments. Internal charges and transfer pricing adjustments, if any, have been reflected in the performance of each business. Revenue sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis.

Segment assets and liabilities comprise operating assets and liabilities. Internal charges and transfer pricing adjustments have been reflected in the performance of each business.

More specific information on the revenues from external customers for each product and service, or each group of similar products and services is not available and the cost to develop it is excessive. Hence the Group presents operating segments on the basis of three main products.

The amounts disclosed in the segment analysis below are regularly provided to and reviewed by the chief operating decision maker.

	Retail banking (unaudited) (KZT million)	Corporate banking (unaudited) (KZT million)	Investment banking (unaudited) (KZT million)	Other (unaudited) (KZT million)	Unallocated (unaudited) (KZT million)	Eliminations (unaudited) (KZT million)	As at and for the six months ended 30 June 2013 (unaudited) (KZT million)
External interest income	15,871	93,573	3,778	549	-	-	113,771
Internal interest income	25,208	16,136	70,923	-	-	(112,267)	-
External interest expenses	(20,292)	(15,742)	(17,408)	-	-	-	(53,442)
Internal interest expenses	(8,061)	(55,926)	(48,280)	-	-	112,267	-
Net interest income before provision for impairment losses on interest bearing assets	12,726	38,041	9,013	549	-	-	60,329
Recovery of provision/(provision) for impairment losses on interest bearing assets	4,062	(41,693)	130	-	-	-	(37,501)
NET INTEREST INCOME/(EXPENSE)	16,788	(3,652)	9,143	549	-	-	22,828
Net loss on financial assets and liabilities at fair value though profit or loss	-	-	(1,478)	(89)	-	-	(1,567)
Net gain on foreign exchange and precious metals operations	411	144	3,204	10	-	-	3,769
Fee and commission income	7,622	4,729	2,369	-	-	-	14,720
Fee and commission expense	(3,745)	(322)	(208)	(99)	-	-	(4,374)
Net realized gain on investments available-for sale	-	-	64	7	-	-	71
Dividend income	-	-	220	32	-	-	252
Other income	28	1,947	104	4,326	-	-	6,405
NET NON-INTEREST INCOME	4,316	6,498	4,275	4,187	-	-	19,276
OPERATING EXPENSES	(9,153)	(4,569)	(1,057)	(1,278)	-	-	(16,057)
PROFIT/(LOSS) BEFORE OTHER OPERATING PROVISIONS	11,951	(1,723)	12,361	3,458	-	-	26,047
Provision for impairment losses on other transactions	-	(2,060)	(1)	(3,057)	-	-	(5,118)
Provision for guarantees and other contingencies	-	(2,353)	-	-	-	-	(2,353)
PROFIT/(LOSS) BEFORE INCOME TAX	11,951	(6,136)	12,360	401	-	-	18,576
Segment assets	278,671	1,765,155	595,914	71,838	11,449	(72,841)	2,650,186
Segment liabilities	664,926	1,175,758	523,494	19,123	2,996	(58,494)	2,327,803

	Retail banking (unaudited) (KZT million)	Corporate banking (unaudited) (KZT million)	Investment banking (unaudited) (KZT million)	Other (unaudited) (KZT million)	Unallocated (unaudited) (KZT million)	Eliminations (unaudited) (KZT million)	For the six months ended 30 June 2012 (unaudited) (KZT million)
External interest income	15,598	94,083	4,495	452	-	-	114,628
Internal interest income	29,802	15,678	90,837	-	-	(136,317)	-
External interest expenses	(21,915)	(11,816)	(21,080)	-	-	-	(54,811)
Internal interest expenses	(8,121)	(72,448)	(55,748)	-	-	136,317	-
Net interest income before provision for impairment losses on interest bearing assets	15,364	25,497	18,504	452	-	-	59,817
Recovery of provision/(provision) for impairment losses on interest bearing assets	4,575	(54,435)	(48)	-	-	-	(49,908)
NET INTEREST INCOME/(EXPENSE)	19,939	(28,938)	18,456	452	-	-	9,909
Net loss on financial assets and liabilities at fair value though profit or loss	-	-	(2,397)	(43)	-	-	(2,440)
Net gain/(loss) on foreign exchange and precious metals operations	892	538	3,922	(2)	-	-	5,350
Fee and commission income	6,508	4,414	1,891	-	-	-	12,813
Fee and commission expense	(3,555)	(133)	(226)	(126)	-	-	(4,040)
Net realized gain on investments available-for-sale	-	-	611	3	-	-	614
Dividend income	-	-	8,313	141	-	-	8,454
Other (expense)/income	(143)	1,050	87	1,715	-	-	2,709
NET NON-INTEREST INCOME	3,702	5,869	12,201	1,688	-	-	23,460
OPERATING EXPENSES	(9,146)	(4,786)	(1,500)	(1,335)	-	-	(16,767)
PROFIT/(LOSS) BEFORE OTHER OPERATING PROVISIONS	14,495	(27,855)	29,157	805	-	-	16,602
Provision for impairment losses on other transactions	-	(594)	-	(982)	-	-	(1,576)
Provision for guarantees and other contingencies	-	(139)	-	-	-	-	(139)
PROFIT/(LOSS) BEFORE INCOME TAX	14,495	(28,588)	29,157	(177)	-	-	14,887
Segment assets as at 31 December 2012	243,952	1,779,516	416,700	67,029	11,215	(73,600)	2,444,812
Segment liabilities as at 31 December 2012	632,079	931,481	586,930	14,800	1,038	(29,485)	2,136,843

20. RISK MANAGEMENT POLICIES

Management of risks is fundamental to the Group's business. The risk management functions include:

- Risk identification: the risks, which the Group is exposed to in its daily activities, are identified by the risk management system.
- Measuring risks: the Group measures the risks using various quantitative and qualitative methodologies, which include risk based profitability analysis, calculation of possible loss amounts, and utilization of specialized models. Measurement models and associated assumptions are periodically reviewed to ensure that the tools adequately and reasonably represent the risks.
- Risk monitoring: the Group's policies and procedures determine the processes for mitigating and minimizing the risks and establish limits on various types of operations. Such limits set forth in internal documents of the Group are reviewed on a periodic basis.
- Risk reporting: risk reporting is performed on a line of business and on a consolidated basis. This information is periodically presented to the management.

The main risks inherent to the Group's operations are those related to:

- Credit risk
- Interest rate risk
- Liquidity risk
- Market risk
- Currency risk
- Operational risk

The risk management policies that the Group applied during six months ended 30 June 2013 are not significantly different from the Group's risk management policies disclosed in the audited consolidated financial statements for the year ended 31 December 2012.

Liquidity risk

Liquidity risk is the risk that the Group will not have enough funding at a reasonable price to meet all cash outflows (on- and off-balance sheet).

Assets and Liabilities Management Committee ("ALMC") controls these types of risks by means of a weekly liquidity gap analysis and taking appropriate decisions to reduce liquidity risk. Current liquidity is managed by the Treasury Department through deals in money markets, with the placement of available funds in liquid securities in line with the instructions of ALMC.

The Group maintains its' compliance to regulatory requirements, including term liquidity ratios and foreign exchange liquidity. The Group considers these requirements to be strict, and, as such, this measure guarantees maintaining appropriate liquidity levels.

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

	Up to 1 month (unaudited) (KZT million)	1 month to 3 months (unaudited) (KZT million)	3 months to 1 year (unaudited) (KZT million)	1 year to 5 years (unaudited) (KZT million)	Over 5 years (unaudited) (KZT million)	Maturity undefined (unaudited) (KZT million)	30 June 2013 Total (unaudited) (KZT million)
FINANCIAL ASSETS:							
Debt securities and derivatives in the financial assets at fair value through profit or loss	103,368	-	5,297	6,756	10,205	-	125,626
Loans and advances to banks and other financial institutions	90,839	1,434	12,680	7,583	81	-	112,617
Loans to customers	54,820	55,877	305,592	651,752	465,458	-	1,533,499
Debt securities included in investments available-for-sale	220	-	1,277	7,801	7,596	-	16,894
Investments held to maturity	-	-	1,342	4,301	1,148	-	6,791
Total interest bearing assets	249,247	57,311	326,188	678,193	484,488	-	1,795,427
Cash and balances with national (central) banks	305,257	-	-	-	2,047	-	307,304
Precious metals	2,574	-	-	-	-	-	2,574
Equity securities in the financial assets at fair value through profit or loss	-	-	-	-	-	5,539	5,539
Equity securities in the investments available-for-sale	-	-	-	-	-	1,302	1,302
Accrued interest income on interest-bearing assets	24,456	14,503	149,476	113,738	69,096	-	371,269
Other financial assets	8,231	315	1,635	40	-	-	10,221
TOTAL FINANCIAL ASSETS AND PRECIOUS METALS	589,765	72,129	477,299	791,971	555,631	6,841	2,493,636
FINANCIAL LIABILITIES:							
Loans and advances from banks and other financial institutions	69,727	699	7,976	23,400	-	-	101,802
Customer accounts	146,298	171,936	565,550	240,813	120,545	-	1,245,142
Debt securities issued	258	139	29,300	211,508	2,365	-	243,570
Other borrowed funds	-	-	-	16,684	-	-	16,684
Subordinated debt	-	-	15,165	86,903	12,363	6,892	121,323
Total interest bearing liabilities	216,283	172,774	617,991	579,308	135,273	6,892	1,728,521
Financial liabilities at fair value through profit or loss	71	1,346	256	1,399	796	-	3,868
Customer accounts	532,842	-	-	-	-	-	532,842
Dividends payable	-	-	396	-	-	-	396
Accrued interest expense on interest-bearing liabilities	6,834	1,818	8,176	411	-	-	17,239
Other financial liabilities	4,599	1,162	10,099	1,521	-	-	17,381
TOTAL FINANCIAL LIABILITIES	760,629	177,100	636,918	582,639	136,069	6,892	2,300,247
Liquidity gap	(170,864)	(104,971)	(159,619)	209,332	419,562		
Interest sensitivity gap	32,964	(115,463)	(291,803)	98,885	349,215		
Cumulative interest sensitivity gap	32,964	(82,499)	(374,302)	(275,417)	73,798		
Cumulative interest sensitivity gap as a percentage of total financial assets and precious metals	1.3%	(3.3%)	(15.0%)	(11.0%)	3.0%		
Contingent liabilities and credit commitments	7,805	5,341	35,230	50,307	4,330	121	

	Up to 1 month (KZT million)	1 month to 3 months (KZT million)	3 months to 1 year (KZT million)	1 year to 5 years (KZT million)	Over 5 years (KZT million)	Maturity undefined (KZT million)	31 December 2012 Total (KZT million)
FINANCIAL ASSETS:							
Debt securities and derivatives in the financial assets at fair value through profit or loss	682	8,374	8,855	51,768	40,538	-	110,217
Loans and advances to banks and other financial institutions	125,830	1,610	6,718	12,106	75	-	146,339
Loans to customers	11,862	70,560	364,394	692,385	406,880	-	1,546,081
Debt securities included in investments available-for-sale	7	81	970	5,396	7,029	-	13,483
Investments held to maturity	-	-	413	5,556	841	-	6,810
Total interest bearing assets	138,381	80,625	381,350	767,211	455,363	-	1,822,930
Cash and balances with national (central) banks	103,523	-	-	-	2,974	-	106,497
Precious metals	3,823	-	-	-	-	-	3,823
Equity securities in the financial assets at fair value through profit or loss	-	-	-	-	-	6,355	6,355
Equity securities in the investments available-for-sale	-	-	-	-	-	1,717	1,717
Accrued interest income on interest-bearing assets	34,324	58,728	66,887	213,817	1,078	-	374,834
Other financial assets	3,175	94	1,500	62	-	-	4,831
TOTAL FINANCIAL ASSETS AND PRECIOUS METALS	283,226	139,447	449,737	981,090	459,415	8,072	2,320,987
FINANCIAL LIABILITIES:							
Loans and advances from banks and other financial institutions	75,525	880	5,852	28,007	-	-	110,264
Customer accounts	143,956	197,364	581,501	122,572	100,196	-	1,145,589
Debt securities issued	155	23	46,194	198,547	44,863	-	289,782
Other borrowed funds	-	-	16	18,229	-	-	18,245
Subordinated debt	-	-	-	101,417	12,258	6,851	120,526
Total interest bearing liabilities	219,636	198,267	633,563	468,772	157,317	6,851	1,684,406
Financial liabilities at fair value through profit or loss	783	1,338	1,242	4,412	1,102	-	8,877
Customer accounts	395,143	-	-	-	-	-	395,143
Dividends payable	5	-	35	-	-	-	40
Accrued interest expense on interest-bearing liabilities	4,120	8,251	9,426	729	6	-	22,532
Other financial liabilities	2,320	155	5,002	-	-	-	7,477
TOTAL FINANCIAL LIABILITIES	622,007	208,011	649,268	473,913	158,425	6,851	2,118,475
Liquidity gap	(338,781)	(68,564)	(199,531)	507,177	300,990		
Interest sensitivity gap	(81,255)	(117,642)	(252,213)	298,439	298,046		
Cumulative interest sensitivity gap	(81,255)	(198,897)	(451,110)	(152,671)	145,375		
Cumulative interest sensitivity gap as a percentage of total financial assets and precious metals	(3.5%)	(8.6%)	(19.4%)	(6.6%)	6.3%		
Contingent liabilities and credit commitments	5,315	6,304	40,061	26,590	4,751	242	

Based on prior experience, the Group considers it highly unlikely that all customer accounts seek repayment on maturity. Historically the majority of such deposits are rolled over.

21. SUBSEQUENT EVENTS

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