

**JOINT STOCK COMPANY
BANK CENTERCREDIT**

**Condensed Interim Consolidated Financial
Information (Unaudited)**

For the six months ended 30 June 2012

JOINT STOCK COMPANY BANK CENTERCREDIT

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JOINT STOCK COMPANY BANK CENTERCREDIT

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED)

Management is responsible for the preparation of condensed interim consolidated financial information that presents fairly the consolidated financial position of the Joint Stock Company Bank CenterCredit and its subsidiaries ("the Group") as at 30 June 2012 and the results of its operations for the three and six months periods then ended, as well as cash flows and changes in equity for the six months period then ended, in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

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

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

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the condensed interim consolidated financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial information of the Group comply with IAS 34;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

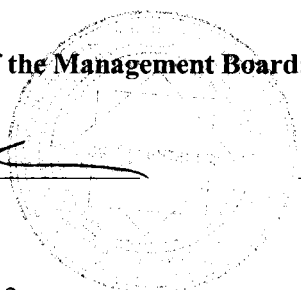
The condensed interim consolidated financial information for the six months ended 30 June 2012 was authorized for issue on 6 August 2012 by the Management Board of the JSC Bank CenterCredit.

On behalf of the Management Board:



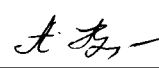
**Lee V.S.
Chairman**

6 August 2012
Almaty



**Oh Ki Hong
Managing Director**

6 August 2012
Almaty



**Nurgaliyeva A. T.
Chief Accountant**

6 August 2012
Almaty

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

To the Shareholders and Board of Directors of Joint Stock Company Bank CenterCredit:

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Joint Stock Company Bank CenterCredit and its subsidiaries ("the Group") as at 30 June 2012, the condensed interim consolidated statements of income, and comprehensive income for the three and six months periods then ended, and the condensed interim consolidated statements of changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and selected explanatory information. Management of the Group is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

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

Conclusion

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



6 August 2012
Almaty

JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED)

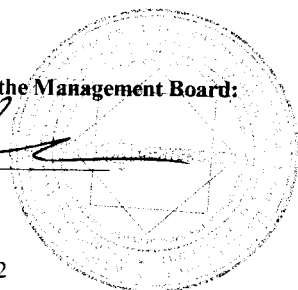
(in Kazakhstani tenge and in millions, except for earnings per share which is in tenge)

	Notes	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Interest income	5, 24	38,525	43,576	17,985	23,212
Interest expense	5, 24	(27,918)	(32,146)	(13,592)	(15,532)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		10,607	11,430	4,393	7,680
Provision for impairment losses on interest bearing assets	6	(5,332)	(10,754)	(1,496)	(8,399)
NET INTEREST INCOME/(EXPENSE)		5,275	676	2,897	(719)
Net gain on financial assets and liabilities at fair value through profit or loss	7	68	744	130	241
Net realized gain on disposal of investments available-for-sale	8	-	348	-	187
Net loss on early redemption of debt	21	(1,318)	-	(1,054)	-
Net gain on foreign exchange operations	9	1,922	1,786	470	698
Fee and commission income	10	9,734	8,786	5,366	4,778
Fee and commission expense	10	(1,034)	(812)	(670)	(431)
Other expense (Provision)/recovery of provision for impairment losses on other transactions	6	(110)	(12)	(92)	(18)
		(384)	1,510	(228)	1,295
NET NON-INTEREST INCOME		8,878	12,350	3,922	6,750
OPERATING INCOME		14,153	13,026	6,819	6,031
OPERATING EXPENSES	11, 24	(13,064)	(12,250)	(6,388)	(6,248)
OPERATING PROFIT/(LOSS) BEFORE INCOME TAX		1,089	776	431	(217)
Income tax (expense)/benefit	12	(47)	446	34	287
NET PROFIT		1,042	1,222	465	70
Attributable to:					
Equity shareholders of the parent		968	1,117	425	20
Non-controlling interest		74	105	40	50
		1,042	1,222	465	70
EARNINGS PER SHARE					
Basic (KZT)	13	4.80	5.54	2.11	0.10
Diluted (KZT)	13	4.80	5.54	2.11	0.10

On behalf of the Management Board:

Lee V.S.
Chairman

6 August 2012
Almaty



Oh Ki Hong
Managing Director

6 August 2012
Almaty

Nurgaliyeva A.T.
Chief Accountant

6 August 2012
Almaty

Selected explanatory notes on pages 9-43 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY BANK CENTERCREDIT

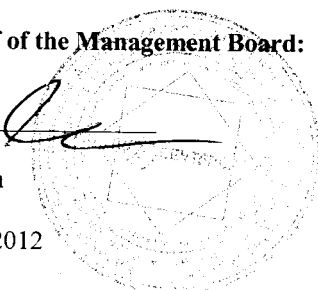
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED) *(in Kazakhstani tenge and in millions)*

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
NET PROFIT	<u>1,042</u>	<u>1,222</u>	<u>465</u>	<u>70</u>
Net change in fair value of investments available-for-sale	54	352	124	(724)
Exchange differences on translation of foreign operations	<u>158</u>	<u>201</u>	<u>(939)</u>	<u>54</u>
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER INCOME TAX	<u>212</u>	<u>553</u>	<u>(815)</u>	<u>(670)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)	<u><u>1,254</u></u>	<u><u>1,775</u></u>	<u><u>(350)</u></u>	<u><u>(600)</u></u>
Attributable to:				
Owners of the parent	1,180	1,670	(390)	(650)
Non-controlling interest	<u>74</u>	<u>105</u>	<u>40</u>	<u>50</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)	<u><u>1,254</u></u>	<u><u>1,775</u></u>	<u><u>(350)</u></u>	<u><u>(600)</u></u>

On behalf of the Management Board:

Lee V.S.
Chairman

6 August 2012
Almaty



Oh Ki Hong
Managing Director

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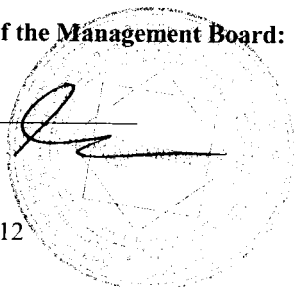
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012 (UNAUDITED) (in Kazakhstani tenge and in millions)

	Notes	30 June 2012 (unaudited)	31 December 2011
ASSETS			
Cash and cash equivalents	14	146,255	148,771
Financial assets at fair value through profit or loss	15	16,159	16,331
Investments available-for-sale	16	75,182	86,369
Investments held-to-maturity	17	20,489	20,778
Due from banks		1,155	6,010
Loans to customers and banks	18, 24	780,743	764,806
Current income tax assets		2,695	2,713
Deferred income tax assets	12	2,063	2,008
Other assets		10,904	10,747
Property, equipment and intangible assets		23,357	23,384
TOTAL ASSETS		1,079,002	1,081,917
LIABILITIES AND EQUITY			
LIABILITIES:			
Due to banks and financial institutions	19, 24	127,405	106,176
Customer and banks accounts	20, 24	733,797	727,334
Debt securities issued	21	88,089	121,565
Other liabilities		8,523	6,642
Subordinated bonds		33,267	33,392
Total liabilities		991,081	995,109
EQUITY:			
Equity attributable to owners of the parent:			
Share capital	22	69,656	69,797
Investments available-for-sale fair value reserve		720	666
Foreign currency translation reserve		(461)	(619)
Statutory reserves		1,638	1,633
Retained earnings		15,216	14,253
Total equity attributable to owners of the parent		86,769	85,730
Non-controlling interest		1,152	1,078
Total equity		87,921	86,808
TOTAL LIABILITIES AND EQUITY		1,079,002	1,081,917
Book value per ordinary share (KZT)	13	466	449
Book value per preferable share (KZT)	13	300	300

On behalf of the Management Board:

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6 August 2012
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Chief Accountant

6 August 2012
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JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED) *(in Kazakhstani tenge and in millions)*

	Share capital	Investments available-for-sale fair value reserve	Foreign currency translation reserve	Statutory reserves	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
31 December 2010	69,841	754	(25)	-	13,307	83,877	904	84,781
Net profit	-	-	-	-	1,117	1,117	105	1,222
Net change in fair value of investments available-for-sale	-	352	-	-	-	352	-	352
Exchange differences on translation of foreign operations	-	-	201	-	-	201	-	201
Net comprehensive income	-	352	201	-	1,117	1,670	105	1,775
Purchase of treasury shares	(17)	-	-	-	-	(17)	-	(17)
Changes in non-controlling interest	-	-	-	-	-	-	16	16
30 June 2011 (unaudited)	69,824	1,106	176	-	14,424	85,530	1,025	86,555
31 December 2011	69,797	666	(619)	1,633	14,233	85,730	1,078	86,808
Net profit	-	-	-	-	968	968	74	1,042
Net change in fair value of investments available-for-sale	-	54	-	-	-	54	-	54
Exchange differences on translation of foreign operations	-	-	158	-	-	158	-	158
Net comprehensive income	-	54	158	-	968	1,180	74	1,254
Purchase of treasury shares	(141)	-	-	-	-	(141)	-	(141)
Transfer to statutory reserve	-	-	-	5	(5)	-	-	-
30 June 2012 (unaudited)	69,656	720	(461)	1,638	15,216	86,769	1,152	87,921

On behalf of the Management Board:

Lee V.S.
Chairman

Oh Ki Hong
Managing Director

6 August 2012
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Chief Accountant

6 August 2012
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JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED)

(in Kazakhstani tenge and in millions)

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received from financial assets at fair value through profit or loss	556	429
Interest received from investments available-for-sale	1,343	1,441
Interest received from investments held-to-maturity	1,096	1,904
Interest received on due from banks	194	273
Interest received on loans to customers and banks	36,947	38,981
Penalties received from loans to customers and banks	984	498
Interest paid on due to banks and financial institutions	(3,635)	(4,330)
Interest paid on customer and banks accounts	(17,361)	(22,580)
Interest paid on debt securities issued	(6,603)	(7,788)
Interest paid on subordinated bonds	(1,716)	(1,868)
Fee and commission received	9,348	8,780
Fee and commission paid	(1,255)	(726)
Other expense paid	(110)	(12)
Operating expenses paid	(14,276)	(14,132)
Cash flows from operating activities before changes in operating assets and liabilities	5,512	870
Changes in operating assets and liabilities		
Decrease /(increase) in operating assets:		
Financial assets at fair value through profit or loss	179	(4,898)
Due from banks	4,835	(193)
Loans to customers and banks	(24,910)	(57,729)
Other assets	413	(1,679)
Increase/(decrease) in operating liabilities:		
Due to banks and financial institutions	21,273	(9,064)
Customer and banks accounts	6,645	(19,623)
Other liabilities	3,750	2,907
Cash flows from operating activities before taxation	17,697	(89,409)
Income tax paid	(84)	(121)
Net cash inflow/(outflow) from operating activities	17,613	(89,530)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, equipment and intangible assets	(997)	(2,985)
Proceeds on sale of property and equipment	20	536
Proceeds on maturity and sale of investments available-for-sale	68,340	78,797
Purchase of investments available-for-sale	(57,169)	(145,688)
Proceeds on maturity of investments held-to-maturity	2,984	218,498
Purchase of investments held-to-maturity	(3,122)	(106,410)
Net cash inflow from investing activities	10,056	42,748

JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED) (CONTINUED) *(in Kazakhstani tenge and in millions)*

	Notes	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Purchase of treasury shares		(141)	(17)
Repurchase and repayment of debt securities issued		(31,517)	(35,932)
Proceeds from debt securities issued		1,554	906
Net cash outflow from financing activities		(30,104)	(35,043)
<i>Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents</i>		(81)	1,977
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,516)	(79,848)
CASH AND CASH EQUIVALENTS, beginning of the period	14	148,771	209,163
CASH AND CASH EQUIVALENTS, end of the period	14	146,255	129,315

On behalf of the Management Board:

Lee V.S.
Chairman

6 August 2012
Almaty

Oh Ki Hong
Managing Director

6 August 2012
Almaty

Nurgaliyeva A.T.
Chief Accountant

6 August 2012
Almaty

Selected explanatory notes on pages 9-43 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY BANK CENTERCREDIT

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED)

(in Kazakhstani tenge and in millions, unless otherwise stated)

1. ORGANIZATION

JSC Bank CenterCredit (“the Bank”) is a Joint Stock Company, which was incorporated in the Republic of Kazakhstan and started its operations in 1988. The Bank is regulated by the legislation of the Republic of Kazakhstan. The Bank is regulated by the National Bank of the Republic of Kazakhstan (“NBRK”). The Bank conducts its business under license #248 dated 13 December 2007.

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 registered address is: 98 Panfilov Street, Almaty, Republic of Kazakhstan.

As at 30 June 2012 and 31 December 2011, the Bank had 20 branches in the Republic of Kazakhstan.

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

Name	Incorporation year	Country of operations	Proportion or ownership interest/voting rights %		Type of operation
			30 June 2012 (unaudited)	31 December 2011	
JSC APF Capital	2001	Kazakhstan	75%	75%	Pension fund management
LLP Center Leasing	2002	Kazakhstan	91%	91%	Finance lease of property
JSC BCC Invest	1998	Kazakhstan	100%	100%	Brokerage and dealer activity
CenterCredit International B.V.	2006	Netherlands	100%	100%	Issuance of capital on international financial markets
LLC Bank BCC-Moscow	2008	Russian Federation	100%	100%	Banking services

As at 30 June 2012 and 31 December 2011, the following ultimate beneficial shareholders owned individually more than 5% of the issued shares of the Group:

	30 June 2012 (unaudited) %	31 December 2011 %
Kookmin Bank	41.93	41.93
Baiseitov B.R.	25.10	25.10
IFC	10.00	10.00
Other (individually hold less than 5%)	22.97	22.97
Total	100.00	100.00

The condensed interim consolidated financial information was authorized for issue by the Management Board of the Group on 6 August 2012.

2. BASIS OF PRESENTATION

Accounting basis

The condensed interim consolidated financial information of the Group has been prepared using accounting policies consistent with International Financial Reporting Standards and International Accounting Standard (“IAS”) 34 Interim Financial Reporting. Accordingly, certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements have been omitted or condensed. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements and with the related notes to the consolidated financial statements of the Group for the year ended 31 December 2011.

The condensed interim consolidated financial information has been prepared on the accrual basis of accounting under the historical cost convention, except for the measurement of buildings at revalued amounts and the measurement of investments available-for-sale, financial assets and liabilities at fair value through profit or loss, and derivative financial instruments at fair value.

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

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

Functional currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing this condensed interim consolidated financial information the Group has applied the same accounting policies and methods of computation as those applied in the annual consolidated financial statements of the Group for the year ended 31 December 2011.

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's condensed interim consolidated financial information requires management to make estimates and judgments that affect the reported amount of assets and liabilities at the date of the financial information and the reported amount of income and expenses during the reporting period. Management evaluates its estimates and judgements on an ongoing basis. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following estimates and judgments are considered important to the portrayal of the Group's financial condition.

Allowance for impairment of loans – The Group regularly reviews its loans to assess for impairment. The Group's loan impairment provisions are established to recognize incurred impairment losses in its portfolio of loans. The Group considers accounting estimates related to allowance for impairment of loans a key source of estimation uncertainty because (i) they are highly susceptible to change from period to period as the assumptions about future default rates and valuation of potential losses relating to impaired loans are based on recent performance experience, and (ii) any significant difference between the Group's estimated losses and actual losses will require the Group to record provisions which, if significantly different, could have a material impact on its future consolidated income statement and its consolidated statement of financial position.

The Group uses management's judgement to estimate the amount of any impairment loss in cases where a borrower has financial difficulties and there are few available sources of historical data relating to similar borrowers. Similarly, the Group estimates changes in future cash flows based on past performance, past customer behaviour, observable data indicating an adverse change in the payment status of borrowers in a group, and national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the group of loans. The Group uses management's judgement to adjust observable data for a group of loans to reflect current circumstances not reflected in historical data.

The allowances for impairment of financial assets in the condensed interim consolidated financial information have been determined on the basis of existing economic and political conditions. The Group is not in a position to predict what changes in conditions will take place in Kazakhstan and what effect such changes might have on the adequacy of the allowances for impairment of financial assets in future periods.

5. NET INTEREST INCOME

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Interest income comprises:				
Interest income on financial assets recorded at amortized cost:				
- interest income on impaired assets	18,903	18,881	8,692	10,063
- interest income on unimpaired assets	17,854	22,839	8,366	12,172
Interest income on financial assets at fair value	1,768	1,856	927	977
Total interest income	38,525	43,576	17,985	23,212
Interest income on financial assets recorded at amortized cost:				
Interest on loans to customers and banks	34,930	39,070	15,646	20,911
Interest on investments held-to-maturity	669	1,872	363	898
Penalties on loans to customers and banks	984	498	984	287
Interest on due from banks	174	280	65	139
Total interest income on financial assets recorded at amortized cost	36,757	41,720	17,058	22,235
Interest income on financial assets at fair value:				
Interest income on financial assets available-for-sale	1,273	1,360	661	715
Interest income on financial assets initially recognized at fair value through profit or loss	495	496	266	262
Total interest income on financial assets recorded at fair value	1,768	1,856	927	977
Total interest income	38,525	43,576	17,985	23,212
Interest expense comprises:				
Interest expense on financial liabilities recorded at amortized cost	27,918	32,146	13,592	15,532
Total interest expense	27,918	32,146	13,592	15,532
Interest expense on financial liabilities recorded at amortized cost:				
Interest on customer and banks accounts	17,179	19,985	8,468	9,566
Interest on debt securities issued	5,582	6,763	2,571	3,276
Interest on due to banks and financial institutions	3,591	3,780	1,839	1,844
Interest on subordinated bonds	1,566	1,618	714	846
Total interest expense on financial liabilities recorded at amortized cost	27,918	32,146	13,592	15,532
Net interest income before provision for impairment losses on interest bearing assets	10,607	11,430	4,393	7,680

6. ALLOWANCE FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

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

	Consumer loans	Corporate loans	Credit cards	Total loans to customers (Note 18)
For six months ended 30 June 2011 and 2012	(unaudited)	(unaudited)	(unaudited)	(unaudited)
31 December 2010	12,069	93,679	41	105,789
Additional provision recognized	2,637	7,884	233	10,754
Write-off of assets	(3,309)	(4,692)	-	(8,001)
Recoveries of assets previously written off	1,865	5,418	-	7,283
Exchange rate difference	(40)	(287)	-	(327)
30 June 2011 (unaudited)	13,222	102,002	274	115,498
31 December 2011	12,065	112,423	48	124,536
(Recovery of provision)/additional provision recognized	(3,779)	8,743	368	5,332
Write-off of assets	(2,126)	(3,250)	-	(5,376)
Recoveries of assets previously written off	2,441	2,886	-	5,327
Exchange rate difference	81	306	-	387
30 June 2012 (unaudited)	8,682	121,108	416	130,206
	Consumer loans	Corporate loans	Credit cards	Total loans to customers (Note 18)
For three months ended 30 June 2011 and 2012	(unaudited)	(unaudited)	(unaudited)	(unaudited)
31 March 2011 (unaudited)	12,332	95,483	46	107,861
Additional provision recognized	1,820	6,351	228	8,399
Write-off of assets	(1,592)	(552)	-	(2,144)
Recoveries of assets previously written off	630	667	-	1,297
Exchange rate difference	32	53	-	85
30 June 2011 (unaudited)	13,222	102,002	274	115,498
31 March 2012 (unaudited)	11,116	117,104	36	128,256
(Recovery of provision)/additional provision recognized	(2,800)	3,916	380	1,496
Write-off of assets	(1,304)	(2,918)	-	(4,222)
Recoveries of assets previously written off	1,564	2,564	-	4,128
Exchange rate difference	106	442	-	548
30 June 2012 (unaudited)	8,682	121,108	416	130,206

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

	Investments held-to- maturity (Note 17) (unaudited)	Property, equipment and intangible assets (unaudited)	Other assets (unaudited)	Guarantees and letters of credit (unaudited)	Total (unaudited)
For six months ended 30 June 2011 and 2012					
31 December 2010	749	5,639	6,766	1,050	14,204
Additional provision/(recovery of provision) recognized	12	-	(1,132)	(390)	(1,510)
Write-off of assets	(13)	(5,639)	(146)	(15)	(5,813)
Recoveries of assets previously written off	-	-	1,110	-	1,110
Exchange rate difference	-	-	152	5	157
30 June 2011 (unaudited)	748	-	6,750	650	8,148
31 December 2011	106	-	1,149	968	2,223
Additional provision recognized	-	-	99	285	384
Write-off of assets	-	-	(159)	-	(159)
Recoveries of assets previously written off	-	-	63	-	63
Exchange rate difference	-	-	-	(17)	(17)
30 June 2012 (unaudited)	106	-	1,152	1,236	2,494
	Investments held-to- maturity (Note 17) (unaudited)	Property, equipment and intangible assets (unaudited)	Other assets (unaudited)	Guarantees and letters of credit (unaudited)	Total (unaudited)
For three months ended 30 June 2011 and 2012					
31 March 2011 (unaudited)	747	5,639	6,710	847	13,943
Additional provision/(recovery of provision) recognized	47	-	(1,155)	(187)	(1,295)
Write-off of assets	(13)	(5,639)	(33)	(15)	(5,700)
Recoveries of assets previously written off	(33)	-	1,076	-	1,043
Exchange rate difference	-	-	152	5	157
30 June 2011 (unaudited)	748	-	6,750	650	8,148
31 March 2012 (unaudited)	106	-	1,080	1,015	2,201
(Recovery of provision) / additional provision recognized	-	-	(10)	238	228
Recoveries of assets previously written off	-	-	82	-	82
Exchange rate difference	-	-	-	(17)	(17)
30 June 2012 (unaudited)	106	-	1,152	1,236	2,494

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

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Net gain on financial assets and liabilities held-for-trading	68	744	130	241
Total net gain on financial assets and liabilities at fair value through profit or loss	<u>68</u>	<u>744</u>	<u>130</u>	<u>241</u>
Net gain on operations with financial assets and liabilities held-for-trading comprise:				
Realized gain on trading operations	374	154	45	22
Unrealized (loss)/gain on fair value adjustment	(57)	316	(243)	(72)
Unrealized (loss)/gain on operations with derivative financial instruments	(258)	201	342	235
Realized gain/(loss) on operations with derivative financial instruments	9	73	(14)	56
Total net gain on operations with financial assets and liabilities at fair value through profit or loss	<u>68</u>	<u>744</u>	<u>130</u>	<u>241</u>

The Group enters into derivative financial instruments to manage currency and liquidity risks and such financial instruments are held primarily for trading purposes.

8. NET REALIZED GAIN ON DISPOSAL OF INVESTMENTS AVAILABLE-FOR-SALE

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Net gain on investments available-for-sale	-	295	-	187
Recovery of provision for impairment loss on investments available-for-sale	-	53	-	-
Total net realized gain on disposal of investments available-for-sale	<u>-</u>	<u>348</u>	<u>-</u>	<u>187</u>

9. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Dealing, net	2,262	1,733	675	723
Translation differences, net	(340)	53	(205)	(25)
Total net gain on foreign exchange operations	<u>1,922</u>	<u>1,786</u>	<u>470</u>	<u>698</u>

10. FEE AND COMMISSION INCOME AND EXPENSE

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Fee and commission income:				
Settlements	2,055	1,891	1,117	1,036
Cash operations	2,000	1,798	1,124	1,028
Payment cards	1,655	1,343	896	725
Guarantees	1,500	1,609	778	884
Trust operations	1,029	1,023	526	511
Foreign exchange operations	477	485	258	271
Custodian activities	459	94	459	52
Internet-banking operations	174	153	174	80
Other	385	390	34	191
Total fee and commission income	9,734	8,786	5,366	4,778
Fee and commission expense:				
Custodian activities	427	88	375	52
Settlements	419	343	246	173
Documentary operations	65	276	19	129
Foreign exchange operations	29	10	5	7
Brokerage services	20	12	2	6
Purchase and sale of securities	12	5	12	3
Rating agencies services	10	7	10	5
Legal services	1	29	1	29
Other	51	42	-	27
Total fee and commission expense	1,034	812	670	431

11. OPERATING EXPENSES

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Staff costs	5,410	4,899	2,574	2,578
Operating leases expenses	1,672	1,729	846	868
Deposit Insurance Fund expenses	1,513	1,276	800	648
Taxes other than income tax	1,075	827	510	435
Depreciation and amortization	999	845	501	431
Administrative expenses	715	611	365	304
Security expenses	323	339	161	172
Telecommunications	323	221	150	144
Advertising costs	226	304	160	158
Property and equipment maintenance	120	111	82	70
Professional services	114	43	62	14
Business trip expenses	87	120	78	83
Business development expenses	27	29	15	16
Other expenses	460	896	84	327
Total operating expenses	13,064	12,250	6,388	6,248

12. INCOME TAXES

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

The Group is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses such as business development expenses and a tax free regime for certain income such as income from operations with state securities and securities listed on the Kazakhstan Stock Exchange.

Deferred taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 30 June 2012 and 31 December 2011 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as at 30 June 2012 and 31 December 2011 comprise:

	30 June 2012 (unaudited)	31 December 2011
Deductible temporary differences:		
Tax losses carried forward	9,277	15,864
Loans to customers	18,492	15,547
Impairment loss on debt securities	5,400	5,512
Other	808	568
	<u>33,977</u>	<u>37,491</u>
Total deductible temporary differences		
Taxable temporary differences:		
Property, equipment and intangible assets	(3,659)	(2,884)
Revaluation of financial assets and liabilities at fair value through profit or loss	(3,035)	(3,003)
Other	-	(188)
	<u>(6,694)</u>	<u>(6,075)</u>
Total taxable temporary differences		
Net deferred tax assets	<u>27,283</u>	<u>31,416</u>
Deferred tax assets at the statutory tax rate	5,457	6,283
Unrecognized deferred tax asset	(3,394)	(4,275)
	<u>2,063</u>	<u>2,008</u>
Net deferred tax assets at the statutory tax rates		

Relationships between tax expenses and accounting profit for the three and six months ended 30 June 2012 and 2011 are explained as follows:

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Operating profit/(loss) before income tax	<u>1,089</u>	<u>776</u>	<u>431</u>	<u>(217)</u>
Tax at the statutory tax rate	218	155	86	(43)
Tax effect of permanent differences:				
Change in deferred tax asset not recognized	(881)	(674)	(440)	-
Tax-exempt interest income and other related income on state and other qualifying securities	(323)	(340)	(161)	(244)
Non-deductible interest and operating expenses	<u>1,033</u>	<u>413</u>	<u>481</u>	<u>-</u>
Income tax expense/(benefit)	<u>47</u>	<u>(446)</u>	<u>(34)</u>	<u>(287)</u>
Current income tax expense	102	135	29	32
Deferred income tax benefit	<u>(55)</u>	<u>(581)</u>	<u>(63)</u>	<u>(319)</u>
Income tax expense/(benefit)	<u>47</u>	<u>(446)</u>	<u>(34)</u>	<u>(287)</u>

The tax rate used for the six months ended 30 June 2012 and the year ended 31 December 2011 reconciliations above is the corporate tax rate of 20%, payable by corporate entities in the Republic of Kazakhstan on taxable profits under tax law in that jurisdiction.

	Six months ended 30 June 2012 (unaudited)	Year ended 31 December 2011
Deferred income tax asset		
Beginning of the period	2,008	1,693
Change in deferred tax assets	<u>55</u>	<u>315</u>
End of the period	<u><u>2,063</u></u>	<u><u>2,008</u></u>

13. EARNINGS PER SHARE

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

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Three months ended 30 June 2012 (unaudited)	Three months ended 30 June 2011 (unaudited)
Basic earnings per share				
Net profit attributable to owners of the parent	968	1,117	425	20
Less: additional dividends that would be paid on full distribution of profit to the preferred shareholders	<u>(188)</u>	<u>(216)</u>	<u>(83)</u>	<u>(4)</u>
Earnings attributable to ordinary shareholders	<u>780</u>	<u>901</u>	<u>342</u>	<u>16</u>
Weighted average number of ordinary shares for purposes of basic earnings per share	<u>162,495,973</u>	<u>162,472,964</u>	<u>162,289,073</u>	<u>162,472,964</u>
Earnings per share - basic (tenge)	<u><u>4.80</u></u>	<u><u>5.54</u></u>	<u><u>2.11</u></u>	<u><u>0.10</u></u>
Diluted earnings per share				
Net profit for the period attributable to common shareholders	780	901	342	16
Add: Additional dividends that would be paid on full distribution of profit to the convertible preferred shareholders	<u>188</u>	<u>216</u>	<u>83</u>	<u>4</u>
Earnings used in the calculation of total diluted earnings per share	<u>968</u>	<u>1,117</u>	<u>425</u>	<u>20</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	162,495,973	162,472,964	162,289,073	162,472,964
Shares deemed to be issued:				
Weighted average number of ordinary shares that would be issued for the convertible preferred shares	<u>39,249,255</u>	<u>39,032,408</u>	<u>39,249,255</u>	<u>39,032,408</u>
Weighted average number of ordinary shares for purposes of diluted earnings per share	<u>201,745,228</u>	<u>201,505,372</u>	<u>201,538,328</u>	<u>201,505,372</u>
Earnings per share - diluted (tenge)	<u><u>4.80</u></u>	<u><u>5.54</u></u>	<u><u>2.11</u></u>	<u><u>0.10</u></u>

On 25 August 2010 the Kazakhstan Stock Exchange (“KASE”) has introduced new rules for listed companies that require the disclosure of book value of one share per each class of shares in the listed company’s financial statements. The Group has calculated the book value of one share per each class of shares in accordance with the methodology for computation of the book value of one share, provided by KASE.

The book value of one share per each class of shares as at 30 June 2012 and 31 December 2011 is as follows:

Class of shares	30 June 2012 (unaudited)			31 December 2011		
	Outstanding shares (number outstanding)	Amount for calculation of book value KZT million	Book value of one share, KZT	Outstanding shares (number outstanding)	Amount for calculation of book value KZT million	Book value of one share, KZT
Ordinary shares	161,564,915	75,317	466	162,225,170	72,980	449
Preference shares	39,249,255	11,775	300	39,249,255	11,775	300
		<u>87,092</u>			<u>84,755</u>	

The management of the Group believes that it fully complies with the requirement of KASE as of the reporting date.

14. CASH AND CASH EQUIVALENTS

	30 June 2012 (unaudited)	31 December 2011	30 June 2011 (unaudited)
Deposits with financial institutions	113,819	114,022	97,952
Cash on hand	25,834	31,334	26,688
Cash in transit	6,588	3,395	4,661
	<u>146,241</u>	<u>148,751</u>	<u>129,301</u>
Accrued interest	14	20	14
Total cash and cash equivalents	<u><u>146,255</u></u>	<u><u>148,771</u></u>	<u><u>129,315</u></u>

Minimum reserve requirements are determined as a percentage from average balances of deposits and international borrowings in accordance with the requirements of NBRK and amounted to KZT 23,425 million and KZT 25,494 million as at 30 June 2012 and 31 December 2011, respectively. The Group was in compliance with NBRK requirements by maintaining an average balance with NBRK and therefore was able to use the amounts without any restrictions.

Components of deposits with financial institutions with maturity less than three months:

	Interest rates (%)		30 June 2012 (unaudited)	31 December 2011
	Min.	Max		
Demand deposits with banks	0.25	4.75	113,819	108,022
Demand deposits with NBRK			-	6,000
			<u>113,819</u>	<u>114,022</u>
Accrued interest			14	20
Total			<u><u>113,833</u></u>	<u><u>114,042</u></u>

As at 30 June 2012, the Group had deposits with NBRK, JP Morgan A.G Frankfurt, Citibank, New York, Societe Generale, France, Landesbank Baden-Wurttemberg AG and as at 31 December 2011 the Group had deposits with Citibank, New York, Deutsche Bank, London, Landesbank Baden-Wurttemberg AG, Societe Generale, France, JP Morgan A.G Frankfurt, ING Bank, Netherlands, which individually and in aggregate exceeded 10% of the Group’s equity.

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

Financial assets at fair value through profit or loss comprise:

	30 June 2012 (unaudited)	31 December 2011
Financial assets held for trading:		
Debt securities	12,469	12,201
Equity securities	119	313
Total financial assets held for trading	12,588	12,514
Derivative financial instruments	3,571	3,817
Total financial assets at fair value through profit or loss	16,159	16,331

	30 June 2012 (unaudited)		31 December 2011	
	Nominal interest rate %	Fair value	Nominal interest rate %	Fair value
Debt securities:				
JSC Food Contract Corporation	7.50	1,980	-	-
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	3.70-7.80	944	3.70-7.80	2,263
JSC Halyk Bank	9.25-13.00	814	7.00-13.00	1,095
Subsidiary Bank of OJSC Bank VTB - VTB Capital S.A.	6.47	798	6.47	459
OJSC Russian Agricultural Bank	9.00	690	9.00	700
JSC KazMunayGas EP*	-	669	-	679
JSC Eurasian Bank	8.30-13.00	610	8.30-13.00	408
OJSC Bank Zenit	8.75	538	7.10-8.75	685
RSHB Capital S.A.	9.00	496	-	-
JSC VTB Bank Kazakhstan	7.00	387	-	-
JSC Tsesna Bank	9.00	348	9.00	97
JSC Bank Petrokommerts	7.75	323	7.75	329
JSC Subsidiary Bank of JSC Sberbank of Russia	4.95	309	-	-
JSC Eurasian Development Bank	7.50	297	7.50	342
JSC Promsvyaz	8.75	280	-	-
OJSC Alfa Bank	8.25	279	8.25	280
JSC Aztiibank	10.25	277	-	-
OJSC MDM Bank	9.50	275	9.50	277
JSC KB Loko Bank	8.10	263	8.10	265
JSC Doshzhan Temir Zholy	8.75	257	8.75	204
OJSC VEB Leasing	8.80	253	8.80	257
OJSC Sudostroitelny bank	11.00	233	9.75	236
JSC Gazprombank	6.75	231	6.75	233
JSCB Rosbank	6.90-7.40	219	6.90-7.40	224
JSC Tatfond	11.25	141	-	-
JSC Kaspi Bank	8.50	135	-	-
JSC AIKB Tatfondbank	8.75	127	8.75	261
OJSC Vneshekonombank	6.90	123	6.90	122
JSC Kedr Bank	9.25	112	-	-
JSC ATF Bank	8.50	50	8.50	51
JSC Kazakhstan mortgage company	5.10-5.60	11	9.20-9.70	13
OJSC Sberbank of Russia	-	-	5.72	1,000
ATF Capital B.V.	-	-	9.00-9.25	923
OJSC AK Transneft	-	-	8.75	798
Total debt securities		12,469		12,201

*As at 30 June 2012 and 31 December 2011 yield on debt securities of JSC KazMunayGaz EP amounted to 6.88%

	30 June 2012 (unaudited) Fair value	31 December 2011 Fair value
Equity securities*:		
JSC Kazakhtelekom	78	288
JSC KazmunaiGaz EP	26	8
JSC Halyk Bank	7	7
Other	8	10
Total shares	<u>119</u>	<u>313</u>

*Ownership interest in equity securities is less than 1%.

Derivative financial instruments:	30 June 2012 (unaudited)			31 December 2011		
	Nominal amount	Net fair value		Nominal Amount	Net fair value	
		Asset	Liability		Asset	Liability
Foreign currency contracts						
Swaps	20,792	3,448	-	17,509	3,673	4
Embedded derivatives	961	99	-	961	144	-
Forwards	374	24	-	-	-	-
Total derivative financial instruments		<u>3,571</u>	<u>-</u>		<u>3,817</u>	<u>4</u>

The derivatives are not designated in hedging relationships.

16. INVESTMENTS AVAILABLE-FOR-SALE

	30 June 2012 (unaudited)	31 December 2011
Debt securities	74,969	86,156
Equity securities	213	213
Total investments available-for-sale	<u>75,182</u>	<u>86,369</u>

	30 June 2012 (unaudited)		31 December 2011	
	Nominal interest rate %	Fair value	Nominal interest rate %	Fair value
Debt securities:				
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	2.25-8.75	34,128	8.75	35,022
NBRK notes*	-	32,892	-	47,834
RSHB Capital S.A.	9.00	1,654	-	-
JSC Food Contract Corporation	7.50	1,490	7.50	502
JSC KazMunaiGaz EP**	-	1,087	-	1,103
JSC Kazkommertsbank	8.90-9.40	865	9.50-10.40	898
Subsidiary Organization JSC VTB Bank (Kazakhstan)	7.00	791	7.00	796
JSC Development Bank of Kazakhstan	7.38	791	-	-
JSC Bank VTB Capital S.A.	6.00	768	-	-
JSC Halyk Bank	7.75	502	-	-
JSC RT Holding	7.30	1	9.90	1
		<u>74,969</u>		<u>86,156</u>

* - As at 30 June 2012 and 31 December 2011, the yield on Notes of NBRK amounted to 1.59% and 1.47%, respectively.

** - As at 30 June 2012 and 31 December 2011 yield on debt securities of JSC KazMunaiGaz EP amounted to 6.88%.

	30 June 2012 (unaudited)		31 December 2011	
	Ownership interest %	Fair value	Ownership interest %	Fair value
Equity securities:				
JSC Kazakhstan Stock Exchange	3.06	101	3.06	101
JSC Pension Fund Atameken	2.00	66	2.00	66
LLP First Credit Bureau	18.40	37	18.40	37
Other	-	9	-	9
		<u>213</u>		<u>213</u>
Total investments available-for-sale		<u><u>75,182</u></u>		<u><u>86,369</u></u>

17. INVESTMENTS HELD-TO-MATURITY

	30 June 2012 (unaudited)		31 December 2011	
	Nominal interest rate %	Amount	Nominal interest rate %	Amount
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	4.30-8.75	14,386	4.30-8.75	15,788
JSC Food Contract Corporation	8.00-10.50	2,069	8.00-10.50	2,110
JSC Kazakhstan Mortgage Company	4.61-9.70	1,522	7.50-9.70	1,620
JSC Bank VTB Capital S.A.	6.61	1,073	-	-
JSC NWF Samruk Kazyna	5.89-6.50	389	5.89-6.50	389
JSC JP Morgan Chase Bank	4.03	300	5.26	302
JSC Halyk Bank	7.50-13.00	300	7.50-13.00	301
JSC Gazprom	9.63	161	-	-
JSC Agricultural Credit Corporation	7.90	152	8.90	151
JSC Astana Finance	7.50-10.80	106	7.50-10.80	106
JSC Kazkommertsbank	10.40	58	10.40	59
JSC BTA Mortgage	8.50	31	8.50	31
JSC ATF Bank	8.80	27	8.80	27
Bonds of Ministry of Finance of Russian Federation	-	21	-	-
		<u>20,595</u>		<u>20,884</u>
Less: allowance for impairment losses		<u>(106)</u>		<u>(106)</u>
Total investments held-to-maturity		<u><u>20,489</u></u>		<u><u>20,778</u></u>

Movement in allowances for impairment losses on investments held-to-maturity for the six months ended 30 June 2012 and 2011 is disclosed in Note 6.

18. LOANS TO CUSTOMERS AND BANKS

	30 June 2012 (unaudited)	31 December 2011
Originated loans to customers	835,540	811,406
Net investment in finance lease	6,189	6,393
Accrued interest	56,516	62,236
	<u>898,245</u>	<u>880,035</u>
Less: allowance for impairment losses	<u>(130,206)</u>	<u>(124,536)</u>
Total loans to customers	<u>768,039</u>	<u>755,499</u>
Originated loans to banks	5,696	4,978
Accrued interest	8	7
	<u>5,704</u>	<u>4,985</u>
Less: allowance for impairment losses	<u>-</u>	<u>-</u>
Total loans to banks	<u>5,704</u>	<u>4,985</u>
Loans under reverse repurchase agreements	<u>7,000</u>	<u>4,322</u>
Total loans to customers and banks	<u><u>780,743</u></u>	<u><u>764,806</u></u>

Movement in allowances for impairment losses on loans to customers and banks for the six months ended 30 June 2012 and 2011 is disclosed in Note 6.

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

	30 June 2012 (unaudited)	31 December 2011
Loans collateralized by real estate	588,605	589,718
Loans collateralized by equipment	124,442	122,648
Loans collateralized by inventories	119,024	117,855
Loans collateralized by other assets	23,601	15,538
Loans collateralized by corporate guarantees	20,196	15,569
Loans collateralized by cash	9,336	8,478
Unsecured loans	13,041	10,229
	<u>898,245</u>	<u>880,035</u>
Less: allowance for impairment losses	<u>(130,206)</u>	<u>(124,536)</u>
Total loans to customers	<u><u>768,039</u></u>	<u><u>755,499</u></u>

	30 June 2012 (unaudited)	31 December 2011
Analysis by sector:		
Individuals	312,614	305,705
Trading	174,118	178,671
Manufacturing	54,179	57,434
Industrial construction	66,364	54,083
Residential construction	48,472	48,174
Food industry	47,235	47,885
Rent of real estate	44,163	40,232
Agriculture	31,631	37,608
Transportation and equipment maintenance	27,903	27,138
Oil and gas	21,007	20,794
Telecommunications and transport	11,346	12,658
Energy	8,965	8,120
Mass media	5,426	5,726
Other	44,822	35,807
	<u>898,245</u>	<u>880,035</u>
Less: allowance for impairment losses	<u>(130,206)</u>	<u>(124,536)</u>
Total loans to customers	<u><u>768,039</u></u>	<u><u>755,499</u></u>

Loans to individuals comprise the following products:

	30 June 2012 (unaudited)	31 December 2011
Mortgage loans	160,691	154,732
Consumer loans	93,438	88,671
Business development	54,430	58,088
Car loans	4,055	4,214
	<u>312,614</u>	<u>305,705</u>
Less: allowance for impairment losses	<u>(10,175)</u>	<u>(12,090)</u>
Total loans to individuals	<u><u>302,439</u></u>	<u><u>293,615</u></u>

As at 30 June 2012 and 31 December 2011, the Group provided loans to 13 and 16 borrowers totaling KZT 203,015 million and KZT 234,501 million, which individually and in aggregate exceeded 10% of the Group's equity, respectively.

As at 30 June 2012 and 31 December 2011, a significant amount of loans (95% and 96% of total portfolio, respectively) is granted to companies operating in the Republic of Kazakhstan, which represents a significant geographical concentration in one region.

As at 30 June 2012 and 31 December 2011, loans to customers included loans totaling KZT 109,293 million and KZT 111,449 million, respectively, with terms renegotiated. Otherwise these loans would be past due or impaired.

	30 June 2012 (unaudited)			31 December 2011		
	Carrying value before allowance	Allowance for impairment losses	Carrying value	Carrying value before allowance	Allowance for impairment losses	Carrying value
Loans to customers individually determined to be impaired	287,091	(110,963)	176,128	275,495	(104,525)	170,970
Loans to customers collectively determined to be impaired	173,699	(19,243)	154,456	147,185	(20,011)	127,174
Unimpaired loans	437,455	-	437,455	457,355	-	457,355
Total	898,245	(130,206)	768,039	880,035	(124,536)	755,499

As at 30 June 2012 and 31 December 2011, the Group entered as a lessor into finance leasing agreements. The interest rate inherent in leases is fixed at the contract date for all of the lease terms.

The components of net investment in finance lease as at 30 June 2012 and 31 December 2011 are presented as follows:

	30 June 2012 (unaudited)	31 December 2011
Not later than one year	2,054	1,976
From one year to five years	2,361	2,535
More than five years	7,137	7,468
Minimum lease payments	11,552	11,979
Less: unearned finance income	(5,363)	(5,586)
Net investment in finance lease	6,189	6,393
Current portion	1,540	1,483
Long-term portion	4,649	4,910
Net investment in finance lease	6,189	6,393

Fair values of assets pledged and carrying value of loans under reverse repurchase agreements as at 30 June 2012 and 31 December 2011 are presented as follows:

	30 June 2012 (unaudited)		31 December 2011	
	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	7,000	7,623	822	904
NBRK notes	-	-	3,500	3,684
Total	7,000	7,623	4,322	4,588

