Astana Finance JSC

Consolidated Financial Statements

for the year ended 31 December 2015

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Independent Auditors' Report

To the Board of Directors of Astana Finance JSC

We have audited the accompanying consolidated financial statements of Astana Finance JSC and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Group recorded assets classified as held-for-sale of KZT 26,852,959 thousand and liabilities classified as held for sale of KZT 26,852,959 thousand, relating to a subsidiary company held for sale at 31 December 2013. The subsidiary company held for sale is a bank located in the Russian Federation. In April 2014 the Central Bank of the Russian Federation suspended the license for banking operations of this subsidiary company and the Group's management were unable to obtain access to its books and records following that date. As a result, we were unable to determine whether adjustments might have been found necessary in respect of the Group's assets classified as held for sale and liabilities classified as held for sale as at 1 January 2014. Our audit opinion of the consolidated financial statements as at and for the year ended 31 December 2013 was modified accordingly. Our opinion on the current year's consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Due to restricted access to information on related parties of certain shareholders of the Company, management was unable to compile a complete list of the Group's related parties as at 31 December 2015 and 2014 and for the years then ended. As a result, we were unable to determine whether the disclosure requirements of International Financial Reporting Standard IAS 24 *Related Party Disclosures* have been complied with.

As at 31 December 2015, 2014 and 1 January 2014 the Group has measured its investment in units of the mutual fund AG Capital Interra, included in available-for-sale financial assets at KZT 4,464,867 thousand, which represents the fair value determined as at 31 December 2010, and which was not re-estimated subsequently. In accordance with International Financial Reporting Standard IAS 39 *Financial Instruments: Recognition and Measurement* such investments should be measured at fair value at each reporting date. The effects of this departure from International Financial Reporting Standards on the consolidated financial statements have not been determined.

International Financial Reporting Standard IAS 12 *Income Taxes* requires disclosure, for each type of temporary difference, of the amount of deferred tax assets and liabilities recognised in the statement of financial position for each period presented, together with the amounts recognised in profit or loss and other comprehensive income. Any unrecognized tax assets and an explanation of the relationship between tax expense/(income) and accounting profit are also required to be disclosed. The Group has not presented these disclosures as at 31 December 2015 and 2014 and for the years then ended in the consolidated financial statements. It is not practicable for us to provide this information.

As disclosed in note 30, during the year ended 31 December 2015 the Group disposed of a subsidiary and incurred a loss on disposal of KZT 7,204,549. Management had engaged an independent appraiser to estimate the fair value of this subsidiary in December 2014, and this valuation indicated that the fair value of the subsidiary was significantly lower than its carrying amount in the Group's financial statements as at 31 December 2014. The results of this valuation were omitted from Management's assessment of the appropriateness of the carrying value of the subsidiary in the Group's consolidated financial statements as at 31 December 2014. We became aware of the existence of the independent appraiser's report during our audit of the consolidated financial statements for the year ended 31 December 2015. Had the carrying value of the subsidiary been adjusted to reflect its estimated fair value, Finance lease receivables and Inventory would have decreased by KZT 4,193,384 and KZT 1,463,121 respectively as at 31 December 2014. Loss from discontinued operations would have reduced, and Income would have increased, by KZT 5,656,505 for the year ended 31 December 2015. Loss from discontinued operations, and Loss for the year would have increased by KZT 5,656,505 for the year ended 31 December 2014.

Qualified Opinion

In our opinion, except for the possible effects on the statement of financial position as at 1 January 2014 and the possible effects on the comparability of the current year's figures of the matter described in the first paragraph of the *Basis for Qualified Opinion*, and except for the possible effects of the matter described in the second paragraph of the *Basis for Qualified Opinion*, and except for the effects of the matters described in the third, fourth and fifth paragraphs of the *Basis for Qualified Opinion*, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to the fact that the consolidated financial statements are not prepared on a going concern basis. The basis of preparation, and the reasons why the going concern assumption is not considered appropriate, are described in Note 2 (e) to the consolidated financial statements. Our opinion is not qualified in respect of this matter.

Ravshan Irmatov
Certified Auditor
of the Republic of Kazakhstan,
Auditor's Qualification Certificate
No. МФ-0000053 of 6 January 2012

Ashley Clarke
Audit Partner

KPMG Audit LLC

State License to conduct audit # 0000021 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan

Assel Khairova
General Director of KPMG Audit LLC
acting on the basis of the Charter

24 August 2016

	Note	2015 KZT'000	2014 KZT'000
Interest income	4	2,076,396	2,688,917
Interest expense	4	(2,424,661)	(1,375,513)
Other finance charges	4	(8,127,939)	(20,861,047)
Net interest expense		**(8,476,204)**	**(19,547,643)**
Fee and commission income		535	1,861
Fee and commission expense		(28)	(3,639)
Net fee and commission income/(expense)		**507**	**(1,778)**
Net (loss)/gain on financial instruments at fair value through profit or loss	5	(409,913)	74,952
Net foreign exchange gain/(loss)		6,546,445	(14,449,898)
Net gain on available-for-sale financial assets		5,295	-
Gain from restructuring	6	232,841,205	-
Income from cancellation of amounts due on restructured liabilities	6	88,430,241	-
Other income (net)	7	155,103	2,380,635
Operating income/(loss)		**319,092,679**	**(31,543,732)**
Impairment losses	8	(1,918,837)	(1,231,625)
General administrative expenses	9	(4,511,668)	(3,848,992)
Profit/(loss) before income tax		**312,662,174**	**(36,624,349)**
Income tax expense	10	(27,445,837)	(574,809)
Profit/(loss) for the year from continued operations		**285,216,337**	**(37,199,158)**
Loss from discontinued operations	30	(7,515,051)	(239,516)
Profit/(loss) for the year		**277,701,286**	**(37,438,674)**
Other comprehensive income, net of income tax			
Items that are or may be reclassified subsequently to profit or loss:			
Revaluation reserve for available-for-sale financial assets:			
- Net change in fair value		(9,777)	7,921
- Net change in fair value transferred to profit or loss		1,209,995	-
Foreign currency translation differences from foreign operations		536,981	71,725
Total items that are or may be reclassified subsequently to profit or loss		1,737,199	79,646
Other comprehensive income for the year, net of income tax		**1,737,199**	**79,646**
Total comprehensive income/(loss) for the year		**279,438,485**	**(37,359,028)**

The consolidated financial statements as set out on pages 6 to 74 were approved by the Board of Directors on 25 July 2016 and were signed on its behalf:

Berkinbayev Nilat Salimovich	Albatyrova Olga Vladimirovna
Chairman of the Management Board	*Chief Accountant*

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

	Note	2015 KZT'000	2014 KZT'000	1 January 2014 KZT'000
ASSETS				
Cash and cash equivalents	11	1,138,604	52,574,851	39,062,686
Financial instruments at fair value through profit or loss	12	901,490	1,632,926	2,048,511
Available-for-sale financial assets	13	4,608,929	4,619,155	4,754,940
Due from banks	14	2,856,481	1,865,580	279,551
Loans to customers	15	8,923,066	11,114,614	15,980,170
Finance lease receivables	16	-	6,229,161	10,300,433
Investment property	17	317,714	490,367	1,525,329
Inventory	18	809,330	5,079,889	2,313,906
Property, equipment and intangible assets	19	2,257,224	6,157,516	6,510,428
Current tax asset		1,577	1,364,718	1,341,801
Other assets	20	20,282,969	18,409,321	15,906,979
Assets classified as held-for-sale		-	-	26,852,959
Total assets		**42,097,384**	**109,538,098**	**126,877,693**
LIABILITIES				
Due to banks and other financial institutions		1,188,264	85,146	134,117
Due to state organisations	21	1,792,527	2,576,503	2,904,127
Amounts subject to Restructuring Plan	6	-	307,309,253	284,203,614
Amounts due on liabilities to be restructured	6	-	81,360,912	57,113,126
Debt securities issued	6	15,475,534	-	-
Provisions on contingent liabilities		-	-	24,723
Current tax liability	10	26,545,041	353,745	40,437
Deferred tax liability		101,184	59,928	61,760
Subordinated debt		-	411,839	785,144
Debt component of preferred shares	22	567,128	461,657	399,198
Other liabilities	23	1,531,608	1,462,202	1,552,154
Liabilities classified as held-for-sale		-	-	26,852,959
Total liabilities		**47,201,286**	**394,081,185**	**374,071,359**
DEFICIT				
Share capital	24	29,950,265	29,949,565	29,949,565
Share premium		5,669,631	5,669,631	5,669,631
Revaluation reserve for available-for-sale financial assets		4,447,123	3,246,905	3,238,984
Cumulative translation reserve		680,823	143,842	72,117
Accumulated deficit		(45,851,744)	(323,553,030)	(286,123,963)
Total deficit		**(5,103,902)**	**(284,543,087)**	**(247,193,666)**
Total liabilities and deficit		**42,097,384**	**109,538,098**	**126,877,693**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

	2015 KZT'000	2014 KZT'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	1,337,217	1,108,696
Interest payments	(210,184)	(131,646)
Fee and commission receipts	535	1,861
Fee and commission payments	(28)	(3,639)
Other receipts	1,778,102	1,753,441
General administrative payments	(4,151,244)	(3,625,769)
(Increase) decrease in operating assets		
Due from banks	166,687	(1,542,349)
Loans to customers	153,445	8,017,528
Finance lease receivables	466,967	2,566,360
Financial instruments at fair value through profit or loss	-	896,515
Inventory	9,444	48,793
Other assets	444,084	(369,586)
Increase (decrease) in operating liabilities		
Due to state organisations	(748,110)	(429,650)
Other liabilities	149,549	(16,395)
Net cash (used in) provided from operating activities before income tax paid	**(603,537)**	**8,274,160**
Income tax paid	(449,332)	(296,302)
Cash flows (used in) from operations	**(1,052,869)**	**7,977,858**
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of subsidiary, net of cash disposed of (Note 30)	1,423,938	-
Receipts from disposal of subsidiary in previous periods (Note 20)	1,479,000	42,741
Disposal of investment property	74,153	844,602
Acquisition of property, equipment and intangible assets	(176,218)	(176,579)
Disposal of property, equipment and intangible assets	2,085,365	182,675
Cash flows from investing activities	**4,886,238**	**893,439**
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid to creditors on restructuring	(55,740,000)	-
Repayment of subordinated debt	(443,968)	(373,306)
Cash flows used in financing activities	**(56,183,968)**	**(373,306)**
Net (decrease) increase in cash and cash equivalents	**(52,350,599)**	**8,497,991**
Effect of changes in exchange rates on cash and cash equivalents	914,352	5,014,174
Cash and cash equivalents as at the beginning of the year	52,574,851	39,062,686
Cash and cash equivalents as at the end of the year (Note 11)	**1,138,604**	**52,574,851**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

KZT'000	Share capital	Share premium	Revaluation reserve for available-for-sale financial assets	Cumulative translation reserve	Accumulated deficit	Total deficit
Balance as at 1 January 2014	**29,949,565**	**5,669,631**	**3,238,984**	**72,117**	**(286,123,963)**	**(247,193,666)**
Loss for the year	-	-	-	-	(37,438,674)	(37,438,674)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value	-	-	7,921	-	-	7,921
Foreign currency translation differences from foreign operations	-	-	-	71,725	-	71,725
Total items that are or may be reclassified subsequently to profit or loss	-	-	*7,921*	*71,725*	-	*79,646*
Total other comprehensive income	**-**	**-**	**7,921**	**71,725**	**-**	**79,646**
Total comprehensive loss for the year	**-**	**-**	**7,921**	**71,725**	**(37,438,674)**	**(37,359,028)**
Transactions with owners, recorded directly in equity						
Treasury shares acquired	-	-	-	-	9,607	9,607
Balance as at 31 December 2014	**29,949,565**	**5,669,631**	**3,246,905**	**143,842**	**(323,553,030)**	**(284,543,087)**
Balance as at 1 January 2015	29,949,565	5,669,631	3,246,905	143,842	(323,553,030)	(284,543,087)
Profit for the year	-	-	-	-	277,701,286	277,701,286
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value	-	-	1,200,218	-	-	1,200,218
Foreign currency translation differences from foreign operations	-	-	-	536,981	-	536,981
Total items that are or may be reclassified subsequently to profit or loss	-	-	*1,200,218*	*536,981*	-	*1,737,199*
Total other comprehensive income	**-**	**-**	**1,200,218**	**536,981**	**-**	**1,737,199**
Total comprehensive income for the year	**-**	**-**	**1,200,218**	**536,981**	**277,701,286**	**279,438,485**
Transactions with owners, recorded directly in equity						
Issued stock (Note 1(a))	700	-	-	-	-	700
Balance as at 31 December 2015	**29,950,265**	**5,669,631**	**4,447,123**	**680,823**	**(45,851,744)**	**(5,103,902)**

The consolidated statement of changes in deficit is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

1 Background

(a) Organisation and operations

Astana Finance JSC (the "Company") is a Joint Stock Company, which was incorporated in the Republic of Kazakhstan on 27 December 1997 as a State Enterprise Fund of Economic and Social Development of Akmola special economic zone and was re-registered as JSC Astana Finance on 30 March 2004. The Company and its subsidiaries (together the "Group") provide financial and other services in the Republic of Kazakhstan.

The Company operated under the state licenses of the Committee for the Control and Supervision of the Financial Market and Financial Organisations of the National Bank of the Republic of Kazakhstan (the "FMSC", formerly the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organisations). From 2006 until September 2009, the Company had FMSC licenses for the following activities:

- broker and dealer services on securities market with right to manage clients accounts as the nominal holder from 28 March 2006 #0001201193;
- managing of investment portfolios from 25 April 2006 #0003200425, and
- providing loan operations, agreed by banking law of the Republic of Kazakhstan in national and foreign currency, from 10 August 2006 #56.

In September 2009, the Company returned the three licenses disclosed above to the FMSC.

The registered office of the Company is located at 12, Bigeldinov St., Astana, 010000, Republic of Kazakhstan.

The principal subsidiaries as at 31 December 2015 and 2014 are as follows:

Name	Country of incorporation	Principal activities	Ownership % 2015	Ownership % 2014
JSC AF Mortgage	Kazakhstan	Mortgage lending	100.00	100.00
JSC Astana-Finance Leasing Company	Kazakhstan	Finance lease operations	-	100.00
JSC Astana-Finance Brokerage Company	Kazakhstan	Brokerage operations	100.00	100.00
Astana Finance B.V.	The Netherlands	Raising funds for the Group on international capital markets	100.00	100.00
LLP Astana-Finance Microcredit Organisation	Kazakhstan	Microcredit lending	100.00	100.00
LLP ENKI	Kazakhstan	Production of bricks	99.00	99.00
LLP Nerud-Kokshetau	Kazakhstan	Construction materials, carriage deliveries	99.99	99.99
JSC Stroyplastmass	Kazakhstan	Production of plastic materials used in construction	98.99	98.99
Astana Logistics LLP	Kazakhstan	Warehousing and logistic services	99.99	99.99
LLC Elitsroyinvest AK	Ukraine	Construction	100.00	100.00
LLP AF Development	Kazakhstan	Real estate management	100.00	100.00
LLP Maksman	Russia	Construction of buildings	92.00	92.00

1 Background, continued

(a) Organisation and operations, continued

As at 31 December 2015 and 31 December 2014, the following shareholders owned the issued shares of the Company:

	31 December 2015, %	31 December 2014, %
Shareholders		
The Bank of New York Mellon	99.10*	60.01*
JSC Single Accumulative Pension Fund	0.23	10.47
Committee of state property and privatisation of Ministry of Finance of the Republic of Kazakhstan	0.13	5.89
Other shareholders (individually holding less than 5% of the total amount of shares)	0.51	23.63
	100.00	**100.00**

	31 December 2015, %	31 December 2014, %
Ultimate shareholders		
The Bank of New York Mellon (GDR issuer – see below)	99.21*	63.11*
Government of the Republic of Kazakhstan (through the Committee of state property and privatisation of the Ministry of Finance of the Republic of Kazakhstan and Sovereign Wealth Fund “Samruk-Kazyna” JSC)	0.41	19.37
Akhmetov A.G.	0.35	16.46
Other	0.03	1.06
	100.00	**100.00**

* The Restructuring Plan approved on 29 June 2012 determined that each international claimant should have the right to a proportionate part of interests in the capital of Astana-Finance JSC, which make totally at least 60% of all issued shares of the Company.

On 22 April 2014 the Company entered into a deposit agreement with The Bank of New York Mellon (the “Deposit Agreement”), pursuant to which the Company transferred or procured the transfer to The Bank of New York Mellon of 60 percent of its ordinary shares (equal to 9,607,430 ordinary shares for the nominal amount of KZT 9,607 thousand) which were previously held by certain of the Company’s subsidiaries. In accordance with the Deposit Agreement on 25 April 2014, The Bank of New York Mellon issued and distributed to the International Claimants global depositary receipts (“GDRs”), each GDR representing one ordinary share in the Company.

On 18 October 2014, the Term Sheet dated 15 September 2011 signed between the International Creditors’ Committee and the Company was amended. According to the amended Term Sheet, the Company should ensure that the international creditors own at least 99% of the Company’s total share capital to compensate their losses incurred as a result of the Company’s default.

To this effect, on 5 December 2014 the Company’s Shareholders Meeting approved the issuance of 700,000,000 additional ordinary shares. The issue of shares was registered on 24 December 2015 by the NBRK.

On 14 January 2015, the Board of Directors of the Company made decision to place the issued ordinary shares. On 15 January 2015, the Company put a notice on placement of 700,000,000 ordinary shares among the Company’s shareholders based on their preemption right to buy shares. 699,300,000 ordinary shares for the total nominal amount of KZT 700 thousand were sold to the Bank of New York of Mellon. As a result of this transaction The Bank of New York Mellon is the registered holder of 99.21 per cent of the Company’s total share capital, in relation to which GDRs are issued by the Bank of New York Mellon which are owned by the International Claimants.

1 Background, continued

(b) Kazakhstan business environment

The Group's operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Kazakhstan. In addition, the recent significant depreciation of the Kazakh tenge and the decline in oil prices on world markets have increased the level of uncertainty in the environment of economic activities.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2 Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Functional and presentation currency

The functional currency of the Group and the majority of its subsidiaries 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 consolidated financial statements.

Financial information presented in KZT is rounded to the nearest thousand.

(d) Comparative information

As a result of completion of restructuring process in May 2015 the Group decided to change the presentation of restructured liabilities in these consolidated financial statements in order to show separately amounts subject to Restructuring Plan as at 31 December 2014. Management believes that this change in presentation gives a clearer understanding of the results of operations of the Group.

Accordingly, the Group made certain reclassifications to comparative information to conform to current year presentation.

The Company's subsidiary, "Leasing Company Astana Finance" JSC was classified as discontinued operations as at 31 December 2015 (Note 30). The comparative consolidated statement of profit or loss and other comprehensive income has been restated to conform to the current year presentation.

2 Basis of preparation, continued

(d) Comparative information, continued

The effect of the reclassifications as at 31 December 2014 is summarised below.

KZT'000	As previously reported	Reclassifications: Amounts subject to Restructuring Plan (Note 6)	Reclassifications: Discontinued operations (Note 30)	As restated at and for the year ended 31 December 2014
Consolidated Statement of Financial Position				
Due to banks and other financial institutions	61,373,580	(61,288,434)	-	85,146
Amounts subject to Restructuring Plan	-	307,309,253	-	307,309,253
Amounts due on liabilities to be restructured	-	81,360,912	-	81,360,912
Debt securities issued	252,172,600	(252,172,600)	-	-
Subordinated debt	26,090,951	(25,679,112)	-	411,839
Other liabilities	50,992,221	(49,530,019)	-	1,462,202
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Interest income	4,852,705	-	(2,163,788)	2,688,917
Interest expense	(11,736,963)	9,852,979	508,471	(1,375,513)
Other finance charges	(11,008,068)	(9,852,979)	-	(20,861,047)
Net interest expense	**(17,892,326)**	**-**	**(1,655,317)**	**(19,547,643)**
Net gain on financial instruments at fair value through profit or loss	544,381	-	(469,429)	74,952
Net foreign exchange loss	(15,417,833)	-	967,935	(14,449,898)
Other income	2,221,276	-	159,359	2,380,635
Operating income	**(30,546,280)**	**-**	**(997,452)**	**(31,543,732)**
Impairment losses	(1,527,550)	-	295,925	(1,231,625)
General administrative expenses	(4,779,983)	-	930,991	(3,848,992)
Loss before income tax	**(36,853,813)**	**-**	**229,464**	**(36,624,349)**
Income tax expense	(584,861)	-	10,052	(574,809)
Loss for the year from continued operations	**(37,438,674)**	**-**	**239,516**	**(37,199,158)**
Loss from discontinued operations	-	-	(239,516)	(239,516)

The effect of the reclassifications as at 1 January 2014 is summarised below.

KZT'000	As previously reported	Reclassifications (Amounts subject to Restructuring Plan)	As restated at 1 January 2014
Due to banks and other financial institutions	53,481,395	(53,347,278)	134,117
Amounts subject to Restructuring Plan	-	284,203,614	284,203,614
Amounts due on liabilities to be restructured	-	57,113,126	57,113,126
Debt securities issued	225,134,978	(225,134,978)	-
Subordinated debt	26,310,722	(25,525,578)	785,144
Other liabilities	38,861,060	(37,308,906)	1,552,154

2 Basis of preparation, continued

(e) Going concern

These consolidated financial statements as at and for the year ended 31 December 2015 are not prepared on a going concern basis, because the Group has commenced the wind down of its operations and has no realistic alternative but to continue that process throughout the duration of the new securities that it has issued as part of its financial restructuring. This has resulted from:

- a significant deterioration in the quality of the customer loan portfolio during 2009 and 2008 mainly attributed to loans issued to highly leveraged related party entities that were first identified as such in the 2009 consolidated financial statements;
- the devaluation of the Kazakhstan Tenge on 4 February 2009, which resulted in losses on retranslation of the Group's foreign currency denominated debt and triggered losses on derivative positions;
- distribution to owners through release of collateral on non-performing loans of KZT 33,998,775 thousand in September 2009; and
- a loss incurred in the year ended 31 December 2009 of KZT 178,328,464 thousand, deficit as at that date of KZT 184,063,070 thousand and deteriorating liquidity position, as a result of the above developments.

On 19 May 2009 the Company and Astana Finance B.V. announced their decision to suspend payments of interest and principal on their international obligations and to suspend payments of principal on certain domestic obligations. This decision resulted in certain entities within the Group breaching a number of covenants included in certain agreements subscribed by them. On 19 September 2009, the Company announced its decision to suspend payments on all domestic obligations and restructure its international and domestic debt obligations.

Between 12 November 2009 and 31 March 2012, the Group negotiated the terms of its financial restructuring with a committee representing the international creditors, the current members of which are Banco Finantia SA, Franklin Templeton Investment Management Limited, Portland Worldwide Investments Ltd., Outrider Management LLC and VR Capital Group (hereinafter referred to as "the Creditors' Committee") and the group of export credit agencies.

Subsequently, in accordance with the Decree number 52 dated 24 February 2012, the National Bank of Kazakhstan set 1 July 2012 as the deadline for the Company to submit a restructuring plan approved by the Creditors. The Decree further provided that the Specialised Financial Court of Almaty (the "Court") would set the deadline by which the restructuring of the Company should be completed. On 27 March 2012, the Court established that the restructuring should be completed by no later than 28 September 2012. The Court has, at the request of the Company, extended such deadline several times with the final deadline set on 31 May 2015.

On 6 June 2012, the Company published an information memorandum, which was further supplemented and amended (the "2012 Information Memorandum") setting out the original restructuring terms (the "Original Restructuring Plan"). The Original Restructuring Plan was approved by a two third majority (by value) of creditors at a claimant's meeting held on 29 June 2012 and subsequently by the National Bank of the Republic of Kazakhstan on 4 July 2012 and by the Court on 31 July 2012.

The distribution of entitlements (the "Entitlements") pursuant to the terms of the restructuring was subject to the Company satisfying a number of conditions precedents. Due to the fact that the Company was unable to satisfy all the conditions precedent and due to other reasons, the deadline for completion of restructuring has been prolonged several times, and the Original Restructuring Plan has been amended and supplemented from time to time.

2 Basis of preparation, continued

(e) Going concern, continued

On 6 March 2015 the Company issued a new information memorandum (the "2015 Information Memorandum"). On 21 April 2015 the Original Restructuring Plan as amended by the Amendments (the "Restructuring Plan") was approved by the general meeting of creditors. On 24 April 2015, the National Bank of Kazakhstan issued a resolution approving the Restructuring Plan and on 27 April 2015 the Restructuring Plan was approved by the Court.

On 22 May 2015, the Company distributed new instruments to the creditors as a part of fulfilment of the terms and conditions of the Restructuring Plan, including those as a part of distribution:

- the Cash Element of USD 300,000,000 was distributed to the holders of International Claims; Recovery Notes of initial reference amount of USD 50,000,000 were issued and distributed, and global depository receipts, in which 99% of the Company ordinary shares are the underlying asset, were also distributed;
- Tenge Notes of total nominal value of KZT 19,954,603 thousand were issued and distributed to the holders of the Domestic Claims;
- the Company presented to the Entrepreneurship Development Fund "Damu" JSC the Letter-obligation on repayment of debt under the Credit Agreement No.18;
- the Company paid 15% of the outstanding debt to the Holders of Claims arising from the operating activities that have provided the bank account details;
- Payments to the preference shareholders shall be made in 2024 according to the restructuring terms.

Conditions precedent to enforcement of restructuring have been satisfied by 22 May 2015.

On 2 June 2015 the Court has issued the decision on completion of restructuring based on fulfilment of all terms and conditions prescribed in the Restructuring Plan. On 23 June 2015 the court decision has come into effect.

Following completion of the restructuring the Group's objectives are as follows:

- Ceasing credit activity;
- Current loans collection;
- Maximising proceeds from sale of the subsidiaries; and
- Optimising operating expenses.

The management believes that following implementation of the above objectives and repayment of the new obligations undertaken as a result of the restructuring the Group as is today will be wound down at some point in the future.

Management has concluded that the combination of circumstances described above indicates that the Group has effectively ceased trading and has no realistic alternative but to discontinue operations.

Although the going concern assumption is not appropriate management believes that IFRS continue to be applicable and that there should be no dispensation from the measurement, recognition and disclosure requirements of IFRS.

2 Basis of preparation, continued

(f) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results can differ from those estimates.

Estimated and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies is described in the following notes:

- loan and finance lease receivables impairment estimates - Notes 15, 16;
- estimates of fair values of financial instruments – Notes 6, 12, 29.

3 Significant accounting policies

The accounting policies set out below are applied consistently to all periods presented in these consolidated financial statements, and are applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular the Group consolidates investees that it controls on the basis of de facto circumstances. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Group's share of losses exceeds the Group's interest (including long-term loans) in the associate, that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

3 Significant accounting policies, continued

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments unless the difference is due to impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss; a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or qualifying cash flow hedges to the extent that the hedge is effective, which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into presentation currency at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into presentation currency at spot exchange rates at the dates of the transactions.

(c) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances (nostro accounts) held with the NBRK and other banks, and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of short-term commitments.

(d) Financial instruments

(i) Classification

Financial instruments at fair value through profit or loss are financial assets or liabilities that are:

- acquired or incurred principally for the purpose of selling or repurchasing in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- derivative financial instruments (except for derivative that is a financial guarantee contract or a designated and effective hedging instruments) or;
- upon initial recognition, designated as at fair value through profit or loss.

The Group may designate financial assets and liabilities at fair value through profit or loss where either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

3 Significant accounting policies, continued

(d) Financial instruments, continued

(i) Classification, continued

All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as assets. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as liabilities.

Management determines the appropriate classification of financial instruments in this category at the time of the initial recognition. Derivative financial instruments and financial instruments designated as at fair value through profit or loss upon initial recognition are not reclassified out of at fair value through profit or loss category. Financial assets that would have met the definition of loans and receivables may be reclassified out of the fair value through profit or loss or available-for-sale category if the entity has an intention and ability to hold it for the foreseeable future or until maturity. Other financial instruments may be reclassified out of at fair value through profit or loss category only in rare circumstances. Rare circumstances arise from a single event that is unusual and highly unlikely to recur in the near term.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Group:

- intends to sell immediately or in the near term;
- upon initial recognition designates as at fair value through profit or loss;
- upon initial recognition designates as available-for-sale or;
- may not recover substantially all of its initial investment, other than because of credit deterioration.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity, other than those that:

- the Group upon initial recognition designates as at fair value through profit or loss;
- the Group designates as available-for-sale or;
- meet the definition of loans and receivables.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial instruments at fair value through profit or loss.

(ii) Recognition

Financial assets and liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All regular way purchases of financial assets are accounted for at the settlement date.

(iii) Measurement

A financial asset or liability is initially measured at its fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, financial assets, including derivatives that are assets, are measured at their fair values, without any deduction for transaction costs that may be incurred on sale or other disposal, except for:

- loans and receivables which are measured at amortised cost using the effective interest method;
- held-to-maturity investments that are measured at amortised cost using the effective interest method;

3 Significant accounting policies, continued

(d) Financial instruments, continued

(iii) Measurement, continued

- investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost.

All financial liabilities, other than those designated at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset carried at fair value does not qualify for derecognition, are measured at amortised cost.

(iv) Amortised cost

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(v) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3 Significant accounting policies, continued

(d) Financial instruments, continued

(vi) Gains and losses on subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or liability is recognised as follows:

- a gain or loss on a financial instrument classified as at fair value through profit or loss is recognised in profit or loss;

- a gain or loss on an available-for-sale financial asset is recognised as other comprehensive income in equity (except for impairment losses and foreign exchange gains and losses on debt financial instruments available-for-sale) until the asset is derecognised, at which time the cumulative gain or loss previously recognised in deficit is recognised in profit or loss. Interest in relation to an available-for-sale financial asset is recognised in profit or loss using the effective interest method.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or liability is derecognised or impaired, and through the amortisation process.

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred assets.

If the Group purchases its own debt, it is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains or losses arising from early retirement of debt.

The Group writes off assets deemed to be uncollectible.

(viii) Derivative financial instruments

Derivative financial instruments include swaps, forwards, futures, spot transactions and options in interest rates, foreign exchanges, precious metals and stock markets, and any combinations of these instruments.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivatives are recognised immediately in profit or loss.

3 Significant accounting policies, continued

(d) Financial instruments, continued

(viii) Derivative financial instruments, continued

Derivatives may be embedded in another contractual arrangement (a host contract). An embedded derivative is separated from the host contract and is accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss. Derivatives embedded in financial assets or financial liabilities at fair value through profit or loss are not separated.

Although the Group trades in derivative instruments for risk hedging purposes, these instruments do not qualify for hedge accounting.

(ix) Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(e) Leases

Lease transactions are classified as either financing or operating leases at inception in accordance with IAS 17 _Leases_.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Title may or may not eventually be transferred. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. The indicators for finance lease classification are:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised;
- the lease term is for the major part of the economic life of the asset even if title is not transferred;
- at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset or,
- the leased assets are of a specialised nature such that only the lessee can use them without major modifications being made.

The Group as a lessor initially measures finance leases at an amount equal to the net investment in the lease. Subsequently the recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group’s net investment in the finance lease.

3 Significant accounting policies, continued

(f) Property and equipment

(i) Owned assets

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

(ii) Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance lease is stated at the amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(iii) Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated. The estimated useful lives are as follows:

-	Buildings and other real estate	17 to 25 years;
-	Equipment and furniture	5 to 13 years;
-	Vehicles	7 years;
-	Intangible assets	5 to 7 years.

(g) Intangible assets

Acquired intangible assets are stated at cost less accumulated amortisation and impairment losses.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives range from 5 to 7 years.

(h) Foreclosed assets

Foreclosed assets are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in normal course of business, or for the use in production or supply of goods or services or for administrative purposes. Investment property is measured at cost, including transaction costs, less accumulated depreciation and impairment losses.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3 Significant accounting policies, continued

(j) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

(k) Impairment

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the Group determines the amount of any impairment loss.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that event (or events) has had an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, breach of loan covenants or conditions, restructuring of financial asset or group of financial assets that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, deterioration in the value of collateral, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers in the group, or economic conditions that correlate with defaults in the group.

For an investment in an equity security available-for-sale a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

(i) Financial assets carried at amortised cost

Financial assets carried at amortized cost consist principally of loans and other receivables (loans and receivables). The Group reviews its loans and receivables to assess impairment on a regular basis. The Group first assesses whether objective evidence of impairment exists individually for loans and receivables that are individually significant, and individually or collectively for loans and receivables that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed loan or receivable, whether significant or not, it includes the loan or receivable in a group of loans and receivables with similar credit risk characteristics and collectively assesses them for impairment. Loans and receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan or receivable has been incurred, the amount of the loss is measured as the difference between the carrying amount of the loan or receivable and the present value of estimated future cash flows including amounts recoverable from guarantees and collateral discounted at the loan or receivable's original effective interest rate. Contractual cash flows and historical loss experience adjusted on the basis of relevant observable data that reflect current economic conditions provide the basis for estimating expected cash flows.

3 Significant accounting policies, continued

(k) Impairment, continued

(i) Financial assets carried at amortised cost, continued

In some cases the observable data required to estimate the amount of an impairment loss on a loan or receivable may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Group uses its experience and judgment to estimate the amount of any impairment loss.

All impairment losses in respect of loans and receivables are recognized in profit or loss and are only reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

When a loan is uncollectable, it is written off against the related allowance for loan impairment. The Group writes off a loan balance (and any related allowances for loan losses) when management determines that the loans are uncollectible and when all necessary steps to collect the loan are completed.

(ii) Financial assets carried at cost

Financial assets carried at cost include unquoted equity instruments included in available-for-sale financial assets that are not carried at fair value because their fair value cannot be reliably measured. If there is objective evidence that such investments are impaired, the impairment loss is calculated as the difference between the carrying amount of the investment and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

All impairment losses in respect of these investments are recognised in profit or loss and cannot be reversed.

(iii) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by transferring the cumulative loss that is recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3 Significant accounting policies, continued

(k) Impairment, continued

(iv) Non financial assets

Other non financial assets, other than deferred taxes, are assessed at each reporting date for any indications of impairment. The recoverable amount of goodwill is estimated at each reporting date. The recoverable amount of non financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non financial assets are recognised in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss reversed is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

(l) Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(m) Credit related commitments

In the normal course of business, the Group enters into credit related commitments, comprising undrawn loan commitments, letters of credit and guarantees, and provides other forms of credit insurance.

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

A financial guarantee liability is recognised initially at fair value net of associated transaction costs, and is measured subsequently at the higher of the amount initially recognised less cumulative amortisation or the amount of provision for losses under the guarantee. Provisions for losses under financial guarantees and other credit related commitments are recognised when losses are considered probable and can be measured reliably.

Financial guarantee liabilities and provisions for other credit related commitment are included in other liabilities.

3 Significant accounting policies, continued

(m) Credit related commitments, continued

Loan commitments are not recognised, except for the following:

- loan commitments that the Group designates as financial liabilities at fair value through profit or loss;

- if the Group has a past practice of selling the assets resulting from its loan commitments shortly after origination, then the loan commitments in the same class are treated as derivative instruments;

- loan commitments that can be settled net in cash or by delivering or issuing another financial instrument;

- commitments to provide a loan at a below-market interest rate.

(n) Share capital

(i) Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(ii) Preference share capital

Preference share capital that is non-redeemable and carries no mandatory dividends is classified as equity.

(iii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a decrease in equity.

(iv) Dividends

The ability of the Group to declare and pay dividends is subject to the rules and regulations of Kazakhstan legislation.

Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

(o) Taxation

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items of other comprehensive income or transactions with shareholders recognised directly in equity, in which case it is recognised within other comprehensive income or directly within equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The income tax payable is not discounted to its present value in case of deferred payment terms.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and temporary differences related to investments in subsidiaries where the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3 Significant accounting policies, continued

(o) Taxation, continued

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption is that the carrying amount of investment property will be recovered through sale.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Income and expense recognition

Interest income and expense are recognised in profit or loss using the effective interest method. Accrued discounts and premiums on financial instruments at fair value through profit or loss are recognised in gains less losses from financial instruments at fair value through profit or loss.

Loan origination fees, loan servicing fees and other fees that are considered to be integral to the overall profitability of a loan, together with the related transaction costs, are deferred and amortised to interest income over the estimated life of the financial instrument using the effective interest method. Other fees, commissions and other income and expense items are recognised in profit or loss when the corresponding service is provided.

Dividend income is recognised in profit or loss on the date that the dividend is declared. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(q) New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2015, and are not applied in preparing these consolidated financial statements. Of these pronouncements, potentially the following will have an impact on the financial position and performance of the Group. The Group plans to adopt these pronouncements when they become effective.

- IFRS 9 *Financial Instruments*, published in July 2014, is to replace the existing guidance in IFRS (IAS) 39 *Financial Instruments: Recognition and Measurement*. IFRS (IFRS 9) includes revised guidance on the classification and measurement of financial assets, including a new model of expected credit losses for the evaluation of impairment, and new general requirements for hedge accounting. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

- Various *Improvements to IFRS* are dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than 1 January 2016.

4 Net interest expense

	2015 KZT'000	2014 KZT'000
Interest income		
Loans to customers	1,658,932	2,491,134
Other assets (Receivable from Standard Leasing LLC)	157,872	-
Financial instruments at fair value through profit or loss	186,716	189,574
Due from banks	72,876	8,209
	2,076,396	**2,688,917**
Interest expense		
Debt securities issued	(2,106,773)	(815,696)
Debt component of preferred shares	(105,471)	(62,459)
Subordinated debt	(90,291)	(224,856)
Due to state organisations	(56,396)	(162,416)
Due to banks and other financial institutions	(46,844)	(110,086)
Other liabilities (Payable to preference shareholders)	(18,886)	-
	(2,424,661)	**(1,375,513)**
Other finance charges		
Other finance charges	(8,127,939)	(20,861,047)
	(8,476,204)	**(19,547,643)**

Other finance charges represent the contractual amount of interest accrued in respect of the Group's debt obligations which were renegotiated with its creditors and included in the Restructuring Plan. Although these amounts represent a contractual obligation up to the date of completion of restructuring, the Group was relieved of these obligations in accordance with the Amendments to the Restructuring Plan made in 2014, which came into effect at the date of approval of restructuring by the court. The Group has therefore presented these expenses separately with the consolidated statements of profit or loss and other comprehensive income.

Included within various line items under interest income for the year ended 31 December 2015 is a total of KZT 1,306,442 thousand (2014: KZT 2,862,878 thousand) accrued on impaired financial assets.

5 Net (loss)/gain on financial instruments at fair value through profit or loss

	2015 KZT'000	2014 KZT'000
Financial instruments at fair value through profit or loss	(409,913)	33,562
Derivative financial instruments	-	41,390
	(409,913)	**74,952**

6 Restructuring Plan

(a) Liabilities subject to Restructuring Plan and gain from restructuring

On 6 March 2015 the Company issued a new information memorandum. On 21 April 2015 the Original Restructuring Plan as amended by the Amendments was approved by the general meeting of creditors. On 24 April 2015, the National Bank of Kazakhstan issued a resolution approving the Restructuring Plan and on 27 April 2015 the Restructuring Plan was approved by the Court. Settlement of cash and distribution of new notes and shares was made on 22 May 2015. On 2 June 2015 the Court issued the decision on completion of restructuring based on fulfilment of all terms and conditions prescribed in the Restructuring Plan. On 23 June 2015 the court decision came into effect. The difference between the total carrying value of extinguished liabilities and the fair value of new instruments issued is recognised as a gain from restructuring as shown below:

	KZT'000
Liabilities subject to the Restructuring Plan as at 31 December 2014	307,309,253
Other liabilities included into restructuring plan	49,329
Movements on liabilities subject to the Restructuring Plan between 1 January and 22 May 2015	
Interest expense	351,461
Foreign currency translation gain	(5,239,480)
Liabilities restructured as at 22 May 2015	**302,470,563**
Fair value of debt securities issued as at 22 May 2015 (Note 6 (b))	(13,754,258)
Payable to preference shareholders (Note 6 (c))	(135,100)
Cash paid to creditors under the Restructuring Plan	(55,740,000)
Total consideration given	**(69,629,358)**
Gain from restructuring	**232,841,205**

Amounts due on liabilities to be restructured represent the contractual amount of interest accrued for the period from 1 January 2011 to 22 May 2015 in respect of the Group's debt obligations, which were renegotiated with its creditors and included in the Restructuring Plan. Although these amounts represent a contractual obligation at the reporting date, the Group was relieved of these obligations as a result of the restructuring process. The Group has presented these liabilities and the corresponding income from their cancellation separately within the statement of consolidated statements of profit or loss and other comprehensive income:

	KZT'000
Amounts due on liabilities to be restructured as at 31 December 2014	81,360,912
Movements on amounts due on liabilities to be restructured between 1 January and 22 May 2015	
Other finance charges (Note 4)	8,127,939
Foreign currency translation gain	(1,058,610)
Amounts due on liabilities to be restructured as at 22 May 2015	**88,430,241**
Income from cancellation of amounts due on restructured liabilities	**88,430,241**

6 Restructuring Plan, continued

(b) Debt securities issued

As a result of the restructuring process the Group issued 2 types of debt securities: par notes denominated in KZT and recovery notes, denominated in USD. New instruments were allocated to creditors in various proportions depending on which of the various restructuring options included in the Restructuring Plan the creditors selected for each old instrument. The terms of issue of these instruments are as follows:

- Par notes denominated in KZT do not have coupon and are redeemed on 21 December 2018.
- The recovery notes have a nominal value of USD 1 each, representing the minimum guaranteed redemption value of recovery notes. The Group also pays to recovery note-holders quarterly payments being a specified percentage of actual cash recoveries received from a specified pool of loans (the "Initial Sub-Portfolio") to the final redemption date of the par notes denominated in KZT, and then from all cash recoveries from the Initial Sub-Portfolio and Loan Portfolio and all cash proceeds and disposals.

The recovery notes payments will contribute towards reducing a notional reference amount initially set at 50,000 thousand USD ("Reference Amount"), and will stop at the earlier of the reduction of the Reference Amount to zero and 21 December 2024. If as at 21 November 2024 (the "Valuatoin Date") the balance of the Reference Amount is greater than zero the Group will assign an independent appraiser to estimate the market value of expected residual receipts (the "Valuation Amount"). After the Valuation Date, the aggregate Reference Amount outstanding in respect of the recovery notes shall be adjusted and a percentage of residual receipts will be due to the note-holders based on a contractual formula..

The above securities were recognised at fair value at initial recognition. As the securities are not traded in active markets the Group used valuation techniques based on estimated discounted cash flows. Discount rates were set as equal to the prevailing rates of return for financial instruments having substantially the same terms and characteristics as the new instruments, considering the credit quality of the instrument, the remaining term over which the contractual interest rate is fixed and the remaining term to repayment of the principal and the currency in which payments are to be made. The discount rates used equal range from 22.75% to 23.91%. The total fair value of the debt securities issued was estimated to be KZT 13,980,285 thousand as at 22 May 2015.

The carrying value of debt securities issued as at 31 December 2015 is as follows

	Balance as at 31 December 2015 KZT'000
Par notes denominated in KZT	10,015,708
Recovery notes denominated in USD	5,459,826
	15,475,534

The assumptions used to estimate the fair value of the recovery notes are subject to significant estimate and a range of possible outcomes. The key assumption relates to the future cash flows which are expected to be derived from the Group's Loans to customers (Note 15) and Foreclosed assets (Note 20). These cash flows are based mainly on underlying valuations of land and real estate property which may be illiquid and therefore subject to variable outcomes. For example, if the cash recoveries from the Groups assets (net of payments to other creditors and expenses) are 20% lower (higher) than estimated, and all timing of cash flows remains the same, this would reduce (increase) the carrying amount of recovery notes at 31 December 2015 by KZT 1,091,965.

6 Restructuring Plan, continued

(c) Payable to preference shareholders

As a result of the restructuring process the preference shareholders are entitled to a cash amount payable in Tenge equal to the outstanding amount of dividends payable for 2008 plus an amount equal to interest on such outstanding amount accruing, at a rate equivalent to the official refinancing rate established by the NBRK on the date following the date on which none of the Dollar Recovery Notes remains outstanding, from the date on which 2008 Dividends were originally due and payable up to and including the day immediately following the date on which none of the Dollar Recovery Notes remains outstanding.

Upon initial recognition the payable was discounted using an estimate of market rate of interest of 23.91%. The carrying value of payable as at 31 December 2015 is KZT 153,986 thousand (Note 23).

(d) Equity

As a result of the restructuring process the Company issued an additional 700,000,000 ordinary shares, 699,300,000 of which were sold to the Bank of New York of Mellon for the value of 1 tenge for each 1,000 ordinary shares (Note 1 (a)).

Since the shares were solely issued to restructure debts, the Group applied IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments to initially measure equity instruments issued to extinguish its financial liabilities. The fair value of common shares issued as part of the consideration paid to extinguish the pre-restructured liabilities was determined to be equal to their nominal value of KZT 700 thousand. In calculating the fair value of common shares, the Group considered its post-restructuring financial position as well as the net present value of its projected cash flows from operations for the next ten years.

7 Other income (net)

	2015 KZT'000	2014 KZT'000
(Loss)/gain on sale of property and equipment	(1,022,565)	572,625
Fines and penalties	106,416	7,666
Other	1,071,252	1,800,344
	155,103	**2,380,635**

During the year ended December 31, 2015 the Group's subsidiary «Astana Logistics» LLP, sold logistics facility with a carrying value of KZT 2,870,083 thousand for KZT 1,736,250 thousand. As a result, the Group recognized a loss on disposal for the amount of KZT 1,133,833 thousand.

Included in other income for the year ended 31 December 2015 is KZT 1,271,449 thousand (2014: KZT 1,160,697 thousand), which represents the net operating income of Company's subsidiaries engaged in construction and real estate management services.

8 Impairment losses

	2015 KZT'000	2014 KZT'000
Loans to customers	(1,660,147)	(707,073)
Other assets	(258,690)	(456,024)
Finance lease receivables	-	75,163
Available-for-sale financial assets	-	(143,691)
	(1,918,837)	**(1,231,625)**

9 General administrative expenses

	2015 KZT'000	2014 KZT'000
Employee compensation	1,910,526	1,576,266
Payroll related taxes and other payments	188,219	144,786
	2,098,745	**1,721,052**
Taxes, other than on income	1,034,047	470,411
Professional services	633,281	833,631
Fines and penalties	240,990	263
Depreciation and amortisation	166,522	492,503
Expenses on maintenance of software	58,465	101,286
Business travel	33,953	81,491
Transportation	20,982	18,225
Security	17,882	12,506
Communication and information services	17,355	18,602
Operating lease expense	11,814	9,551
Office supplies/consumables	11,544	15,263
Repair and maintenance	9,457	34,145
Consulting	8,171	1,376
Charity and sponsorship	5,647	10,733
Expenses on securities maintenance	4,619	4,533
Representative expenses	955	2,096
Insurance	767	501
Advertising and marketing	497	3,153
Membership fees	307	869
Other	135,668	16,802
	2,412,923	**2,127,940**
	4,511,668	**3,848,992**

10 Income tax expense

	2015 KZT'000	2014 KZT'000
Current income tax expense		
Current year	(27,221,307)	(241,136)
Underprovided in prior periods	(183,274)	(335,505)
	(27,404,581)	**(576,641)**
Deferred tax benefit		
Origination and reversal of temporary differences	(41,256)	1,832
Total income tax expense	**(27,445,837)**	**(574,809)**

Under the Tax Code of the Republic of Kazakhstan the period of payment of corporate income tax calculated for a tax period, in which an entity completes a restructuring of its liabilities to creditors in accordance with a restructuring plan approved by the court can be deferred until the full repayment of liabilities to creditors, but no more than 10 years.

11 Cash and cash equivalents

	2015 KZT'000	2014 KZT'000
Cash on hand	3,599	4,229
Nostro accounts with commercial banks		
- rated A- to A+	680	-
- rated from BB- to BB+	-	14
- rated from B- to B+	768,389	22,212,373
- rated below B-	5,804	30,079,583
- not rated	360,132	278,652
Total nostro accounts with other banks	**1,135,005**	**52,570,622**
Total cash and cash equivalents	**1,138,604**	**52,574,851**

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into the Standard & Poor's scale.

No cash and cash equivalents are impaired or past due.

Concentration of cash and cash equivalents

As at 31 December 2015 and 2014 the Group has one bank, whose balance exceeds 10% of deficit. The gross value of this balance as at 31 December 2015 is KZT 512,288 thousand (2014: KZT 36,464,088 thousand).

12 Financial instruments at fair value through profit or loss

	2015 KZT'000	2014 KZT'000
Debt financial instruments		
- Corporate bonds		
rated B- to B+	10,195	104,575
not rated	888,866	1,202,497
- Total corporate bonds	**899,061**	**1,307,072**
Equity financial instruments		
Corporate shares	2,429	2,463
Derivative financial instruments		
Embedded derivatives	-	323,391
	2,429	**325,854**
	901,490	**1,632,926**

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into the Standard & Poor's scale.

None of financial assets at fair value through profit or loss are past due.

Embedded derivatives represent the total fair value of derivatives embedded into finance lease receivables (Note 16 (g)).

Not rated corporate bonds are mainly represented by bonds of Ekoton+ JSC and Atameken Agro JSC that are listed on the Kazakhstan Stock Exchange.

13 Available-for-sale financial assets

	2015 KZT'000	2014 KZT'000
Debt financial instruments		
- Corporate bonds		
not rated	-	143,691
Total corporate bonds	**-**	**143,691**
Equity financial instruments		
- Corporate shares	4,870,066	4,736,601
Total corporate shares	**4,870,066**	**4,736,601**
Total available-for-sale financial assets	**4,870,066**	**4,880,292**
Impairment allowance	(261,137)	(261,137)
Total net available-for-sale financial assets	**4,608,929**	**4,619,155**

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into Standard & Poor's scale.

Not rated corporate bonds are mainly represented by bonds of Atameken Agro JSC that are listed on the Kazakhstan Stock Exchange.

As at 31 December 2015, equity investments include 28.11% of units of a closed mutual fund "AG Capital Interra" (Russia) (the "Fund") with a net carrying value of KZT 4,464,867 thousand (2014: KZT 4,464,867 thousand).

The Group used a valuation report prepared by an independent valuer in 2010 to estimate the fair value of this investment.

13 Available-for-sale financial assets, continued

For the year ended 31 December 2010 the key assumptions used in the valuation of the share of the Fund included the following:

For the valuation of this investment the Group applies the following methodologies:

- The comparative (market) approach was used for determination of the market value of fixed assets (land), and was based on the ask price analysis of analogue objects, prices for square meter varied between KZT 9 thousand and KZT 25 thousand;
- The income approach was based on the method of discounted cash flows (“DCF”), discounted at 14%, which was used for the determination of the value of the property of companies that are part of the assets of the Fund (office buildings in Moscow city).

Analysis of movements in the impairment allowance

	2015 KZT’000	2014 KZT’000
Balance at the beginning of the year	261,137	117,446
Charge for the year	-	143,691
Balance at the end of the year	**261,137**	**261,137**

14 Due from banks

	2015 KZT’000	2014 KZT’000
Term deposits with other banks		
- rated from B- to B+	2,856,481	1,865,580
Total due from banks	**2,856,481**	**1,865,580**

The above table is based on the credit ratings assigned by Standard & Poor’s or other agencies converted into the Standard & Poor’s scale.

As at 31 December 2015 and 2014 the Group has one bank, whose balance exceeds 10% of deficit. The gross value of this balance as at 31 December 2015 is KZT 2,856,481 thousand (2014: KZT 1,828,971 thousand).

15 Loans to customers

	2015 KZT’000	2014 KZT’000
Loans to corporate customers		
Loans to large corporates	119,459,872	85,012,196
Loans to small and medium size companies	3,025,317	2,738,041
Total loans to corporate customers	**122,485,189**	**87,750,237**
Loans to retail customers		
Mortgage loans	5,039,183	5,077,245
Consumer loans	4,785,414	5,577,103
Other	629,300	589,598
Total loans to retail customers	**10,453,897**	**11,243,946**
Gross loans to customers	**132,939,086**	**98,994,183**
Impairment allowance	(124,016,020)	(87,879,569)
Net loans to customers	**8,923,066**	**11,114,614**

15 Loans to customers, continued

Movements in the loan impairment allowance by classes of loans to customers for the year ended 31 December 2015 are as follows:

	Loans to corporate customers KZT'000	Loans to retail customers KZT'000	Total KZT'000
Balance at the beginning of the year	80,100,346	7,779,223	87,879,569
Net charge	1,441,207	218,940	1,660,147
Recoveries/(write-offs)	372,556	(343,942)	28,614
Effect of foreign currency translation	34,447,690	-	34,447,690
Balance at the end of the year	**116,361,799**	**7,654,221**	**124,016,020**

Movements in the loan impairment allowance by classes of loans to customers for the year ended 31 December 2014 are as follows:

	Loans to corporate customers KZT'000	Loans to retail customers KZT'000	Total KZT'000
Balance at the beginning of the year	76,561,337	8,098,501	84,659,838
Net charge	371,616	335,457	707,073
Recoveries/(write-offs)	44,339	(654,735)	(610,396)
Effect of foreign currency translation	3,123,054	-	3,123,054
Balance at the end of the year	**80,100,346**	**7,779,223**	**87,879,569**

(a) Credit quality of loans to customers

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

	Gross loans KZT'000	Impairment allowance KZT'000	Net loans KZT'000	Impairment allowance to gross loans, %
Loans to corporate customers				
Loans to large corporates				
Loans without individual signs of impairment	1,060,559	(92,750)	967,809	8.75
Impaired loans:				
- overdue more than 360 days	118,399,313	(113,674,813)	4,724,500	96.01
Total impaired loans	**118,399,313**	**(113,674,813)**	**4,724,500**	**96.01**
Total loans to large corporates	**119,459,872**	**(113,767,563)**	**5,692,309**	**95.23**

15 Loans to customers, continued

(a) Credit quality of loans to customers, continued

	Gross loans KZT'000	Impairment allowance KZT'000	Net loans KZT'000	Impairment allowance to gross loans, %
Loans to small and medium size companies				
Loans without individual signs of impairment	24,864	-	24,864	-
Impaired loans:				
- not overdue	81,743	(60,038)	21,705	73.45
- overdue more than 90 days and less than 360 days	786,327	(746,948)	39,379	94.99
- overdue more than 360 days	2,132,383	(1,787,250)	345,133	83.81
Total impaired loans	**3,000,453**	**(2,594,236)**	**406,217**	**86.46**
Total loans to small and medium size companies	**3,025,317**	**(2,594,236)**	**431,081**	**85.75**
Total loans to corporate customers	**122,485,189**	**(116,361,799)**	**6,123,390**	**95.00**
Loans to retail customers				
Mortgage loans				
- not overdue	511,913	(45,954)	465,959	8.98
- overdue less than 30 days	115,397	(10,116)	105,281	8.77
- overdue 30-89 days	67,830	(15,973)	51,857	23.55
- overdue 90-179 days	65,396	(19,592)	45,804	29.96
- overdue 180-360 days	102,862	(41,735)	61,127	40.57
- overdue more than 360 days	4,175,785	(3,204,109)	971,676	76.73
Total mortgage loans	**5,039,183**	**(3,337,479)**	**1,701,704**	**66.23**
Consumer loans				
- not overdue	60,935	(6,786)	54,149	11.14
- overdue less than 30 days	13,103	(896)	12,207	6.84
- overdue 30-89 days	12,109	(950)	11,159	7.85
- overdue 90-179 days	76,525	(57,615)	18,910	75.29
- overdue more than 360 days	4,622,742	(3,807,988)	814,754	82.38
Total consumer loans	**4,785,414**	**(3,874,235)**	**911,179**	**80.96**
Other loans to retail customers				
- not overdue	125,195	-	125,195	-
- overdue more than 360 days	504,105	(442,507)	61,598	87.78
Total other loans to retail customers	**629,300**	**(442,507)**	**186,793**	**70.32**
Total loans to retail customers	**10,453,897**	**(7,654,221)**	**2,799,676**	**73.22**
Total loans to customers	**132,939,086**	**(124,016,020)**	**8,923,066**	**93.29**

15 Loans to customers, continued

(a) Credit quality of loans to customers, continued

The following table provides information on the credit quality of 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 corporate customers				
Loans to large corporates				
Loans without individual signs of impairment	691,116	-	691,116	-
Impaired loans:				
- overdue more than 360 days	84,321,080	(77,741,432)	6,579,648	92.20
Total impaired loans	**84,321,080**	**(77,741,432)**	**6,579,648**	**92.20**
Total loans to large corporates	**85,012,196**	**(77,741,432)**	**7,270,764**	**91.45**
Loans to small and medium size companies				
Loans without individual signs of impairment	32,224	(1,218)	31,006	3.78
Impaired loans:				
- not overdue	100,277	(43,878)	56,399	43.76
- overdue more than 90 days and less than 360 days	7,152	-	7,152	-
- overdue more than 360 days	2,598,388	(2,385,909)	212,479	91.82
Total impaired loans	**2,705,817**	**(2,429,787)**	**276,030**	**89.80**
Total loans to small and medium size companies	**2,738,041**	**(2,431,005)**	**307,036**	**88.79**
Total loans to corporate customers	**87,750,237**	**(80,172,437)**	**7,577,800**	**91.36**

15 Loans to customers, continued

(a) Credit quality of loans to customers, continued

	Gross loans KZT'000	Impairment allowance KZT'000	Net loans KZT'000	Impairment allowance to gross loans, %
Loans to retail customers				
Mortgage loans				
- not overdue	656,214	(56,705)	599,509	8.64
- overdue less than 30 days	87,259	(21,349)	65,910	24.47
- overdue 30-89 days	78,923	(26,077)	52,846	33.04
- overdue 90-179 days	95,436	(39,544)	55,892	41.44
- overdue 180-360 days	61,191	(28,216)	32,975	46.11
- overdue more than 360 days	4,098,222	(2,895,856)	1,202,366	70.66
Total mortgage loans	**5,077,245**	**(3,067,747)**	**2,009,498**	**60.42**
Consumer loans				
- not overdue	97,075	(4,757)	92,318	4.90
- overdue less than 30 days	6,809	(2,268)	4,541	33.31
- overdue 30-89 days	18,104	(6,570)	11,534	36.29
- overdue 90-179 days	20,396	(8,069)	12,327	39.56
- overdue 180-360 days	16,733	(8,630)	8,103	51.57
- overdue more than 360 days	5,417,986	(4,236,629)	1,181,357	78.20
Total consumer loans	**5,577,103**	**(4,266,923)**	**1,310,180**	**76.51**
Other loans to retail customers				
- not overdue	136,382	(7,271)	129,111	5.33
- overdue 30-89 days	7,074	(2,063)	5,011	29.16
- overdue more than 360 days	446,142	(363,128)	83,014	81.39
Total other loans to retail customers	**589,598**	**(372,462)**	**217,136**	**63.17**
Total loans to retail customers	**11,243,946**	**(7,707,132)**	**3,536,814**	**68.54**
Total loans to customers	**98,994,183**	**(87,879,569)**	**11,114,614**	**88.77**

(b) Key assumptions and judgments for estimating the loan impairment

(i) Loans to corporate customers

The Group estimates loan impairment for loans to corporate customers based on an analysis of the future cash flows for loans with individual signs of impairment and based on its past loss experience for portfolios of loans for which no individual signs of impairment has been identified.

In determining the impairment allowance for loans to corporate customers, management makes the following key assumptions:

- historic annual loss rate of 0% - 8.75%;
- a discount of between 20% and 40% to the originally appraised value if the property pledged is sold;
- a delay of 12 to 60 months in obtaining proceeds from the foreclosure of collateral.

Changes in these estimates could affect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by one percent, the impairment allowance on loans to corporate customers as at 31 December 2015 would be KZT 61,234 thousand lower/higher (2014: KZT 75,778 thousand lower/higher).

15 Loans to customers, continued

(b) Key assumptions and judgments for estimating the loan impairment, continued

(ii) Loans to retail customers

The Group estimates loan impairment for loans to retail customers based on its past historical loss experience on each type of loan. The significant assumptions used by management in determining the impairment losses for loans to retail customers include:

- loss migration rates are constant and can be estimated based on the historic loss migration pattern for the past 12 months;
- in respect of collateralised loans, a delay of 24 months in obtaining proceeds from the foreclosure of collateral, which is not compensated by related interest income, and a discount from 25% to 40% to the originally appraised value if the property pledged is sold through court procedures.

Changes in these estimates could affect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by plus minus one percent, the impairment allowance on loans to retail customers as at 31 December 2015 would be KZT 27,997 thousand lower/higher (2014: KZT 35,368 thousand).

(c) Analysis of collateral

(i) Loans to corporate customers

Loans to corporate customers are subject to individual credit appraisal and impairment testing. The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of the loan extended to it. However, collateral provides additional security and the Group generally requests corporate borrowers to provide it.

The following table provides an analysis of the loans to corporate customers and to small and medium size companies portfolio, net of impairment, by types of collateral as at 31 December:

	2015 KZT'000	% of loan portfolio	2014 KZT'000	% of loan portfolio
Real estate	6,119,722	99.94	7,944,078	99.26
No collateral	3,668	0.06	59,598	0.74
	6,123,390	**100.00**	**8,003,676**	**100.00**

The amounts shown in the table above represent the carrying value of the loans, and do not necessarily represent the fair value of the collateral.

Impaired or overdue loans to corporate customers with a gross value of KZT 121,399,766 thousand (2014: KZT 87,026,897 thousand) are secured by collateral with a fair value of KZT 5,130,717 thousand (2014: KZT 6,855,678 thousand).

The recoverability of the loans that are neither past due nor impaired is primarily dependent on the creditworthiness of the borrowers rather than on the value of collateral, and the Group does not necessarily update the valuation of collateral at each reporting date.

(ii) Loans to retail customers

Mortgage loans are secured by the underlying housing real estate. Auto loans are secured by the underlying cars. Credit card overdrafts and consumer loans are not secured.

The recoverability of loans that are neither past due nor impaired is primarily dependent on the creditworthiness of the borrower rather than the value of collateral, and the Group does not necessarily update the valuation of collateral at each reporting date.

15 Loans to customers, continued

(c) Analysis of collateral, continued

(iii) Repossessed collateral

During the year ended 31 December 2015, the Group obtained certain assets by taking possession of collateral for loans to customers with a net carrying amount of KZT 1,570,665 thousand. (2014: KZT 2,107,268 thousand). As at 31 December 2015 the repossessed collateral comprised real estate property for total amount of KZT 10,460,692 thousand (2014: KZT 9,872,374 thousand) (Note 20).

The Group's policy is to sell these assets as soon as it is practicable.

(d) Industry and geographical analysis of the loan portfolio

Loans to customers were issued primarily to customers located within the Republic of Kazakhstan who operate in the following economic sectors:

	2015 KZT'000	2014 KZT'000
Real estate	91,982,330	65,201,940
Loans to retail customers	10,801,441	8,607,398
Services	10,453,897	6,267,089
Agriculture, forestry and timber	8,292,929	6,493,706
Manufacturing	1,812,500	1,995,479
Construction	1,322,647	1,240,352
Mining/metallurgy	963,293	963,293
Hotels	901,954	1,839,841
Municipal authorities	345,630	345,630
Trade	339,364	780,635
Transportation	73,576	218,511
Rent	-	171,003
Other	5,649,525	4,869,306
	132,939,086	**98,994,183**
Impairment allowance	(124,016,020)	(87,879,569)
	8,923,066	**11,114,614**

Significant credit exposures

As at 31 December 2015 and 2014 the Group has no borrowers or groups of connected borrowers, whose loan balances exceed 10% of deficit.

Loan maturities

The maturity of the loan portfolio is presented in Note 25 (d), which shows the remaining period from the reporting date to the contractual maturity of the loans.

Change in classification

The Group performed certain reclassifications of loans to small and medium size companies to mortgage and consumer loans because they were issued to individuals. The comparative information in relation to classification of loans to customers was restated as at 31 December 2014, resulting in a transfer of loans to small and medium size companies with a net carrying amount of KZT 69,913 thousand to mortgage loans and KZT 349,884 thousand to consumer loans categories.

16 Finance lease receivables

	2015 KZT'000	2014 KZT'000
Within one year	310,063	9,525,120
More than one year, but less than five years	-	2,608,557
Minimum lease payments	**310,063**	**12,133,677**
Less unearned finance income		
Within one year	-	(840,808)
More than one year, but less than five years	-	(373,853)
Less unearned finance income, total	**310,063**	**(1,214,661)**
Less impairment allowance	(310,063)	(4,689,855)
Net investment in finance leases	**-**	**6,229,161**

Effective interest rates on the finance leases in 2014 vary from 5.0 % to 25.0 % per annum.

	2015 KZT'000	2014 KZT'000
Leases to large corporate	310,063	5,245,955
Leases to small and medium size companies	-	5,673,061
Less impairment allowance	(310,063)	(4,689,855)
Net investment in finance leases	**-**	**6,229,161**

Movements in the finance lease impairment allowance at 31 December 2015 and 2014 are as follows:

	2015 KZT'000	2014 KZT'000
Balance at the beginning of the year	4,689,855	9,546,872
Impairment charge/(reversal) relating to discontinued operations	1,169,749	(1,221,403)
Disposal of subsidiary	(5,674,639)	-
Reclassification to other assets	-	(3,636,304)
Effect of foreign currency translation	125,098	690
Balance at the end of the year	**310,063**	**4,689,855**

16 Finance lease receivables, continued

(a) Credit quality of finance leases

31 December 2014	Gross amount KZT'000	Impairment KZT'000	Net amount KZT'000	Impairment to gross amount (%)
Leases to large corporates				
Leases for which no impairment has been identified:				
- standard leases	124,502	(2,668)	121,834	2.14
Impaired leases:				
- not past due	917,185	(440,777)	476,408	48.06
- overdue less than 90 days	584,225	(141,515)	442,710	24.22
- overdue more than 90 days and less than 360 days	516,872	(347,829)	169,043	67.29
- overdue more than 360 days	3,103,171	(2,195,209)	907,962	70.74
Total impaired leases	**5,121,453**	**(3,125,330)**	**1,996,123**	**61.02**
Total leases to large corporates	**5,245,955**	**(3,127,998)**	**2,117,957**	**59.63**
Leases to small and medium size companies				
Leases for which no impairment has been identified:				
- standard leases	1,305,059	(39,475)	1,265,584	3.02
Impaired leases:				
- not past due	499,574	(156,145)	343,429	31.26
- overdue less than 90 days	2,115,521	(400,772)	1,714,749	18.94
- overdue more than 90 days and less than 360 days	332,138	(147,984)	184,154	44.55
- overdue more than 360 days	1,420,769	(817,481)	603,288	57.54
Total impaired leases	**4,368,002**	**(1,522,382)**	**2,845,620**	**34.85**
Total leases to small and medium size companies	**5,673,061**	**(1,561,857)**	**4,111,204**	**27.53**
Total finance leases	**10,919,016**	**(4,689,855)**	**6,229,161**	**42.95**

As at 31 December 2014 included in the finance lease portfolio are renegotiated finance leases that would otherwise be past due or impaired of KZT 1,387,418 thousand. Such restructuring activity is aimed at managing customer relationships and maximising collection opportunities. Renegotiated finance leases are included in the category of assets without individual signs of impairment in the tables above, unless the lessee fails to comply with the renegotiated terms.

(b) Key assumptions and judgments for estimating the impairment of finance lease receivables

The Group has estimated finance lease impairment based on an analysis of the future cash flows for impaired finance lease receivables and based on its migration analysis for portfolios of finance leases, for which no indications of impairment have been identified. The migration analysis determines the adequacy of valuation allowances by tracking movements of a classified asset to a worse classification in order to estimate a loss percentage likely to be incurred from different categories of assets within the current portfolio.

16 Finance lease receivables, continued

(b) Key assumptions and judgments for estimating the impairment of finance lease receivables, continued

The objective indicators of lease impairment include the following:

- overdue payments under the lease agreements;
- significant difficulties in the financial conditions of the lessee;
- deterioration of business environment, negative changes in the lessee's markets.

The Group estimates impairment for finance leases based on an analysis of the future cash flows for impaired leases and based on its past loss experience for portfolios of leases for which no indicators of impairment have been identified.

In determining the impairment allowance for large corporate leases, management made the following key assumptions:

- historic annual loss rate of 2.14%-3.02%;
- a delay of 36 months in obtaining proceeds from the foreclosure of collateral;
- a discount of 20% to the originally appraised value if the property pledged is sold.

Changes in these estimates could affect the lease impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by one percent, the lease impairment provision for finance leases as of 31 December 2015 would be KZT 62,292 thousand lower/higher

(c) Analysis of collateral

	31 December 2014 KZT'000	% of lease portfolio (%)
Machines and equipment	5,915,608	94.97
Vehicles	313,243	5.03
Real estate	310	-
None	-	-
	6,229,161	**100.00**

The amounts shown in the table above represent the carrying value of the finance lease receivables, and do not necessarily represent the fair value of the collateral.

Financial leases that are past due or impaired

Impaired or overdue financial leases are secured by collateral with a fair value of KZT 4,841,743 thousand, excluding the effect of overcollateralisation.

Financial leases that are neither past due nor impaired

For remaining leases with a net carrying amount of KZT 1,387,418 thousand, which are neither past due nor impaired, the fair value of collateral was estimated at the inception of the leases and was not adjusted for subsequent changes to the reporting date. The recoverability of these leases is primarily dependent on the creditworthiness of the borrowers rather than the value of collateral, and the current value of the collateral does not impact the impairment assessment.

Collateral obtained

During the year ended 31 December 2015 the Group obtained assets with a carrying amount of KZT 228,687 thousand (2014:KZT 5,524,322 thousand) by taking control of collateral securing leases.

16 Finance lease receivables, continued

(d) Industry and geographical analysis of finance lease portfolio

Finance leases were issued primarily to customers located within the Republic of Kazakhstan, who operate in the following economic sectors:

	2015 KZT'000	2014 KZT'000
Agriculture	310,063	9,441,653
Rent of vehicles and equipment	-	916,594
Transportation services	-	231,288
Construction	-	226,394
Consumer services	-	4,561
Other	-	98,526
	310,063	**10,919,016**
Impairment allowance	(310,063)	(4,689,855)
	-	**6,229,161**

(e) Significant credit exposures

As at 31 December 2015 and 2014 the Group has no significant credit exposures.

(f) Lease maturities

The maturity of the Group's lease portfolio is presented in Note 25 (d), which shows the remaining period from the reporting date, to the contractual maturity of the finance lease receivables in the lease portfolio.

(g) Embedded derivative

The repayment of investment in finance leases with a gross value of KZT 5,456,634 thousand is linked to appreciation in the rate of the USD or Euro against the KZT. If these foreign currencies appreciate, the amount receivable is increased by the respective index. If these foreign currencies depreciate, the amount receivable is not adjusted below the original outstanding amount in KZT.

These embedded derivatives are recorded at fair value in the financial statements. Fair value is calculated using a model based on the Black-Scholes option pricing model (Note 29).

The management uses the following assumptions for valuation of the embedded derivative:

- risk-free rates are estimated using yield curves for respective currencies and ranged from 0.16% to 0.66% for USD, from 0.16% to 0.19% for Euro and from 4.21% to 5.45% for KZT;
- volatility in the model is defined based on the historical one-year observations of fluctuations in actual foreign exchange rates and was 12.99% for USD and 14.14% for EUR;
- no transaction cost is included in the model.

As at 31 December 2014 the fair value of embedded derivatives on finance lease receivables amounted to KZT 323,391 thousand.

If the spreads between KZT and USD (or Euro, as appropriate) risk-free rates narrowed by 0.5% across all the contracts the fair value of the derivatives would have decreased by KZT 7,003 thousand. Increase of volatility by 50% would result in increase of the fair value of the derivatives by KZT 26,087 thousand.

The net gain from revaluation of embedded derivative for the year ended 31 December 2015 amounted to KZT 249,136 thousand (2014: KZT 469,429 thousand).

17 Investment property

	2015 KZT'000	2014 KZT'000
At cost		
Balance at 1 January	631,818	1,964,173
Additions	108,513	90,721
Transfers from foreclosed property	48,830	-
Transfers from property and equipment	233,380	-
Disposals	(59,358)	(1,423,076)
Disposal of subsidiary (Note 30)	(577,914)	-
Balance at 31 December	**385,269**	**631,818**
Depreciation and impairment losses		
Balance at 1 January	(141,451)	(438,844)
Charge for the year	(22,842)	(44,736)
Transfers from property and equipment	(60,706)	-
Disposals	7,070	342,129
Disposal of subsidiary (Note 30)	150,374	-
Balance at 31 December	**(67,555)**	**(141,451)**
Net book value	**317,714**	**490,367**

Investment property is measured at cost less accumulated depreciation and impairment losses. The Group's income from operating rent of its investment property during the year ended 31 December 2015 amounted to KZT 26,632 thousand and is included in other income (31 December 2014: KZT 101,018 thousand). As at 31 December 2015 and 2014 the fair value of the investment property is close to its carrying amount that was determined by management with reference to market prices per square meter of similar properties in Astana and Almaty. The prices per square meter of premises varied between KZT 199 thousand and KZT 636 thousand.

As at 31 December 2015 and 2014 the Group did not have any contractual obligations to purchase, construct or develop other investment property.

18 Inventory

	2015 KZT'000	2014 KZT'000
Inventory	809,330	792,768
Property and equipment to be leased under finance lease	-	5,569,178
Impairment allowance	-	(1,282,057)
Total inventory	**809,330**	**5,079,889**

Analysis of movements in the impairment allowance

Movements in the impairment allowance for the year ended 31 December 2015 and 2014 are as follows:

	2015 KZT'000	2014 KZT'000
Balance at the beginning of the year	1,282,057	100,444
Net charge	-	1,181,613
Disposal of subsidiary	(1,282,057)	-
Balance at the end of the year	**-**	**1,282,057**

During the year ended 31 December 2014 the Group recognised impairment losses of KZT 1,181,613 thousand due to deterioration of economic conditions and devaluation of Russian Ruble, which resulted in decline in market value of agricultural equipment, comprising the largest portion of the Group's property and equipment to be leased under finance lease agreements.

19 Property, equipment and intangible assets

KZT'000	Land and buildings	Equipment and furniture	Motor vehicles	Construction in progress	Intangible assets	Other	Total
Cost							
Balance at 1 January 2015	6,468,090	1,317,774	317,357	262,578	1,208,168	253,105	9,827,072
Additions	21,408	83,636	36,978	29,322	357	4,517	176,218
Trasfers from foreclosed property	36,984	-	-	-	-	-	36,984
Disposals	(3,269,928)	(218,981)	(54,292)	(8,288)	(9,629)	(65,669)	(3,626,787)
Trasfers to investment property (Note 17)	(233,380)	-	-	-	-	-	(233,380)
Disposal of subsidiary (Note 30)	(620,114)	-	(43,676)	-	(50,903)	(105,027)	(819,720)
Balance at 31 December 2015	**2,403,060**	**1,182,429**	**256,367**	**283,612**	**1,147,993**	**86,926**	**5,360,387**
Depreciation, amortisation and impairment losses							
Balance at 1 January 2015	**1,349,450**	**878,859**	**220,712**	**12,701**	**1,112,508**	**95,326**	**3,669,556**
Depreciation and amortisation for the year	143,584	139,322	28,246	-	23,212	9,546	343,910
Disposals	(253,729)	(186,161)	(21,898)	-	(95)	(7,672)	(469,555)
Trasfers to investment property (Note 17)	(60,706)	-	-	-	-	-	(60,706)
Disposal of subsidiary (Note 30)	(232,349)	-	(29,743)	-	(37,516)	(80,434)	(380,042)
Balance at 31 December 2015	**946,250**	**832,020**	**197,317**	**12,701**	**1,098,109**	**16,766**	**3,103,163**
Carrying amount							
At 31 December 2015	**1,456,810**	**350,409**	**59,050**	**270,911**	**49,884**	**70,160**	**2,257,224**

19 Property, equipment and intangible assets, continued

KZT'000	Land and buildings	Equipment and furniture	Motor vehicles	Construction in progress	Intangible assets	Other	Total
Cost							
Balance at 1 January 2014	6,408,233	1,298,660	263,974	262,380	1,206,548	250,998	9,690,793
Additions	59,857	38,990	61,330	826	1,620	13,956	176,579
Disposals	-	(19,876)	(7,947)	(628)	-	(11,849)	(40,300)
Balance at 31 December 2014	**6,468,090**	**1,317,774**	**317,357**	**262,578**	**1,208,168**	**253,105**	**9,827,072**
Depreciation, amortisation and impairment losses							
Balance at 1 January 2014	1,081,201	737,712	187,752	12,701	1,057,769	103,230	3,180,365
Depreciation and amortisation for the year	268,249	156,959	38,074	-	54,739	2,417	520,438
Disposals	-	(15,812)	(5,114)	-	-	(10,321)	(31,247)
Balance at 31 December 2014	**1,349,450**	**878,859**	**220,712**	**12,701**	**1,112,508**	**95,326**	**3,669,556**
Carrying amount							
At 31 December 2014	**5,118,640**	**438,915**	**96,645**	**249,877**	**95,660**	**157,779**	**6,157,516**

As at 31 December 2014 buildings with a carrying amount of KZT 736,105 thousand were pledged as collateral for loans received from the Department of Capital Construction of Astana city (Note 21).

There are no capitalised borrowing costs related to the acquisition or construction of plant and equipment during 2015 (2014: nil).

20 Other assets

	2015 KZT'000	2014 KZT'000
Receivable from shareholders of "Bank of Astana" JSC	5,100,000	6,579,000
Receivable from Standard Leasing LLC (Note 30)	3,329,449	-
Trade receivables	909,526	1,962,733
Advances paid for materials	204,366	160,665
Advances on loans	15,663	219,738
Receivables reclassified from impaired leases	-	4,747,864
Other financial assets	1,340,998	509,432
	10,900,002	**14,179,432**
Impairment allowance	(1,384,330)	(5,608,621)
Total other financial assets	**9,515,672**	**8,570,811**
Foreclosed assets	10,644,004	9,872,374
Tax settlements, other than income tax	258,908	454,571
Prepaid expenses	10,188	4,280
Other	44,629	7,340
	10,957,729	**10,338,565**
Impairment allowance	(190,432)	(500,055)
Total other non-financial assets	**10,767,297**	**9,838,510**
Total other assets	**20,282,969**	**18,409,321**

(a) Receivable from shareholders of "Bank of Astana" JSC

On 21 January 2013 the Company sold its subsidiary, Bank Astana Finance JSC (the "Bank") to Mr. Kenes Rakishev and Mr. Olzhas Tokhtarov (the "Buyers"). The Buyers acquired 49.75 percent of the share capital of the Bank and were recognised by the NBK as having the status of "major participant". After the restructuring has been completed in 2015 the Company transferred the remaining 50.25 percent of the shares to the Buyers and received the remaining part of consideration of KZT 1,479,000 thousand.

On 26 August 2013, the Bank and the Buyers received a letter from the FMSC stating that the Bank remained in violation of the minimum capital requirements and that the Buyers should take measures to increase the capital of the Bank to a size sufficient to ensure its financial stability and not less than the minimum amount established by the applicable regulations. On 30 December 2013, the Buyers recapitalised the Bank to a level which satisfies the FMSC requirements by making a capital contribution to the Bank in cash in the total amount of KZT 5.1 billion by way of subscription for new shares issued by the Bank. On the same date, the Company assigned to the Buyers its right to receive the amount of 5.1 Billion which it had previously contributed to the Bank, in consideration of KZT 5.1 billion payable by the Buyers to the Company by 1 December 2016. The obligations of the Buyers to pay the consideration pursuant to such assignment are guaranteed by SAT & Co.

20 Other assets, continued

(b) Receivable from Standard Leasing LLP

On 12 August 2015 the Company and Standard Leasing LLP signed an agreement on sale of 100% shares of JSC "Leasing Company "Astana Finance" for KZT 6,283,000 thousand (Note 30). During the year ended 31 December 2015 Standard Leasing LLP paid KZT 2,000,000 thousand. The remaining consideration of KZT 4,283,000 thousand has to be settled by 31 December 2017. Upon initial recognition the receivable was discounted using an appropriate management's estimate of market rate of interest of 13.4%. The discount was initially recognised as part of loss from discontinued operations and amounted KZT 1,111,423 thousand.

(c) Foreclosed assets

Foreclosed property comprises a number of land plots and real estate properties. During the year ended 31 December 2015, the Group obtained certain assets by taking possession of collateral for loans to customers with a net carrying amount of KZT 1,570,665 thousand. (2014: KZT 2,107,268 thousand).

Analysis of movements in the impairment allowance

Movements in the impairment allowance for the year ended 31 December 2015 and 2014 are as follows:

	2015 KZT'000	2014 KZT'000
Balance at the beginning of the year	6,108,676	2,129,848
Net charge	258,690	716,576
Net charge relating to discontinued operations	21,823	-
Transfer from finance lease receivables	-	3,636,304
Disposal of subsidiary	(4,851,368)	-
Write-offs	(47,386)	(374,052)
Effect of foreign currency translation	84,327	-
Balance at the end of the year	**1,574,762**	**6,108,676**

As at 31 December 2014 receivables reclassified from impaired leases are primarily represented by receivables from the Company's borrower, Bogvi group, that were reclassified from finance lease receivables upon taking possession of collateral and represent the unsecured part of these finance lease receivables.

As at 31 December 2015, included in other assets are overdue receivables of KZT 1,432,376 thousand (2014: KZT 1,495,957 thousand), which are overdue for more than one year.

21 Due to state organisations

	Maturity	Interest rate %	2015 KZT'000	Interest rate %	2014 KZT'000
Entrepreneurship Development Fund Damu JSC	2020	4.50	1,463,837	5.00	1,785,956
Administrative Council of Astana	2016	2.00	226,638	2.00	595,980
Administrative Council of Atyrau	2016	0.01	102,052	0.01	194,567
Total due to state organisations			**1,792,527**		**2,576,503**

The loans from Administrative Councils of Astana and Atyrau were obtained at below market rates and were recognised initially at management's estimate of fair value using estimated market rates of 8% and 9%, respectively, to discount the contractual cash flows on these instruments.

22 Debt component of preferred shares

On 19 February 2007, the Group issued and fully placed 1,925,000 preferred shares at a price of KZT 3,000 each. Dividends on preferred shares are paid at a rate of 10% per annum and are not cumulative in nature. The preferred shares are denominated in Tenge and have no defined maturity. The preferred shares are not redeemable and not convertible to ordinary shares. The preferred shares do not have any voting rights, unless the payment of dividends has been delayed for three months or more from the date they became due.

During the year ended 31 December 2012 the terms of preference shares were modified to decrease the dividend rate for the period until 2024 from 10% per annum to 0.1% per annum with a subsequent increase back to 10% p.a. As a result the debt component of preferred shares decreased by KZT 5,438,261 thousand and the difference was recognised in equity as a contribution from owners.

The debt component of preferred shares represents the present value of mandatory dividends on preferred shares in perpetuity plus the outstanding amount of agreed claim, including its interest. As at 31 December 2015 and 2014, the debt component of preferred shares amounted to KZT 567,128 thousand and KZT 461,657 thousand, respectively and equity component was nil.

These non-convertible preferred shares are classified as compound instruments. On a return of capital on liquidation, the assets of the Group available for distribution are paid to the preferred shareholders only in the amount equal to the nominal value of preferred shares.

The Group has not accrued dividends for the year ended 31 December 2015 and 2014 due to the requirements of the Law On Joint Stock Companies that restricts the accrual of dividends for entities with negative equity.

23 Other liabilities

	2015 KZT'000	**2014 KZT'000**
Advances received for services	256,663	45,506
Payables for services	182,626	747,445
Payable to preference shareholders (Note 6(c))	153,986	-
Advances for property and equipment held for lease under finance leases	-	23,435
Others	34,332	148,382
Total other financial liabilities	**627,608**	**964,768**
Wage arrears	478,253	4,560
Taxes payable other than income tax	256,336	359,581
Future periods revenue	-	59,653
Others	169,411	73,640
Total other non-financial liabilities	**904,000**	**497,434**
Total other liabilities	**1,531,608**	**1,462,202**

24 Share capital

Issued capital and share premium

As at 31 December share capital is as follows:

	Issued share capital as at 31 December 2015 KZT'000	Issued share capital as at 31 December 2014 KZT'000
Common shares		
Shares with a par value of KZT 0.001	700	-
Shares with a par value of KZT 1	9,365	9,365
Shares with a par value of KZT 1,000	2,200,000	2,200,000
Shares with a par value of KZT 1,500	2,250,000	2,250,000
Shares with a par value of KZT 25,000	25,490,200	25,490,200
Total share capital	**29,950,265**	**29,949,565**

The authorised, issued and outstanding share capital comprises 714,085,000 ordinary shares (2014: 14,085,000) and 1,925,000 non-redeemable cumulative preference shares (2014: 1,925,000).

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

25 Risk management

Management of risk is an essential element of the Group's operations. The major risks faced by the Group are those related to market risk, credit risk and liquidity risk.

(a) Risk management policies and procedures

The risk management policies aim to identify, analyse and manage the risks faced by the Group, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Board of Directors has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The Management Board is responsible for monitoring and implementation of risk mitigation measures and making sure that the Group operates within the established risk parameters. The Head of the Risk Department is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to the Chairman and indirectly to the Board of Directors.

Both external and internal risk factors are identified and managed throughout the organisation. Particular attention is given to identifying the full range of risk factors and determination of the level of assurance over the current risk mitigation procedures. Apart from the standard credit and market risk analysis, the Risk Department monitors financial and non-financial risks by holding regular meetings with operational units in order to obtain expert judgments in their areas of expertise.

25 Risk management, continued

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate, currency and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

The Group manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions and stop-loss limits. These are monitored on a regular basis and reviewed and approved by the Management Board.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event that unexpected movements occur.

Average interest rates

The table below displays average effective interest rates for interest bearing assets and liabilities as at 31 December 2015 and 2014. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	2015 Average effective interest rate, %			2014 Average effective interest rate, %		
	KZT	**USD**	**Other currencies**	**KZT**	**USD**	**Other currencies**
Interest bearing assets						
Financial instruments at fair value through profit or loss	10.35	-	-	12.70	-	-
Due from banks	5.00	-	-	4.02	-	-
Loans to customers	15.40	17.56	17.34	12.87	1.14	-
Finance lease receivables	8.97	-	-	9.67		
Other assets	13.40	-	-	-	-	-
Interest bearing liabilities						
Debt securities issued	23.91	18.48	-	8.74	10.50	7.26
Due to state organisations	3.76	-	-	3.93	-	-
Subordinated debt	9.99	-	-	9.99	-	-
Debt component of preferred shares	20.26	-	-	20.26	-	-
Other liabilities	23.91	-	-	-	-	-

25 Risk management, continued

(b) Market risk, continued

(i) Interest rate risk, continued

Interest rate sensitivity analysis

The management of interest rate risk based on interest rate gap analysis is supplemented by monitoring the sensitivity of financial assets and liabilities. An analysis of sensitivity of profit or loss and equity (net of taxes) to changes in interest rate repricing risk based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 31 December 2015 and 2014 is as follows:

	2015 KZT'000	2014 KZT'000
100 bp parallel fall	(12,876)	101,865
100 bp parallel rise	12,876	(101,865)

An analysis of the sensitivity of profit or loss and deficit as a result of changes in the fair value of financial instruments at fair value though profit or loss and financial assets available-for-sale due to changes in the interest rates based on positions existing as at 31 December 2015 and 2014 and a simplified scenario of a 300 basis point (bp) symmetrical fall or rise in all yield curves is as follows:

	2015		2014	
	Profit or loss KZT'000	Deficit KZT'000	Profit or loss KZT'000	Deficit KZT'000
300 bp parallel fall	71,483	71,483	105,807	105,807
300 bp parallel rise	(62,772)	(62,772)	(90,695)	(90,695)

(ii) Currency risk

The Group has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not hedge its exposure to currency risk.

25 Risk management, continued

(b) Market risk, continued

(ii) Currency risk, continued

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2015:

	KZT KZT'000	EUR KZT'000	USD KZT'000	Other currencies KZT'000	Total KZT'000
ASSETS					
Cash and cash equivalents	1,049,340	5,004	84,124	136	1,138,604
Financial instruments at fair value through profit or loss	901,490	-	-	-	901,490
Available-for-sale financial assets	4,608,929	-	-	-	4,608,929
Due from banks	-	-	2,856,481	-	2,856,481
Loans to customers	5,575,118	1,852,238	1,495,710	-	8,923,066
Other financial assets	9,515,672	-	-	-	9,515,672
Total assets	**21,650,549**	**1,857,242**	**4,436,315**	**136**	**27,944,242**
LIABILITIES					
Due to banks and other financial institutions	1,188,264	-	-	-	1,188,264
Debt securities issued	10,015,708	-	5,459,826	-	15,475,534
Due to state organisations	1,792,527	-	-	-	1,792,527
Debt component of preferred shares	567,128	-	-	-	567,128
Other financial liabilities	627,608	-	-	-	627,608
Total liabilities	**14,191,235**	**-**	**5,459,826**	**-**	**19,651,061**
Net position as at 31 December 2015	**7,459,314**	**1,857,242**	**(1,023,511)**	**136**	**8,293,181**

25 Risk management, continued

(b) Market risk, continued

(ii) Currency risk, continued

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2014:

	KZT KZT'000	EUR KZT'000	USD KZT'000	Other currencies KZT'000	Total KZT'000
ASSETS					
Cash and cash equivalents	2,747,189	15,841	49,811,145	676	52,574,851
Financial instruments at fair value through profit or loss	1,632,926	-	-	-	1,632,926
Available-for-sale financial assets	4,619,155	-	-	-	4,619,155
Due from banks	36,609	-	1,828,971	-	1,865,580
Loans to customers	8,251,022	628,196	2,235,396	-	11,114,614
Finance lease receivables*	6,229,161	-	-	-	6,229,161
Other financial assets	8,570,811	-	-	-	8,570,811
Total assets	**32,086,873**	**644,037**	**53,875,512**	**676**	**86,607,098**
LIABILITIES					
Due to banks and other financial institutions	85,146	-	-	-	85,146
Due to state organisations	2,576,503	-	-	-	2,576,503
Amounts subject to Restructuring Plan	78,058,598	101,446,864	102,654,370	25,149,421	307,309,253
Amounts due on liabilities to be restructured	41,012,753	22,174,631	18,173,528	-	81,360,912
Subordinated debt	411,839	-	-	-	411,839
Debt component of preferred shares	461,657	-	-	-	461,657
Other financial liabilities	964,768	-	-	-	964,768
Total liabilities	**123,571,264**	**123,621,495**	**120,827,898**	**25,149,421**	**393,170,078**
Net position as at 31 December 2014	**(91,484,391)**	**(122,977,458)**	**(66,952,386)**	**(25,148,745)**	**(306,562,980)**

*These assets contain derivatives which become effective if the USD or EUR appreciates against KZT. These derivative assets represent foreign currency options described in Notes 16 (g).

25 Risk management, continued

(b) Market risk, continued

(ii) Currency risk, continued

A strengthening of the KZT, as indicated below, against the following currencies at 31 December 2015 and 2014 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is on a net of tax basis and is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2015		2014	
	Profit or loss KZT'000	Deficit KZT'000	Profit or loss KZT'000	Deficit KZT'000
20% appreciation of USD against KZT	(163,762)	(163,762)	(10,712,382)	(10,712,382)
20% appreciation of EUR against KZT	297,159	297,159	(19,676,393)	(19,676,393)
20% appreciation of other currencies against KZT	22	22	(4,023,799)	(4,023,799)

A weakening of the KZT against the above currencies at 31 December 2015 and 2014 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has policies and procedures for the management of credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee, which actively monitors credit risk. The credit policy is reviewed and approved by the Management Board.

The credit policy establishes:

- procedures for review and approval of loan credit applications;
- methodology for the credit assessment of borrowers (corporate and retail);
- methodology for the credit assessment of counterparties, issuers and insurance companies;
- methodology for the evaluation of collateral;
- credit documentation requirements;
- procedures for the ongoing monitoring of loans and other credit exposures.

Corporate loan credit applications are originated by the relevant client managers and are then passed on to the Loan Department, which is responsible for the corporate loan portfolio. Analysis reports are based on a structured analysis focusing on the customer's business and financial performance. The loan credit application and the report are then independently reviewed by the Risk Department and a second opinion is given accompanied by a verification that credit policy requirements are met. The Credit Committee reviews the loan credit application on the basis of submissions by the Loan Department and the Risk Department. Individual transactions are also reviewed by the Legal, Accounting and Tax departments depending on the specific risks and pending final approval of the Credit Committee.

25 Risk management, continued

(c) Credit risk, continued

The Group continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. The review is based on the customer's most recent financial statements and other information submitted by the borrower, or otherwise obtained by the Group. The current market value of collateral is regularly assessed by either independent appraisal companies or internal specialists, and in the event of negative movements in market prices the borrower is usually requested to put up additional security.

Apart from individual customer analysis, the credit portfolio is assessed by the Risk Department with regard to credit concentration and market risks.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets on the consolidated statement of financial position and unrecognised contractual commitments. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	2015 KZT'000	2014 KZT'000
ASSETS		
Cash equivalents	1,135,005	52,570,622
Financial instruments at fair value through profit or loss	901,490	1,632,926
Due from banks	2,856,481	1,865,580
Loans to customers	8,923,066	11,114,614
Finance lease receivables	-	6,229,161
Other financial assets	9,515,672	8,570,811
Total maximum exposure	**23,331,714**	**81,983,714**

For the analysis of concentration of credit risk in respect of loans to customers refer to Note 15.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity management. It is unusual for financial institutions ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The Group maintains liquidity management with the objective of ensuring that funds will be available at all times to honor all cash flow obligations as they become due. The liquidity policy is reviewed and approved by the Management Board.

The Group seeks to actively support a diversified and stable funding base comprising debt securities in issue, long-term and short-term loans from other banks, core corporate and retail customer deposits, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

25 Risk management, continued

(d) Liquidity risk, continued

The liquidity management policy requires:

- projecting cash flows by major currencies and considering the level of liquid assets necessary in relation thereto;
- maintaining a diverse range of funding sources;
- managing the concentration and profile of debts;
- maintaining debt financing plans;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any interruption to cash flow;
- maintaining liquidity and funding contingency plans;
- monitoring liquidity ratios against regulatory requirements.

The following tables show the undiscounted cash flows on financial assets and liabilities and credit related commitments on the basis of their earliest possible contractual maturity. The total gross inflow and outflow disclosed in the tables is the contractual, undiscounted cash flow on the financial asset, liability or credit related commitment. The Group's expected cash flows of these financial liabilities may vary significantly from this analysis.

25 Risk management, continued

(d) Liquidity risk, continued

The position of the Group as at 31 December 2015 is as follows:

KZT'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year	No maturity	Total gross amount of outflow	Carrying amount
Non-derivative liabilities							
Due to banks and other financial institutions	1,188,264	-	-	-	-	1,188,264	1,188,264
Debt securities issued	-	-	-	29,687,642	-	29,687,642	15,475,534
Due to state organizations	-	-	333,431	1,688,419	-	2,021,850	1,792,527
Debt component of preferred shares	5,775	-	-	-	561,353	567,128	567,128
Other financial liabilities	473,621	-	-	1,053,938	-	1,527,560	627,608
Total liabilities	**1,667,660**	**-**	**333,431**	**32,429,998**	**561,353**	**34,992,443**	**19,651,061**

The position of the Group as at 31 December 2014 is as follows:

KZT'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year	No maturity	Total gross amount of outflow	Carrying amount
Non-derivative liabilities							
Due to banks and other financial institutions	85,347	-	-	-	-	85,347	85,146
Due to state organizations	139,765	-	162,210	2,449,063	-	2,751,038	2,576,503
Amounts subject to Restructuring Plan	307,309,052	2,607	1,282	-	-	307,312,941	307,309,253
Amounts due on liabilities to be restructured	81,360,912	-	-	-	-	81,360,912	81,360,912
Subordinated debt	-	-	-	411,839	-	411,839	411,839
Debt component of preferred shares	5,775	-	-	-	455,882	461,657	461,657
Other financial liabilities	935,422	28,679	667	-	-	964,768	964,768
Total liabilities	**389,836,273**	**31,286**	**164,159**	**2,860,902**	**455,882**	**393,348,502**	**393,170,078**

25 Risk management, continued

(d) Liquidity risk, continued

The table below shows an analysis, by contractual maturities, of the amounts recognised in the consolidated statement of financial position as at 31 December 2015:

KZT'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
Financial assets								
Cash and cash equivalents	1,138,604	-	-	-	-	-	-	1,138,604
Financial instruments at fair value through profit or loss	-	-	-	241,920	478,736	2,429	178,405	901,490
Available-for-sale financial assets	-	-	-	-	-	4,608,929	-	4,608,929
Due from banks	-	-	2,856,481	-	-	-	-	2,856,481
Loans to customers	371,865	128,293	528,894	1,638,614	1,084,793	-	5,170,607	8,923,066
Other financial assets	744,409	-	5,322,528	3,351,721	-	-	97,014	9,515,672
Total assets	**2,254,878**	**128,293**	**8,707,903**	**5,232,255**	**1,563,529**	**4,611,358**	**5,446,026**	**27,944,242**
Financial liabilities								
Due to banks and other financial institutions	-	-	-	-	-	-	1,188,264	1,188,264
Debt securities issued	-	-	-	10,015,708	5,459,826	-	-	15,475,534
Due to state organisations	-	-	328,690	1,463,837	-	-	-	1,792,527
Debt component of preferred shares	5,775	-	-	-	-	561,353	-	567,128
Other financial liabilities	473,622	-	-	-	153,986	-	-	627,608
Total liabilities	**479,397**	**-**	**328,690**	**11,479,545**	**5,613,812**	**561,353**	**1,188,264**	**19,651,061**
Net position	**1,775,482**	**128,293**	**8,379,213**	**(6,247,290)**	**(4,050,283)**	**4,050,005**	**4,257,762**	**8,293,181**

25 Risk management, continued

(d) Liquidity risk, continued

The table below shows an analysis, by contractual maturities, of the amounts recognised in the consolidated statement of financial position as at 31 December 2014:

KZT'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
Financial assets								
Cash and cash equivalents	52,574,851	-	-	-	-	-	-	52,574,851
Financial instruments at fair value through profit or loss	5,215	25,099	158,536	1,033,234	386,655	2,463	21,724	1,632,926
Available-for-sale financial assets	-	-	-	-	-	4,619,155	-	4,619,155
Due from banks	-	-	1,865,580	-	-	-	-	1,865,580
Loans to customers	151,108	125,073	607,932	2,457,528	1,700,282	-	6,072,691	11,114,614
Finance lease receivables	16,740	4,227	578,102	4,087,121	-	-	1,542,971	6,229,161
Other financial assets	1,460,998	189,920	1,819,893	5,100,000	-	-	-	8,570,811
Total assets	**54,208,912**	**344,319**	**5,030,043**	**12,677,883**	**2,086,937**	**4,621,618**	**7,637,386**	**86,607,098**
Financial liabilities								
Due to banks and other financial institutions	85,146	-	-	-	-	-	-	85,146
Due to state organisations	139,765	-	158,906	2,277,832	-	-	-	2,576,503
Amounts subject to Restructuring Plan	110,818,453	12,245,150	718,292	35,958,986	25,836,009	-	121,732,363	307,309,253
Amounts due on liabilities to be restructured	-	-	-	-	-	-	81,360,912	81,360,912
Subordinated debt	-	-	-	411,839	-	-	-	411,839
Debt component of preferred shares	5,775	-	-	-	-	455,882	-	461,657
Other financial liabilities	935,422	28,679	667	-	-	-	-	964,768
Total liabilities	**111,984,561**	**12,273,829**	**877,865**	**38,648,657**	**25,836,009**	**455,882**	**203,093,275**	**393,170,078**
Net position	**(57,775,649)**	**(11,929,510)**	**4,152,178**	**(25,970,774)**	**(23,749,072)**	**4,165,736**	**(195,455,889)**	**(306,562,980)**

26 Capital management

As at 31 December 2014 the Group was in breach of capital adequacy and lending exposure covenants on due to banks, debt securities issued, Eurobonds issued through Astana Finance BV and certain loan facilities. Due to the breach of these covenants and cross default provisions due to banks and other financial institutions and debt securities issued in the total amount of KZT 313,546,244 thousand is current as at 31 December 2014.

27 Contingencies

(a) Insurance

The insurance industry in Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on its property or relating to operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

(b) Litigation

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

(c) Taxation contingencies

The taxation system in the Republic of Kazakhstan continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities who have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the five subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Republic of Kazakhstan suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Republic of Kazakhstan that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Kazakhstan tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on the financial position, if the authorities were successful in enforcing their interpretations, could be significant.

The use of special purpose entities (SPEs), in which the Group does not hold any direct or indirect equity interest, but which are related parties, for tax reduction purposes may not comply with applicable tax legislation. Management of these SPEs is responsible for the correctness and timeliness of the tax payments by the SPEs. However, the Group may also indirectly be held responsible.

Based on the facts available, no provision for potential tax liabilities is made in these consolidated financial statements, as management believes that it is not likely that an outflow of funds will be required to settle such obligations.

(d) Revocation of "AF Bank" OJSC license

On 17 April 2014 the Central Bank of the Russian Federation (the "CBRF") revoked the license for banking operations of the Group Russian subsidiary AF Bank OJSC (the "AF Bank"). The license was revoked due to AF Bank's noncompliance with the federal laws of the Russian Federation governing the banking activity and the CBRF regulations; decrease of capital adequacy ratio below 2%; noncompliance with minimum charter capital requirements set by the CBRF and inability to meet its obligations to creditors.

27 Contingencies, continued

(d) Revocation of "AF Bank" OJSC license, continued

By the decision of the Arbitrage Court of the Republic of Bashkortostan dated 7 July 2014 AF Bank was recognised as bankrupt. Following revocation of the license, the Group lost control of its subsidiary and derecognized all assets and liabilities held for sale as at 31 December 2014, as it is now being managed by the Deposit Insurance Agency, a Russian governmental organization

At the date of approval of financial statements, the Deposit Insurance Agency has conducted inventory count and valuation of AF Bank's property. Settlements are being made with the first-priority creditors and measures are being taken to recover overdue loans and contest the suspicious transactions. Electronic trades in the form of an open auction with a closed form of submission of bids for sold property were conducted during the period from 20 March to 7 June 2016. The court hearing on the results of the bankruptcy administrator will be held on 21 December 2016.

According to paragraph 1 of Article 2 of the Federal Law of the Russian Federation "On Joint Stock Companies", the Company, being the shareholder of AF Bank, shall not normally be liable for the obligations of AF Bank, and shall bear the risk of losses associated with its activity only to the extent of the value of shares owned by the Company.

However, according to the paragraph 3 of Article 3 of the Federal Law of the Russian Federation "On Joint Stock Companies", if the insolvency (or bankruptcy) of a company is caused by the actions or inactions of its shareholders or other persons who have the right to issue instructions to shareholders or have the power to determine their actions, then such shareholders or other persons may, if the company lacks sufficient assets, be held vicariously liable for its obligations. The insolvency (or bankruptcy) of a company is considered to be caused by the actions or inactions of its shareholders or other persons only when they have exercised such right and/or power, and knowing in advance that the consequence of carrying out such actions would result in the company's insolvency (or bankruptcy).

Management is still in the process of evaluating the effects of the revocation of AF Bank OJSC license on the Group. At the date of approval of the financial statements, the Group's management does not have access to the books and records of AF Bank, and is therefore unable to undertake a full assessment of the risk that it may be held liable for the actions of AF Bank. Whilst there is a possible risk, management has no information to suggest that the Group acted in a way that would cause it to be held liable, and has made no provision for losses in respect of any possible claim.

28 Related party transactions

(a) Control relationships

In accordance with the Restructuring Plan, global depository receipts, under which 99% of the Company's ordinary shares are the underlying asset, were distributed to the holders of International Claims. As a result The Bank of New York Mellon is the registered holder of 99.21 per cent of the Company's total share capital and acts as an agent for the holders of the GDRs owned by the International Claimants (Note 1(a)).

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

Total remuneration included in personnel expenses for the year ended 31 December is as follows:

	2015 KZT'000	**2014 KZT'000**
Short term employee benefits	631,948	252,858
	631,948	**252,858**

These amounts include non-cash benefits in respect of the members of the Board of Directors and the Management Board.

28 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 December for transactions with the members of the Board of Directors and the Management Board are as follows:

	2015 KZT'000	Average interest rate, %	2014 KZT'000	Average interest rate, %
Consolidated statement of financial position				
ASSETS				
Loans to customers	-	-	3,604	11.00

The loans are in Kazakhstan tenge and Russian rubles and are repayable in 2013-2019.

Amounts included in profit or loss in relation to transactions with members of the Board of Directors and the Management Board for the year ended 31 December are as follows:

	2015 KZT'000	2014 KZT'000
Profit or loss		
Interest income	111	496

28 Related party transactions, continued

(c) Transactions with other related parties

Other related parties include shareholders, associate companies and state organisations. During 2015 there has been a change in the shareholders' structure of the Group, as a result there are no other related parties as at 31 December 2015.

The outstanding balances and the related average interest rates as at 31 December 2014 and related profit or loss amounts of transactions for the year ended 31 December 2014 with other related parties are as follows.

	Entities with significant influence over the Group		Associates		Other*		
	KZT'000	Average interest rate, %	KZT'000	Average interest rate, %	KZT'000	Average interest rate, %	Total KZT'000
Consolidated statement of financial position							
ASSETS							
Cash and cash equivalents	-	-	-	-	1,272	-	1,272
LIABILITIES							
Due to state organisations	-	-	-	-	2,576,503	0.01-5.00	2,576,503
Debt securities issued	30,943,720	7.50-9.80	-	-	-	-	30,943,720
Subordinated debt	20,688,880	6.90-11.00	-	-	1,233,298	8.00	21,922,178
Other liabilities	31,172,720	-	-	-	1,186,547	-	32,359,267
Profit (loss)							
Interest income	-		157,335		-		157,335
Interest expense	-		-		(282,192)		(282,192)
Other finance charges	(462,627)		-		-		(462,627)
Other general and administrative expenses	(18)		-		(25,325)		(25,343)

* - other related parties include subsidiaries of Sovereign Wealth Fund "Samruk-Kazyna" JSC.

28 Related party transactions, continued

(c) Transactions with other related parties, continued

Completeness and accuracy of related party disclosures

The current management has made all reasonable efforts in identifying the completeness of related parties for the year ended 31 December 2014. However, due to several factors including significant changes in management, and changes in the make-up of related parties due to the economic environment in Kazakhstan, management has found it necessary to make assumptions based on the nature of transactions to conclude on whether or not those transactions were with related parties, and therefore there remains a possibility that the current disclosure does not present all transactions with related parties or in some cases may include transactions or balances which are not related.

29 Financial assets and liabilities: fair values and accounting classifications

(a) Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of financial assets and liabilities as at 31 December 2015:

KZT'000	Financial instruments at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Other amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	1,138,604	-	-	1,138,604	1,138,604
Financial instruments at fair value through profit or loss	901,490	-	-	-	901,490	901,490
Available-for-sale financial assets	-	-	4,608,929	-	4,608,929	4,608,929
Due from banks	-	2,856,481	-	-	2,856,481	2,856,481
Loans to customers	-	8,923,066	-	-	8,923,066	8,483,184
Other financial assets	-	9,515,672	-	-	9,515,672	9,515,672
	901,490	**22,433,823**	**4,608,929**	**-**	**27,944,242**	**27,504,360**
Due to banks and other financial institutions	-	-	-	1,188,264	1,188,264	1,188,264
Due to state organisations	-	-	-	1,792,527	1,792,527	1,792,527
Debt securities issued	-	-	-	15,475,534	15,475,534	15,475,534
Debt component of preferred shares	-	-	-	567,128	567,128	567,128
Other financial liabilities	-	-	-	627,608	627,608	627,608
	-	**-**	**-**	**19,651,061**	**19,651,061**	**19,651,061**

29 Financial assets and liabilities: fair values and accounting classifications, continued

(a) Accounting classifications and fair values, continued

The table below sets out the carrying amounts and fair values of financial assets as at 31 December 2014:

KZT'000	Financial instruments at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Other amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	52,574,851	-	-	52,574,851	52,574,851
Financial instruments at fair value through profit or loss	1,632,926	-	-	-	1,632,926	1,632,926
Available-for-sale financial assets	-	-	4,619,155	-	4,619,155	4,619,155
Due from banks	-	1,865,580	-	-	1,865,580	1,865,580
Loans to customers	-	11,114,614	-	-	11,114,614	10,347,315
Finance lease receivables	-	6,229,161	-	-	6,229,161	6,229,161
Other financial assets	-	8,570,811	-	-	8,570,811	8,570,811
	1,632,926	**80,355,017**	**4,619,155**	**-**	**86,607,098**	**85,839,799**
Due to banks and other financial institutions	-	-	-	85,146	85,146	85,146
Due to state organisations	-	-	-	2,576,503	2,576,503	2,576,503
Amounts subject to Restructuring Plan	-	-	-	307,309,253	307,309,253	307,309,253
Amounts due on liabilities to be restructured	-	-	-	81,360,912	81,360,912	81,360,912
Subordinated debt	-	-	-	411,839	411,839	411,839
Debt component of preferred shares	-	-	-	461,657	461,657	461,657
Other financial liabilities	-	-	-	964,768	964,768	964,768
	-	**-**	**-**	**393,170,078**	**393,170,078**	**393,170,078**

29 Financial assets and liabilities: fair values and accounting classifications, continued

(a) Accounting classifications and fair values, continued

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using other valuation techniques.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

For more complex instruments, the Group uses proprietary valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain loans and securities for which there is no active market, certain over the counter structured derivatives, and retained interests in securitisations.

It was not practicable to determine fair values of liabilities subject to restructuring due to a significant range of different settlement options.

(b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

29 Financial assets and liabilities: fair values and accounting classifications, continued

(b) Fair value hierarchy, continued

The control framework implemented by the Group includes preparation of fair value measurements by the responsible front-office specialists and subsequent review by the Head of corresponding department. Specific controls implemented by the Group include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models Head of the corresponding front-office;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous reporting period.

The table below analyses financial instruments measured at fair value at 31 December 2015, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position:

KZT'000	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss			
- Fixed income instruments	81,124	817,937	899,061
- Equity investments	2,429	-	2,429
Available-for-sale financial assets			
- Equity investments	162,474	-	162,474
	246,027	**817,937**	**1,063,964**

The table below analyses financial instruments measured at fair value at 31 December 2014, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

KZT'000	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss			
- Fixed income instruments	99,566	1,207,506	1,307,072
- Equity investments	2,463	-	2,463
- Derivative assets	-	323,391	323,391
Available-for-sale financial assets			
- Fixed income instruments	143,691	-	143,691
- Equity investments	289,697	449	290,146
	535,417	**1,531,346**	**2,066,763**

29 Financial assets and liabilities: fair values and accounting classifications, continued

(b) Fair value hierarchy, continued

The following table shows reconciliation for the years ended 31 December 2015 and 2014 for fair value measurements in Level 3 of the fair value hierarchy:

	Financial instruments at fair value through profit or loss	
KZT'000	**2015**	**2014**
Balance at beginning of the year	1,531,346	1,724,099
Total gains or losses in profit or loss	(400,760)	658,741
Total gains or losses in profit or loss relating to discontinued operations (Note 30)	(249,136)	-
Disposal of subsidiary (Note 30)	(99,198)	-
Reclassification to other assets	(5,459)	(5,462)
Settlements	41,144	(846,032)
Balance at end of the year	**817,937**	**1,531,346**

Total gains or losses included in profit or loss for the year ended 31 December 2015 and 2014 in the above tables are presented in the statement of profit or loss and other comprehensive income as follows:

	Level 3 Debt and other fixed income instruments	
KZT'000	**2015**	**2014**
Total gains or losses included in profit or loss for the period:		
Net (loss)/gain on financial instruments at fair value through profit or loss	(400,760)	658,741

The table below sets out information about significant unobservable inputs used at year end in the measuring financial instruments categorised as Level 3 in the fair value hierarchy as at 31 December 2015:

Type of instrument	Fair values	Valuation technique	Significant unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Financial instruments at fair value through profit or loss	817,937	Discounted cash flow	Risk adjusted discount rate	Spread of 26.42% - 68.64% above risk free rate	Increase in the spread above risk free rate would result in lower fair value.

29 Financial assets and liabilities: fair values and accounting classifications, continued

(b) Fair value hierarchy, continued

The table below sets out information about significant unobservable inputs used at year end in the measuring financial instruments categorised as Level 3 in the fair value hierarchy as at 31 December 2014:

Type of instrument	Fair values	Valuation technique	Significant unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Financial instruments at fair value through profit or loss	323,391	Option model	Volatility of FX rate	USD: 12.99% EUR: 14.14%	Increase in volatility would result in higher fair value.
Financial instruments at fair value through profit or loss	1,207,506	Discounted cash flow	Risk adjusted discount rate	Spread of 13.03% - 20.77% above risk free rate	Increase in the spread above risk free rate would result in lower fair value.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects as at 31 December 2015:

KZT'000	Effect on profit or loss	
	Favourable	Unfavourable
- Fixed income instruments	41,107	(39,067)
Total	**41,107**	**(39,067)**

For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects as at 31 December 2014:

KZT'000	Effect on profit or loss	
	Favourable	Unfavourable
- Fixed income instruments	41,812	(39,719)
- Embedded derivative	19,362	(7,003)
Total	**61,174**	**(46,722)**

The favourable and unfavourable effects of using reasonably possible alternative assumptions are calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles respectively of the Company's ranges of possible estimates.

29 Financial assets and liabilities: fair values and accounting classifications, continued

(b) Fair value hierarchy, continued

Key inputs and assumptions used in the models as at 31 December 2015 and 2014:

- Changing the volatility by 50%
- Changing in spread between risk-free rates by 0.5

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2015:

KZT'000	Level 2	Level 3	Total fair values	Total carrying amount
Assets				
Cash and cash equivalents	1,138,604	-	1,138,604	1,138,604
Due from banks	2,856,481	-	2,856,481	2,856,481
Loans customers	576,258	7,906,926	8,483,184	8,923,066
Other financial assets	9,515,672	-	9,515,672	9,515,672
Liabilities				
Due to banks and other financial institutions	1,188,264	-	1,188,264	1,188,264
Due to state organisations	1,792,527	-	1,792,527	1,792,527
Debt securities issued	-	15,475,534	15,475,534	15,475,534
Other financial liabilities	627,608	-	627,608	627,608

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2014:

KZT'000	Level 2	Level 3	Total fair values	Total carrying amount
Assets				
Cash and cash equivalents	52,574,851	-	52,574,851	52,574,851
Due from banks	1,865,580	-	1,865,580	1,865,580
Loans customers	817,312	9,530,003	10,347,315	11,114,614
Finance lease receivables (except for embedded derivative)	-	6,229,161	6,229,161	6,229,161
Other financial assets	8,570,811	-	8,570,811	8,570,811
Liabilities				
Due to banks and other financial institutions	85,146	-	85,146	85,146
Due to state organisations	2,576,503	-	2,576,503	2,576,503
Amounts subject to Restructuring Plan	307,309,253	-	307,309,253	307,309,253
Amounts due on liabilities to be restructured	81,360,912	-	81,360,912	81,360,912
Subordinated debt	411,839	-	411,839	411,839
Other financial liabilities	964,768	-	964,768	964,768

The fair values of loans to customers and finance lease receivables disclosed under Level 3 category are determined using discounted cash flows model.

30 Discontinued operations

On 12 August 2015 the Company and "Standard Leasing" LLP signed an agreement for "Standard Leasing" LLC to acquire 100% of the shares of JSC "Leasing Company" Astana-Finance". According to the shares purchase agreement JSC "Leasing Company" Astana-Finance " transferred its loan payable to "Astana Finance" JSC for the total amount of KZT 6,283,126 thousand to the new shareholder. The loan has to be repaid in three installments with the last payment on 31 December 2017 (Note 20).

The above subsidiary was not previously classified as a discontinued operation. The comparative consolidated statement of comprehensive income has therefore been restated to show the discontinued operations separately from continuing operations (Note 2(d)). The results of discontinued operations in 2015 and 2014 were as follows:

	1 January 2015 - the date of disposal	2014
KZT'000		
Interest income	562,549	2,163,788
Interest expense	(167,462)	(508,471)
Net interest income	**395,087**	**1,655,317**
Net (loss)/gain on financial instruments at fair value through profit or loss	(249,136)	469,429
Net foreign exchange loss	(35,962)	(967,935)
Other operating income/(expense)	632,562	(159,359)
Operating income	**742,551**	**997,452**
Impairment losses	(652,783)	(295,925)
General administrative expenses	(400,270)	(930,991)
Loss before income tax	**(310,502)**	**(229,464)**
Income tax expense	-	(10,052)
Loss for the year	**(310,502)**	**(239,516)**
Loss from sale of discontinued operation	(7,204,549)	-
Net loss from discontinued operations	**(7,515,051)**	**(239,516)**

Cash flows from discontinued operations were as follows:

	1 January 2015 - the date of disposal	2014
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	526,509	3,754,957
Net cash from investing activities	53,079	(22,087)
Net cash used in financing activities	(6,500,000)	-
Net cash flows for the year	**(5,920,412)**	**3,732,870**

30 Discontinued operations, continued

The disposal of "Leasing Company Astana Finance" JSC subsidiary had the following effect on assets and liabilities at the date of disposal:

KZT'000	Carrying amount at the date of disposal
ASSETS	
Cash and cash equivalents	576,062
Financial instruments at fair value through profit or loss	99,198
Receivables under finance leases	4,525,432
Accounts receivable	1,547,382
Current tax asset	48,795
Assets to be transferred under finance leases	4,544,540
Foreclosed assets	302,395
Property, plant and equipment and intangible assets	439,678
Investment property	427,540
Advances paid	20,944
Other assets	38,502
LIABILITIES	
Other liabilities	(194,342)
Net assets and liabilities	**12,376,126**
Consideration received, satisfied in cash	2,000,000
Consideration to be received (Note 20)	3,171,577
Cash and cash equivalents disposed of	(576,062)
Net cash inflow	**1,423,938**

Loss from sale of discontinued operation is calculated as following:

	KZT'000
Total consideration	5,171,577
Net assets disposed	(12,376,126)
Loss from sale of discontinued operations	**(7,204,549)**