

SB JSC “Bank Home Credit”

Condensed Interim
Financial Statements
for the three-month period
ended 31 March 2015

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SB JSC "Bank Home Credit"
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
for the three-month period ended 31 March 2015

		Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Interest income	4	7,923,842	8,489,355
Interest expense	4	(1,625,147)	(2,115,228)
Net interest income		6,298,695	6,374,127
Fee and commission income	5	3,923,253	3,857,897
Fee and commission expense	6	(198,668)	(261,440)
Net fee and commission income		3,724,585	3,596,457
Net (loss)/gain on financial instruments at fair value through profit or loss		(277,358)	440,340
Foreign exchange (loss)/gain		(485,088)	565
Other operating income		56,733	23,061
Operating income		9,317,567	10,434,550
Impairment losses	7	(3,937,383)	(4,304,986)
General administrative expenses	8	(3,639,812)	(3,694,692)
Profit before income tax		1,740,372	2,434,872
Income tax expense	9	(355,267)	(526,767)
Profit and total comprehensive income for the period		1,385,105	1,908,105

Ondrej Kubik
Chairman of the Board



Gaukhar Massangaliyeva
Chief Accountant

SB JSC "Bank Home Credit"
Condensed Interim Statement of Financial Position as at 31 March 2015

		Unaudited	
	Note	31 March 2015 KZT'000	31 December 2014 KZT'000
ASSETS			
Cash and cash equivalents	10	12,698,789	3,445,739
Loans and advances to banks		2,823	3,184
Financial instruments at fair value through profit or loss		365,350	292,148
Loans to customers	11	95,808,270	101,200,959
Current tax assets		281,149	136,909
Property, equipment and intangible assets	12	5,228,783	5,133,283
Other assets		1,375,190	1,439,946
Total assets		115,760,354	111,652,168
LIABILITIES			
Deposits and balances from banks	13	10,242,094	3,434,275
Current accounts and deposits from customers	14	40,896,735	38,512,132
Debt securities issued	15	13,788,490	13,771,229
Subordinated loan	16	-	640,284
Other borrowed funds	16	17,503,600	21,761,876
Deferred tax liability		120,773	119,250
Other liabilities		5,440,750	4,030,340
Total liabilities		87,992,442	82,269,386
EQUITY			
Share capital	17	5,199,503	5,199,503
Retained earnings	17	22,568,409	24,183,279
Total equity		27,767,912	29,382,782
Total liabilities and equity		115,760,354	111,652,168

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	7,778,911	7,991,532
Interest payments	(1,216,148)	(1,428,689)
Fee and commission receipts	4,010,017	3,851,057
Fee and commission payments	(224,857)	(152,943)
Net (payments)/receipts from financial instruments at fair value through profit or loss	(444,377)	438,800
Net receipts/(payments) from foreign exchange transactions	3,335	(87,567)
Other income receipts, net	56,733	23,061
General administrative expenses	(3,282,200)	(3,338,007)
(Increase)/decrease in operating assets		
Financial instruments at fair value through profit or loss	40,481	-
Loans and advances to banks	361	10
Loans to customers	(156,815)	(3,669,638)
Other assets	(51,728)	(138,461)
Increase/(decrease) in operating liabilities		
Deposits and balances from banks	6,746,034	(2,245,500)
Current accounts and deposits from customers	1,995,816	(935,682)
Other liabilities	35,487	(406,690)
Net cash flow from/(used in) operations before income tax paid	15,291,050	(98,717)
Income tax paid	(497,984)	(854,779)
Cash flows from/(used in) operating activities	14,793,066	(953,496)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment and intangible assets	(296,794)	(495,499)
Cash flows used in investing activities	(296,794)	(495,499)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of subordinated loan	(640,000)	-
Receipts of other borrowed funds	7,957,050	-
Repayment of other borrowed funds	(12,584,300)	(16,780)
Receipts from the issue of debt securities	-	6,572,530
Cash flows (used in)/from financing activities	(5,267,250)	6,555,750
Net increase in cash and cash equivalents	9,229,022	5,106,755
Effect of changes in exchange rates on cash and cash equivalents	24,028	88,132
Cash and cash equivalents as at the beginning of the period	3,445,739	8,643,115
Cash and cash equivalents as at the end of the period (note 10)	12,698,789	13,838,002

SB JSC "Bank Home Credit"
Condensed Interim Statement of Changes in Equity for the three-month period ended 31 March 2015

KZT'000	Share capital	Retained earnings	Total equity
Balance as at 1 January 2014	5,199,503	22,745,415	27,944,918
Profit and total comprehensive income for the three-month period (unaudited)	-	1,908,105	1,908,105
Balance as at 31 March 2014 (unaudited)	5,199,503	24,653,520	29,853,023
Balance as at 1 January 2015	5,199,503	24,183,279	29,382,782
Profit and total comprehensive income for the three-month period (unaudited)	-	1,385,105	1,385,105
Dividends declared	-	(2,999,975)	(2,999,975)
Balance as at 31 March 2015 (unaudited)	5,199,503	22,568,409	27,767,912

1 Background

(a) Organisation and operations

Private Bank FTD was established in 1993 and subsequently renamed to Bank Alma-Ata in December 1994. In December 1995, the Bank was re-registered as Open Joint Stock Company International Bank Alma-Ata. Due to a change in legislation, the Bank was re-registered as a joint stock company in November 2004. On 4 November 2008, International Bank Alma-Ata JSC was renamed to Home Credit Bank JSC. In January 2013 the Bank was acquired by Home Credit and Finance Bank incorporated in the Russian Federation, in this connection the Bank was renamed to Subsidiary Bank Joint Stock Company Home Credit and Finance Bank (short name SB JSC "Bank Home Credit") on 4 April 2013.

The principal activities of the Bank are retail lending, deposit taking and customer accounts maintenance, issuing guarantees, cash and settlement operations and foreign exchange. The activities of the Bank are regulated by the National Bank of the Republic of Kazakhstan ("the NBRK"). The Bank holds banking licence #1.1.188 dated 14 May 2013.

The registered address of the Bank's head office is 248, Furmanov Street, Almaty, Republic of Kazakhstan, 050059. As at 31 March 2015, the Bank had 17 branches and 72 bank offices (31 December 2014: 17 branches and 72 bank offices).

Debt securities issued by the Bank are listed on Kazakhstan Stock Exchange (KASE).

As at 31 March 2015 the Bank was 100% owned by Home Credit and Finance Bank incorporated in the Russian Federation. The ultimate controlling owner of the Bank is Petr Kellner, who exercises control over Home Credit and Finance Bank through PPF Group N.V. registered in the Netherlands.

(b) Kazakhstan business environment

The Bank's operations are primarily located in Kazakhstan. Consequently, the Bank is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. Legal, tax and regulatory frameworks are being developed and are subject to varying interpretations and frequent changes that, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in Kazakhstan. The financial statements reflect the management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Bank. The future business environment may differ from the management's assessment.

2 Basis of preparation

(a) Statement of compliance

These condensed interim financial statements are prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"). They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Bank as at and for the year ended 31 December 2014, as these condensed interim financial statements provide an update of previously reported financial information.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss are stated at fair value.

2 Basis of preparation, continued

(c) Functional and presentation currency

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

The KZT is also the presentation currency for the purposes of these financial statements. Financial information presented in KZT is rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

In preparing these condensed interim financial statements significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2014.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies in respect of loan impairment is further described in Note 11.

3 Significant accounting policies

Except for the adoption of the new amendments to IFRS effective as of 1 January 2015, the accounting policies applied by the Bank in these condensed interim financial statements were consistent with those applied by the Bank in its financial statements for the year ended 31 December 2014.

New amendments to IFRS became effective from 1 January 2015 and have been adopted by the Bank since that date. These changes did not have a significant effect on the condensed interim financial statements.

4 Net interest income

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Interest income		
Loans to customers	7,923,839	8,489,355
Cash and cash equivalents	3	-
	<u>7,923,842</u>	<u>8,489,355</u>
Interest expense		
Current accounts and deposits from customers	579,886	761,335
Other borrowed funds	464,629	862,147
Debt securities issued	338,765	242,787
Deposits and balances from banks	234,187	230,030
Subordinated loan	7,680	18,929
	<u>1,625,147</u>	<u>2,115,228</u>
	<u>6,298,695</u>	<u>6,374,127</u>

5 Fee and commission income

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Commission income from insurance	2,843,357	2,945,348
Contractual penalties from customers	767,698	512,824
Fees from retailers	261,439	253,176
Card operations	29,770	45,349
Transfer operations	3,355	3,764
Cash withdrawal	566	773
Other	17,068	96,663
	<u>3,923,253</u>	<u>3,857,897</u>

6 Fee and commission expense

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Commissions paid to partners	147,191	232,304
Card processing	13,033	4,545
Deposit insurance fund contributions	7,933	8,055
Settlements	5,470	5,820
Other	25,041	10,716
	<u>198,668</u>	<u>261,440</u>

7 Impairment losses

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Loans to customers	3,938,076	4,261,816
Other assets	(693)	43,170
	<u>3,937,383</u>	<u>4,304,986</u>

8 General administrative expenses

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Employee compensation and payroll related taxes	1,838,468	1,812,331
Depreciation and amortisation	357,013	274,543
Professional services	274,526	285,833
Occupancy	232,996	262,873
Telecommunication and postage	180,762	240,714
Information technology	172,712	150,828
Collectors' services	155,495	141,063
Advertising and marketing	143,615	118,750
Taxes other than income tax	136,326	171,515
Travel expenses	44,868	95,002
Other	103,031	141,240
	<u>3,639,812</u>	<u>3,694,692</u>

9 Income tax expense

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Current tax expense		
Current tax expense	353,744	760,749
	<u>353,744</u>	<u>760,749</u>
Deffered tax expense		
Deferred taxation movement due to origination and reversal of temporary differences	1,523	(233,982)
Total income tax expense	<u>355,267</u>	<u>526,767</u>

In 2015, the applicable tax rate for current and deferred tax is 20% (2014: 20%).

Reconciliation of effective tax rate:

	Unaudited three-month period ended 31 March 2015 KZT'000	%	Unaudited three-month period ended 31 March 2014 KZT'000	%
Profit before income tax	<u>1,740,372</u>	<u>100.0</u>	<u>2,434,872</u>	<u>100.0</u>
Income tax at the applicable tax rate	348,074	20.0	486,974	20.0
Non-deductible costs	7,193	0.4	39,793	1.6
	<u>355,267</u>	<u>20.4</u>	<u>526,767</u>	<u>21.6</u>

10 Cash and cash equivalents

	Unaudited	
	31 March 2015	31 December 2014
	KZT'000	KZT'000
Cash on hand	1,374,338	1,702,184
Nostro accounts with the NBRK	1,061,052	1,243,997
Nostro accounts with other banks		
- rated A- to A+	10,197,287	443,478
- rated BBB- to BBB	7,741	10,668
- rated BB- to BB+	38,090	26,072
- rated below B+	20,281	19,320
	12,698,789	3,445,739

The credit ratings are presented by reference to the credit ratings of Standard and Poor's credit rating agency or analogues of similar international agencies.

No cash and cash equivalents were impaired or past due.

As at 31 March 2015 the Bank had exposure towards one banking counterparty exceeding 10% of the Bank's equity with the gross value of KZT 10,042,983 thousand (31 December 2014: none).

11 Loans to customers

	Unaudited	
	31 March 2015	31 December 2014
	KZT'000	KZT'000
Loans to individuals		
Cash loans	74,373,616	77,823,504
POS loans	32,851,725	34,207,114
Credit cards	1,631,907	1,898,318
Total loans to individuals	108,857,248	113,928,936
Impairment allowance	(13,048,978)	(12,727,977)
Net loans to individuals	95,808,270	101,200,959

Movements in the loan impairment allowance by classes of loans to customers for the three-month period ended 31 March 2015 were as follows:

	Cash	POS	Credit	Total
	loans	loans	cards	
	KZT'000	KZT'000	KZT'000	KZT'000
Balance at the beginning of the three-month period	10,477,012	2,087,839	163,126	12,727,977
Net charge	2,827,439	1,055,165	55,472	3,938,076
Net write-offs	(3,061,779)	(506,989)	(48,307)	(3,617,075)
Balance at the end of the three-month period	10,242,672	2,636,015	170,291	13,048,978

11 Loans to customers, continued

Movements in the loan impairment allowance by classes of loans to customers for the three-month period ended 31 March 2014 were as follows:

	Cash loans KZT'000	POS loans KZT'000	Credit cards KZT'000	Total KZT'000
Balance at the beginning of the three-month period	7,748,626	2,380,116	41,058	10,169,800
Net charge	3,539,868	673,149	48,799	4,261,816
Net write-offs	(1,396,215)	(593,839)	926	(1,989,128)
Balance at the end of the end of the three-month period	9,892,279	2,459,426	90,783	12,442,488

(a) Credit quality of loans to customers

The following table provides information on the credit quality of loans to customers as at 31 March 2015:

	Gross loans KZT'000	Impairment allowance KZT'000	Net loans KZT'000	Impairment allowance to gross loans, %
Loans to individuals				
- not overdue	88,006,555	(1,094,998)	86,911,557	1.24
- overdue less than 90 days	9,466,871	(4,146,904)	5,319,967	43.80
- overdue 90-360 days	11,383,822	(7,807,076)	3,576,746	68.58
Total loans to individuals	108,857,248	(13,048,978)	95,808,270	11.99

The following table provides information on the credit quality of the loans to customers as at 31 December 2014:

	Gross loans KZT'000	Impairment allowance KZT'000	Net loans KZT'000	Impairment allowance to gross loans, %
Loans to individuals				
- not overdue	94,151,731	(1,125,186)	93,026,545	1.20
- overdue less than 90 days	7,708,121	(3,366,676)	4,341,445	43.68
- overdue 90-360 days	12,069,084	(8,236,115)	3,832,969	68.24
Total loans to individuals	113,928,936	(12,727,977)	101,200,959	11.17

The Bank considers loans which are contractually overdue for more than 90 days to be non-performing. As at 31 March 2015 total impairment allowance to non-performing loans was 115% (31 December 2014: 105%).

Loans overdue for 360 days are written off.

11 Loans to customers, continued**(b) Key assumptions and judgments for estimating loan impairment**

The Bank estimates loan impairment for loans to individuals based on its past historical loss experience on each type of loan. Significant assumptions used by management in determining impairment losses for loans to individuals include loss migration rates which are consistent with recent experience and can be estimated based on the historical loss migration pattern for the past three months.

Changes in these estimates could affect the loan impairment allowance. For example, to the extent that the net present value of the estimated cash flows differs by plus or minus one percent, the loan impairment allowance on loans to customers as at 31 March 2015 would be KZT 958,083 thousand lower/higher (31 December 2014: KZT 1,012,010 thousand).

(c) Loan collateral

The recoverability of loans is primarily dependent on the creditworthiness of the borrowers. Loans to customers are not secured.

(d) Significant credit exposures

As at 31 March 2015, the Bank had no borrowers whose loan balances exceed 10% of the Bank's equity (31 December 2014: none).

12 Property, equipment and intangible assets

	Unaudited 31 March 2015 KZT'000	31 December 2014 KZT'000
Acquisition cost	7,390,888	6,987,284
Accumulated depreciation	(2,162,105)	(1,854,001)
Carrying amount	5,228,783	5,133,283

There were no capitalised borrowing costs related to the acquisition or construction of property and equipment during the three-month periods ended 31 March 2015 and for the year ended 31 December 2014.

13 Deposits and balances from banks

	31 March 2015 KZT'000	31 December 2014 KZT'000
Vostro accounts	32,537	30,973
Term deposits	10,209,557	3,403,302
	<u>10,242,094</u>	<u>3,434,275</u>

As at 31 March 2015 the Bank had one counterparty whose balances exceeded 10% of the Bank's equity and amounted to KZT 3,443,243 thousand (31 December 2014: none).

14 Current accounts and deposits from customers

	31 March 2015 KZT'000	31 December 2014 KZT'000
Current accounts and demand deposits		
- Retail	9,160,436	10,489,234
- Corporate	2,062,927	636,880
Term deposits		
- Retail	7,151,094	7,199,733
- Corporate	22,522,278	20,186,285
	<u>40,896,735</u>	<u>38,512,132</u>

As at 31 March 2015 the Bank had three customers whose balances exceeded 10% of the Bank's equity and amounted to KZT 14,955,666 thousand (31 December 2014: two customers whose balances amounted to KZT 13,564,606 thousand).

15 Debt securities issued

	Maturity	Coupon rate, %	31 March 2015 KZT'000	31 December 2014 KZT'000
Unsecured KZT denominated bonds of the 1 st issue program 1*	November 2016	8.50	7,093,965	6,924,157
Unsecured KZT denominated bonds of the 1 st issue program 2*	February 2019	9.50	6,694,525	6,847,072
			<u>13,788,490</u>	<u>13,771,229</u>

* Quoted on the Kazakhstan Stock Exchange

16 Subordinated loan and other borrowed funds

(a) Subordinated loan

	Currency	31 March 2015 KZT'000	31 December 2014 KZT'000
Subordinated loan from a related party	KZT	-	640,284

(b) Other borrowed funds

	Issue date	Maturity date	Currency	Weighted-average effective interest rate, %	31 March 2015 KZT'000	31 December 2014 KZT'000
Other borrowed funds						
	various tranches issued in the period of	various tranches maturing in the period of				
Unsecured loans	29.09.2014-15.10.2014	30.09.2015-16.10.2015	KZT	14.77	4,850,260	4,872,383
Unsecured loans	31.10.2014-19.03.2015	18.09.2015-15.12.2015	USD	7.41	12,653,340	16,889,493
					<u>17,503,600</u>	<u>21,761,876</u>

17 Equity

(a) Issued capital

As at 31 March 2015 the authorised share capital comprised 160,240 ordinary shares (31 December 2014: 160,240 ordinary shares) and issued and outstanding share capital comprised 34,890 ordinary shares (31 December 2014: 34,890 ordinary shares). The shares do not have nominal value.

(b) Dividends

In accordance with Kazakhstan legislation the distributable dividend amount is limited to the balance of retained earnings including net profit for the year as recorded in the Bank's statutory financial statements prepared in accordance with IFRS or profit for the year if there is an accumulated loss brought forward. A distribution cannot be made if this would result in negative equity or the Bank's insolvency. Under Kazakhstan legislation, as at the reporting date, reserves available for distribution amounted to KZT 22,568,409 thousand (31 December 2014: KZT 24,183,279 thousand).

As at 31 March 2015 a dividend of KZT 2,999,975 thousand was declared (31 December 2014: a dividend of KZT 6,800,000 thousand was declared and paid).

18 Capital management

The NBRK sets and monitors capital requirements for the Bank.

The Bank defines as capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the NBRK the Bank has to maintain: a ratio of tier 1 capital to risk weighted assets, contingent liabilities, operational and market risk and a ratio of total capital to risk weighted assets, contingent liabilities, operational and market risk above the prescribed minimum levels. As at 31 March 2015 and 31 December 2014, this minimum level of tier 1 capital to risk weighted assets, contingent liabilities, operational and market risk was 5% and the minimum level of total capital to risk weighted assets, contingent liabilities, operational and market risk was 7.5%. The Bank was in compliance with the statutory capital requirements as at 31 March 2015 and 31 December 2014.

The following table shows the composition of the Bank's capital position calculated in accordance with the requirements of the NBRK:

	31 March 2015*	31 December 2014
	KZT'000	KZT'000
Tier 1 capital		
Share capital	5,199,503	5,199,503
Retained earnings of prior years	21,183,304	15,945,415
Profit for the period	1,385,105	-
Intangible assets	(2,294,833)	(312,613)
Total tier 1 capital	25,473,079	20,832,305
Tier 2 capital		
Profit for the period	-	8,237,864
Subordinated loan	-	256,000
Total tier 2 capital	-	8,493,864
Total capital	25,473,079	29,326,169
Total credit risk-weighted assets	107,703,425	107,836,821
Total credit risk-weighted assets and liabilities, including market and operational risk	154,760,486	126,429,792
Total capital expressed as a percentage of credit risk-weighted assets and liabilities, including market and operational risk (total capital ratio)	16.5%	23.2%
Total tier 1 capital expressed as a percentage of credit risk-weighted assets and liabilities, including market and operational risk (tier 1 capital ratio)	16.5%	16.5%

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

* In accordance with Resolution of the NBRK #97 dated 27 May 2014, capital requirements calculations were changed.

19 Commitments

The Bank has outstanding commitments to extend loans. These commitments take the form of approved loans and credit card limits and overdraft facilities.

	31 March 2015 KZT'000	31 December 2014 KZT'000
Contracted amount		
Loan and credit line commitments	1,445,920	1,194,999
	<u>1,445,920</u>	<u>1,194,999</u>

The total outstanding contractual commitments above do not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

As at 31 March 2015 the Bank had no counterparties whose commitment balances exceeded 10% of the Bank's equity (31 December 2014: none).

20 Operating leases

The Bank leases a number of premises under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease after that date. Usually lease agreements are concluded on the terms that allow the Bank to cancel the lease at any time during the lease term. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

During the three-month period ended 31 March 2015 KZT 213,008 thousand was recognized as an expense in the statement of profit or loss and other comprehensive income in respect of operating leases (three-month period ended 31 March 2014: KZT 251,820 thousand).

As at 31 March 2015 the Bank reported KZT 10,283 thousand of prepayments included in the balance of other assets serving as security deposits in case of an early termination of lease agreements (31 December 2014: KZT 14,153 thousand).

21 Related party transactions

(a) Control relationships

The Bank's parent company is Home Credit and Finance Bank (Russia). The Bank's ultimate controlling owner is Petr Kellner. The Bank's parent company issues publicly available financial statements.

(b) Transactions with the members of the Board of Directors and the Management Board

Total remuneration included in personnel expenses for the three-month periods ended 31 March 2015 and 2014 was as follows:

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Members of the Board of Directors	25,497	48,208
Members of the Management Board	55,244	55,886
	<u>80,741</u>	<u>104,094</u>

21 Related party transactions, continued

(b) Transactions with the members of the Board of Directors and the Management Board, continued

The outstanding balances and average interest rates as at 31 March 2015 and 31 December 2014 for transactions with members of the Board of Directors and the Management Board were as follows:

	Unaudited 31 March 2015 KZT'000	Average interest rate, %	31 December 2014 KZT'000	Average interest rate, %
Statement of financial position				
LIABILITIES				
Current accounts and deposits from customers	16,824	1.64	9,959	1.76

Total amounts included in profit or loss in relation to transactions with members of the Board of Directors and the Management Board for the three-month periods ended 31 March 2015 and 2014 were as follows:

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Statement of comprehensive income		
Interest expense	28	2
	<u>28</u>	<u>2</u>

(c) Transactions with the parent

As at 31 March 2015 and 31 December 2014 transactions with the parent included in the statement of financial position were as follows:

	31 March 2015 KZT'000	Average interest rate, %	31 December 2014 KZT'000	Average interest rate, %
Statement of financial position				
ASSETS				
Cash and cash equivalents				
-In USD	67	-	66	-
-In EUR	63	-	70	-
-In RUB	26	-	25	-
LIABILITIES				
Deposits and balances from banks				
-In KZT	209	-	209	-
Other borrowed funds				
-In USD	4,097,063	9.38	8,618,651	9.27
Other liabilities				
-In USD	2,999,975	-	-	-

21 Related party transactions, continued**(c) Transactions with the parent, continued**

During the three-month periods ended 31 March 2015 and 2014 transactions with the parent included in the statement of profit or loss and other comprehensive income were as follows:

	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Statement of profit or loss and other comprehensive income		
Interest expense		
Other borrowed funds		
-In KZT	-	384,866
-In USD	140,286	-
	<u>140,286</u>	<u>384,866</u>
Fee and commission expense		
Other fee and commission expense	18,445	-
	<u>18,445</u>	<u>-</u>

(d) Transactions with entities controlled by the ultimate controlling owner

As at 31 March 2015 and 31 December 2014 transactions with entities controlled by the ultimate controlling owner included in the statement of financial position were as follows:

Statement of financial position	31 March 2015 KZT'000	Average interest rate, %	31 December 2014 KZT'000	Average interest rate, %
ASSETS				
Property, equipment and intangible assets				
-In KZT	1,713,170	-	1,687,797	-
LIABILITIES				
Deposits and balances from banks				
-In KZT	2,512,647	14.40	2,428,283	14.40
-In USD	930,596	7.00	-	-
Current accounts and deposits from customers				
-In KZT	624,108	8.00	615,901	8.00
Subordinated loan				
-In KZT	-	-	640,284	16.00
Other borrowed funds				
-In KZT	4,850,260	15.50	4,872,383	15.50
-In USD	8,556,277	6.50	8,270,842	6.50
Other financial liabilities				
-In KZT	153,990	-	70,098	-

21 Related party transactions, continued**(d) Transactions with entities controlled by the ultimate controlling owner, continued**

During the three-month periods ended 31 March 2015 and 2014 transactions with entities controlled by the ultimate controlling owner included in the statement of profit or loss and other comprehensive income were as follows:

Statement of profit or loss and other comprehensive income	Unaudited three-month period ended 31 March 2015 KZT'000	Unaudited three-month period ended 31 March 2014 KZT'000
Interest expense		
Deposits and balances from banks		
-In KZT	82,800	230,030
-In USD	2,346	-
Current accounts and deposits from customers		
-In KZT	12,156	11,447
Subordinated loan		
-In KZT	7,680	18,929
Other borrowed funds		
-In KZT	182,750	477,281
-In USD	141,593	-
	<u>429,325</u>	<u>737,687</u>
Fee and commission expense		
Other fee and commission expense		
-In KZT	8	-
	<u>8</u>	<u>-</u>
General administrative expenses		
General administrative expenses	368,841	326,355
	<u>368,841</u>	<u>326,355</u>

22 Book value per share

The calculation of book value per share as at 31 March 2015 is based on number of outstanding ordinary shares of 34,890 (31 December 2014: 34,890) and net assets calculated in accordance with the Listing of Kazakhstan Stock Exchange as follows:

	31 March 2015 KZT'000	31 December 2014 KZT'000
Total assets	115,760,354	111,652,168
Intangible assets	(2,294,833)	(2,266,764)
Total liabilities	(87,992,442)	(82,269,386)
Net assets	<u>25,473,079</u>	<u>27,116,018</u>

22 Book value per share, continued

The following table shows the book value per share calculations:

	<u>31 March 2015</u>	<u>31 December 2014</u>
Net assets, KZT'000	25,473,079	27,116,018
Outstanding number of ordinary shares at the end of the period	34,890	34,890
Book value per share, KZT	<u>730,097</u>	<u>777,186</u>

23 Earnings per share

The calculation of basic earnings per share for the three-month periods ended 31 March 2015 and 2014 is based on the net profit for the three-month period attributable to ordinary shareholders and weighted average number of ordinary shares outstanding calculated as follows:

	<u>Unaudited three-month period ended 31 March 2015</u>	<u>Unaudited three-month period ended 31 March 2014</u>
Net profit attributable to ordinary shareholders, KZT'000	1,385,105	1,908,105
Weighted average number of ordinary shares	34,890	34,890
Earnings per share, KZT	<u>39,699</u>	<u>54,689</u>

There are no potentially dilutive shares for the three-month periods ended 31 March 2015 or 31 March 2014.

24 Subsequent events

In April 2015 the Bank paid out a dividend of KZT 2,999,975 thousand (KZT 85,984 per share) which was declared in March 2015 in accordance with the decision of the Bank's sole shareholder (Note 17).