

**JSC BANK CENTERCREDIT**

EXPLANATORY NOTE  
TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR 3 MONTHS ENDED 31 MARCH 2013

## 1. GENERAL INFORMATION ABOUT THE BANK

JSC Bank CenterCredit (hereinafter referred to as 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 National Bank of the Republic of Kazakhstan (hereinafter 'the NBRK') and the Committee for Control and Supervision of the Financial Market and Financial Institutions of the National Bank of the Republic of Kazakhstan (hereinafter referred to as the 'Committee') are the authorized state bodies regulating the Bank. The Bank conducts its business under the license No 248 dated 13 December 2007, issued by the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Institutions. On 27 August 2008, Kookmin Bank (South Korea) acquired a 23 % interest in the Bank. As of 31 March 2012, Kookmin Bank holds 41.93 % of total issued shares of the Bank, and International Finance Corporation's ('IFC') ownership interest is 10% of the Bank's equity.

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

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

The Bank's registered address is at 98 Panfilov Str., Almaty, the Republic of Kazakhstan.

As of 31 March 2013, the Bank had 20 branches in the Republic of Kazakhstan.

The Bank is a parent company of a banking group (the 'Group'), which consists of the following subsidiaries consolidated for the purpose of these consolidated financial statements:

Name	Country of operation	31 March 2013	31 December 2012	Type of operation
JSC APF Capital	Republic of Kazakhstan	75%	75%	Pension Fund Management
Center Leasing LLP	Republic of Kazakhstan	91%	91%	Finance lease of property
JSC BCC Invest	Republic of Kazakhstan	100%	100%	Brokerage and dealer activity
CenterCredit International B.V.	the Netherlands	100%	100%	Issuance of capital in the international financial markets
Bank BCC-Moscow LLC	Russian Federation	100%	100%	Banking services

JSC Accumulative Pension Fund Capital (APF Capital) was founded in October 2011 as a closed joint-stock company in accordance with the legislation of the Republic of Kazakhstan. In December 2003, APF Capital was re-registered as a joint-stock company. APF Capital manages pension contribution inflows and accumulation on individual pension accounts pursuant to the legislative requirements of the Republic of Kazakhstan.

In September 2002, LLP Center Leasing was established as a limited liability partnership in accordance with the legislation of the Republic of Kazakhstan. The main activity of LLP Center Leasing is leasing operations, which are carried out in accordance with Article 10 of the Republic of Kazakhstan Law 'On Financial Leasing'. Article 10 states that a limited liability partnership is not required to obtain a license to perform leasing operations.

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

CenterCredit International B.V. was registered in January 2006 in Rotterdam, the Netherlands, as a special-purpose company. The Company's primary operation is to raise funds the international capital markets.

In August 2006, the Bank received permission from the FSA for establishment of its subsidiary LLC Bank BCC-Moscow. On 21 March 2008, LLC Bank BCC-Moscow obtained a license from the Central Bank of the Russian Federation. The main activity of LLC Bank BCC-Moscow consists of banking services.

As at 31 March 2013, the following shareholders owned individually more than 5% of the issued shares of the Group:

	31 March 2013 %	31 December 2012 %
Kookmin Bank	41.93	41.93
B.R. Baisseitov	25.10	25.10
IFC	10.00	10.00
Other (individually hold less than 5% of shares)	22.97	22.97
	<hr/>	<hr/>
Total	100.00	100.00
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## 2. BASIS OF FINANCIAL STATEMENTS PRESENTATION

### Accounting basis

These condensed interim consolidated financial statements of the Group have been prepared using accounting policy consistent with the International Financial Reporting Standards ('IFRS') and the 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. This condensed interim consolidated financial reporting should be read in conjunction with the consolidated financial statements and with the related notes to the consolidated financial statement of the Group for the year ended 31 December 2012.

The condensed interim consolidated financial statements are presented in millions of Kazakhstani tenge (mln. KZT), unless otherwise specified. The condensed interim consolidated financial statements have been prepared on the accrual basis of accounting under the historical cost convention, except for the measurement of 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 authorized by the Resolution of the Board of Directors of the Group. These condensed interim consolidated statements, which are prepared based on accounting records, have been respectively adjusted to conform to the IFRS.

### Functional Currency

Items included in the condensed interim 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 functional currency of the Group is the Kazakhstani tenge ('KZT').

## 3. NET INTEREST INCOME

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
<b>Interest income comprises:</b>		
Interest income on financial assets at amortized cost:		
- interest income on impaired financial assets	9,766	10,211
- interest income on unimpaired financial assets	9,501	9,488
Interest income on financial assets at fair value through profit or loss	1,086	841
	<hr/>	<hr/>
<b>Total interest income</b>	20,353	20,540
	<hr/> <hr/>	<hr/> <hr/>

Interest income on financial assets at amortized cost comprises:		
Interest on loans to customers and banks	18,536	19,284
Interest on investments held-to-maturity	458	306
Penalties on loans to customers and banks	189	-
Interest on due from banks	84	109
	<u>19,267</u>	<u>19,699</u>
Total interest income on financial assets at amortized cost		
Interest income on financial assets at fair value comprises:		
Interest on investments available for sale	674	612
Interest on investments initially recognized at fair value through profit or loss	412	229
	<u>1,086</u>	<u>841</u>
Total interest income on financial assets at fair value		
<b>Interest expense comprises:</b>		
Interest expenses on financial liabilities at amortized cost	13,041	14,326
	<u>13,041</u>	<u>14,326</u>
<b>Total interest expense</b>		
Interest expense on financial liabilities at amortized cost		
Interest on customer and bank accounts	9,115	8,711
Interest on debt securities issued	1,777	3,011
Interest on due to banks and financial institutions	1,557	1,752
Interest on subordinated bonds	592	852
	<u>13,041</u>	<u>14,326</u>
Total interest expense on financial liabilities at amortized cost		
<b>Net interest income before provisioning for impairment losses on interest bearing financial assets</b>		
	<u>7,312</u>	<u>6,214</u>

#### 4. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

The details of movements in allowance for impairment losses on interest bearing assets are as follows:

	Consumer loans	Corporate loans	Credit card receivables	Total (Note 17)
<b>31 December 2011</b>	12,065	112,423	48	124,536
(Provisioning)/ recovery of provisions	(991)	4,841	(12)	3,838
Write-off of assets	(39)	(27)	-	(66)
Recovery of assets previously written off	107	3	-	110
Exchange difference	(26)	(136)	-	(162)
	<u>11,116</u>	<u>117,104</u>	<u>36</u>	<u>128,256</u>
<b>31 March 2012</b>	14,290	123,088	42	137,420
(Provisioning)/recovery of provisions	4,659	(2,835)	23	1,846
Write off of assets	(21)	-	-	(21)
Recovery of assets previously written off	40	2	-	43
Exchange rate difference	-	(24)	-	(24)
	<u>18,968</u>	<u>120,231</u>	<u>65</u>	<u>139,264</u>
<b>31 March 2013</b>	18,968	120,231	65	139,264

The details of movements in allowances for impairment losses on other transactions are as follows:

	Investments held- to-maturity (Note 15)	Property, equipment and intangible assets	Other assets (Note 18)	Guarantees and letters of credit (Note 22)	Total
<b>31 December 2011</b>	106	-	1,149	968	2,223
(Recovery of provisions)/provisioning	106	-	2	47	155
Write off of assets	-	-	(71)	-	(71)
Recovery of assets previously written off	-	-	-	-	-
Exchange difference	-	-	-	-	-
<b>31 March 2012</b>	<u>212</u>	<u>-</u>	<u>1,080</u>	<u>1,015</u>	<u>2,307</u>
<b>31 December 2012</b>	106	-	1,242	1,779	3,127
(Recovery of provisions)/provisioning	-	-	68	(370)	(302)
Write off of assets	-	-	(87)	-	(87)
Recovery of assets previously written off	-	-	-	-	-
Exchange difference	-	-	-	(2)	(2)
<b>31 March 2013</b>	<u>106</u>	<u>-</u>	<u>1,223</u>	<u>1,407</u>	<u>2,736</u>

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

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Net gain on financial assets and liabilities at fair value through profit or loss	<u>72</u>	<u>(62)</u>
<b>Total net gain on financial assets and liabilities at fair value through profit or loss</b>	<u><u>72</u></u>	<u><u>(62)</u></u>
Net gain on financial assets and liabilities at fair value through profit or loss comprises:		
Unrealized (loss)/gain on fair value adjustment of trading financial assets	84	186
Realized (loss)/gain on trading operations	62	329
Realized (loss)/gain on operations with derivative financial instruments	34	22
Unrealized gain/(loss) on operations with derivative financial instruments	<u>(108)</u>	<u>(599)</u>
<b>Total net gain on financial assets and liabilities at fair value through profit or loss</b>	<u><u>72</u></u>	<u><u>(62)</u></u>

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

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Net realized gain/(loss) on investments available-for-sale	-	(263)
Gain/(loss) on impairment of investments available-for-sale	-	-
<b>Total net realized gain/(loss) from disposal and impairment of investments available-for-sale</b>	<u><u>-</u></u>	<u><u>(263)</u></u>

## 7. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Dealing, net	750	1,587
Translation difference, net	81	(135)
<b>Total net gain on foreign exchange operations</b>	<b>832</b>	<b>1,452</b>

## 8. FEE AND COMMISSION INCOME AND EXPENSE

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
<b>Fee and commission income received:</b>		
Settlement operations	944	939
Cash operations	1010	876
Payment cards	823	759
Guarantees	830	722
Trust operations	827	503
Foreign exchange operations	206	219
Other	304	350
<b>Total fee and commission income received</b>	<b>4,944</b>	<b>4,368</b>
<b>Fee and commission expenses paid:</b>		
Settlement operations	203	165
Documentary operations	14	46
Foreign exchange operations	2	25
Brokerage services	35	18
Other	74	110
<b>Total fee and commission expenses paid</b>	<b>328</b>	<b>364</b>

## 9. OPERATING EXPENSES

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Staff costs	2,622	2,836
Rental expense	805	826
Deposit Insurance Fundадов	732	713
Depreciation and amortization	616	498
Taxes (other than income tax)	810	565
Administrative expenses	341	350
Security and signaling system expenses	124	162
Telecommunications	163	163
Advertising expenses	66	76
Equipment maintenance and repair	42	38
Business trip expenses	26	36
Professional services	47	25
Other expenses	653	376
	<b>7,047</b>	<b>6,676</b>

## 10. INCOME TAX

The Group provides for taxes for the current period based on the tax accounts maintained and prepared in accordance with requirements of tax legislation of countries where the Bank and its subsidiaries operate.

The Group's most significant permanent tax differences include the non-tax deductibility of certain expenses such as official entertainment expenses and a tax free regime for certain income such as interest income on mortgage loans and income from operations with state securities and securities listed on the Kazakhstan Stock Exchange.

Tax effect from temporary differences as of 31 March 2013 and 2012 is as follows:

	31 March 2013 (unaudited)	31 March 2012 (unaudited)
<b>Deductible temporary differences:</b>		
Tax losses carry forward	5,316	8,785
Loans to customers	7,178	13,547
Debt securities impairment loss	5,507	5,512
Revaluation of financial assets and liabilities at fair value through profit or loss	(73)	-
Other	510	1,492
<b>Total deductible temporary differences</b>	<u>18,438</u>	<u>29,336</u>
<b>Taxable temporary differences:</b>		
Property, equipment and intangible assets	(4,395)	(1,971)
Revaluation of financial assets and liabilities at fair value through profit or loss	(3,503)	(2,874)
Other	(245)	(195)
<b>Total taxable temporary differences</b>	<u>(8,143)</u>	<u>(5,040)</u>
<b>Net deferred tax assets</b>	<u>10,295</u>	<u>24,296</u>
Deferred tax assets at the statutory tax rate	2,058	4,859
Unrecognized deferred tax asset	(21)	(2,859)
<b>Net deferred tax assets at the statutory tax rate</b>	<u>2,037</u>	<u>2,000</u>

The tax rate used for calculation of the corporate income tax for three months ended 31 March 2013 and three months ended 31 March 2012 payable by legal entities on taxable profit under the tax law of the Republic of Kazakhstan, is 20%.

	31 March 2013 (unaudited)	31 March 2012 (unaudited)
<b>Deferred income tax assets/(liabilities)</b>		
Beginning of the year	2,036	2,008
Change in deferred tax assets/(liabilities)	1	(8)
<b>End of the period</b>	<u>2,037</u>	<u>2,000</u>

## 11. BOOK VALUE PER SHARE

The book value of one share per each class of shares as of 31 March 2013 and 31 December 2012 is as follows:

Class of shares	31 March 2013			31 December 2012		
	Shares outstanding (number of shares)	Amount for calculation of book value mln. KZT	Book value per share, KZT	Shares outstanding (number of shares)	Amount for calculation of book value mln. KZT	Book value per share, KZT
Common shares	162,317,889	74,024	456	165,155,381	73,230	452

Preference shares	39,249,255	<u>11,775</u>	300	39,249,255	<u>11,775</u>	300
		<u>85,799</u>			<u>85,005</u>	

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

The book value per common share is calculated as the ratio of the amount of net asset value of the Group for common shares to the total number of common shares as at the reporting date. The net asset value of the Group for common 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.

Total number of common and preference shares is calculated as the total number of issued and outstanding shares net of shares repurchased by the Group as at the reporting date.

## 12. CASH AND CASH EQUIVALENTS

	31 March 2013 (unaudited)	31 December 2012
Deposits with financial institutions	108,816	109,269
Cash on hand	29,465	34,725
Cash in transit	<u>9,532</u>	<u>5,129</u>
	147,813	149,123
Accrued interest	<u>11</u>	<u>6</u>
<b>Total cash and cash equivalents</b>	<u>147,824</u>	<u>149,129</u>

Minimum reserve requirements are determined as a definite percentage of the weighted average balance of deposits and international borrowings in accordance with the requirements of the NBRK, and amounted to KZT 13,405 mln. and KZT 13,566 mln. as of 31 March 2013 and 31 December 2012, respectively. The Group was in compliance with the NBRK requirements as regards maintaining the weighted average balance with the NBRK and therefore, was entitled to use the amounts without any restrictions.

Deposits with financial institutions with the initial maturity equaling to or less than 3 months consist of:

	Interest rates (%)		31 March 2013 (unaudited)	31 December 2012
	min	max		
Term deposits with banks	0,08%	6,00%	108,816	109,269
Term deposits with the NBRK			<u>-</u>	<u>-</u>
				109,269
Total accrued interest			<u>11</u>	<u>6</u>
<b>Total due from financial institutions</b>			<u>108,826</u>	<u>109,275</u>

As of 31 March 2013 the Group had deposits with CitiBank, New York, Deutsche Bank, BNP Paribas, France, Societe Generale, JP Morgan A.G Frankfurt, LBW Stuttgart, Germany, and as of 31 December 2012 the Group had deposits with CitiBank, New York, BNP Paribas, France, Societe Generale, JP Morgan A.G Frankfurt, LBW Stuttgart, which in aggregate or individually exceeded 10% of the Group's equity.

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

Financial assets at fair value through profit or loss comprise::

	31 March 2013 (unaudited)	31 December 2012
Financial assets held for trading:		
Debt securities	22,462	20,976
Equity securities	341	284
<b>Total financial assets held for trading</b>	<b>22,803</b>	<b>21,260</b>
Derivative financial instruments	3,855	3,918
<b>Total financial assets at fair value through profit or loss</b>	<b>26,658</b>	<b>25,178</b>

	31 March 2013 (unaudited)		31 December 2012	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value
<b>Debt securities:</b>				
Government bonds of the Republic of Kazakhstan	3,70-7,80	8,198	3,70-6,0	8,109
Kazakhstani corporate bonds	5,50-13,00	6,033	7,00-13,00	6,276
Russian corporate bonds	3,70-10,25	7,480	3,15-11,25	5,817
Government bonds of the Republic of Kazakhstan	6,88-7,10	750	6,88-7,10	774
International Corporate Bonds		1		
<b>Total debt securities</b>		<b>22,462</b>		<b>20,976</b>

	31 March 2013 (unaudited)		31 December 2012	
	Ownership interest, %	Fair value	Ownership interest,%	Fair value
<b>Equity securities:</b>				
Shares of Kazakh Companies of the Republic of Kazakhstan	-	341	-	284
<b>Total equity securities</b>		<b>341</b>		<b>284</b>

	Nominal amount	31 March 2013 (unaudited) Net fair value		Nominal amount	31 December 2012 Net fair value	
		Asset	Liability (Note 22)		Asset	Liability (Note 22)
<b>Derivative financial instruments:</b>						
<b>Foreign currency contracts</b>						
Swaps	26,425	3,815	33	35,046	3,786	95
Embedded derivatives	623	40	0	857	132	-
<b>Total derivative financial</b>		<b>3,855</b>	<b>33</b>		<b>3,918</b>	<b>95</b>

The above table shows fair value of derivative financial instruments recorded as assets and liabilities, together with their notional principal amount. The notional principal amount is the amount of the underlying asset, rate or index that are used to calculate changes in the fair value of a derivative. The notional principal amount indicates the volume of a transaction as at the year end and is not indicative of the market or credit risks.

Derivatives often involve at their inception only a mutual exchange of promises with the minimum or no transfer of interest. However, these instruments frequently involve a high degree of leverage and are subject to high volatility.

Relatively small changes in the value of assets, interest rate or index underlying a derivative contract may have a significant impact on profit or loss of the Group.

#### 14. INVESTMENTS AVAILABLE-FOR-SALE

	31 March 2013 (unaudited)	31 December 2012
Debt securities	57,867	57,310
Equity securities	197	239
<b>Total investments available for sale</b>	<b>58,064</b>	<b>57,549</b>

	31 March 2013 (unaudited)		31 December 2012	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value
<b>Debt securities:</b>				
Government bonds of the Republic of Kazakhstan	2,25-8,75	44,564	2,25-8,75	46,239
Kazakhstani corporate bonds	7,00-8,00	9,297	5,36-9,00	11,071
Russian corporate bonds	5,36-10,40	4,006	-	-
<b>Total debt securities</b>		<b>57,867</b>		<b>57,310</b>

	31 March 2013 (unaudited)		31 December 2012	
	Ownership interest	Fair value	Ownership interest	Fair value
<b>Equity securities:</b>				
Shares of Kazakh Companies	0,02-16,6	197	-	239
<b>Total equity securities</b>		<b>197</b>		<b>239</b>
<b>Total investments available for sale</b>		<b>58,064</b>		<b>57,549</b>

As of 31 March 2013 investments available for sale included short-term NBRK notes pledged under repurchase agreements amounting to KZT 4 605 mln. All repurchase agreements as at 31 March 2013 mature before 12 April 2013.

Interests accrued as of 31 March 2013 on debt securities, included into the investments available for sale, amounted to KZT 808 mln.

## 15. INVESTMENTS HELD TO MATURITY

	31 March 2013 (unaudited)		31 December 2012	
	Nominal interest rate	Amount	Nominal Interest rate	Amount
Government bonds of the Republic of Kazakhstan	4.30-8.75	13,830	4.30-8.75	19,061
Kazakhstani corporate bonds	5.01-13.00	8,195	5.01-13.00	5,877
Russian corporate bonds	5.03-9.63	1,005	5.03-9.63	1,241
International corporate bonds	5.05	298	5.05	300
		23,328		26,479
Less: allowance for impairment loss		-		(106)
<b>Total investments held to maturity</b>		<b>23,328</b>		<b>26,373</b>

The details of movements in allowances for impairment losses on investments held to maturity for three months ended 31 March 2013 and the year ended 31 December 2012, are disclosed in Note 4.

## 16. DUE FROM BANKS

	31 March 2013 (unaudited)	31 December 2012
Due from banks	2,494	2,024
Accrued interest	21	12
<b>Total due from banks</b>	<b>2,515</b>	<b>2,036</b>

## 17. LOANS TO CUSTOMERS AND BANKS

	31 March 2013 (unaudited)	31 December 2012
Loans to customers	890,388	866,044
Net investments in finance lease	5,624	5,947
Accrued interest	30,432	48,900
	926,444	920,891
Less: allowance for impairment losses	(139,264)	(137,420)
<b>Total loans to customers</b>	<b>787,180</b>	<b>783,471</b>
Loans to banks	7,111	5,617
Accrued interest	12	8
	7,123	5,625

Total loans to banks		
Loans under reverse repurchase agreements		
Total loans to customers and banks	794,303	789,096

The details of movements in allowance for impairment losses on loans to customers and bank for three months ended 31 March 2013, and the year ended 31 December 2012 are disclosed in Note 4.

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

	31 March 2013 (unaudited)	31 December 2012
Loans collateralized by real estate and rights on them	674,286	671,391
Loans collateralized by inventories	98,624	100,118
Loans collateralized by equipment	54,574	52,415
Loans collateralized by corporate guarantees	45,672	43,765
Loans collateralized by other assets	27,897	30,738
Loans collateralized by cash	11,887	10,321
Unsecured loans	13,504	12,143
	926,444	920,891
Less: allowance for impairment losses	(139,264)	(137,420)
<b>Total loans to customers</b>	<b>787,180</b>	<b>783,471</b>

	31 March 2013 (unaudited)	31 December 2012
<b>Analysis by economy sectors:</b>		
Individuals	329,403	325,994
Trading	183,146	186,439
Industrial construction	46,716	61,832
Manufacturing	50,023	50,716
Food industry	50,119	49,269
Residential construction	62,835	49,464
Rent of real estate	44,341	43,632
Agriculture	37,834	36,542
Transportation and equipment maintenance services	25,881	26,432
Oil and Gas	27,228	22,377
Transport and telecommunication	17,043	12,653
Energy	8,512	8,620
Mass media	1,670	3,431
Others	41,692	43,490
	926,444	920,891
Less: allowance for impairment losses	(139,264)	(137,420)
<b>Total loans to customers</b>	<b>787,180</b>	<b>783,471</b>

Loans to individuals comprise the following loan products:

31 March 2013 (unaudited)	31 December 2012
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Mortgage loans	158,449	157,862
Consumer loans	106,805	106,386
Business development	58,655	56,853
Auto loans	5,494	4,893
	<u>329,403</u>	<u>325,994</u>
Less: allowance for impairment losses	<u>(21,092)</u>	<u>(16,203)</u>
<b>Total loans to individuals</b>	<u><u>308,311</u></u>	<u><u>309,791</u></u>

	Carrying value before allowance for impairment losses	31 March 2012 (unaudited) Allowance for impairment losses	Carrying value	Carrying value before allowance for impairment losses	31 December 2011 Allowance for impairment losses	Carrying value
Loans to customers individually recognized to be impaired	287,579	(101,594)	185,985	293,076	(106,112)	186,964
Loans to customers collectively recognized to be impaired	191,147	(17,642)	173,505	177,552	(14,498)	163,053
Unimpaired loans	447,718	(20,028)	427,690	450,263	(16,810)	433,454
<b>Total</b>	<u><u>926,444</u></u>	<u><u>(139,264)</u></u>	<u><u>787,180</u></u>	<u><u>920,891</u></u>	<u><u>(137,420)</u></u>	<u><u>783,471</u></u>

As at 31 March 2013 and 31 December 2012 the Group entered into the finance lease agreements as a lessor. The interest rate inherent in leases is fixed as at the contract date for all of the lease terms.

As of 31 March 2013 and 31 December 2012, the components of net investments in finance lease were as follows:

	31 March 2013 (unaudited)	31 December 2012
Not later than one year	1,735	2,049
From one to five years	1,790	1,915
More than five years	<u>6,400</u>	<u>6,495</u>
Minimum lease payments	9,925	10,459
Less: unearned income	<u>4,263</u>	<u>(4,512)</u>
Net investments in finance lease	<u><u>5,662</u></u>	<u><u>5,947</u></u>
Current portion	1,735	2,049
Long-term portion	<u>8,190</u>	<u>3,898</u>
<b>Net investments in finance lease</b>	<u><u>9,925</u></u>	<u><u>5,947</u></u>

Fair value of assets received as collateral and carrying value of reverse repurchase agreements as of 31 March 2013 and 31 December 2012 were as follows:

	31 March 2013 (unaudited)		31 December 2012	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Bonds of the Ministry of Finance of the Republic of Kazakhstan	-	-	-	-
Notes of the NBRK	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 18. OTHER ASSETS

Other assets comprise:

	31 March 2013 (unaudited)	31 December 2012
<b>Other financial assets:</b>		
Receivables	2,425	2,155
Accrued commission	650	440
Western Union and other wire transfers	325	34
Other financial assets	50	31
	<u>3,450</u>	<u>2,660</u>
Less: allowance for impairment losses	(241)	(240)
<b>Total other financial assets:</b>	<u>3,209</u>	<u>2,420</u>
<b>Other non-financial assets:</b>		
Long-term assets held for sale	7,888	6,999
Taxes receivable, other than income tax	1,981	1,075
Advances paid	1,686	1,362
Inventory	135	204
	<u>11,690</u>	<u>9,640</u>
Less: allowance for impairment losses	(982)	(1,002)
<b>Total other non-financial assets</b>	<u>10,708</u>	<u>8,638</u>
<b>Total other assets</b>	<u>13,917</u>	<u>11,058</u>

The details of movements in allowances for impairment losses on other assets for three months ended 31 March 2013 and the year ended 31 December 2012 are disclosed in Note 4.

## 19. DUE TO BANKS AND FINANCIAL INSTITUTIONS

Item	Annual interest rate (%)		31 March 2013 (unaudited)	31 December 2012
	min	max		
Long-term loans from other banks and financial institutions	1.15	8.00	22,573	26,896
Loans from international credit organizations	4.28	7.65	14,176	14,245
Subordinated loan	LIBOR+4.5	LIBOR+6.5	25,647	25,538
Perpetual financial instruments	9.13	9.13	12,031	11,563
Short-term loans from other banks and financial institutions	2.76	7.00	7,289	5,961
Borrowings from the Republic of Kazakhstan	5.5	5.5	245	262

Government and NBRK			381	348
Correspondent accounts of banks	-	-	1,081	1,094
Accumulated interest expense				
			83,423	85,907
Loans under repurchase agreements	0,1	0,5	9,202	20,269
<b>Total due to banks and financial investments</b>			<u>92,625</u>	<u>106,176</u>

The perpetual non-cumulative financial instruments were issued by the Bank in March 2006 with an option to repay in full, but not partially, at any day of interest payment starting from 3 March 2016 at the par value of 100 mln. USD. The date of interest payment is 3 March and 3 September annually.

Interest and principal on loans received from the banks are repayable quarterly, semiannually and at the end of the term, depending on the agreed repayment schedule.

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

In the event of bankruptcy or liquidation of the Group, the repayment of this debt is to be made after the Group repays the Group's liabilities to all other creditors.

As of 31 March 2013 and 31 December 2012, the Group had long-term loans received from the Eurasian Development Bank and JSC Entrepreneurship Development Fund DAMU, that in aggregate and individually exceeded 10% of the Group's equity.

As of 30 March 2013 and 31 December 2012, the fair value of assets pledged and carrying value of liabilities under repurchase agreements were as follows:

	31 March 2013 (unaudited)		31 December 2012	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
RK Government Bonds	4,720	5,259	17,073	18,186
Kazakhstani corporate bonds	200	200	1,780	2,107
Russian corporate bonds	4,280	4,583	1,416	1,525
<b>Total</b>	<u>9,200</u>	<u>10,042</u>	<u>20,269</u>	<u>21,818</u>

## 20. CUSTOMER AND BANK ACCOUNTS

Recorded at amortized cost:	31 March 2013 (unaudited)	31 December 2012
	Customer accounts	700,968
Banks accounts	11,886	11,885
	<u>800,854</u>	<u>784,272</u>
Accrued interest	7,128	6,278
<b>Total customer and banks accounts</b>	<u>807,982</u>	<u>790,550</u>
	31 March 2013 (unaudited)	31 December 2012
Term deposits	558,461	524,058

Demand deposits	230,507	248,329
	<u>788,968</u>	<u>772,387</u>
Accrued interest	6,177	5,477
<b>Total customer accounts</b>	<u><u>795,145</u></u>	<u><u>777,864</u></u>

	31 March 2013 (unaudited)	31 December 2012
<b>Analysis by economy sectors :</b>		
Private sector	386,743	368,710
Agriculture	5,835	6,759
Social services	170,410	162,924
Construction	47,014	58,297
Transportation and communication	17,564	15,756
Manufacturing	8,112	8,754
Insurance	37,641	36,581
Metallurgy	16,004	9,756
Research and development	6,155	9,104
Fuel	22,401	14,732
Trade	32,948	37,499
Energy	11,925	11,757
Entertaining services	4,597	4,639
Machinery	1,624	1,342
Chemical industry	968	1,309
Other	25,204	29,945
<b>Total customer accounts</b>	<u>795,145</u>	<u>777,864</u>

Banks accounts as at 31 March 2013 and 31 December 2012 are as follows:

	31 March 2013 (unaudited)	31 December 2012
Term deposits	11,750	11,600
Demand deposits	<u>136</u>	<u>285</u>
	11,886	11,885
Accrued interest	<u>951</u>	<u>801</u>
<b>Total banks accounts</b>	<u><u>12,837</u></u>	<u><u>12,686</u></u>

## 21. DEBT SECURITIES ISSUED

	Currency	Issue date (dd/mm/yy)	Maturity date (dd/mm/yy)	Interest rate, %	31 March 2013 (unaudited)	31 December 2012
International bonds	USD	30/01/2007- 22/03/2011	07/05/2013- 30/01/2014	8.63-12.50	55,336	55,713
Bonds issued in Kazakhstan	KZT	29/12/2004- 27/12/2005	29/12/2014	6.50-7.60	7,685	7,676
International bonds	JPY	-	-	6.24	-	11,043
Bonds issued in Russia	USD	18/08/2011	30/05/2013	1.00	19	675

	63,040	63,423
Accrued interest	1,564	1,781
<b>Total debt securities issued</b>	<b>64,604</b>	<b>65,204</b>

Interest expense on debt securities issued is repayable semiannually.

## 22. OTHER LIABILITIES

	31 March 2013 (unaudited)	31 December 2012
<b>Other financial liabilities:</b>		
Other operations settlements	4,090	2,085
Derivative financial instruments (Note 13)	33	95
Accrued fee and commission expenses	373	261
	4,495	2,441
<b>Other non-financial liabilities:</b>		
Taxes payable, other than income tax	1,168	1,072
Allowances for guarantees and letters of credit (Note 4)	1,407	1,779
Other non-financial liabilities	228	228
<b>Total other liabilities</b>	<b>7,299</b>	<b>5,520</b>

The details of movements in allowances for guarantees and other liabilities for three months ended 31 March 2013 and the year ended 31 December 2012 are disclosed in Note 4.

## 23. SUBORDINATED BONDS

	CCY	Issue date (dd/mm/yy)	Maturity date (dd/mm/yy)	Annual interest rate %	31 March 2013 (unaudited)	31 December 2012
Floating rate	Тенге	31/05/2005 11/11/2008	31/05/2015 11/11/2023	5.70-8.60	26,979	26,961
Fixed rate	Тенге	27/06/2008	27/06/2018	11.00	5,994	5,994
					32,973	32,955
Accrued interest expense					797	294
<b>Total subordinated bonds</b>					<b>33,770</b>	<b>33,249</b>

Interest expense on subordinated bonds is repayable semiannually; the principal is repayable at the end of the term.

In the event of bankruptcy or liquidation of the Group, the repayment of this debt is to be made after the Group repays the Group's liabilities to all other creditors.

## 24. SHARE CAPITAL

As at 31 March 2013 the share capital of the Bank is as follows:

	Authorized share capital	Unissued share capital	Repurchased shares	Total share capital
Common shares	260,750,745	(98,293,945)	(138,911)	162,317,889
Preference shares	39,249,255	-	-	39,249,255

As at 31 December 2012, the Bank' share capital was as follows:

	Authorized share capital	Unissued share capital	Repurchased shares	Total share capital
Common shares	260,750,745	(98,293,945)	(301,419)	162,155,381
Preference shares	39,249,255	-	-	39,249,255

All common shares are attributable to one class, carry one vote per share and have no par value.

As of 31 March 2013 and 31 December 2012, the repurchased common shares totaled KZT139 mln. and KZT33 mln., respectively.

According to the Republic of Kazakhstan Law 'On Joint-Stock Companies', dividends are paid in the form of money or securities of the Bank provided that the decision on dividend payment was made at the general meeting of shareholders of the Bank. In accordance with the Articles of Association of the Bank, dividends on common shares shall be paid based on the results of the year.

Preference shares carry no voting rights and may not be repurchased by the Bank. The holders of preference shares have pre-emptive rights to holders of common shares to receive dividends. The conversion of preference shares is made upon the decision of the Board of Directors. The guaranteed amount of dividends per preference share is KZT0.01.

	Three months, ended 31 March 2013 (unaudited)	The year ended 31 December 2012
<b>Preference shares, beginning of the period</b>	39,249,255	39,249,255
Preference shares issued	-	-
<b>Preference shares, end of the period</b>	39,249,255	39,249,255
<b>Common shares, beginning of the period</b>	162,155,381	162,225,170
Common shares issued	-	-
Repurchase of own shares	(51,228)	(1,178,837)
Sale of repurchased shares	213,736	1,109,048
<b>Common shares, end of the period</b>	162,317,889	162,155,381

## Taxation

Due to the fact that the commercial legislation and tax legislation of the Republic of Kazakhstan in particular, may be open to more than one interpretations, as well as due to the practice of tax authorities to pass arbitrary judgments on taxpayer's activity matters, in case of some concrete actions, based on interpretation of the law in relation to activity of the Group on the part of Management, would be challenged by tax authorities, it can lead to accrual of additional taxes, penalties and fines. The Group believes that it has already made all tax payments, and therefore no provision has been made in the consolidated financial statements.

