

1. General provisions

(a) Organizational structure and operations

JSC Delta Bank is a public limited liability company, which was incorporated in the Republic of Kazakhstan in 2007.

The activities of the Bank are regulated by the National Bank of the Republic of Kazakhstan (the "NBK"). The Bank is a member of the NBK since 2007.

The principal activities of the Bank are: accepting deposits, issuing and redeeming banknotes, coins and settlements operations with currency and foreign exchange.

The Bank is the member of the Kazakhstan Deposit Insurance Fund (the "KDIF").

The Bank's registered office is: 33A, Tole Bi Street, Astana, Republic of Kazakhstan.

As of 30 June 2015, the Bank has 17 branches operating in the Republic of Kazakhstan.

Bank's and medium-term bonds issued by the Bank are listed on Kazakhstan Stock Exchange.

(b) Shareholders

JSC Delta Bank

As of 30 June 2015 and 31 December 2014, the Bank's share capital was 100,000,000,000 KZT, and shareholders owned 5% or more of the Bank's voting shares of the Bank.

EXPLANATORY NOTE

TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER OF 2015

| | 30 June 2015 | 31 December 2014 |
|----------------------------------|--------------|------------------|
| | % | % |
| Shareholders | | |
| Satymov Armanbay | 4.5 | 34.5 |
| Balimbayev Armanbay | 4.7 | 6.7 |
| Alimzhanov Arman | 6.1 | 6.1 |
| Krasovskiy Almat | 3.1 | 3.1 |
| Talyshev Zhenolai | 3.3 | 3.3 |
| Talyshev Klyaysh | 7.3 | 7.3 |
| Selezneva Galina | 7.3 | 7.3 |
| Selezneva Zhenar | 7.3 | 7.3 |
| Selezneva Galina | 6.2 | 6.2 |
| | 56.1 | 56.1 |
| Shareholders owning less than 5% | 13.9 | 13.9 |
| | 100.0 | 100.0 |

1 General provisions

(a) Organization structure and operations

JSC Delta Bank (the “Bank”) is a joint stock company, which was incorporated in the Republic of Kazakhstan in 1993.

The activities of the Bank are regulated by the National Bank of the Republic of Kazakhstan (the “NBRK”). The Bank operates under banking license #213, dated 24 October 2007.

The principal activities of the Bank are commercial/banking activity, lending and issuing guarantees, cash and settlements operations with securities and foreign exchange.

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

The Bank’s registered office is: 73A, Tole bi street, Almaty, Republic of Kazakhstan.

As of 30 June 2015, the Bank has 11 branches operating in the Republic of Kazakhstan.

Bonds and common shares issued by the Bank are listed on Kazakhstan Stock Exchange.

(b) Shareholders

As of 30 June 2015 and 31 December 2014, the following shareholders owned 5% or more of the issued voting shares of the Bank:

| Shareholder | 30 June 2015 % | 31 December 2014 % |
|----------------------------------|----------------------|--------------------------|
| | | |
| Samzayev Artykbay | 24.5 | 24.5 |
| Balmagambetova Almagul | 8.7 | 8.7 |
| Akinzhanova Ainur | 8.1 | 8.1 |
| Kravchenko Aigul | 8.1 | 8.1 |
| Tulepbekov Zhasulan | 8.0 | 8.0 |
| Sarkulova Kulaysh | 7.5 | 7.5 |
| Saktaganova Galiya | 7.5 | 7.5 |
| Zholdybayeva Zhanar | 7.5 | 7.5 |
| Akhmetzhanova Gulimzhan | 6.2 | 6.2 |
| | 86.1 | 86.1 |
| Shareholders owning less than 5% | 13.9 | 13.9 |
| | 100.0 | 100.0 |

2 Basis of preparation of the financial report

(a) Statement of compliance with IFRS

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and available-for-sale financial assets are stated at fair value and land, buildings and vehicles are at revalued amounts.

(c) Functional and presentation currency

The functional currency of the Bank is the Kazakhstan Tenge ("KZT") as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to them.

The KZT is also the presentation currency for the purposes of these financial statements.

All financial information presented in KZT is rounded to the nearest thousand.

3 Net interest income

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|--|-----------------------|-----------------------|
| Interest income | | |
| Loans to customers | 17,034,383 | 12,106,888 |
| Available-for-sale financial assets | 1,078,404 | 708,090 |
| Placements with banks and other financial institutions | 6,969 | 17,248 |
| Held-to-maturity investments | - | 28,732 |
| Financial instruments at fair value through profit or loss | - | 2,644 |
| | 18,119,756 | 12,863,602 |
| Interest expense | | |
| Current accounts and deposits from customers | (4,787,409) | (4,336,381) |
| Amounts payable under repurchase agreements | (1,170,929) | (56,546) |
| Debt securities issued | (1,234,910) | (1,226,445) |
| Due to banks and other financial institutions | (1,215,386) | (226,158) |
| Other | (13,220) | - |
| | (8,421,854) | (5,845,530) |
| | 9,697,902 | 7,018,072 |

4 Fee and commission income

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|---|-----------------------|-----------------------|
| Guarantee and letter of credit issuance | 219,776 | 372,829 |
| Transfer operations | 88,291 | 54,536 |
| Cash operations | 63,599 | 46,068 |
| Foreign currency exchange | 28,894 | 18,724 |
| Credit card and account maintenance | 20,057 | 14,494 |
| Other | 16,543 | 9,424 |
| | 437,160 | 516,075 |

5 Fee and commission expense

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|---------------------|-----------------------|-----------------------|
| Transfer operations | 19,498 | 10,594 |
| Card services | 7,711 | 5,873 |
| Brokerage | 4,405 | 6,900 |
| Other | 24,988 | 13,775 |
| | 56,602 | 37,142 |

6 Net foreign exchange income

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|------------------------------|-----------------------|-----------------------|
| Dealing, net | 189,701 | 348,389 |
| Translation differences, net | (4,850) | (5,134) |
| | 184,851 | 343,255 |

7 Impairment losses

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|--------------------|-----------------------|-----------------------|
| Loans to customers | 4,574,482 | 3,510,267 |
| Other assets | 94,762 | (5,353) |
| | 4,669,244 | 3,504,914 |

8 Operation expenses

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|---|-----------------------|-----------------------|
| Employee compensation | 586,775 | 508,870 |
| Payroll related taxes | 59,030 | 51,600 |
| Total employee costs | 645,805 | 560,470 |
| Occupancy | 215,856 | 213,179 |
| Depreciation and amortisation | 127,154 | 152,311 |
| Advertising and marketing | 68,513 | 50,363 |
| Taxes other than on income | 54,758 | 48,901 |
| Professional services | 33,158 | 25,102 |
| Security | 35,863 | 32,201 |
| Communications and information services | 26,367 | 19,104 |
| Insurance | 20,802 | 19,935 |
| Transportation | 14,524 | 14,373 |
| Travel expenses | 13,675 | 7,117 |
| Membership fee | 6,549 | 25,808 |
| Cash collection expenses | 4,536 | 4,550 |
| Representative expenses | 1,895 | 1,855 |
| Repairs and maintenance | 2,551 | 8,981 |
| Other | 71,655 | 44,584 |
| | 1,343,661 | 1,228,834 |

9 Cash and cash equivalents

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|--|-----------------------|-----------------------|
| Cash on hand | 1,210,140 | 1,231,694 |
| Nostro account with the NBRK | 9,710,375 | 7,328,184 |
| Nostro account with other banks | | |
| - rated A | 3,192,635 | 833,009 |
| - rated from BBB+ to BBB- | 152,264 | 461,187 |
| - rated from BB+ to BB- | 211,779 | 157,153 |
| - rated below B+ | 515,812 | 23,603 |
| Total cash and cash equivalents | 7,064 | - |
| Cash on hand | 15,000,069 | 10,034,830 |

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into Standard & Poor's scale. None of cash and cash equivalents are impaired or past due.

Concentration of cash and cash equivalents

As of 30 June 2015 the Bank had one bank (31 December 2014: 1 bank), whose balances exceed 10% of equity. The gross value of these balances as of 30 June 2015 is KZT 9,710,375 thousand (31 December 2014: KZT 7,328,184 thousand).

10 Financial instruments at fair value through profit or loss

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|---------------------------|-----------------------|-----------------------|
| <i>Held by the Bank</i> | | |
| Equity instruments | | |
| JCS Kazakhtelecom | | |
| <i>Held by the Bank</i> | 17,759 | 16,555 |
| | 17,759 | 16,555 |

None of the financial instruments at fair value through profit or loss are past due or impaired.

11 Loans to customers

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|--|-----------------------|-----------------------|
| Loans to corporate customers | 272,741,951 | 255,399,847 |
| Loans to retail customers | | |
| Consumer loans | 234,311 | 416,880 |
| Other retail loans | 1,145,365 | 1,139,917 |
| Total loans to retail customers | 1,379,676 | 1,556,797 |
| Gross loans to customers | 274,121,627 | 256,956,644 |
| Impairment allowance | (31,524,663) | (27,289,232) |
| Net loans to customers | 242,596,964 | 229,667,412 |

12 Available-for-sale financial assets

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|---|-----------------------|-----------------------|
| <i>Held by the Bank</i> | | |
| Debt instruments | | |
| Treasury bills of the Ministry of Finance of the Republic of Kazakhstan | 24,291,885 | 21,771,192 |
| | 24,291,885 | 21,771,192 |
| Equity instruments | | |
| JSC Kazakhstan Stock Exchange | 2,200 | 2,200 |
| | 2,200 | 2,200 |
| | 24,294,085 | 21,773,392 |
| <i>Pledged under repurchase agreements</i> | | |
| Debt instruments | | |
| Treasury bills of the Ministry of Finance of the Republic of Kazakhstan | 14,754,697 | 17,484,662 |
| | 14,754,697 | 17,484,662 |
| Total pledged under repurchase agreements | 39,048,782 | 39,258,054 |
| Unquoted equity instruments | | |

Available-for-sale investments stated at cost comprise unquoted ordinary equity shares of JSC Kazakhstan Stock Exchange of KZT 2,200 thousand, the fair value of which cannot be reliably determined. There is no market for this investment and there have not been any recent transactions that provide evidence of the current fair value.

13 Due to banks and other financial institutions

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|--|-----------------------|-----------------------|
| Long-term loans received from the government-owned financial organisations | 44,046,915 | 27,149,234 |
| Short-term deposits from commercial banks of Kazakhstan | 15,922,910 | 17,698,925 |
| Amounts payable under repurchase agreements | 17,813,584 | 16,109,294 |
| Short-term deposits received from the government-owned financial organisations | 1,076,042 | 1,000,625 |
| Short-term loans received from other financial organisations | 2,573,912 | 193,003 |
| | 81,433,363 | 62,151,081 |

14 Current accounts and deposits from customers

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|--------------------------------------|-----------------------|-----------------------|
| Current accounts and demand deposits | | |
| - Corporate | 32,942,504 | 11,895,703 |
| - Retail | 798,461 | 822,256 |
| Term deposits | | |
| - Corporate | 118,370,475 | 141,776,336 |
| - Retail | 7,426,067 | 7,616,058 |
| | 159,537,507 | 162,110,353 |

15 Debt securities issued

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|------------------|-----------------------|-----------------------|
| Nominal | 29,042,000 | 29,042,000 |
| Discount | (635,566) | (686,501) |
| Accrued interest | 554,432 | 558,422 |
| | 28,960,866 | 28,913,921 |

The summary of bond issues at 30 June 2015 and 31 December 2014 is presented below:

| | Maturity | Coupon rate | Carrying amount | |
|---|------------|-------------|-----------------------|-----------------------|
| | | | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
| KZT denominated bonds of the first issue * | 18.01.2017 | 9.5% | 10,258,122 | 10,219,373 |
| KZT denominated bonds of the second issue * | 27.05.2023 | 7.5% | 18,702,744 | 18,694,548 |
| | | | 28,960,866 | 28,913,921 |

16 Equity

Movement in share capital during six months ended 30 June 2015 and the year ended 31 December 2014 was as follows:

| | 30.06.2015 KZT'000 | 30.06.2015 Number of shares | 31.12.2014 KZT'000 | 31.12.2014 Number of shares |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| Share capital at the beginning of the | 20,460,088 | 13,291,313 | 15,460,976 | 9,958,595 |
| Issued at KZT 1,500 per share | - | - | 4,999,500 | 3,333,000 |
| Acquisition of treasury shares | (60) | (44) | (388) | (282) |
| Share capital at the end of the year | 20,460,028 | 13,291,269 | 20,460,088 | 13,291,313 |

As of 30 June 2015, the authorized, issued and outstanding share capital comprises:

| | Authorized shares | Unplaced shares | Treasury shares | Total share capital |
|-----------------|----------------------|-----------------|--------------------|------------------------|
| Ordinary shares | 40,000,000 | (26,667,000) | (41,731) | 13,291,269 |

As of 31 December 2014, the authorized, issued and outstanding share capital comprises:

| | Authorized shares | Unplaced shares | Treasury shares | Total share capital |
|-----------------|----------------------|-----------------|--------------------|------------------------|
| Ordinary shares | 40,000,000 | (26,667,000) | (41,687) | 13,291,313 |

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

17 Book value per share

Under the listing rules of the Kazakh Stock Exchange the Bank is required to present book value per share in its statement of financial position. The calculation of book value per share as of 30 June 2015 is based on number of outstanding common shares of 13,291,269 (31 December 2014: 13,291,313) and net assets of KZT 35,992,106 thousand (31 December 2014: KZT 31,987,714 thousand) calculated as follows:

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|-------------------|-----------------------|-----------------------|
| Total assets | 308,461,557 | 285,939,365 |
| Intangible assets | (373,846) | (394,299) |
| Total liabilities | (272,095,605) | (253,557,352) |
| Net assets | 35,992,106 | 31,987,714 |

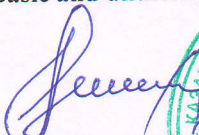
The following table shows the book value per share calculations as of 30 June 2015 and 31 December 2014:

| | 30.06.2015 KZT'000 | 31.12.2014 KZT'000 |
|--|-----------------------|-----------------------|
| Net assets | 35,992,106 | 31,987,714 |
| Outstanding number of participating shares at the year end | 13,291,269 | 13,291,313 |
| Book value per share, KZT | 2,708 | 2,407 |


18 Earnings per share

The following table shows the profit for the three months ended 30 June, 2015 and 2014 and share data used in the basic and diluted earnings per share calculations:

| | 30.06.2015 KZT'000 | 30.06.2014 KZT'000 |
|---|-----------------------|-----------------------|
| Net profit attributable to ordinary shareholders | 3,845,211 | 1,263,009 |
| Weighted average number of ordinary shares for basic earnings per share | 13,291,285 | 9,958,597 |
| Basic and diluted earnings per share, in KZT | 289 | 127 |


Akylbek Aitimov
Acting Chairman of the Management Board




Galiya Kainarbekova
Deputy Chairperson - Chief Accountant