

JSC BANK CENTERCREDIT

**EXPLANATORY NOTE TO THE
CONSOLIDATED FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2016**

1. GENERAL INFORMATION ABOUT THE BANK

JSC Bank CenterCredit (“the Bank”) is a Joint Stock Company (“JSC”), which was incorporated in the Republic of Kazakhstan and started its operations in 1988. The Bank is regulated by the legislation of the Republic of Kazakhstan. The Bank is regulated by the National Bank of the Republic of Kazakhstan (“the NBRK”). The Bank conducts its business under the renewed License No.248 dated 13 December 2007.

On 27 August 2008, Kookmin Bank (South Korea) purchased 23% of the Bank’s issued ordinary share capital. As of 31 December 2015, Kookmin Bank’s share was 41.93% and the International Finance Corporation’s (the ‘IFC’) share was 10% of the issued capital of the Bank.

The Bank's primary business consists of commercial banking activities, trading with securities, foreign currencies and derivative instruments, loan origination activities and guarantees.

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

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

As at 31 March 2016 and 2015, the Bank had 19 and 20 branches respectively in the Republic of Kazakhstan.

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

Name	Country of operation	Ownership interest		Type of operation
		31 March 2016	31 March 2015	
Center Leasing LLP	Republic of Kazakhstan	90.75%	90.75%	Finance lease
JSC BCC Invest	Republic of Kazakhstan	95.19%	95.19%	Brokerage and dealer activity
BCC-SAOO LLP	Republic of Kazakhstan	100%	100%	Distressed assets management

In September 2002, Center Leasing LLP was established as a limited liability partnership in accordance with legislation of the Republic of Kazakhstan. The main activity of Center Leasing LLO is leasing operations.

In May 1998, JSC BCC Invest was established a limited liability partnership (previously named KIB ASSET MANAGEMENT LLP) in accordance with legislation of the Republic of Kazakhstan. On 26 September 2006, KIB ASSET MANAGEMENT LLP was registered as a joint-stock company. The main activity of JSC BCC Invest consists of management of assets of mutual funds and management of investment portfolios.

On 20 January 2016, the Bank disposed the 100% investment in Bank BCC-Moscow LLC for RUB 410,960,000.

In December 2011, Kazakhstan adopted the Law of the Republic of Kazakhstan ‘On the Introduction of Amendments to Certain Legislative Acts of the Republic of Kazakhstan relating to Regulation of the Banking Activities and Financial Institutions with respect to Risk Mitigation’, which stipulated that second-tier banks create special-purpose subsidiaries to purchase banks’ non-working (distressed) assets and manage them. On 21 August 2013, the Bank’s special-purpose subsidiary for the management of distressed assets – BCC-SAOO LLP was registered by the Ministry of Justice of the Republic of Kazakhstan.

As at 31 March 2016 and 2015, the following ultimate beneficial shareholders owned individually more than 5% of the issued shares of the Group:

	31 March 2016 %	31 March 2015 %
Kookmin Bank	41.93	41.93
Baiseitov B.R.	25.60	25.60
IFC	10.00	10.00
Other (individually hold less than 5%)	22.47	22.47
	<hr/>	<hr/>
Total	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>

2. BASIS OF PRESENTATION

Accounting basis

The interim condensed consolidated financial information of the Group has been prepared in accordance with the International Financial Reporting Standards ('IFRS') and International Accounting Standards ('IAS') 34 Interim Financial Reporting. Accordingly, certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements have been omitted or condensed. The interim condensed consolidated financial information should be read in conjunction with the consolidated financial statements and with the related notes to the consolidated financial statements of the Group for the year ended 31 December 2015.

This interim condensed consolidated financial information is presented in millions of Kazakhstani tenge (KZT mln.), unless otherwise indicated. The interim condensed consolidated financial information has been prepared on the accrual basis of accounting under the historical cost convention, except for the investments available-for-sale, financial assets at fair value through profit or loss and derivative financial instruments at fair value.

The Group maintains its accounting records in accordance with the Accounting Policy as approved by the Resolution of the Board of Directors of the Group. These interim condensed consolidated financial statements have been prepared based on accounting records and have been adjusted respectively to conform with the IFRS.

Functional currency

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

4. NET INTEREST INCOME

	Three months ended 31 March 2016 (unaudited)	Three months ended 31 March 2015 (unaudited)
Interest income comprises:		
Interest income on financial assets recorded at amortized cost:		
- interest income on unimpaired financial assets	18,859	16,707
- interest income on impaired financial assets	2,199	3,296
Interest income on financial assets at fair value through profit or loss	<u>1,843</u>	<u>1,234</u>
Total interest income	<u>22,901</u>	<u>21,237</u>
Interest income on financial assets recorded at amortized cost:		
Interest on loans to customers and banks	21,152	20,183
Interest on investments held-to-maturity	209	114
Penalties on loans to customers and banks	(585)	(309)
Interest on due from banks	<u>282</u>	<u>15</u>
Total interest income on financial assets recorded at amortized cost	<u>21,058</u>	<u>20,003</u>
Interest income on financial assets at fair value:		
Interest on investments available-for-sale	1,592	834
Interest on investments initially recognized at fair value through profit or loss	<u>251</u>	<u>400</u>
Total interest income on financial assets recorded at fair value	<u>1,843</u>	<u>1,234</u>
Total interest income	<u>22,901</u>	<u>21,237</u>
Interest expense comprises:		
Interest expense on financial liabilities recorded at amortized cost	<u>18,449</u>	<u>12,473</u>
Total interest expense	<u>18,449</u>	<u>12,473</u>
Interest expense on financial liabilities recorded at amortized cost:		
Interest on customer and bank accounts	11,834	7,952
Interest on debt securities issued	762	788
Interest on due to banks and financial institutions	4,649	2,541
Interest on subordinated bonds	<u>1,204</u>	<u>1,192</u>
Total interest expense on financial liabilities recorded at amortized cost	<u>18,449</u>	<u>12,473</u>
Net interest income before provision for impairment losses on interest bearing assets	<u>4,452</u>	<u>8,764</u>

5. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

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

	Corporate loans	Mid-sized enterprises	Mortgage loans	Consumer loans	Car loans	Business development loans for individuals	Total
31 December 2014	117,368	12,404	3,556	2,824	40	12,844	149,036
Additional provision/recovery of provision	12,641	(4,831)	(547)	1,421	0	(4,196)	4,488
Recovery of assets written off	-	-	25	-	-	-	25
Exchange rate difference	1,829	26	167	(775)	2	70	1,319
Disposal of loans	-	-	-	-	-	-	-
Write-off of assets	(2,241)	(188)	(458)	(143)	(11)	(195)	(3,236)
Unwind of discount*	(2,911)	(113)	(552)	(451)	(1)	(249)	(4,277)
31 March 2015	<u>126,686</u>	<u>7,298</u>	<u>2,191</u>	<u>2,876</u>	<u>30</u>	<u>8,274</u>	<u>147,355</u>
31 December 2015	119,122	6,567	6,468	7,075	23	12,071	151,326
Additional provision/recovery of provision	(12,864)	194	5,334	4,261	19	6,338	3,282
Recovery of assets written off	-	-	50	65	-	16	131
Exchange rate difference	2,703	149	147	161	1	274	3,435
Disposal of loans	-	-	-	-	-	-	-
Write-off of assets	(23,732)	(4,542)	(7,525)	(5,281)	(17)	(8,980)	(50,077)
Unwind of discount*	(2,504)	(64)	(132)	(177)	-	(199)	(3,076)
31 March 2016	<u>82,725</u>	<u>2,304</u>	<u>4,342</u>	<u>6,104</u>	<u>26</u>	<u>9,520</u>	<u>105,021</u>

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

	Other assets	Guarantees and letters of credit	Total
31 December 2014	2,291	1,894	4,185
(Recovery of provision)/additional provision	(445)	453	8
Write-off of assets	(17)	-	(17)
Recovery of assets previously written off	-	-	-
Exchange rate difference	2	18	20
31 March 2015	<u>1,831</u>	<u>2,365</u>	<u>4,196</u>
31 December 2015	1,654	510	2,164
(Recovery of provision)/additional provision	(52)	282	230
Write-off of assets	206	-	206
Recovery of assets previously written off	0	-	-
Exchange rate difference	(16)	-	(16)
Loss for the year resulting from discontinued operations	(338)	-	(338)
31 March 2016	<u>1,454</u>	<u>792</u>	<u>2,246</u>

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

	Three months ended 31 March 2016 (unaudited)	Three months ended 31 March 2015 (unaudited)
Net gain on financial assets and liabilities at fair value through profit or loss	<u>4,401</u>	<u>440</u>
Total net gain on financial assets and liabilities at fair value through profit or loss	<u><u>4,401</u></u>	<u><u>440</u></u>
Net gain on financial assets and liabilities at fair value through profit or loss comprise:		
Unrealized (loss)/gain on adjustment of fair value of trading financial assets	3,048	668
Realized (loss)/gain on trading operations	(250)	(3)
Realized (loss)/gain on operations with derivative financial instruments	1,584	73
Unrealized gain/(loss) on operations with derivative financial instruments	<u>19</u>	<u>(298)</u>
Total net gain on financial assets and liabilities at fair value through profit or loss	<u><u>4,401</u></u>	<u><u>440</u></u>

7. NET REALIZED GAIN/(LOSS) ON DISPOSAL AND IMPAIRMENT OF INVESTMENTS AVAILABLE-FOR-SALE

	Three months ended 31 March 2016 (unaudited)	Three months ended 31 March 2015 (unaudited)
Net realized gain/(loss) on investments available-for-sale	-	(50)
Gain/(loss) on impairment of investments available-for-sale	(15)	-
Total net realized gain/(loss) on disposal and impairment of investments available-for-sale	<u>(15)</u>	<u>(50)</u>

8. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

	Three months ended 31 March 2016 (unaudited)	Three months ended 31 March 2015 (unaudited)
Dealing, net	2,441	1,298
Translation differences, net	(3,948)	(2,725)
Total net gain on foreign exchange operations	<u>(1,507)</u>	<u>(1,427)</u>

9. FEE AND COMMISSION INCOME AND EXPENSE

	Three months ended 31 March 2016 (unaudited)	Three months ended 31 March 2015 (unaudited)
Fee and commission income:		
Settlements	1,111	1,119
Cash operations	1,046	1,055
Payment cards	712	908
Guarantees	486	642
Foreign exchange operations	271	238
Internet-banking operations	147	142
Custodian activities	51	66
Documentary operations	25	27
Trust operations	10	11
Other	423	164
Total fee and commission income	<u>4,282</u>	<u>4,372</u>
Fee and commission expense:		
Settlements	375	244
Documentary operations	130	31
Securities operations	17	13
Custodian activities	13	34
Foreign exchange operations	4	4
Brokerage operations	-	-
Other	5	28
Total fee and commission expense	<u>544</u>	<u>354</u>

10. OPERATING EXPENSES

	Three months ended 31 March 2016 (unaudited)	Three months ended 31 March 2015 (unaudited)
Staff costs	3,180	3,047
Operating leases	450	449
Deposit Insurance Fund expenses	749	640
Depreciation and amortization	628	527
Taxes (other than income tax)	575	534
Administrative expenses	498	400
Security expenses	178	183
Telecommunications	134	141
Advertising costs	14	48
Business trip expenses	59	45
Property and equipment maintenance	57	80
Professional services	56	41
Representation expenses	6	-
Other	162	294
Total operating expenses	6,746	6,429

11. INCOME TAXES

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations.

The tax rate used to calculate corporate income tax for the three months ended 31 March 2016 is of 20% payable by corporate entities in the Republic of Kazakhstan on taxable profits under the tax law in that jurisdiction.

	31 March 2016 (unaudited)	31 December 2015 (audited)
Deferred income tax assets/(liabilities)		
Beginning of the year	(768)	(236)
Changes in deferred tax assets/(liabilities)	17	(532)
End of the period	(752)	(768)

12. BOOK VALUE PER SHARE

The book value of one share per each class of shares as at 31 March 2016 and 31 December 2015 is as follows:

Class of shares	31 March 2016			31 December 2015		
	Outstanding shares (number outstanding)	Amount for calculation of book value KZT million	Book value of one share, KZT	Outstanding shares (number outstanding)	Amount for calculation of book value KZT million	Book value of one share, KZT
Ordinary shares	162,055,278	75,992	469	161,584,115	71,803	444
Preference shares	39,249,255	11,775	300	39,249,255	11,775	300
		<u>87,767</u>			<u>83,578</u>	

The book value of one preference share is calculated as ratio of the amount of equity attributable to preference shares to the outstanding number of preference shares as the reporting date.

The book value of one ordinary share is calculated as the ratio of the amount of net asset value of the Group for ordinary shares to the outstanding number of ordinary shares as at the reporting date. The net asset value of the Group for ordinary shares is calculated as the total equity net of intangible assets and the amount of equity attributable to preference shares as at the reporting date.

Outstanding number of ordinary and preference shares is calculated as outstanding shares authorized and issued net of repurchased shares by the Group as at the reporting date.

13. CASH AND CASH EQUIVALENTS

	31 March 2016 (unaudited)	31 December 2015 (audited)
Deposits with financial institutions	180,271	200,172
Cash on hand	37,049	37,726
Cash in transit	9,615	4,225
Deposits restricted in use	-	-
	<hr/>	<hr/>
	226,935	242,123
Accrued interest	91	-
	<hr/>	<hr/>
Total cash and cash equivalents	<u>227,026</u>	<u>242,123</u>

As at 31 March 2016, the Group has deposits with NBRK, which individually and in the aggregate exceeded 10% of the Group's equity.

Obligatory reserves

Minimum reserve requirements are determined as a percentage of average balances of deposits and international borrowings in accordance with requirements of the NBRK. As at 31 March 2016 and 31 December 2015, the Group has maintained an average balance in compliance with the NBRK requirements.

	31 March 2016	31 December 2015
Mandatory cash deposits with the NBRK	14,332	15,951
	<hr/>	<hr/>
Total obligatory reserves	<u>14,332</u>	<u>15,951</u>

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

Financial assets held for trading at fair value through profit or loss comprise:

	31 March 2016 (unaudited)	31 December 2015 (audited)
Financial assets held for trading:		
Debt securities	13,124	12,018
Equity securities	<u>607</u>	<u>527</u>
Total financial assets held for trading	13,731	12,545
Derivative financial instruments	<u>77,494</u>	<u>91,205</u>
Total financial assets at fair value through profit or loss	<u>91,225</u>	<u>103,750</u>

	31 March 2016 (unaudited)		31 December 2015 (audited)	
	Nominal interest rate, %	Fair value	Nominal interest rate, %	Fair value
Debt securities:				
Government bonds of the Republic of Kazakhstan	4.93-7.80	6,810	4.93-7.65	6,949
Kazakhstan corporate bonds	4.63-13.00	6,183	3.91-13.00	4,973
International corporate bonds	5.95-6.81	131	5.95	96
Other				-
Total debt securities		<u>13,124</u>		<u>12,018</u>

	31 March 2016 (unaudited)		31 December 2015 (audited)	
	Ownership interest, %	Fair value	Ownership interest, %	Fair value
Equity securities:				
Shares of Kazakhstan corporations	-	460	-	444
Shares of International corporations	-	<u>147</u>	-	<u>83</u>
Total equity securities		<u>607</u>		<u>527</u>

	31 March 2016 (unaudited)				31 December 2015 (audited)			
	Notional amount	Fair value		Notional amount	Fair value			
		Asset	Liability		Asset	Liability		
Derivative financial instruments:								
Foreign currency contracts								
Swaps	174,674	77,494	4	215,457	91,205	8,957	8,957	
Embedded derivatives				1,622	-	812	812	
Total derivative financial instruments		<u>77,494</u>	<u>4</u>		<u>91,205</u>	<u>9,769</u>	<u>9,769</u>	

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

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile.

A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on profit or loss of the Group.

15. INVESTMENTS AVAILABLE-FOR-SALE

	31 March 2016 (unaudited)	31 December 2015 (audited)
Debt securities	98,087	96,531
Equity securities	<u>149</u>	<u>149</u>
Total investments available-for-sale	<u><u>98,236</u></u>	<u><u>96,680</u></u>

	31 March 2016 (unaudited)		31 December 2015 (audited)	
	Nominal interest rate %	Fair value	Nominal interest rate %	Fair value
Debt securities:				
Government bonds of the Republic of Kazakhstan	3.8-7.13	48,558	3.30-8.75	51,642
Kazakhstan corporate bonds	3.26-8.80	45,389	3.26-9.13	40,962
Russian corporate bonds	3.26-9.13	4,140	5.25	2,060
International corporate bonds			8.15	1,867
Total debt securities		<u>98,087</u>		<u>96,531</u>

	31 March 2016 (unaudited)		31 December 2015 (audited)	
	Ownership interest	Fair value	Ownership interest	Fair value
Equity securities:				
Shares of Kazakhstan corporations	-	130	-	130
Shares of International corporations		<u>19</u>		<u>19</u>
Total equity securities		<u>149</u>		<u>149</u>
Total investments available-for-sale		<u><u>98,236</u></u>		<u><u>96,680</u></u>

16. INVESTMENTS HELD-TO-MATURITY

	31 March 2016 (unaudited)		31 December 2015 (audited)	
	Nominal interest rate, %	Amount	Nominal interest rate, %	Amount
Government bonds of the Republic of Kazakhstan	4.40-8.1	2,084	3.26-13.00	1,070
Kazakhstan corporate bonds	7.40-13.0	10,298	4.89-8.10	5,248
Russian corporate bonds				
International corporate bonds			1.60	292
Total investments held-to-maturity		<u>12,382</u>		<u>6,610</u>

17. DUE FROM BANKS

	31 March 2016 (unaudited)	31 December 2015 (audited)
Due from banks	16,420	10,169
Accrued interest	<u>370</u>	<u>4</u>
Total due from banks	<u>16,790</u>	<u>10,173</u>

18. LOANS TO CUSTOMERS AND BANKS

	31 March 2016 (unaudited)	31 December 2015 (audited)
Originated loans to customers	908,552	974,136
Net investment in finance lease	4,186	4,186
Accrued interest	<u>43,337</u>	<u>61,119</u>
	956,075	1,039,441
Less: allowance for impairment losses	<u>(105,021)</u>	<u>(151,326)</u>
Total loans to customers	<u>851,054</u>	<u>888,115</u>
Originated loans to banks	<u>842</u>	<u>897</u>
Accrued interest	6	19
Less: allowance for impairment losses	<u>-</u>	<u>-</u>
Total loans to banks	<u>848</u>	<u>916</u>
Loans under reverse repurchase agreements	10,420	2,949
Accrued interest	13	-
Total loans under reverse repurchase agreements	<u>10,433</u>	<u>2,949</u>
Total loans to customers and banks	<u>862,335</u>	<u>891,980</u>

Movement in allowances for impairment losses on loans to customers and banks for the three months ended 31 March 2016 and 31 December 2015 is disclosed in Note 5.

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

	31 March 2016 (unaudited)	31 December 2015 (audited)
Loans collateralized by real estate	672,782	727,185
Loans collateralized by goods in turnover	62,851	69,351
Loans collateralized by equipment	60,229	62,896
Loans collateralized by other assets	57,210	51,602
Loans collateralized by corporate guarantees	55,996	71,364
Loans collateralized by cash	21,496	28,268
Unsecured loans	<u>25,511</u>	<u>28,775</u>
	956,075	1,039,441
Less: allowance for impairment losses	<u>(105,021)</u>	<u>(151,326)</u>
Total loans to customers	<u><u>851,054</u></u>	<u><u>888,115</u></u>

	31 March 2016 (unaudited)	31 December 2015 (audited)
Analysis by sector:		
Individuals	361,893	396,424
Trading	145,101	152,788
Rent of real estate	67,938	67,834
Industrial construction	48,078	54,457
Manufacturing	47,147	48,394
Agriculture	45,392	47,560
Energy	44,516	44,998
Food industry	34,846	35,511
Transportation and equipment maintenance	33,732	36,042
Residential construction	30,360	53,608
Oil and gas	20,907	20,814
Telecommunication and transport	12,056	13,460
Mass media	1,432	1,830
Other	<u>62,677</u>	<u>65,721</u>
	956,075	1,039,441
Less: allowance for impairment losses	<u>(105,021)</u>	<u>(151,326)</u>
Total loans to customers	<u><u>851,054</u></u>	<u><u>888,115</u></u>

Loans to customers comprise the following products:

	31 March 2016 (unaudited)	31 December 2015 (audited)
Loans to legal entities		
Corporate loans	526,787	564,948
Small and medium-sized enterprises	<u>67,395</u>	<u>78,069</u>
	594,182	643,017
Mortgage loans	155,963	167,721
Consumer loans	119,646	130,723
Business development	80,955	92,091
Car loans	<u>5,329</u>	<u>5,889</u>
	361,893	396,424
Less: allowance for impairment losses	<u>(105,021)</u>	<u>(151,326)</u>
Total loans to customers	<u><u>851,054</u></u>	<u><u>888,115</u></u>

As at 31 March 2016 and 31 December 2015, the Group provided loans totaling KZT 323,337 million and KZT 351,543 million, which individually and in aggregate exceeded 10% of the Group's equity, respectively.

As at 31 March 2016 and 31 December 2015, a significant amount of loans (98% and 98% of total portfolio, respectively) was granted to companies operating in the Republic of Kazakhstan, which represents a significant geographical concentration in one region.

As at 31 March 2016 and 31 December 2015, loans to customers included loans totaling KZT 74,087 million and KZT 67,354 million, respectively, with terms renegotiated.

	Carrying amount before allowance	31 March 2016 (unaudited) Allowance for impairment losses	Carrying amount	Carrying amount before allowance	31 December 2015 (audited) Allowance for impairment losses	Carrying amount
Loans to customers individually determined to be impaired	250,961	(83,336)	167,625	282,149	(120,198)	161,951
Loans to customers collectively determined to be impaired	107,812	(19,041)	88,771	81,897	(21,203)	60,694
Unimpaired loans	<u>597,302</u>	<u>(2,644)</u>	<u>594,658</u>	<u>675,395</u>	<u>(9,925)</u>	<u>665,470</u>
Total	<u><u>956,075</u></u>	<u><u>(105,021)</u></u>	<u><u>851,054</u></u>	<u><u>1,039,441</u></u>	<u><u>(151,326)</u></u>	<u><u>888,115</u></u>

Analysis by credit quality of loans to corporations outstanding as at 31 March 2016 and 31 December 2015 was as follows:

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Corporate loans				
As at 31 March 2016				
Individually impaired				
Not past due	107,045	(24,293)	82,752	22.69%
Overdue:				
up to 30 days	65,714	(26,319)	39,395	40.05%
31 to 60 days	15,099	(4,854)	10,245	32.15%
61 to 90 days	22,015	(9,771)	12,244	44.38%
91 to 180 days	9,520	(5,893)	3,627	61.90%
over 180 days	28,160	(10,640)	17,520	37.78%
Total individually impaired loans	247,553	(81,770)	165,783	33.03%
Collectively assessed				
Not past due	22,667	(4)	22,663	0.02%
Overdue:				
up to 30 days	5,690	(1)	5,689	0.02%
31 to 60 days	462	-	462	0.00%
61 to 90 days	564	-	564	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	4,592	(221)	4,371	4.81%
Total collectively assessed loans	33,975	(226)	33,749	0.67%
Unimpaired loans				
Not past due	204,346	(481)	203,865	0.24%
Overdue:				
up to 30 days	37,353	(246)	37,107	0.66%
31 to 60 days	1,787	-	1,787	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	1,250	-	1,250	0.00%
over 180 days	523	(2)	521	0.38%
Total unimpaired loans	245,259	(729)	244,530	0.30%
Total corporate loans	526,787	(82,725)	444,062	15.70%

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Corporate loans				
As at 31 December 2015				
Individually impaired				
Not past due	114,945	(38,594)	76,351	33.58%
Overdue:				
up to 30 days	35,094	(14,418)	20,676	41.08%
31 to 60 days	25,962	(10,153)	15,809	39.11%
61 to 90 days	37,853	(22,043)	15,810	58.23%
91 to 180 days	22,122	(13,503)	8,619	61.04%
over 180 days	39,948	(17,819)	22,129	44.61%
Total individually impaired loans	275,924	(116,530)	159,394	42.23%
Collectively assessed				
Not past due	191	(15)	176	7.85%
Overdue:				
up to 30 days	5,223	-	5,223	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	38	-	38	0.00%
Total collectively assessed loans	5,452	(15)	5,437	0.28%
Unimpaired loans				
Not past due	279,522	(2,327)	277,195	0.83%
Overdue:				
up to 30 days	866	(2)	864	0.23%
31 to 60 days	2,089	(31)	2,058	1.48%
61 to 90 days	-	-	-	0.00%
91 to 180 days	1,024	(217)	807	21.19%
over 180 days	71	-	71	0.00%
Total unimpaired loans	283,572	(2,577)	280,995	0.91%
Total corporate loans	564,948	(119,122)	445,826	21.09%

Analysis by credit quality of loans to small and medium-sized enterprises outstanding as at 31 March 2016 and 31 December 2015 was as follows:

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Small and medium-sized enterprises				
As at 31 March 2016				
Collectively assessed				
Not past due	2,265	-	2,265	0.00%
Overdue:				
up to 30 days	562	-	562	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	267	-	267	0.00%
91 to 180 days	635	-	635	0.00%
over 180 days	5,899	(2,123)	3,776	35.99%
Total collectively assessed loans	9,628	(2,123)	7,505	22.05%
Unimpaired loans				
Not past due	42,381	-	42,381	0.00%
Overdue:				
up to 30 days	7,378	-	7,378	0.00%
31 to 60 days	1,260	-	1,260	0.00%
61 to 90 days	1,695	-	1,695	0.00%
91 to 180 days	1,102	-	1,102	0.00%
over 180 days	3,951	(181)	3,770	4.58%
Total unimpaired loans	57,767	(181)	57,586	0.31%
Total small and medium-sized enterprises	67,395	(2,304)	65,091	3.42%
	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Small and medium-sized enterprises				
As at 31 December 2015				
Collectively assessed				
Not past due	1,863	-	1,863	0.00%
Overdue:				
up to 30 days	11	(11)	-	100.00%
31 to 60 days	2	-	2	0.00%
61 to 90 days	6	-	6	0.00%
91 to 180 days	73	(53)	20	72.60%
over 180 days	9,218	(4,848)	4,370	52.59%
Total collectively assessed loans	11,173	(4,912)	6,261	43.96%
Unimpaired loans				
Not past due	56,143	-	56,143	0.00%
Overdue:				
up to 30 days	1,454	(2)	1,452	0.14%
31 to 60 days	815	-	815	0.00%
61 to 90 days	973	-	973	0.00%
91 to 180 days	759	-	759	0.00%
over 180 days	6,752	(1,653)	5,099	24.48%
Total unimpaired loans	66,896	(1,655)	65,241	2.47%
Total small and medium-sized enterprises	78,069	(6,567)	71,502	8.41%

Analysis by credit quality of mortgage loans outstanding as at 31 March 2016 and 31 December 2015 was as follows:

Mortgage As at 31 March 2016	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Individually impaired				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	-	-	-	0.00%
Total individually impaired loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Collectively assessed				
Not past due	4,474	(38)	4,436	0.85%
Overdue:				
up to 30 days	3,304	(75)	3,229	2.27%
31 to 60 days	897	(85)	812	9.48%
61 to 90 days	782	(53)	729	6.78%
91 to 180 days	4,882	(3)	4,879	0.06%
over 180 days	12,259	(3,667)	8,592	29.91%
Total collectively assessed loans	<u>26,598</u>	<u>(3,921)</u>	<u>22,677</u>	<u>14.74%</u>
Unimpaired loans				
Not past due	99,668	-	99,668	0.00%
Overdue:				
up to 30 days	9,712	(3)	9,709	0.03%
31 to 60 days	5,023	(5)	5,018	0.10%
61 to 90 days	3,633	-	3,633	0.00%
91 to 180 days	2,712	-	2,712	0.00%
over 180 days	8,617	(413)	8,204	4.79%
Total unimpaired loans	<u>129,365</u>	<u>(421)</u>	<u>128,944</u>	<u>0.33%</u>
Total mortgage loans	<u><u>155,963</u></u>	<u><u>(4,342)</u></u>	<u><u>151,621</u></u>	<u><u>2.78%</u></u>

Mortgage As at 31 December 2015	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Individually impaired				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	763	(459)	304	60.16%
over 180 days	-	-	-	0.0%
Total individually impaired loans	<u>763</u>	<u>(459)</u>	<u>304</u>	<u>60.16%</u>
Collectively assessed				
Not past due	1,861	(117)	1,744	6.29%
Overdue:				
up to 30 days	2,700	(114)	2,586	4.22%
31 to 60 days	129	-	129	0.00%
61 to 90 days	2,911	-	2,911	0.00%
91 to 180 days	2,551	-	2,551	0.00%
over 180 days	15,145	(3,788)	11,357	25.01%
Total collectively assessed loans	<u>25,297</u>	<u>(4,019)</u>	<u>21,278</u>	<u>15.89%</u>
Unimpaired loans				
Not past due	116,416	-	116,416	0.00%
Overdue:				
up to 30 days	5,587	-	5,587	0.00%
31 to 60 days	2,536	(8)	2,528	0.32%
61 to 90 days	2,463	-	2,463	0.00%
91 to 180 days	2,772	-	2,772	0.00%
over 180 days	11,887	(1,982)	9,905	16.67%
Total unimpaired loans	<u>141,661</u>	<u>(1,990)</u>	<u>139,671</u>	<u>1.40%</u>
Total mortgage loans	<u><u>167,721</u></u>	<u><u>(6,468)</u></u>	<u><u>161,253</u></u>	<u><u>3.86%</u></u>

Analysis by credit quality of consumer loans as at 31 March 2016 and 31 December 2015 was as follows:

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Consumer loans				
As at 31 March 2016				
Individually impaired				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	2,452	(1,157)	1,295	47.19%
Total individually impaired loans	2,452	(1,157)	1,295	47.19%
Collectively assessed				
Not past due	2,187	(11)	2,176	0.50%
Overdue:				
up to 30 days	1,940	(83)	1,857	4.28%
31 to 60 days	111	(32)	79	28.83%
61 to 90 days	759	-	759	0.00%
91 to 180 days	1,636	-	1,636	0.00%
over 180 days	12,696	(4,120)	8,576	32.45%
Total collectively assessed loans	19,329	(4,246)	15,083	21.97%
Unimpaired loans				
Not past due	68,170	-	68,170	0.00%
Overdue:				
up to 30 days	8,125	(248)	7,877	3.05%
31 to 60 days	2,932	(7)	2,925	0.24%
61 to 90 days	3,221	(1)	3,220	0.03%
91 to 180 days	3,832	-	3,832	0.00%
over 180 days	11,585	(445)	11,140	3.84%
Total unimpaired loans	97,865	(701)	97,164	0.72%
Total consumer loans	119,646	(6,104)	113,542	5.10%

Consumer loans As at 31 December 2015	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Individually impaired				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	18	(11)	7	61.11%
over 180 days	2,426	(1,092)	1,334	45.01%
Total individually impaired loans	2,444	(1,103)	1,341	45.13%
Collectively assessed				
Not past due	1,291	(92)	1,199	7.13%
Overdue:				
up to 30 days	2,095	(51)	2,044	2.43%
31 to 60 days	53	-	53	0.00%
61 to 90 days	1,623	-	1,623	0.00%
91 to 180 days	473	(1)	472	0.21%
over 180 days	15,378	(4,184)	11,194	27.21%
Total collectively assessed loans	20,913	(4,328)	16,585	20.70%
Unimpaired loans				
Not past due	80,916	(5)	80,911	0.01%
Overdue:				
up to 30 days	4,060	(6)	4,054	0.15%
31 to 60 days	3,305	-	3,305	0.00%
61 to 90 days	2,216	-	2,216	0.00%
91 to 180 days	2,788	-	2,788	0.00%
over 180 days	14,081	(1,633)	12,448	11.60%
Total unimpaired loans	107,366	(1,644)	105,722	1.53%
Total consumer loans	130,723	(7,075)	123,648	5.41%

Analysis by credit quality of loans issued for business development purposes as at 31 March 2016 and 31 December 2015 was as follows:

Business development As at 31 March 2016	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Individually impaired				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	956	(409)	547	42.78%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	-	-	-	0.00%
Total individually impaired loans	956	(409)	547	42.78%
Collectively assessed				
Not past due	1,607	(44)	1,563	2.74%
Overdue:				
up to 30 days	817	(206)	611	25.21%
31 to 60 days	1,344	(497)	(847)	36.98%
61 to 90 days	42	-	42	0.00%
91 to 180 days	679	-	679	0.00%
over 180 days	13,657	(7,752)	5,905	56.76%
Total collectively assessed	18,146	(8,499)	9,647	46.84%
Unimpaired loans				
Not past due	46,163	-	46,163	0.00%
Overdue:				
up to 30 days	3,834	-	3,834	0.00%
31 to 60 days	2,061	(16)	2,045	0.78%
61 to 90 days	1,013	-	1,013	0.00%
91 to 180 days	1,936	-	1,936	0.00%
over 180 days	6,846	(596)	6,250	8.71%
Total unimpaired loans	61,853	(612)	61,241	0.99%
Total business development	80,955	(9,520)	71,435	11.76%

Business development As at 31 December 2015	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Individually impaired				
Not past due	-	-	-	0.00%
Overdue:				
up to 30 days	956	(375)	581	39.23%
31 to 60 days	2,062	(1,732)	330	84.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	-	-	-	0.00%
over 180 days	-	-	-	0.00%
Total individually impaired loans	3,018	(2,107)	911	69.81%
Collectively assessed				
Not past due	1,196	-	1,196	0.00%
Overdue:				
up to 30 days	78	-	78	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	135	-	135	0.00%
over 180 days	17,602	(7,920)	9,682	44.99%
Total collectively assessed loans	19,011	(7,920)	11,091	41.66%
Unimpaired loans				
Not past due	53,766	-	53,766	0.00%
Overdue:				
up to 30 days	2,340	-	2,340	0.00%
31 to 60 days	1,416	-	1,416	0.00%
61 to 90 days	828	-	828	0.00%
91 to 180 days	961	-	961	0.00%
over 180 days	10,751	(2,044)	8,707	19.01%
Total unimpaired loans	70,062	(2,044)	68,018	2.92%
Total business development	92,091	(12,071)	80,020	13.11%

Analysis by credit quality of car loans as at 31 March 2016 and 31 December 2015 was as follows:

	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Car loans				
As at 31 March 2016				
Collectively assessed				
Not past due	6	-	6	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	-	-	-	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	13	-	13	0.00%
over 180 days	117	(26)	91	22.22%
Total collectively assessed	136	(26)	110	19.12%
Unimpaired loans				
Not past due	4,581	-	4,581	0.00%
Overdue:				
up to 30 days	218	-	218	0.00%
31 to 60 days	56	-	56	0.00%
61 to 90 days	63	-	63	0.00%
91 to 180 days	81	-	81	0.00%
over 180 days	194	-	194	0.00%
Total unimpaired loans	5,193	-	5,193	0.00%
Total car loans	5,329	(26)	5,303	0.49%
	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Car loans				
As at 31 December 2015				
Collectively assessed				
Not past due	13	-	13	0.00%
Overdue:				
up to 30 days	-	-	-	0.00%
31 to 60 days	2	-	2	0.00%
61 to 90 days	-	-	-	0.00%
91 to 180 days	9	-	9	0.00%
over 180 days	28	(9)	19	32.14%
Total collectively assessed loans	52	(9)	43	17.31%
Unimpaired loans				
Not past due	5,266	-	5,266	0.00%
Overdue:				
up to 30 days	136	-	136	0.00%
31 to 60 days	50	-	50	0.00%
61 to 90 days	72	-	72	0.00%
91 to 180 days	96	-	96	0.00%
over 180 days	217	(14)	203	6.45%
Total unimpaired loans	5,837	(14)	5,823	0.24%
Total car loans	5,889	(23)	5,866	0.39%

As at 31 March 2016 and 31 December 2015, the Group entered as a lessor into finance leasing agreements. The interest rate inherent in leases is fixed at the contract date for all of the lease terms.

The components of net investment in finance lease as at 31 March 2016 and 31 December 2015 are presented as follows:

	31 March 2016	31 December 2015
Not later than one year	457	463
From one year to five years	1,446	1,430
More than five years	<u>10,217</u>	<u>10,612</u>
Minimum lease payments	12,120	12,505
Less: unearned finance income	<u>(7,934)</u>	<u>(8,319)</u>
Net investment in finance lease	<u><u>4,186</u></u>	<u><u>4,186</u></u>
Current portion	13	20
Long-term portion	<u>4,173</u>	<u>4,166</u>
Net investment in finance lease, before allowance for impairment	4,186	4,186
Less: allowance for impairment losses	<u>(15)</u>	<u>(55)</u>
Net investment in finance lease, net of allowance for impairment	<u><u>4,171</u></u>	<u><u>4,131</u></u>

There are no restrictions placed upon the lessee by entering into these contracts.

Fair value of assets pledged and carrying amount of loans under reverse repurchase agreements as at 31 March 2016 and 31 December 2015 are presented as follows:

	31 March 2016		31 December 2015	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
Bonds of the Ministry of Finance of the Republic of Kazakhstan	-	-	1,794	1,889
Kazakhstan corporate bonds	<u>10,433</u>	<u>11,606</u>	<u>1,155</u>	<u>1,618</u>
Total	<u><u>10,433</u></u>	<u><u>11,606</u></u>	<u><u>2,949</u></u>	<u><u>3,507</u></u>

19. OTHER ASSETS

	31 March 2016	31 December 2015
Other financial assets:		
Receivables	9,621	8,896
Accrued commission	2,594	1,608
Western Union and other wireless transfers	<u>4,261</u>	<u>213</u>
	16,476	10,717
Less allowances for impairment losses	<u>(1,235)</u>	<u>(1,504)</u>
Total other financial assets	<u>15,241</u>	<u>9,213</u>
Other non-financial assets:		
Repossessed collateral	17,518	15,175
Investment property	3,376	3,376
Tax settlements, other than income tax	493	743
Advances paid	1,222	660
Inventory	<u>13</u>	<u>31</u>
	22,622	19,985
Less accumulated impairment	<u>(219)</u>	<u>(150)</u>

Total other non-financial assets	<u>22,403</u>	<u>19,835</u>
Total other assets	<u>37,644</u>	<u>29,048</u>

Movement in allowances for impairment losses and accumulated impairment on other assets for the periods ended 31 March 2016 and 31 December 2015 is disclosed in Note 5.

Repossessed collateral represents real estate accepted by the Group from its non-performing borrowers. These assets have been initially recognized at fair value and subsequently measured at cost less accumulated impairment. As at 31 March 2016, the Management has not yet decided on whether the repossessed collateral will be sold or used as property and equipment.

20. DUE TO BANKS AND FINANCIAL INSTITUTIONS

	Nominal interest rate, %	31 March 2016	31 December 2015
Long-term loans due to banks and financial institutions	0.85-8.50	53,011	55,325
Loan due to NBRK	5.50	20,131	30,132
Perpetual debt	4.8-6.65	27,032	26,513
Loans due to international credit organizations	6.20-8.15	18,371	18,358
Correspondent accounts of banks	-	1,066	1,169
Short-term loans due to banks and financial institutions	3.39-3.94	31	300
Subordinated loan	LIBOR +4.5– LIBOR +6.5	-	-
Accrued interest	-	<u>1,132</u>	<u>1,933</u>
		<u>120,774</u>	<u>133,730</u>
Loans under repurchase agreements	15	<u>6,551</u>	<u>47,818</u>
Total due to banks and financial institutions		<u>127,325</u>	<u>181,548</u>

As at 31 March 2016, the Group has received a long-term loan from JSC Development Bank of Kazakhstan totaling KZT 2,000 million at 1% p.a. maturing in 2035.

As at 31 March 2016, the Group has received a long-term loan from JSC Development Bank of Kazakhstan in the amount of KZT 11,000 million at 7.90% p.a. maturing in 2019.

The perpetual non-cumulative debt was issued by the Bank in March 2006 with an option to repay in whole on any interest payment date from and including 3 March 2016 at face value of USD 100 million. Interest payment dates are 3 March, 3 June, 3 September and 3 December each year.

As at 31 March 2016, the Group has received long-term loans from the European Bank for Reconstruction and Development (“EBRD”) in the amount of KZT 10,000 million at

6.2% p.a., in the amount of KZT 1,860 million at 7.3% p.a. and KZT 6,750 million at 8.15% p.a. maturing in 2020.

The Group is obliged to comply with financial covenants in relation to due to banks and subordinated loans. These covenants include stipulated ratios, capital adequacy ratios, debt to equity ratios and various other financial performance ratios.

During the year of 2015 the Group has breached a covenant in relation to a loan obtained from Citibank International Plc. On 28 January 2016, the Group obtained a waiver from Citibank International Plc to 31 December 2015.

As at 31 March 2016 and 31 December 2015, the Group had long-term loans received from JSC Development Bank of Kazakhstan, JSC Entrepreneurship Development Fund DAMU and NBRK that individually and in aggregate exceeded 10% of the Group's equity.

Fair value of assets pledged and carrying value of loans under repurchase agreements as at 31 March 2016 and 31 December 2015 are presented as follows:

	31 March 2016		31 December 2015	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
Bonds of the Ministry of Finance of the Republic of Kazakhstan	6,551	6,786	47,818	49,910
Corporate bonds	-	-	-	-
Government bonds of Russian Federation	-	-	-	-
Total	<u>6,551</u>	<u>6,786</u>	<u>47,818</u>	<u>49,910</u>

21. CUSTOMER AND BANK ACCOUNTS

	31 March 2016	31 December 2015
Recorded at amortized cost:		
Customer accounts	1,027,844	1,030,367
Bank accounts	30,554	24,202
	<u>1,058,398</u>	<u>1,054,569</u>
Accrued interest	5,739	5,509
Total customer and bank accounts	<u>1,064,137</u>	<u>1,060,078</u>
	31 March 2016	31 December 2015
Time deposits	706,087	756,463
Demand deposits	321,757	273,904
	<u>1,027,844</u>	<u>1,030,367</u>
Accrued interest	4,914	4,548
Total customer accounts	<u>1,032,758</u>	<u>1,034,915</u>

As at 31 March 2016 and 31 December 2015, customer accounts totaling KZT 130,065 million and KZT 193,857 million, respectively, were due to five and five customers, which represent a significant concentration.

	31 March 2016	31 December 2015
Analysis by sector:		
Individuals	506,565	545,417
Social services	196,277	169,077
Construction	64,319	73,016
Trade	51,190	51,962
Education and health care	46,111	27,896
Transportation and communication	35,117	43,251
Insurance companies and pension fund	19,772	19,972
Manufacturing	14,686	19,805
Agriculture	12,450	6,822
Energy	10,663	15,003
Oil and gas	9,350	12,341
Metallurgy	6,950	4,828
Entertainment services	4,408	5,309
Fuel	5,196	4,260
Research and engineering	3,607	4,858
Chemical production	2,844	1,708
Machinery	1,404	1,951
Public administration	652	368
Other	41,197	27,071
Total customer accounts	<u>1,032,758</u>	<u>1,034,915</u>

Bank accounts as at 31 March 2016 and 31 December 2015 comprised the following:

	31 March 2016	31 December 2015
Time deposits	24,942	24,200
Demand deposits	5,612	2
	<u>30,554</u>	<u>24,202</u>
Accrued interest	825	961
Total bank accounts	<u>31,379</u>	<u>25,163</u>

22. DEBT SECURITIES ISSUED

	CCY	Issue date	Maturity date	Nominal interest rate, %	31 March 2016	31 December 2015
Kazakhstani bonds	KZT	26/04/2014	22/09/2025	7.50-9.00	24,255	26,249
					<u>24,255</u>	<u>26,249</u>
Accrued interest					834	346
Total debt securities issued					<u>25,089</u>	<u>26,595</u>

23. OTHER LIABILITIES

	31 March 2016	31 December 2015
Other financial liabilities:		
Settlements on other transactions	9,915	3,182
Obligations under financial guarantees issued	1,588	1,398
Provision for guarantees and letters of credit (Note 5)	793	510
Accrued commission expenses	93	433
Derivative financial instruments (Note 14)	<u>8,219</u>	<u>9,769</u>
	20,608	15,292
Other non-financial liabilities:		
Taxes payable, other than income tax	1,375	1,355
Other non-financial liabilities	<u>834</u>	<u>677</u>
	2,209	2,032
Total other liabilities	<u><u>22,817</u></u>	<u><u>17,324</u></u>

Movement in the provision for guarantees and letters of credit for the periods ended 31 March 2016 and 31 December 2015 is disclosed in Note 5.

24. SUBORDINATED BONDS

	CCY	Issue date	Maturity date	Annual coupon rate, %	31 March 2016	31 December 2015
Floating rate	KZT	10.10.2006- 27/11/2009	10.10.2016- 11.11.2023	4.80-5.40	32,077	32,062
Fixed rate	KZT	27/06/2008- 29/09/2015	27/06/2018- 29/09/2025	10.00-11.00	<u>29,409</u>	<u>29,414</u>
					61,486	61,476
Accrued interest					<u>1,060</u>	<u>705</u>
Total subordinated bonds					<u><u>62,546</u></u>	<u><u>62,181</u></u>

Interest on the subordinated bonds is repayable semiannually, and principal is repayable at the end of the term.

25. SHARE CAPITAL

As at 31 March 2016, the Bank's share capital comprised the following number of shares:

	Authorized share capital	Share capital authorized and not issued	Repurchased share capital	Total share capital
Ordinary shares	260,750,745	(98,293,945)	(744,459)	161,712,341
Preference shares	39,249,255	-	-	39,249,255

As at 31 March 2016, the Bank's share capital represented by:

	Authorized and issued share capital (KZT million)	Repurchased shares (KZT million)	Total (KZT million)
Ordinary shares	57,966	9	57,975
Preference shares	11,775	-	11,775
Total	69,741	9	69,750

As at 31 December 2015, the Bank's share capital comprised of the following number of shares:

	Authorized share capital	Share capital authorized and not issued	Repurchased share capital	Total share capital
Ordinary shares	260,750,745	(98,293,945)	(435,452)	162,021,348
Preference shares	39,249,255	-	-	39,249,255

As at 31 December 2015, the Bank's share capital represented by:

	Authorized and issued share capital (KZT million)	Repurchased shares (KZT million)	Total (KZT million)
Ordinary shares	58,016	(50)	57,966
Preference shares	11,775	-	11,775
Total	69,791	(50)	69,741

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

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

According to legislation of the Republic of Kazakhstan on Joint Stock Companies dividends are payable on ordinary shares in the form of money or securities of the Bank on condition that the decision was made at the annual meeting of shareholders of the Bank. In accordance with Regulation of the Bank dividend payments on ordinary shares are made on the basis of financial results for the year.

Preference shares have no voting rights and are not redeemable. Holders of preference shares have a right to receive dividends prior to common stockholders. Conversion of preference shares is performed based on the decision of the Board of Directors. The guaranteed amount of dividends per one preference share is KZT 0.01 per share.

	31 March 2016 Quantity (in thousands)	31 December 2015 Quantity (in thousands)
Preference shares, beginning of the year	39,249	39,249
Preference shares issued	-	-
Preference shares, end of the year	<u>39,249</u>	<u>39,249</u>
Ordinary shares, beginning of the year	161,584	162,021
Treasury shares purchased	(276)	(1,871)
Treasury shares sold	404	1,434
Ordinary shares, end of the year	<u>161,712</u>	<u>161,584</u>
	31 March 2015 (KZT million)	31 December 2015 (KZT million)
Preference shares, beginning of the year	11,775	11,775
Preference shares issued	-	-
Preference shares, end of the year	<u>11,775</u>	<u>11,775</u>
Ordinary shares, beginning of the year	57,966	58,016
Treasury shares purchased	(44)	(280)
Treasury shares sold	53	230
Ordinary shares, end of the year	<u>57,975</u>	<u>57,966</u>

Pensions and retirement plans

Employees of the Group receive pension benefits in accordance with the laws and regulations of the Republic of Kazakhstan and Russian Federation. As at 31 March 2016 and 31 December 2015, the Group was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

Lee V.S.
Chairman



Yang Jinhwan
Managing Director

Nurgaliyeva A.T.
Chief Accountant