Bank RBK JSC

Report on review of condensed interim financial information (unaudited) for the nine months ended September 30, 2013

BDO

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Statement of the Management's responsibility for the preparation of the interim condensed financial information for the nine months ended September 30, 2013

The Management presents the interim condensed financial information of Bank RBK JSC (hereinafter – "the Bank") for the nine months ended September 30, 2013.

Responsibility of the Bank's Management

The Management of the Bank is responsible for the preparation of the interim condensed financial information in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

The Management of the Bank prepares the interim condensed financial information that fairly present in all significant aspects the financial position of the Bank as well as profits and losses for the corresponding period.

In preparation of the interim condensed financial information the Management is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- making prudent and reasonable accounting estimates and judgments;
- compliance with the requirements of IAS 34, and
- preparation of the interim condensed financial statements, based on the assumption that the Bank will operate in the foreseeable future, unless such assumption is inappropriate.

The Management of the Bank also is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank. It is also responsible for protection of the Bank's assets and therefore for detecting and preventing of fraud and other abuses.

Management is responsible for implementing and maintaining an internal control system and its continuous monitoring.

These interim condensed financial information were authorized for issue by November 20, 2013 and signed by the Board.

M.K. Zhakubayeva
Chairman of the Board

A.A. Dauletbekova
Chief Accountant

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Report on Review of condensed interim financial information

To Shareholders and Board of Directors of Bank RBK JSC

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Bank RBK JSC (hereinafter the "Bank") as at 30 September 2013 and the related interim condensed statement of comprehensive income, interim condensed statement of changes in equity, interim condensed statement of cash flows for the nine months then ended, and selective explanatory notes to interim condensed financial information.

Management of the Bank is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard (IAS) 34, *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Conclusion

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

BDO Kazakhstanaudit LLP

General State Audit License No.0000276 issued on 24 June 2004 by Ministry of Finance of the Republic of Kazakhstan (Initial license No. 0000001 of Kazakhstanaudit Audit Company was re-issued due to change of the name to BDO Kazakhstanaudit LLP).

Managing Partner
General Director
BDO Kazakhstanaudit LLP **S. Koshkimbayev**

November 20, 2013

BDO Kazakhstanaudit LLP, a Kazakhstani limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

(in thousands of Tenge)	Notes	Unaudited 30 September 2013	31 December 2012
Assets			
Cash and cash equivalents	6	25 398 437	8 286 492
Due from other banks		167 950	9 346
Loans and advances to customers	7	119 773 570	65 332 872
Investment securities available for sale	8	43 509 854	12 612 385
Fixed assets		2 054 786	1 813 640
Other assets		935 126	610 846
Total assets		**191 839 723**	**88 665 581**
Liabilities			
Customer accounts	9	164 371 515	72 960 046
Bank accounts		40	-
Issued debt securities	10	7 194 146	-
Subordinated debt	10	3 463 128	-
Current income tax payable		198 298	15 547
Deferred tax liability		88 671	117 813
Other liabilities		467 604	188 374
Total liabilities		**175 783 402**	**73 281 780**
Equity			
Share capital	11	14 500 000	14 500 000
Other reserves/funds		445 928	416 193
Retained earnings		1 110 393	467 608
Total equity		**16 056 321**	**15 383 801**
Total liabilities and equity		**191 839 723**	**88 665 581**

Approved and signed on behalf of the Board November 20, 2013.

M.K. Zhakubayeva
Chairman of the Board

A.A. Dauletbekova
Chief Accountant

(in thousands of Tenge)	Notes	Unaudited Nine months ended 30 September 2013	Unaudited Nine months ended 30 September 2012
Interest income	12	10 457 183	4 350 270
Interes expense	12	(4 868 752)	(1 629 285)
Net interest income		**5 588 431**	**2 720 985**
Provision for loan impairment		(2 430 772)	(1 135 261)
Net interest income after provision for loan impairment		**3 157 659**	**1 585 724**
Fee and commission income		996 628	566 767
Fee and commission expense		(53 072)	(40 706)
Gains less losses from trading in foreign currencies		301 552	159 260
Other operating income		173 268	30 800
Operating income		**4 576 035**	**2 301 845**
Administrative and other operating expenses	13	(3 307 079)	(2 062 233)
Provision for impairment of other assets		(11 054)	(57 369)
Profit before tax		**1 257 902**	**182 243**
Income tax expense		(214 530)	(3 691)
Profit for the year		**1 043 372**	**178 552**
Other comprehensive income			
Items which will not be reclassified subsequently to profit or loss.			
Income tax of other comprehensive income		29 142	-
Items that may be reclassified subsequently to profit or loss			
Fair value revaluation reserve of financial assets available for sale:			
- Net change in fair value		27 963	196 040
- Net change in fair value transferred to profit or loss		(67 957)	(17 991)
		(39 994)	178 049
Other comprehensive income/(expense) for the period		**(10 852)**	**178 049**
Total comprehensive income for the period		**1 032 520**	**356 601**
Based and diluted earnings per share on the profit attributable to Bank's owners (tenge per share)		710	357
Weighted average number of shares		1 000 000	500 000

M.K. Zhakubayeva
Chairman of the Board

A.A.Dauletbekova
Chief Accountant

(in thousands of Tenge)	Share capital	Reserve capital	Revaluation reserve for fixed assets	Revaluation reserve for securities	Retained earnings	Total
Balance at 31 December 2011	5 000 000	99 086	266 370	16 369	87 096	5 468 921
Profit for the year	-	-	-	-	178 552	178 552
Financial assets available for sale:	-	-	-	-	-	-
Net change in fair value:	-	-	-	196 040	-	196 040
Net change in fair value transferred to profit or loss:	-	-	-	(17 991)	-	(17 991)
Total comprehensive income:	-	-	-	**178 049**	**178 552**	**356 601**
Share issue:	4 500 000	-	-	-	-	4 500 000
Mandatory reserve:	-	22 633	-	-	(22 633)	-
Balance at 30 September 2012 (unaudited)	**9 500 000**	**121 719**	**266 370**	**194 418**	**243 015**	**10 325 522**
Balance at 31 December 2012	14 500 000	121 719	263 812	30 662	467 608	15 383 801
Profit for the period	-	-	-	-	1 043 372	1 043 372
Other comprehensive income	-	-	-	-	-	-
Financial assets available for sale:	-	-	-	-	-	-
Net change in fair value:	-	-	-	27 963	-	27 963
Net change in fair value transferred to profit or loss:	-	-	-	(67 957)	-	(67 957)
Change in deferred tax	-	-	-	29 142	-	29 142
Total comprehensive income	-	-	-	**(10 852)**	**1 043 372**	**1 032 520**
Mandatory reserve:	-	40 587	-	-	(40 587)	-
Payment of dividends	-	-	-	-	(360 000)	(360 000)
Balance at 30 September 2013 (unaudited)	**14 500 000**	**162 306**	**263 812**	**19 810**	**1 110 393**	**16 056 321**

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Chairman of the Board

A.A.Dauletbekova
Chief Accountant

(in thousands of Tenge)	Unaudited Nine months ended 30 September 2013	Unaudited Nine months ended 30 September 2012
Cash flows from operating activities		
Interest received	9 183 344	3 255 259
Interest paid	(4 191 254)	(1 348 659)
Fees and commissions received	985 156	544 148
Fees and commissions paid	(50 656)	(39 392)
Income received from foreign currency transactions	277 673	290 386
Other operating income received	176 388	30 800
Staff maintainance expense	(1 714 695)	(1 025 377)
Administrative and other operating expenses	(1 116 606)	(931 232)
Cash flows from/(used in) operating activities before changes in operating assets and liabilities	**3 549 350**	**775 933**
(Increase)/decrease operating assets		
Due from other banks	(157 147)	(7 510)
Loans and advances to customers	(55 313 406)	(34 483 705)
Amounts receivable under reverse repurchase agreements	-	3 933 001
Other financial assets	(191 150)	32 031
Increase/(decrease) operating liabilities		
Customer accounts	90 692 202	30 439 649
Bank accounts	40	-
Accounts payable from REPO	-	204 000
Other liabilities	64 097	15 477
Net cash from/(used in) operating activities before income tax paid	**38 643 986**	**908 876**
Income tax paid	(31 778)	-
Net cash from/(used in) operating activities	**38 612 208**	**908 876**
Cash flows from investing activities		
Acquisition of investment securities available-for-sale	(38 341 745)	(21 877 216)
Revenue from sales and repayment of investment securities available for sale	7 475 312	19 209 126
Acquisition of fixed assets and intangible assets	(658 178)	(673 297)
Net cash from/(used in) investing activities	**(31 524 611)**	**(3 341 387)**
Cash flows from financing activities		
Shares issuance	-	4 500 000
Subordinated debt	3 336 806	150 000
Issued debt securities	6 964 910	-
Dividends	(360 000)	-
Net cash from financing activities	**9 941 716**	**4 650 000**
Effect of exchange rate changes on cash and cash equivalents	**82 632**	**26 092**
Net increase in cash and cash equivalents	**17 111 945**	**2 243 581**
Cash and cash equivalents at the beginning of the year	8 286 492	6 519 444
Cash and cash equivalents at the end of the year	**25 398 437**	**8 763 025**

M.K. Zhakubayeva
Chairman of the Board

A.A.Dauletbekova
Chief Accountant

КАЗАКСТАНАУДИТ ВОО КАЗАКСТАНАУДИТ
ДЛЯ АУДИТОРСКИХ ОТЧЁТОВ

1 Introduction

JSC Bank was established as commercial bank and as a joint stock company and was set up in accordance with the requirements of the legislation of the Republic of Kazakhstan. The Bank is incorporated and domiciled in the Republic of Kazakhstan.
The Bank operates since March 1992 and was established as a private bank "Meken". In April 1996, the Bank was transformed into a Closed Joint Stock Company "Alash-Bank". In May 2005, the Bank was re-registered as a joint stock company in accordance with the legislation of the Republic of Kazakhstan. August 22, 2005 the Bank was renamed as JSC "Kazakhstan Innovation Commercial Bank" or JSC "KAZINCOMBANK". September 23, 2011 the Bank was renamed as Bank RBK JSC.

In 2013 there were changes in shareholding structure. The list of the shareholders owning 5 and more percent of total placed ordinary shares as of September 30, 2013(unaudited) and December 31, 2012 presented below:

Shareholders	**30 September 2013 Share %**	**31 December 2012 Share %**
Farid Lyukhudzyaev	11,0%	11,0%
Zhauarova G.K.	9,5%	0,0%
Utepbergenov M.M.	9,0%	0,0%
INTERTRANS C.A.,LLP	9,0%	9,0%
Yelgeldin Zhumazhan Maidanovich	9,0%	9,0%
VELTON, LLP	0,0%	8,9%
Kim G.S.	8,4%	8,4%
Dzhumayev T.T.	8,3%	8,3%
Mamedov E.V.	8,3%	8,3%
GEFEST KOMMERZ, LLP	0,0%	7,8%
NORTH WIND, LLP	5,3%	7,0%
Mazhitov D.A.	5,2%	0,0%
Others with a share of less than 5%	17,1%	22,3%
Total	**100%**	**100%**

The list of the shareholders owning 5 and more percent from total of placed preference shares as of September 30, 2013(unaudited) and December 31, 2012 presented below:

Shareholders	**30 September 2013 Share %**	**31 December 2012 Share %**
CITY GARANT INVESTMENTS, LLP	44,2%	44,3%
VELTON, LLP	22,2%	22,2%
NORTH WIND, LLP	11,1%	11,1%
ALEMTRADINGKOMMERZ, LLP	11,1%	11,1%
GEFEST KOMMERZ, LLP	0,0%	11,0%
Others with a share of less than 5%	11,4%	0,2%
Total	**100%**	**100%**

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1 Introduction (continued)

Core Business. The Bank's core business is to provide commercial and retail banking operations in the Republic of Kazakhstan. The Bank operates under a banking license, re-issued September 26, 2013 by the Committee for the Control and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan (the "FMSC").

As of September 30, 2013 the Bank had 6 branches (2012: 5) and 7 offices (2012: 5).

The Bank's registered address is: Adi Sharipov street 84, Almaty, Republic of Kazakhstan.

2 Basis of preparation of financial statements

These interim condensed financial information have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting". They do not include all the information required for the full annual financial statements, and the performance of the given financial statements should be read in conjunction with the financial statements of the year ended December 31, 2012, as these interim condensed financial statements provide updated financial information presented in the financial statements of the previous period.

Basis of Measurement. These interim condensed financial information have been prepared on the basis of the rules of historical cost, except for financial instruments measured at fair value through profit or loss and financial assets available-for-sale are carried at fair value, and fixed assets are stated at revalued amounts.

Presentation Currency. These interim condensed financial information are presented in thousands of Kazakhstani Tenge ("KZT").

Applying professional judgments, estimates and assumptions. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's knowledge of current events and actions, actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the accounting period in which the estimates are revised and in future periods.

3 Summary of significant accounting policies

When preparing the accompanying condensed interim financial information, the Bank applied the same principles and calculation methodology, as when preparing annual financial statements of the Bank for the year ended 31 December 2012, except for changes in accounting policies of the Bank accepted within 9 months 2013 and new standards and interpretations adopted as at 1 January 2013 which are obligatory for application at preparation of interim financial statements:

Changes in PP&E and Intangible Assets Useful Lives

Since 1 January 2013 useful lives of PP&E and intangible assets have been revised on the basis of decision of the Bank's Budget Committee:

ДЛЯ АУДИТОРСКИХ ОТЧЁТОВ

3 Summary of significant accounting policies (continued)

Item	30 September 2013	31 December 2012
Buildings	50 years	100 years
Constructions	10 years	100 years
Computer facility	5 years	5 years
Transport	7 years	10 years
Other assets	2-14 years	2-14 years
Intangible assets, including:		
Licensed software	5 years	5 years
Other intangible assets	3 years	5 years

Change in estimated useful life affects depreciation and amortisation costs in the current period and in each future period of the asset's remaining useful life, and does not demand recalculation of results for the previous year, for the changes of accounting estimates are reflected prospectively.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Bank.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16 A (j), thereby affecting the interim condensed financial statements period. The Bank provides these disclosures in Note 18.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The Bank adopted Amendments to IAS 1. The amendments to IAS 1 require grouping of items presented in other comprehensive income by two categories: a) items that will never be reclassified to profit or loss; and b) items that could be reclassified to profit or loss at a future point in time subject to certain conditions.

The amendment affected presentation only and had no impact on the Bank's financial position or performance.

IAS 19 Employee Benefits – Amendment to IAS 19

The amendment significantly changes accounting for employee benefits accounting, particularly, it eliminates possibility of deferred recognition of changes in assets and obligations of a funded benefit plan (a so called Corridor Method). Besides, the amendment restricts change of net defined benefit assets (obligations) recognised as income or loss, net interest income (expense) and services cost.

The amendment had no impact on the Bank's financial position or performance.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. The amendment does not have an impact on the Bank's financial position or performance.

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3 Summary of significant accounting policies (continued)

IAS 34 Interim Financial Reporting and Segment Information for Total Assets and Liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the Bank's previous annual financial statements for that reportable segment. The Bank provides this disclosure as total segment assets were reported to the chief operating decision maker. However, the amendment has no impact on disclosures, as the Bank disclosed total segment liabilities earlier.

4 New standards and interpretations not yet effective

A number of new standards, amendments and interpretations are not yet effective as at 30 September 2013, and were not adopted at preparation of these financial statements. New standards and interpretations below may potentially have an impact on the Bank's activities. The Bank plans to adopt those standards, amendments and interpretations once they are effective.

The Bank has not yet analyzed possible consequences of introducing new standards in the context of their impact on the Bank's financial position and performance, and, accordingly, has not adopted them early:

IFRS 9 Financial Instruments

The standard comes into effect for annual reporting periods beginning on or after 1 January 2015. The standard shall be released in several phases, and eventually replace IAS 39 *Financial Instruments: Recognition and Measurement*. The first phase regarding recognition and measurement of financial assets was completed in November 2009. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The Bank admits that the new standard introduces number of changes into accounting of financial instruments, and probably shall have significant effect on the Bank's financial statements. The Bank will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. The Bank has no intention to adopt the standard early.

Amendments to IFRS (IAS) 32 Financial Instruments: Presentation -" Offsetting Financial Assets and Financial Liabilities"

The amendments do not establish new rules regarding offsetting financial assets and liabilities, but specify criteria for offset, to settle the issue of their discrepancy in application. Amendments specify that the entity currently a legally enforceable right to set-off if this right does not depend on future events, and also is valid both in the course of ordinary business, and in case of non-performance of liabilities (default), insolvency or bankruptcy of the entity and all its contractors. Amendments are subject to retrospective application concerning annual reporting periods beginning on or after 1 January 2014.

Various "Improvements to IFRS" are considered in relation to each standard separately. All amendments leading to changes in keeping accounting records for representation, recognitions or measurement purposes, come into force not earlier than 1 January 2014. The Bank did not analyse possible effect of improvements on its financial position or performance.

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5 Comparative information

Reclassification

Comparative figures have been reclassified to conform to changes in presentation in the current year. As at 31 December 2012 items of the statement of changes in equity were reclassified.
Management believes that this presentation is more appropriate and leads to a more transparent reporting in accordance with IFRS. The effect of reclassification is as follows:

Statement of changes in equity 31 December 2012 *(in thousands of Tenge)*	**In accordance with the previous classification**	**Effect of reclassification**	**After reclassification**
Reserve capital	121 021	698	121 719
Retained earnings	468 306	(698)	467 608
	589 327	**-**	**589 327**

6 Cash and cash equivalents

(in thousands of Tenge)	**Unaudited 30 September 2013**	**31 December 2012**
Cash on hand	**6 565 449**	**2 759 373**
Cash balances with NBRK	**11 883 158**	**3 212 977**
Term deposits (overnight)		
- with a credit rating "BBB"	-	248 102
- no rating	1 509 874	-
Total term deposits	**1 509 874**	**248 102**
Accounts of the "Nostro" with other banks		
- with a credit rating "A+" to "A-"	5 185 385	1 936 803
- with a credit rating "BBB" to "BBB-"	117 931	34 541
- with a credit rating "BB" to "BB-"	110 007	93 578
- with a credit rating "B+" to "B-"	26 633	1 118
Totals of accounts of the "Nostro" with other banks	**5 439 956**	**2 066 040**
Total cash and cash equivalents	**25 398 437**	**8 286 492**

As at 30 September 2013 statutory provisions included to NBRK account balances amounted to KZT 3 206 090 thousand (31 December 2012 – KZT 1 698 494 thousand).

The credit ratings are according to the scale the credit agency "Fitch", "Standard & Poor's".

None of the items "Cash and cash equivalents" is not impaired or past due.

As of September 30, 2013 the Bank has share in two banks which individually exceeded 10% of the capital with total balance of KZT 4 610 087 thousand (December 31, 2012 - 1 bank with the remainder of KZT 1 891 377 thousand).

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7 Loans and advances to customers

(in thousands of Tenge)	Unaudited 30 September 2013	31 December 2012
Corporate loans	104 345 340	57 963 629
Loans to individuals	19 874 351	9 374 829
Loans and advances to customers before allowance for impairment	**124 219 691**	**67 338 458**
Provision for loan impairment	(4 446 121)	(2 005 586)
Total loans and advances to customers	**119 773 570**	**65 332 872**

The information about changes in the provision for impairment by class of loans to customers for the nine months ended September 30, 2013 is presented below:

(in thousands of Tenge)	Corporate loans	Loans to individuals	Total
At January 1, 2013	**(1 788 613)**	**(216 973)**	**(2 005 586)**
Net creation of reserves	(2 183 037)	(247 734)	(2 430 771)
Exchange rate difference	(9 607)	(157)	(9 764)
Provision for loan impairment at 30 September 2013 (unaudited)	**(3 981 257)**	**(464 864)**	**(4 446 121)**

The information about changes in the provision for impairment by class of loans to customers for the year ended December 30, 2012 is presented below:

(in thousands of Tenge)	Corporate loans	Loans to individuals	Total
At January 1, 2012	**(153 999)**	**(6 230)**	**(160 229)**
Net creation of reserves	(934 373)	(200 888)	(1 135 261)
Exchange rate difference	(160)	-	(160)
Provision for loan impairment at 30 September 2012 (unaudited)	**(1 088 532)**	**(207 118)**	**(1 295 650)**

ТОО КАЗАХСТАНАУДИТ * ДЛЯ АУДИТОРСКИХ ОТЧЁТОВ *

7 Loans and advances to customers (continued)

Below is the analysis of loans by credit quality as at September 30, 2013 (unaudited):

(in thousands of Tenge)	Loans before provision for impairment	Provision for individually impaired loans	Provision for collectively impaired loans	Total provision for impairment	Loans net of provision for impairment
Not overdue	**110 728 796**	**(1 138 991)**	**(162 774)**	**(1 301 765)**	**109 427 031**
Loans to large size entities	42 345 814	(111 025)	(14 676)	(125 701)	42 220 113
Loans to small and medium size entities	50 264 777	(1 027 966)	(80 451)	(1 108 417)	49 156 360
Consumer and other loans to individuals	18 118 205	-	(67 647)	(67 647)	18 050 558
Overdue	**13 490 895**	**(3 129 903)**	**(14 453)**	**(3 144 356)**	**10 346 539**
Loans to large size entities	4 255 572	(12 154)	(5 062)	(17 216)	4 238 356
Loans to small and medium size entities	7 479 177	(2 724 623)	(5 301)	(2 729 924)	4 749 253
Consumer and other loans to individuals	1 756 146	(393 126)	(4 090)	(397 216)	1 358 930
Total	**124 219 691**	**(4 268 894)**	**(177 227)**	**(4 446 121)**	**119 773 570**

Below is the analysis of loans by credit quality as at December 31, 2012:

(in thousands of Tenge)	Loans before provision for impairment	Provision for individually impaired loans	Provision for collectively impaired loans	Total provision for impairment	Loans net of provision for impairment
Not overdue	**65 503 180**	**(244 712)**	**(167 953)**	**(412 665)**	**65 090 515**
Loans to large size entities	4 911 042	-	(21 147)	(21 147)	4 889 895
Loans to small and medium size entities	51 471 798	(88 161)	(133 258)	(221 419)	51 250 379
Consumer and other loans to individuals	9 120 340	(156 551)	(13 547)	(170 098)	8 950 242
Overdue	**1 835 278**	**(1 592 604)**	**(317)**	**(1 592 921)**	**242 357**
Loans to large size entities	-	-	-	-	-
Loans to small and medium size entities	1 580 789	(1 546 046)	-	(1 546 046)	34 743
Consumer and other loans to individuals	254 489	(46 558)	(317)	(46 875)	207 614
Total	**67 338 458**	**(1 837 316)**	**(168 270)**	**(2 005 586)**	**65 332 872**

ДЛЯ АУДИТОРСКИХ ОТЧЁТОВ

7 Loans and advances to customers (continued)

The following provides information about collateral as of September 30, 2013 (unaudited):

(in thousands of Tenge)	Corporate loans	Loans to individuals	Total	%
Unsecured loans	**641 972**	**1 813 934**	**2 455 906**	**2,0%**
Loans collateralised by:				
- assets coming in the future from contracts	7 034 051	-	7 034 051	5,7%
- real estate	12 892 870	13 044 040	25 936 910	20,9%
- third party guarantees	24 902 989	2 053 931	26 956 920	21,7%
- goods in circulation and goods coming in the future	5 764 222	-	5 764 222	4,6%
- cash	2 053 226	1 109 743	3 162 969	2,5%
- equipment	639 428	-	639 428	0,5%
- combined provision	2 739 701	-	2 739 701	2,2%
- transport	5 177	204 482	209 659	0,2%
- other assets	47 671 704	1 648 221	49 319 925	39,7%
Total loans and advances to customers	**104 345 340**	**19 874 351**	**124 219 691**	**100%**

The following provides information about collateral as of December 31, 2012

(in thousands of Tenge)	Corporate loans	Loans to individuals	Total	%
Unsecured loans	**191 755**	**2 040 027**	**2 231 782**	**3,3%**
Loans collateralised by:				
- assets coming in the future from contracts	13 979 501	-	13 979 501	20,8%
- real estate	12 908 597	4 711 961	17 620 558	26,2%
- third party guarantees	12 377 597	908 772	13 286 369	19,7%
- goods in circulation and goods coming in the future	9 925 603	-	9 925 603	14,7%
- cash	3 501 733	1 335 256	4 836 989	7,2%
- equipment	1 161 081	-	1 161 081	1,7%
- combined provision	917 777	-	917 777	1,4%
- transport	335 503	171 541	507 044	0,8%
- other assets	2 664 482	207 272	2 871 754	4,3%
Total loans and advances to customers	**57 963 629**	**9 374 829**	**67 338 458**	**100%**

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7 Loans and advances to customers (continued)

The following shows the structure of risk concentration of client's loan portfolio by industries

(in thousands of Tenge)	Unaudited 30 September 2013		31 December 2012	
	Amount	%	Amount	%
Wholesale trade and trade through agents	38 392 536	31%	19 545 786	29%
Individuals	19 874 351	16%	9 374 829	14%
Mining	14 582 517	12%	2 236 258	3%
Providing services to consumers	9 449 283	8%	5 494 489	8%
Construction	7 762 429	6%	11 092 347	16%
- construction of housing	199 006		3 178 735	
- working capital financing	379 464		7 437 395	
- acquisition of fixed assets	7 183 959		476 217	
Rental, leasing, and real estate transactions	5 595 436	5%	2 634 404	4%
Retail trade	5 539 164	4%	904 763	1%
Non-metallic mineral production	5 060 247	4%	1 123 216	2%
Plant and animal breeding	4 456 550	4%	3 893 114	6%
Other professional, scientific and technical activities	3 511 025	3%	3 727 163	6%
Financial intermediation	2 746 965	2%	3 089 483	5%
Metallic production	2 240 785	2%	656 241	1%
Computer technology	1 078 967	1%	1 152 598	2%
Food production	806 631	1%	815 596	1%
Health	192 751	-	217 583	-
Electricity production and transfer	100 325	-	769 710	1%
Furniture and other production	47 123	-	610 878	1%
Other	2 782 606	2%	-	0%
Total loans and advances to customers (before provision for loan impairment)	**124 219 691**	**100%**	**67 338 458**	**100%**

(in thousands of Tenge)	Unaudited 30 September 2013		31 December 2012	
	Amount	%	Amount	%
Loans to individuals				
Consumer loans	18 400 364	93%	8 431 363	90%
Mortgages	1 330 510	7%	857 780	9%
Auto loans	143 477	1%	85 686	1%
Total loans to individuals	**19 874 351**	**100%**	**9 374 829**	**100%**

As at 30 September 2013 the Bank has 18 borrowers or groups of related borrowers (31 December 2012: 12), the loans whereof are of more than 10% of the capital. Total loan balances of borrowers specified as at 30 September 2013 was KZT 54 135 156 thousand (December 31, 2012- KZT 22 091 522 thousand).

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7 Loans and advances to customers (continued)

In assessing the impairment of loans and advances to customers, the Bank adopts the following key assumptions and judgments:

- Individually significant (more than KZT 1 500 000 thousand) loans that are considered individually in determining the provision for impairment are allocated as part of the loan portfolio.
- Loans to non-individually significant and that have no signs of impairment are grouped with similar credit risk characteristics and evaluated together for impairment.
- Evaluation is made in the context of corporate and retail customers.
- To identify the evidence of impairment, the Bank conducts a comprehensive analysis of the financial position of corporate clients. In case of absence of objective evidence of impairment, the rate of collective impairment that is similar to credit risk characteristics of the group will be applied to individually significant loan.
- The ratio of the collective impairment loss is calculated on historical cost basis of the Bank and is defined as the average ratio of overdue and written off loans to total loans that are non-individually significant.

The interest rate analysis of customer accounts is disclosed in Note 15. The relevant information on related parties is disclosed in Note 19.

8 Financial assets available for sale

(in thousands of Tenge)	Unaudited 30 September 2013	31 December 2012
Government securities of RK		
Government securities of the Ministry of Finance of the Republic of Kazakhstan	31 034 650	7 425 242
NBRK notes	1 998 520	994 687
Securities of SOVEREIGN WEALTH FUND "SAMRUK KAZYNA" JSC	299 127	304 840
Total government securities of RK	**33 332 297**	**8 724 769**
Government securities of foreign states		
Securities of international financial institutions	1 445 018	214 687
Securities of foreign states	1 698 669	646 150
Total government securities of foreign states	**3 143 687**	**860 837**
Corporate bonds	**7 033 870**	**3 026 779**
Total debt securities	**43 509 854**	**12 612 385**

8 Financial assets available for sale (continued)

The analysis of debt securities by credit quality as of 30 September 2013 (unaudited):

(in thousands of Tenge)	Government securities of the MF RK	NBRK notes	Securities of SWF "SAMRUK KAZYNA" JSC	Securities of international financial institutions	Securities of foreign states	Corporate bonds	Total
Neither past due nor impaired							
Fitch Ratings: "AAA"	-	-	-	482 197	-	-	482 197
Fitch Ratings: "BBB"	-	-	-	-	-	147 407	147 407
Fitch Ratings: "BBB"	-	-	-	962 822	-	3 317 710	4 280 532
Fitch Ratings: "BBB-"	-	-	-	-	-	830 325	830 325
Moody's: "Baa3"	-	-	-	-	-	950 965	950 965
Moody's: "Baa2"						492 838	492 838
Moody's: "Ba3"	-	-	-	-	-	479 702	479 702
Standard & Poor's: "BBB+"	33 033 170	-	299 127	-	-	-	33 332 297
Standard & Poor's: "BBB"	-	-	-	-	1 698 669	350 438	2 049 107
Standard & Poor's: "BB+"	-					464 484	464 484
Total neither past due nor impaired	**33 033 170**	**-**	**299 127**	**1 445 019**	**1 698 669**	**7 033 869**	**43 509 854**

The analysis of debt securities by credit quality as of December 31, 2012:

(in thousands of Tenge)	Government securities of the MF RK	NBRK notes	Securities of SWF "SAMRUK KAZYNA" JSC	Securities of international financial institutions	Securities of foreign states	Corporate bonds	Total
Neither past due nor impaired							
Standard & Poor's: "AAA"	-	-	-	164 400	-	-	164 400
Standard & Poor's: "A-"	-	-	-	50 287	-	-	50 287
Standard & Poor's: "BBB+"	7 425 242	994 687	304 840	-	-	-	8 724 769
Standard & Poor" s: "BBB"	-	-	-	-	646 150	1 658 630	2 304 780
Standard & Poor's: "BBB-"	-	-	-	-	-	877 971	877 971
Moody's Investors Service: "Ba3"	-	-	-	-	-	490 178	490 178
Total neither past due nor impaired	**7 425 242**	**994 687**	**304 840**	**214 687**	**646 150**	**3 026 779**	**12 612 385**

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9 Customer accounts

(in thousands of Tenge)	Unaudited 30 September 2013	31 December 2012
State and public organisations		
- Current/settlement accounts	37 710 899	3 493 167
- Term deposits	23 497 242	7 472 777
- Deposits which are collateral for liabilities	241 255	560 184
Other legal entities		
- Current/settlement accounts	23 613 526	17 655 196
- Term deposits	35 692 693	17 798 234
- Deposits which are collateral for liabilities	15 366 927	9 382 090
- Other deposits	19 968	31 792
Individuals		
- Current/demand accounts	1 188 932	359 913
- Term deposits	25 476 396	14 816 879
- Deposits which are collateral for liabilities	1 563 588	1 389 814
- Other deposits	89	-
Total customer accounts	**164 371 515**	**72 960 046**

As at 30 September 2013, the Bank had 22 customers with balances over 10% of the Bank's capital (31 December 2012: 11). Total balance of those customers was KZT 94 075 573 thousand (31December 2012: KZT 36 090 321 thousand).

10 Debt securities issued and subordinated loans

Committee for the control and supervision of the financial market and financial organizations of the NBRK registered first and second bond issue of subordinated bonds within the first bond program of the Bank in 15 March 2013.
As of 30 September 2013, bank issued unsecured bonds in the amount of 6 970 000 thousands of tenge, with a maturity of 3 years. In addition, bank issued subordinated debentures in the amount of 3 038 100 thousands of tenge with the maturity of 7 years.
These bonds have a nominal interest rate of 8.0% - 9.5% per annum for coupon bonds and subordinated bonds, respectively. Discounts and accrued interests considered, unsecured bonds are in the amount of 7 194 146 thousands of tenge, and subordinated debentures are 3 155 461 thousands of tenge.

(in thousands of Tenge)	Unaudited 30 September 2013	31 December 2012
Subordinated debt		
Issued Subordinated debt securities	3 155 461	-
Subordinated debt	307 667	-
Total Subordinated debt	**3 463 128**	-

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11 Charter capital

The following is charter capital structure as at 30 September 2013 and 31 December 2012:

(In thousands of Tenge, except number of share)	Unaudited 30 September 2013	31 December 2012
Shares outstanding	**1 450 000**	**1 450 000**
Ordinary shares	10 000 000	10 000 000
Preferred shares	4 500 000	4 500 000

The declared charter capital of the Bank as at 30 September 2013 and 31 December 2012 makes 1,500,000 ordinary shares and 500,000 preference shares.

As at 30 September 2013 and 31 December 2012 the nominal value of one ordinary share with the right of one voice, makes KZT 10,000. The nominal value of one preference share also makes KZT 10,000.

Provision

Under current legislation and NBRK rules, the Bank transferred retained earnings to provision to cover general bank risks and future losses. For the period ended 30 September 2013 the Bank transferred to provision KZT 40,587 thousand (31 December 2012: KZT 22,633 thousand). General bank provision funds can be distributed only by official permission of shareholders.

Dividends

In the reporting period, dividends of KZT 360,000 thousand at the rate of KZT 800 per preference share were declared and paid.

12 Interest income and expense

(in thousands of Tenge)	Unaudited Nine months ended 30 September 2013	Unaudited Nine months ended 30 September 2012
Interest income		
Loans and advances to customers	9 536 241	3 980 152
Financial assets available for sale	852 453	356 081
Reverse REPO transaction	44 747	3 220
Correspondent accounts in other banks	5 029	561
Due from other banks	18 713	10 256
Total interest income	**10 457 183**	**4 350 270**
Interest expense		
Term deposits	4 604 535	1 600 304
REPO transactions	17 468	18 856
Subordinated debt	7 667	10 125
Debt securities issued	239 082	-
Total interest expense	**4 868 752**	**1 629 285**
Net interest income	**5 588 431**	**2 720 985**

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13 Administrative and other operating expenses

(in thousands of Tenge)	Unaudited Nine months ended 30 September 2013	Unaudited Nine months ended 30 September 2012
Personnel expenses	1 847 111	1 123 333
Advertising and marketing services	296 332	224 566
Depreciation and amortization	238 999	113 759
Operating lease expenses	168 992	108 869
Security expenses	141 056	102 593
Professional services	109 574	86 754
Taxes other than income taxes	98 070	82 656
Expenditures for maintenance and administrative buildings leased	36 354	23 933
Communication service	31 393	19 824
Transportation costs	26 175	22 363
Business trip expenses	17 168	11 339
Repair expenses	11 114	39 575
Stationery	10 651	8 306
Entertainment expenses	4 445	3 682
Insurance expense	2 645	1 060
Trainings of employees	2 102	3 000
Professional membership fee	1 772	1 488
Other	263 126	85 133
Total administrative and other operating expenses	**3 307 079**	**2 062 233**

14 Segment analysis

The main format for segment reporting of the Bank is to provide information on operating segments.

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the operating decision makers and for which discrete financial information is available. Responsible for making operational decisions is a person or group of persons who allocate resources and assesses the performance for the entity.

Functions of the operation of making decision performed by the Bank's Board. The Board regularly uses for operational decision making and resource allocation financial information based on IFRS.

Description of products and services from which each reportable segment derives its revenue

Bank's operations are organized in three major business segments:

Corporate banking, being direct debit instruments, current accounts, deposits, overdrafts, credits and other credit instruments, currency and derivative products.

Retail Banking, being private bank services, private current accounts of the clients, savings, deposits and consumer credits.

Investment activities on assets and liabilities required to maintain liquidity, the Bank's financing requirements, management of asset and liability.

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14 Segment analysis (continued)

The following table shows information on assets and liabilities of reporting segments for the nine months ended September 30, 2013 (unaudited):

(in thousands of Tenge)	Corporate banking	Private banking services	Investment banking	Total
Assets				
Due from other banks	167 950	-	-	167 950
Loans and advances to customers	100 364 083	19 409 487	-	119 773 570
Financial assets available for sale	-	-	43 509 854	43 509 854
Other financial assets	445 141	58 416	100 030	603 587
Total segment assets	**100 977 174**	**19 467 903**	**43 609 884**	**164 054 961**
Liabilities				
Customer accounts	136 142 511	28 229 004	-	164 371 515
Bank accounts	-	-	40	40
Issued debt securities	-	-	7 194 146	7 194 146
Subordinated debt securities	-	-	3 463 128	3 463 128
Other financial liabilities	90 440	17 540	-	107 980
Total segment liabilities	**136 232 951**	**28 246 544**	**10 657 314**	**175 136 809**

The following table shows information on the results of operations of reporting segments for the nine months ended September 30, 2013 (unaudited):

(in thousands of Tenge)	Corporate banking	Private banking services	Investment banking	Elimination	Total
Interest income	7 985 305	1 550 932	920 946	-	10 457 183
Interest expense	(2 921 812)	(1 332 308)	(614 632)	-	(4 868 752)
Internal interest income / expense	862 270	899 920	(26 340)	(1 735 850)	-
Net interest income	**5 925 763**	**1 118 544**	**279 974**	**(1 735 850)**	**5 588 431**
Recovery of/(provision for) loan impairment	(2 183 037)	(247 734)	-	-	(2 430 771)
Net interest income after provision for loan portfolio impairment	**3 742 726**	**870 810**	**279 974**	**(1 735 850)**	**3 157 660**
Fee and commission income from reportable segments	887 009	101 302	8 317	-	996 628
Fee and commission expense from reportable segments	(13 016)	(9 349)	(30 707)	-	(53 072)
Gains less losses from trading in foreign currencies	314 926	5 271	(18 645)	-	301 552
Income from financial assets available for sale	-	-	173 268	-	173 268
Segment result	**4 931 645**	**968 034**	**412 207**	**(1 735 850)**	**4 576 036**

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14 Segment analysis (continued)

The following table shows information on assets and liabilities of reporting segments for the year ended December 31, 2012:

(in thousands of Tenge)	Corporate banking	Private banking services	Investment banking	Total
Assets				
Due from other banks	9 346	-	-	9 346
Loans and advances to customers	56 185 938	9 146 934	-	65 332 872
Financial assets available for sale	-	-	12 612 385	12 612 385
Other financial assets	336 791	91 676	100 030	528 497
Total segment assets	**56 532 075**	**9 238 610**	**12 712 415**	**78 483 100**
Liabilities				
Customer accounts	56 393 440	16 566 606	-	72 960 046
Other financial liabilities	31 164	49 720	-	80 884
Total segment liabilities	**56 424 604**	**16 616 326**	**-**	**73 040 930**

The following table shows information on the results of operations of reporting segments for the nine months ended September 30, 2012 (unaudited):

(in thousands of Tenge)	Corporate banking	Private banking services	Investment banking	Elimination	Total
Interest income	3 467 242	523 727	359 301		4 350 270
Interest expense	(855 412)	(755 017)	(18 856)		(1 629 285)
Net interest income	**2 611 830**	**(231 290)**	**340 445**	**-**	**2 720 985**
Recovery of/(provision for) loan impairment	(1 127 498)	(7 763)	-	-	(1 135 261)
Net interest income after provision for loan portfolio impairment	**1 484 332**	**(239 053)**	**340 445**	**-**	**1 585 724**
Fee and commission income from reportable segments	542 997	23 770	-	-	566 767
Fee and commission expense from reportable segments	(9 417)	(18 345)	(12 944)	-	(40 706)
Gains less losses from trading in foreign currencies	159 260	-	-	-	159 260
Income from financial assets	12 321	3	18 476	-	30 800
Segment result	**2 189 493**	**(233 625)**	**345 977**	**-**	**2 301 845**

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14 Segment analysis (continued)

Below is the reconciliation of profit, assets and liabilities or reportable segments.

(in thousands of Tenge)	Unaudited 30 September 2013	31 December 2012
Total segment assets	**164 054 961**	**78 483 100**
Fixed assets	2 054 786	1 813 640
Cash and cash equivalents	25 398 437	8 286 492
Other assets	331 539	82 349
Total Assets	**191 839 723**	**88 665 581**
Total segment result	**175 136 809**	**73 040 930**
Current income tax payable	198 298	15 547
Deferred tax liability	88 671	117 813
Other liabilities	359 624	107 490
Total Liabilities	**175 783 402**	**73 281 780**

(in thousands of Tenge)	Unaudited Nine months ended 30 September 2013	Unaudited Nine months ended 30 September 2012
Total segment result	**4 576 035**	**2 301 845**
Administrative and other operating expenses	(3 307 079)	(2 062 233)
Provisions for impairment of other assets	(11 054)	(57 369)
Profit before tax	**1 257 902**	**182 243**
Income tax expense	(214 530)	(3 691)
Total Income for the year	**1 043 372**	**178 552**

Bank's all income is generated in Kazakhstan.

15 Financial risk management

Risk management underlies the banking and is the essential part of the Bank's activities. The Bank's risk management function is carried out in respect of financial risks (credit, market, geographical, currency, liquidity and interest rate), operational risks and legal risks. The main objectives of the financial risk management function are to identify risk limits, and then ensure these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

Credit risk. The Bank is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
The Bank developed policies and procedures for management of credit risk, including the setting of limits on the concentration of the portfolio and the establishment of credit committees, which actively monitors the credit risk of the Bank. Bank's Credit Policy is considered and approved by the Board of Directors.

Market risk. The Bank is exposed to market risks. Market risks arise from open positions in (a) currency, (b) interest rate, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. The Bank carries out stress testing of the market risk sensitivity on a monthly basis, which allows to prevent losses exceeding the established limits in case of more significant changes in the market.

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15 Financial risk management (continued)

Currency risk. Currency risk is a risk of origination of expenses (losses) related to changes in foreign currency exchange rates in the implementation of the Bank's operation. The danger of expenses (losses) arises due to revaluation of the Bank's positions by currencies in value terms. The Bank has assets and liabilities in different foreign currencies.

The Bank manages market risk by setting limits on open positions in financial instruments, maturity and currency that are monitored on a regular basis, reviewed and approved by the authorized body of the Bank.

The Bank controls compliance with the established limits by currencies on daily basis. The table below shows general analysis of the Bank's currency risk as of September 30, 2013 (unaudited):

	Unaudited 30 September 2013		
(in thousands of Tenge)	**Monetary financial assets**	**Monetary financial liabilities**	**Net balance sheet position**
Tenge	158 295 394	(144 595 602)	13 699 792
US Dollars	30 044 295	(29 440 741)	603 554
Euros	942 760	(935 186)	7 574
Russian Roubles	158 170	(165 937)	(7 767)
Pound Sterling	11 227	657	11 884
Swiss franc	1 459	-	1 459
Chinese Yuan	93	-	93
Total	**189 453 398**	**(175 136 809)**	**14 316 589**

The table below shows general analysis of the Bank's currency risk as of December 31, 2012:

	31 December 2012		
(in thousands of Tenge)	**Monetary financial assets**	**Monetary financial liabilities**	**Net balance sheet position**
Tenge	71 069 993	(56 907 041)	14 162 952
US Dollars	12 930 797	(13 431 788)	(500 991)
Euros	2 417 834	(2 377 931)	39 903
Russian Roubles	348 318	(324 170)	24 148
Pound Sterling	2 650	-	2 650
Total	**86 769 592**	**(73 040 930)**	**13 728 662**

The above analysis includes only financial assets and liabilities. The Bank believes that investments in equities and non-financial assets are not considered to give rise to any material currency risk.

Interest rate risk. The Bank takes risks to the effects of adverse fluctuations in market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

The Bank monitors interest rates on financial instruments. In the table below summarizes interest rates based on the reports reviewed by key leaders of the Bank:

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15 Financial risk management (continued)

	Unaudited 30 September 2013		
In % p.a.	**KZT**	**USD**	**Other**
Assets			
Cash and cash equivalents	0,41	0,21	1,40
Loans and advances to customers	14,50	13,80	5,20
Financial assets available for sale	4,30	4,50	3,80
Liabilities			
Customer accounts	7,40	5,50	2,70
- term deposits of legal entities	7,00	2,80	2,50
- term deposits of individuals	9,40	6,60	2,80

	31 December 2012		
In % p.a.	**KZT**	**USD**	**Other**
Assets			
Cash and cash equivalents	2,03	0,26	1,68
Loans and advances to customers	14,52	14,02	5,00
Financial assets available for sale	2,54	2,80	6,98
Liabilities			
Customer accounts	5,34	6,33	4,87
- term deposits of legal entities	4,64	3,29	4,45
- term deposits of individuals	9,79	7,02	4,93

Assets, liabilities and credit related commitments have generally been based on the country in which the counterparty is located. Cash on hand and fixed assets have been allocated based on the country in which they are physically held

Other risk concentrations. Management monitors and discloses concentrations of credit risk by obtaining reports listing exposures to borrowers with aggregated loan balances in excess of 10 percent of capital, industry concentration, geographical concentration, etc.

Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and derivative financial instruments settled by cash. The Bank does not maintain cash resources to the need of one-time meet all of these as the basis of long experience, it is a sufficient degree of accuracy to predict the level of funds required to meet the obligation. The Asset and Liability is managed of liquidity risk.

The following table shows the distribution of liabilities as at 30 September 2013 and 31 December 2012 to the contractual period remaining in maturity date. The amounts in the table are the contractual undiscounted cash flows, as well as the total amount of commitments to loan issue. Such undiscounted cash flows differ from the amount included in the balance sheet because the balance sheet amount is based on discounted cash flows. In cases when the amount payable is not fixed, the amount is determined by reference to the conditions existing at the balance sheet date. Foreign currency payments are translated using the spot exchange rate at the balance sheet date.

15 Financial risk management (continued)

The maturity analysis in accordance with contract terms of financial instruments as of September 30, 2013 is as follows (unaudited):

(in thousands of Tenge)	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	More than 5 years	Total
Liabilities						
Customer accounts	76 077 766	9 946 692	44 191 934	34 079 722	75 401	164 371 515
Bank accounts	40	-	-	-	-	40
Issued debt securities	229 236	-	-	6 964 910	-	7 194 146
Subordinated debt	118 655	-	-	-	3 344 473	3 463 128
Other financial liabilities	107 980	-	-	-	-	107 980
Total financial obligations	**76 533 677**	**9 946 692**	**44 191 934**	**41 044 632**	**3 419 874**	**175 136 809**
Undrawn credit lines	28 732 924	-	-	-	-	28 732 924
Guarantees issued	1 193 706	10 348 038	9 520 832	8 469 806	-	29 532 382
Total credit related commitments	**29 926 630**	**10 348 038**	**9 520 832**	**8 469 806**	**-**	**58 265 306**

The maturity analysis in accordance with contract terms of financial instruments as of December 31, 2012 is as follows:

(in thousands of Tenge)	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	More than 5 years	Total
Liabilities						
Customer accounts	28 212 148	7 846 214	24 846 935	12 009 749	45 000	72 960 046
Other financial liabilities	13 201	-	-	67 383	300	80 884
Total financial obligations	**28 225 349**	**7 846 214**	**24 846 935**	**12 077 132**	**45 300**	**73 040 930**
Undrawn credit lines	11 053 549	-	-	-	-	11 053 549
Guarantees issued	2 628 486	8 008 700	10 023 612	51 307	-	20 712 105
Total credit related commitments	**13 682 035**	**8 008 700**	**10 023 612**	**51 307**	**-**	**31 765 654**

ВДО КАЗАХСТАНАУДИТ * ВДО КАЗАКСТАНАУДИТ * ДЛЯ АУДИТОРСКИХ ОТЧЁТОВ

15 Financial risk management (continued)

The Bank does not use the above undiscounted maturity analysis to manage liquidity. Instead, the Bank monitors expected maturities, which may be summarized as follows as of September 30, 2013 (unaudited):

(in thousands of Tenge)	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	More than 5 years	Total
Cash and cash equivalents	25 398 437	-	-	-	-	25 398 437
Due from other banks	167 950	-	-	-	-	167 950
Loans and advances to customers	15 825 760	13 333 573	53 344 433	31 081 454	6 188 350	119 773 570
Financial assets available for sale	36 509 854	-	-	7 000 000	-	43 509 854
Other financial assets	584 770	561	15 839	2 407	10	603 587
Total financial assets	**78 486 771**	**13 334 134**	**53 360 272**	**38 083 861**	**6 188 360**	**189 453 398**
Customer accounts	76 077 766	9 946 692	44 191 934	34 079 722	75 401	164 371 515
Bank accounts	40	-	-	-	-	40
Issued debt securities	229 236	-	-	6 964 910	-	7 194 146
Subordinated debt	118 655	-	-	-	3 344 473	3 463 128
Other financial liabilities	107 980	-	-	-	-	107 980
Total financial liabilities	**76 533 677**	**9 946 692**	**44 191 934**	**41 044 632**	**3 419 874**	**175 136 809**
Net liqidity gap at 30 September 2013	**1 953 094**	**3 387 442**	**9 168 338**	**(2 960 771)**	**2 768 486**	**14 316 589**
Cumulative gap at 30 September 2013	**1 953 094**	**5 340 536**	**14 508 874**	**11 548 103**	**14 316 589**	**14 316 589**

The analysis by expected maturities may be summarised as follows as of December 31, 2012:

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

Cumulative gap for all terms is positive.

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КАЗАКСТАНАУДИТ
ДЛЯ АУДИТОРСКИХ ОТЧЁТОВ

16 Capital management

The Bank actively manages the capital adequacy level for the purpose of protection against the risks specific to the Bank activity. Capital adequacy is controlled by FMSC.

The main objective of managing the capital consists in ensuring the Bank's compliance with external requirements for the capital and maintenance of a high credit rating and standards of the capital adequacy, necessary for implementation and maximizing the shareholder value.

The Bank manages the structure of the capital and corrects it in the light of changes in economic terms and characteristics of risk of activities performed. In comparison with last year, there were no changes in objectives, policies and procedures for management of capital; however, the Board of Directors pays attention to this issue on a regular basis.

Under the current capital requirements established by the FMSC, banks must maintain a ratio of Tier 1 capital and assets (K1) not less than 6 per cent (2012: 6 percent), and the ratio of total regulatory capital to assets, risk-weighted (K2) not lower than 12 per cent (2012: 12 percent).

As of September 30, 2013 the prudential regulations established by the FMSC are performed by the compliance (unaudited). As at September 30, 2013, the Bank ratios were the following: k1.1 – 7,6%, k1.2 – 9,9%, k2 – 13,1%.

17 Contingent liabilities

Credit related commitments. The Bank has obligations on granting the credit resources. The Bank provides financial guarantees and opens letters of credit in order to provide performance of obligations of the clients to the third parties.

When providing contingent liabilities, financial guarantees and letters of credit, the Bank applies the same policies and risk management procedures as when granting the credits to the clients.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect of commitments to extend credit, the Bank is potentially exposed to loss in an amount which equals to the total unused commitments.

However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Bank monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Outstanding credit related commitments are as follows:

(in thousands of Tenge)	Unaudited 30 September 2013	31 December 2012
Guarantees issued	29 532 382	20 712 105
Undrawn credit lines	28 732 924	11 053 549
Total credit related commitments	**58 265 306**	**31 765 654**

Many of obligations specified may be terminated without their partial or full execution. Therefore, the obligations stated above, do not represent expected cash outflow. As at 30 September 2013 and 31 December 2012 the Bank had no customers commitments where of exceed 10% of total commitments.

18 Fair value of financial instruments

The following are the carrying amount and fair value of financial assets and liabilities as at 30 September 2013(unaudited):

(in thousands of Tenge)	Loans and receivables	Available-for-sale	Other, carried at amortized cost	Carrying value	Fair value
Assets					
Cash and cash equivalents	25 398 437	-	-	25 398 437	25 398 437
Due from other banks	167 950	-	-	167 950	167 950
Loans and advances to customers	119 773 570	-	-	119 773 570	120 017 671
Investment securities available-for-sale	-	43 509 854	-	43 509 854	43 509 854
Other financial assets	503 557	-	100 030	603 587	603 587
Total assets	**145 843 514**	**43 509 854**	**100 030**	**189 453 398**	**189 697 499**
Liabilities					
Customer accounts	-	-	164 371 515	164 371 515	164 371 515
Bank accounts	-	-	40	40	40
Issued debt securities	-	-	7 194 146	7 194 146	7 198 281
Subordinated debt	-	-	3 463 128	3 463 128	3 456 493
Other financial liabilities	-	-	107 980	107 980	107 980
Total liabilities	-	-	**175 136 809**	**175 136 809**	**175 134 309**

The following are the carrying amount and fair value of financial assets and liabilities as at 31 December 2012:

(in thousands of Tenge)	Loans and receivables	Available-for-sale	Other, carried at amortized cost	Carrying value	Fair value
Assets					
Cash and cash equivalents	8 286 492	-	-	8 286 492	8 286 492
Due from other banks	9 346	-	-	9 346	9 346
Loans and advances to customers	65 332 872	-	-	65 332 872	65 483 741
Investment securities available-for-sale	-	12 612 385	-	12 612 385	12 612 385
Other financial assets	428 467	-	100 030	528 497	528 497
Total assets	**74 057 177**	**12 612 385**	**100 030**	**86 769 592**	**86 920 461**
Liabilities					
Customer accounts	-	-	72 960 046	72 960 046	72 960 046
Other financial liabilities	-	-	80 884	80 884	80 884
Total liabilities	-	-	**73 040 930**	**73 040 930**	**73 040 930**

18 Fair value of financial instruments (continued)

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between the stakeholders, other than a forced sale or liquidation. The best confirmation of fair value is a quoted price for a financial instrument in an active market.

Fair value of the financial instrument was estimated by the Bank based on the available market information (if any) and appropriate evaluation techniques. However, a professional judgment is required for interpretation of market information in order to determine fair value. Republic of Kazakhstan economy continues to show some characteristics inherent to developing countries, and economic conditions continue to limit activity volume in the financial markets.

Market quotations may be obsolete or reflect sales cost at low prices and therefore, not reflect the fair value of financial instruments. When determining fair value of financial instruments the management uses all available market information to apply professional judgment.

(in thousands of Tenge)	**Unaudited 30 September 2013 Active market quotations (Level 1)**	**31 December 2012 Active market quotations (Level 1)**
Financial assets		
Investment securities available for sale		
Government securities of the Ministry of Finance of the RK	31 034 650	7 425 242
NBRK notes	1 998 520	994 687
Securities of SOVEREIGN WEALTH FUND "SAMRUK KAZYNA"	299 127	304 840
Securities of international financial institutions	1 445 018	214 687
Securities of foreign states	1 698 669	646 150
Corporate bonds	7 033 870	3 026 779
Total financial assets at fair value	**43 509 854**	**12 612 385**

The following are fair value hierarchy levels for financial instruments at fair value:

Methods and assumptions used in measuring the fair value. Fair value is the amount for which a financial instrument could be exchanged in a current transaction between the stakeholders, other than a forced sale or liquidation. The best confirmation of fair value is a quoted price for a financial instrument in an active market. If there are no quoted prices in an active market, the Bank uses various evaluation techniques.

Financial instruments at fair value. Investment securities available for sale are carried in the balance sheet at fair value. The fair value is measured on the basis of quoted market prices.

Cash and cash equivalents are carried at amortized cost, which is approximately equal to their current fair value.

Loans and receivables carried at amortized cost. Fair values of instruments with floating interest rate are usually equal to their carrying amounts. Estimated fair value of instruments with fixed interest rate is based on the discounted cash flow method using current interest rates on the market of borrowed funds for new instruments assuming similar credit risk and similar maturity.

Customer deposits. Customer deposits are carried at amortized cost. The fair value is measured on the basis of average market prices.

Derivative financial instruments. All derivative financial instruments are carried at fair value as assets, if the fair value of those instruments is positive, and as liabilities if the fair value is negative. The fair value is measured on the basis of available market prices.

19 Related party transactions

The parties are considered to be related if they are under common control, or one of them has the ability to control the other party or may have significant influence over the other party in making financial and operating decisions.Considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

As of September 30, 2013 and December 31, 2012, the outstanding balances with related parties were as follows:

	Unaudited 30 September 2013				31 December 2012			
(in thousands of Tenge, unless otherwise stated)	% rate	Shareholders	Board members	Others	% rate	Shareholders	Board members	Others
Total loans and advances to customers - KZT	11%-21%	-	-	974 519	6%-12%	-	14 793	1 517 322
Total loans and advances to customers - USD	12,5%	250 809	-	-	12,5%	-	-	152 727
Customer accounts, current accounts	-	35 931	13 930	683 423	-	25 053	2 052	353 686
Customer accounts, deposits - KZT	3%-10%	13 408	17 916	359 171	3%-10%	29 669	-	3 699 152
Customer accounts, deposits - USD	5,5%-7%	114 517	1 691 443	355 560	6,5%-7%	8 084	840 943	971 507
Customer accounts, deposits - EUR	2%	-	-	1 633	-	-	-	-
Undrawn credit lines	-	7 592	41 343	26 000	-	-	-	-
Guarantees issued	-	-	-	-	-	-	-	65 520

The following are income and expense items with related parties for the nine months ended September 30, 2013 and for the year ended December 31, 2012

	Unaudited Nine months ended 30 Septembe 2013			Unaudited Nine months ended 30 September 2012		
(in thousands of Tenge)	Shareholders	Board members	Others	Shareholders	Board members	Others
Interest income	11 861	-	115 490	-	1 458	80 051
Interest expense	12 436	69 827	30 496	4 240	1 121	12 248
Administrative and other operating expenses, including:	-	105 543	-	180	75 447	5 732
Remuneration of members of the Board	-	68 715	-	180	15 736	5 732
Remuneration of members of the Board of Directors	-	36 828	-	-	59 711	-

20 Subsequent events

Prior to the approval date of this interim condensed financial information the Management did not determine any material events requiring additional disclosure.