UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________ to _________

Commission File Number **001-33034**

BMB MUNAI, INC.
(Exact name of registrant as specified in its charter)

Nevada	**30-0233726**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
324 South 400 West, Suite 250 **Salt Lake City, Utah**	**84101**
(Address of principal executive offices)	(Zip Code)

(801) 355-2227
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)
Yes ☐ No ☒

As of November 11, 2016, the registrant had 280,339,467 shares of common stock, par value $0.001, issued and outstanding.

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PART I – FINANCIAL INFORMATION

Item 1 – Unaudited Condensed Consolidated Financial Statements

BMB MUNAI, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	September 30, 2016	March 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 139,551	$ 99,678
Restricted cash	8,533,566	8,533,566
Prepaid expenses	2,006	50,375
Total current assets	8,675,123	8,683,619
NON-CURRENT ASSETS		
Fixed assets, net	3,752	5,431
Total non-current assets	3,752	5,431
TOTAL ASSETS	**$ 8,678,875**	**$8,689,050**
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 238,783	$ 50,229
Accrued payroll and other liabilities	7,131	-
State taxes payable	-	100
Deferred distribution payments	8,533,566	8,533,566
Total current liabilities	8,779,480	8,583,895
SHAREHOLDERS' DEFICIT		
Preferred stock - $0.001 par value; 20,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock - $0.001 par value; 500,000,000 shares authorized; 280,339,467 shares issued and outstanding as of September 30, 2016 and March 31, 2016, respectively	280,340	280,340
Additional paid in capital	585,448	455,448
Accumulated deficit	(966,393)	(630,633)
Total shareholders' deficit	(100,605)	105,155
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**$ 8,678,875**	**$8,689,050**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BMB MUNAI, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended		Six months ended	
	September 30, 2016 (unaudited)	September 30, 2015 (unaudited)	September 30, 2016 (unaudited)	September 30, 2015 (unaudited)
REVENUES	$ -	$ -	$ -	$ -
OPERATING EXPENSES				
Professional fees	41,048	67,447	198,563	155,045
General and administrative	44,570	64,957	137,494	127,239
Depreciation	839	894	1,679	1,679
Total operating expenses	86,457	133,298	337,736	283,963
LOSS FROM OPERATIONS	(86,457)	(133,298)	(337,736)	(283,963)
OTHER INCOME				
Interest income, net	997	22	1,976	43
Total other income	997	22	1,976	43
LOSS BEFORE INCOME TAX	(85,460)	(133,276)	(335,760)	(283,920)
Income tax expense	-	(305)	-	(405)
NET LOSS	$ (85,460)	$ (133,581)	$ (335,760)	$ (284,325)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Weighted average shares outstanding	280,339,467	224,551,913	280,339,467	224,551,913

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BMB MUNAI, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended September 30, 2016 (unaudited)	Six months ended September 30, 2015 (unaudited)
Cash flows from operating activities		
Net loss	$ (335,760)	$ (284,325)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation expense	1,679	1,679
Changes in operating assets and liabilities:		
Prepaid expenses	48,369	(2,115)
Accounts payable	188,554	515
Accrued payroll and other liabilities	7,131	(4,700)
State tax payable	(100)	-
Deferred tax payable	-	405
Net cash used in operating activities	(90,127)	(288,541)
Cash flows from investing activities		
Purchase of fixed assets	-	(215)
Net cash used in investing activities	-	(215)
Cash flows from financing activities		
Capital contributions	130,000	-
Net cash from financing activities	130,000	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	**39,873**	**(288,756)**
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**8,633,244**	**402,718**
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 8,673,117**	**$ 113,962**
Supplemental disclosure of cash flows for:		
Cash paid for interest	**$** -	**$** -
Cash paid for income taxes	**$** 100	**$** -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1 – Description of Business

FFIN Securities, Inc. ("FFIN") was incorporated in the state of Nevada on August 25, 2014, for the purpose of primarily serving brokerage clients referred from foreign brokerage firms under common ownership as part of a strategy to provide foreign customers with access to the U.S. securities markets. FFIN is currently determining whether to submit a new application to become a member of Financial Industry Regulatory Authority, Inc. ("FINRA") and a licensed securities broker-dealer with the United States Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Currently we anticipate FFIN will submit a new application to FINRA, but there is no guarantee that it will do so. If FFIN determines to submit a new application for broker-dealer registration, we anticipate it would do so before March 31, 2017.

BMB Munai, Inc. ("BMBM") is a Nevada corporation that originally incorporated in the state of Utah in 1981. From 2003 to 2011, BMBM's business activities focused on oil and natural gas exploration and production in the Republic of Kazakhstan through its then wholly-owned subsidiary Emir Oil LLP ("Emir Oil"). In September 2011, BMBM sold all of its interest in Emir Oil, including its right, title, and interest in and to the oil and gas licenses and licensed territory owned by Emir Oil, to an independent third party for cash of about $170 million. The proceeds of the sale were used to, among other things, repay outstanding obligations, satisfy certain post-closing undertakings, meet ongoing expenses, and make two separate cash distributions totaling approximately $74,750,000 to its stockholders.

On November 23, 2015, BMBM entered into a Share Exchange and Acquisition Agreement with Timur Turlov (the "Acquisition Agreement") with the intent to build an international, broadly based brokerage and financial services firm to meet the growing demand from an increasing number of investors in Russia and Kazakhstan for access to the financial opportunities, relative stability, and comprehensive regulatory reputation of the U.S. securities markets.

Pursuant to the Acquisition Agreement, BMBM acquired all of the issued and outstanding common stock of FFIN from Mr. Turlov in exchange for 224,551,913 shares of BMBM common stock, which constituted approximately 80.1% of BMBM's outstanding common stock after giving effect to the transaction. BMBM and its wholly-owned subsidiary FFIN are collectively referred to herein as the "Company" unless otherwise specifically indicated or as is otherwise contextually required.

The Acquisition Agreement also provides, subject to the satisfaction of various closing conditions, for the possible acquisition by the Company of Mr. Turlov's 100% equity interests in Investment Company Freedom Finance LLC, a Russian limited company ("Freedom RU"), and the securities brokerage and financial services business conducted by it in Russia, and its wholly owned subsidiary, Freedom Finance JSC, a Kazakhstan joint stock company ("Freedom KZ"), and the securities brokerage and financial services business conducted by it in Kazakhstan, and FFINEU Investments Limited, a Cyprus limited company ("Freedom CY") and the securities brokerage and financial services business conducted by Freedom CY. Freedom RU, Freedom KZ, and Freedom CY and the securities brokerage and financial services businesses conducted by each of them, in each case, are collectively referred to herein as the "Freedom Companies" unless otherwise specifically indicated or as is otherwise contextually required. The acquisition of the Freedom Companies is not contingent upon FFIN's decision to pursue licensure to operate as a broker-dealer in the U.S. or whether FFIN is ultimately successful in becoming a U.S. registered broker-dealer in the event it elects to continue to pursue licensure.

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business one year from September 30, 2016. The Company has incurred a loss since inception resulting in an accumulated deficit of $966,393 as of September 30, 2016, and further losses are anticipated in the development of its business, raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand, capital contributions from Mr. Turlov and/or a private placement of Company common stock.

There is no guarantee that the Company will be able to raise any capital through any type of offering or to receive additional capital contributions from Mr. Turlov.

As a result of the closing of the acquisition of FFIN, Mr. Turlov was issued approximately 80.1% of the outstanding common stock of BMBM after giving effect to the transaction. He was also appointed as the Company's Chief Executive Officer and Chairman of the board of directors. The Company has determined to treat the acquisition of FFIN as a reverse merger and recapitalization, with FFIN as the acquirer for accounting purposes. Consequently, the assets and liabilities and the historical operations that are reflected in the Company's financial statements are those of FFIN. These financial statements are presented as a continuation of FFIN. The equity of FFIN is presented as the equity of the combined company and the capital stock account of FFIN is adjusted to reflect the par value of the issued and outstanding common stock of the Company, being the legal acquirer, after giving effect to the number of shares issued in connection with the acquisition of FFIN.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Company's consolidated financial statements present the consolidated results of FFIN Securities, Inc., including the results of its parent, BMB Munai, Inc., starting November 24, 2015. All significant inter-company balances and transactions have been eliminated from the consolidated financial statements.

Accounting Principles

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and pursuant to the rules and regulations of the SEC. Accordingly, they are condensed and do not include all of the information and notes required by US GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair and comparable presentation have been included and are of a normal recurring nature. The accompanying financial statements should be read in conjunction with the Company's most recent audited annual financial statements included in its annual report on Form 10-K filed with the SEC on July 14, 2016. Operating results for the six-month period ended September 30, 2016, are not necessarily indicative of the results that may be expected for the year ending March 31, 2017.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

Revenue and Expense Recognition

Subject to compliance with regulatory requirements and the commencement of securities broker-dealer activities, revenues and expenses from all securities transactions will be recorded on the trade date of the transaction. The Company does not participate in any proprietary securities transactions. For the six months ended September 30, 2016 and 2015, the Company had not yet established an ongoing source of revenue sufficient to cover its operating costs as it determines whether to continue to pursue the application and licensure process to become a registered broker-dealer in the United States.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly liquid investments with maturities of three months or less at the date of purchase.

Fixed Assets

Fixed assets are carried at cost, net of accumulated depreciation. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range between three and seven years.

Advertising Expense

For the six months ended September 30, 2016 and 2015, the Company has had no expenses related to advertising. The Company does not anticipate engaging in any advertising activities in the United States for brokerage services until after regulatory approval is received. At that point all costs associated with advertising will be expensed in the period incurred.

Impairment of Long Lived Assets

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Company periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost of disposal. As of September 30, 2016 and March 31, 2016, the Company had not recorded any charges for impairment of long-lived assets.

Income Taxes

The Company recognizes deferred tax liabilities and assets based on the difference between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

Income tax expense differs from amounts that would be calculated by applying the federal statutory rate because of the federal surtax, state income tax rates, certain nondeductible expenses, and net operating loss carrybacks, if any.

The Company will include interest and penalties arising from the underpayment of income taxes in the statement of operations in the provision for income taxes. As of September 30, 2016 and March 31, 2016, the Company had no accrued interest or penalties related to uncertain tax positions. Tax years that remain subject to examination are years 2012 through 2015.

Financial Instruments

Financial instruments include employee receivables, prepaid expenses, accounts payable, and accrued expenses. Management estimates that the carrying amount of these financial instruments represents their fair values, which were determined by their near term nature or by comparable financial instruments' market value.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers." Revenue is an important number to users of financial statements in assessing an entity's financial performance and position. Previous revenue recognition guidance in US GAAP comprised broad revenue recognition concepts together with numerous revenue requirements for particular industries or transactions, which sometimes resulted in different accounting for economically similar transactions. Accordingly, the FASB and the International Accounting Standards Board (IASB) initiated a joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for US GAAP and International Financial Reporting Standards (IFRS) that would:

1. Remove inconsistencies and weaknesses in revenue requirements.
2. Provide a more robust framework for addressing revenue issues.
3. Improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets.
4. Provide more useful information to users of financial statements through improved disclosure requirements.
5. Simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer.

To meet these objectives, the FASB is amending the FASB Accounting Standards Codification (ASC) and creating a new Topic 606, "Revenue from Contracts with Customers." The Company will be evaluating the impact of ASU 2014-09 as it pertains to the Company's financial statements and other required disclosures on an ongoing basis until its eventual adoption and incorporation.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The amendments in this update define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and provides related footnote disclosure requirements. Under US GAAP, financial statements are prepared under the presumption that the reporting organization will continue to operate as a going concern, except in limited circumstances. Financial reporting under this presumption is commonly referred to as the going concern basis of accounting. The going concern basis of accounting establishes the fundamental basis for measuring and classifying assets and liabilities. This update provides guidance on when there is substantial doubt about an organization's ability to continue as a going concern and how the underlying conditions and events should be disclosed in the footnotes. It is intended to reduce diversity that existed in footnote disclosures because of the lack of guidance about when substantial doubt existed. The amendments in this update are effective for the Company beginning in the first quarter of 2017. Early application is permitted. The Company is currently evaluating the effect that the updated standard will have on its consolidated financial statements and related disclosures.

In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis." The amendment eliminates the deferral of certain consolidation standards for entities considered to be investment companies and modifies the consolidation analysis performed on certain types of legal entities. The guidance is effective beginning January 1, 2017 and early adoption is permitted. The Company is currently evaluating the impact of the new guidance on the Company's consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes." This new guidance requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the new guidance. The new guidance is effective for the Company on April 1, 2017, with early adoption permitted as of the beginning of an interim or annual reporting period. The new guidance may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company is evaluating the impact that the new guidance will have on its consolidated financial statements and related disclosures.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This ASU requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income unless the investments qualify for the new practicability exception. Entities will also have to record changes in instrument-specific credit risk for financial liabilities measured under the fair value option in other comprehensive income. In addition, entities will be required to present enhanced disclosures of financial assets and financial liabilities. The guidance is effective beginning January 1, 2018, with early adoption of certain provisions of the ASU permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." This ASU requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures. Accounting guidance for lessors is largely unchanged. The guidance is effective beginning January 1, 2019, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

Note 3 – Cash and Cash Equivalents

As of September 30, 2016 and March 31, 2016, the cash balance totaled $8,673,117 and $8,633,244, respectively.

The Company is exposed to concentrations of credit risk related to cash deposits. The Company maintains cash at a financial institution where the total cash balance is insured by the Federal Deposit Insurance Corporation ("FDIC") up to its limit. At any given time, the Company's cash balance may exceed the balance insured by the FDIC. As of September 30, 2016 and March 31, 2016, $8,422,815 and $8,332,244, respectively, of the Company's cash was in excess of FDIC limits.

As of September 30, 2016 and March 31, 2016, the cash balance included restricted cash in the amount of $8,533,566, respectively, which corresponds to the deferred distribution payments liability.

Note 4 – Shareholders' Equity

Shareholder Distributions

Following the sale for cash in September 2011, of BMBM's oil and gas assets in operations in Kazakhstan, BMBM distributed the net proceeds to its shareholders. As of September 30, 2016 and March 31, 2016, distributions aggregating $8,533,566, respectively, have not been completed to certain shareholders pending the completion of necessary documentation of such shareholders' ownership of the stock on which the distribution is based.

Note 5 – Related Party Transactions

During the six months ended September 30, 2016, Mr. Turlov made a capital contribution of $130,000 to the Company. At the time such contribution was made, Mr. Turlov was the Chief Executive Officer, Chairman of the board, and majority shareholder of the Company.

Note 6 – Lease Commitments

FFIN entered into a lease agreement on January 1, 2015, for office space that expires in 30 months. At September 30, 2016, the future minimum lease payments under the lease are as follows:

Lease commitments

Fiscal year ended March 31, 2017	$ 14,373
Fiscal year ended March 31, 2018	7,187
Total	$ 21,560

FFIN's rent expense for its office space was $15,272 and $ 13,950, for the six months ended September 30, 2016 and 2015, respectively.

BMBM leases office space on a month-to-month basis for $250 per month.

Note 7 – Commitments and Contingent Liabilities

The Company had the following significant commitments and contingencies as of September 30, 2016:

Contractual obligations	Payments Due By Period Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Initial cash distribution payable[1]	$ 6,620,623	$ 6,620,623[2]	$ -	$ -	$ -
Second cash distribution payable[1]	1,912,943	1,912,943[2]	-	-	-
Office lease[3]	21,560	14,373	7,187	-	-
TOTAL	$ 8,555,126	$ 8,547,939	$ 7,187	$ -	$ -

(1) See Note 4 – *Shareholders' Equity* for additional information regarding the initial cash distribution payable and the second cash distribution payable.

(2) These distributions are currently payable, subject to the entitled shareholders completing and submitting to the Company the necessary documentation to claim his, her or its distribution payments. The Company has no control over when, or if, an entitled shareholder will submit the necessary documentation to claim his, her, or its distribution payment.

(3) FFIN entered into a lease agreement on January 1, 2015, for office space that expires in June 2017.

Note 8 – Subsequent Events

The Company evaluated all material events and transactions that occurred after September 30, 2016 through November 14, 2016, the date these financial statements were available to be issued. During this period the Company did not have any material recognizable subsequent events, except as described below.

On November 7, 2016, Mr. Turlov made a $70,000 capital contribution to the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to assist you in understanding our results of operations and our present financial condition. Our unaudited condensed consolidated financial statements and the accompanying notes included in this Quarterly Report on Form 10-Q contain additional information that should be referred to when reviewing this material and this document should be read in conjunction with our financial statements and the related notes contained elsewhere in this report and in our other filings with the U.S. Securities and Exchange Commission (the "SEC"), including our annual report on Form 10-K filed on July 14, 2016.

Throughout this report, unless otherwise indicated by the context, references herein to "we," our," and "us" mean BMB Munai, Inc., a Nevada corporation, and our subsidiaries and predecessors. Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations all references to dollar amounts ($) refers to U.S. dollars unless otherwise indicated.

Special Note About Forward-Looking Information

Certain information included herein contains statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") such as statements relating to our anticipated revenues, gross margin and operating results, estimates used in the preparation of our financial statements, future performance and operations, plans for future expansion, capital spending, sources of liquidity, and financing sources. Forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ from those expressed in any forward-looking statements made herein. These forward-looking statements can sometimes be recognized by the use of words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," and similar expressions. Such statements are subject to known and unknown risks, uncertainties, and other factors, including the meaningful and important risks and uncertainties discussed in this report. These forward-looking statements are based on the beliefs of management as well as assumptions made by and information currently available to management. These statements include, among other things:

- the ability of our subsidiary to become a member of FINRA and licensed with the SEC and state securities authorities to transact business as a registered securities broker-dealer in the United States, should it elect to pursue such registration;

- the ability of our acquisition targets to obtain necessary regulatory approvals to maintain their foreign licensing in connection with the transfer of ownership from the current owner to us;

- the ability of our acquisition targets to prepare required financial statements in accordance with generally accepted accounting standards (GAAS) and generally accepted accounting practices in the United States (US GAAP);

- our ability to launch operations as a fully functioning securities broker-dealer able to serve our proposed customers;
- our ability to attract and retain key management and other properly licensed and experienced personnel to satisfy applicable regulatory standards;
- our financial performance, including our limited operating history;
- possible lack of interest by foreign investors to invest in securities of U.S. publicly traded companies; and
- our ability to comply with the extensive and pervasive regulatory requirements in the various jurisdictions where we may operate.

Although we have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause the forward-looking statements not to come true as described in this report. These forward-looking statements are only predictions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially.

You should not rely on forward-looking statements as predictions of future events. While we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance and achievements. Moreover, neither we nor any other person assumes any responsibility for the accuracy and completeness of these statements or undertakes any obligation to revise these forward-looking statements to reflect events and circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Overview

As discussed in Note 1 – *Description of Business* of the notes to our unaudited condensed consolidated financial statements accompanying this report, on November 23, 2015, we entered into the Acquisition Agreement pursuant to which we acquired all of the issued and outstanding common stock of FFIN Securities, Inc., a Nevada corporation ("FFIN") from Timur Turlov in exchange for 224,551,913 shares of our common stock, which comprised approximately 80.1% of our outstanding common stock after giving effect to the transaction. We entered into the Acquisition Agreement with the intent to build an international, broadly based brokerage and financial services firm to meet the growing demand from an increasing number of investors in Russia and Kazakhstan for access to the financial opportunities, relative stability, and comprehensive regulatory reputation of the U.S. securities markets.

The Acquisition Agreement provides, subject to the satisfaction of various closing conditions, for the possible acquisition by us of Mr. Turlov's 100% equity interests in Investment Company Freedom Finance LLC, a Russian limited company ("Freedom RU"), Freedom RU's wholly owned subsidiary, Freedom Finance JSC, a Kazakhstan joint stock company ("Freedom KZ"), FFINEU Investments Limited, a Cyprus limited company ("Freedom CY") (collectively, the "Freedom Companies"), and the securities brokerage and financial services businesses conducted by them. We believe the Freedom Companies serve an emerging capitalistic and investing segment of the economies of Russia and Kazakhstan that is interested in saving, investing, and diversifying risk through foreign investment. Under the existing regulatory regimes in Russia and Kazakhstan, Freedom RU and Freedom KZ are limited in their ability to grant their customers access to the U.S. securities markets.

Mr. Turlov is seeking a more sustainable, long-term strategy to allow his customer base in Russia and Kazakhstan to participate in the U.S. markets because of what he perceives to be the growing disfavor of omnibus clearing accounts for foreign financial institutions among regulators and U.S. financial institutions as well as customer concerns that the Freedom Companies expose them to attendant political, regulatory, currency, banking, and economic risks and uncertainties in their respective countries of operation. To meet this perceived need, Mr. Turlov organized FFIN in August 2014, to serve primarily foreign clients referred from Freedom RU and Freedom KZ as part of a strategy to provide foreign customers with access to the U.S. securities markets within a single vertically integrated financial services firm.

FFIN is currently determining whether to submit a new application to FINRA to reapply to become a FINRA member and to become a licensed securities broker-dealer with the SEC and the appropriate timing to make a new application is one is submitted. If FFIN determines to reapply for broker-dealer registration, it would also be required to comply with the state securities licensure requirements.

We continue to work toward successful completion of the acquisition of Freedom RU, and its wholly-owned subsidiary Freedom KZ, and Freedom CY. The acquisition of Freedom RU and Freedom CY are separate transactions that are not interdependent, so we may acquire either, both or none of such companies. The acquisition of the Freedom Companies is also not contingent upon FFIN's decision whether to pursue licensure to operate as a broker-dealer in the U.S., or whether FFIN is ultimately successful in becoming a U.S. registered broker-dealer in the event it elects to pursue such licensure. In the event FFIN elects not to pursue licensure, or if it is ultimately unsuccessful in obtaining licensure if pursued, we anticipate the Freedom Companies would continue to provide their clients access to the U.S. markets in the same manner they do currently.

The completion of the acquisition of Freedom RU and Freedom CY is dependent on the express conditions that:

(i) the particular Freedom Company to be acquired completes and provides to us audited consolidated financial statements prepared in accordance with US GAAP and GAAS, so that we can include such audited financial statements in our periodic reports filed with the SEC;

(ii) the particular Freedom Company to be acquired has received all required governmental and regulatory approvals for the change of ownership from its current ownership to us; and

(iii) if, at the time of the proposed closing, we do not have sufficient authorized but unissued shares to issue the number of shares as we agreed in the Acquisition Agreement, we will effect a recapitalization consisting of: (i) a reverse split of our outstanding common stock in such amount as our board of directors may determine; and (ii) a possible increase in the number of our authorized common stock in such amount as our board may determine.

Completion of each acquisition is also conditioned on the continuing accuracy of the representations and warranties of the respective parties to the Acquisition Agreement, and the satisfaction of certain conditions and other covenants, many of which may be waived by either party.

We may abandon the acquisition of either Freedom RU or Freedom CY if it is not completed by December 31, 2016. If we do not complete either of such acquisitions, and if FFIN determines to reapply for and is approved to become a registered securities broker-dealer in the United States and satisfies applicable regulatory requirements, FFIN may nevertheless execute securities transactions of the customers of such Freedom Companies not acquired under introducing, execution, clearing, and settlement arrangements common in the securities industry and at competitive rates. The Acquisition Agreement does not grant to us any right or remedy to rescind our acquisition of FFIN if we do not complete the acquisition of the Freedom Companies because of their failure to provide required audited financial statements, to obtain required governmental approvals to effect transfer to us, or to meet other pre-closing conditions.

Results of Operations

This discussion summarizes the significant factors affecting our results of operations, financial condition, and liquidity and capital resources during the three and six months ended September 30, 2016 and 2015. This discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes to the unaudited condensed consolidated financial statements accompanying this report.

Three months ended September 30, 2016, compared to the three months ended September 30, 2015

Revenue

We did not generate any revenue during the three months ended September 30, 2016 or 2015.

Expenses

Operating Expenses. During the three months ended September 30, 2016, operating expenses totaled $86,457 compared to operating expenses of $133,298 during three months ended September 30, 2015. The decrease was primarily attributable to a $26,399 decrease in professional fees resulting from decreased legal fees in connection with the broker-dealer application process, and a $20,387 decrease in general and administrative expenses, due to lower payroll and general office expenses.

Loss from Operations. During the three months ended September 30, 2016, we recognized a loss from operations of $86,457, compared to a loss from operations of $133,298 during the three months ended September 30, 2015. This decrease in loss from operations during the three months ended September 30, 2016, was the result of the decreases in professional fees and general and administrative expenses described above.

Total Other Income. During the three months ended September 30, 2016, we recognized total other income of $997, compared to total other income of $22 during the three months ended September 30, 2015. The increase resulted from higher interest income on our cash balances.

Net Loss. For the reasons discussed above, during the three months ended September 30, 2016, we realized a net loss of $85,460 compared to a net loss of $133,581 for the three months ended September 30, 2015. Because we have no revenue, we expect to continue to realize net losses in upcoming fiscal periods until we start generating revenue from our planned business activities.

Six months ended September 30, 2016, compared to the three months ended September 30, 2015

Revenue

We did not generate any revenue during the six months ended September 30, 2016 or 2015.

Expenses

Operating Expenses. During the six months ended September 30, 2016, operating expenses totaled $337,736 compared to operating expenses of $283,963 during six months ended September 30, 2015. The increase was primarily attributable to a $43,518 increase in professional fees resulting from increased legal and audit fees in connection with the transactions contemplated in the Acquisition Agreement and a $10,255 increase in general and administrative expenses, due to higher payroll and general office expenses.

Loss from Operations. During the six months ended September 30, 2016, we recognized a loss from operations of $337,736, compared to a loss from operations of $283,963 during the six months ended September 30, 2015. This increase in loss from operations during the six months ended September 30, 2016, was the result of the increases in professional fees and general and administrative expenses described above.

Total Other Income. During the six months ended September 30, 2016, we recognized total other income of $1,976, compared to total other income of $43 during the six months ended September 30, 2015. The increase resulted from higher interest income on our cash balances.

Net Loss. For the reasons discussed above, during the six months ended September 30, 2016, we realized a net loss of $335,760 compared to a net loss of $284,325 for the six months ended September 30, 2015. Because we have no revenue, we expect to continue to realize net losses in upcoming fiscal periods until we start generating revenue from our planned business activities.

Cash Flows

During the six months ended September 30, 2016, cash was primarily used to pay for current expenses. See below for additional discussion and analysis of cash flow.

	Six months ended September 30, 2016	**Six months ended September 30, 2015**
Net cash used in operating activities	$ (90,127)	$ (288,541)
Net cash used in investing activities	-	(215)
Net cash provided by financing activities	130,000	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	**$ 39,873**	**$ (288,756)**

Net cash used in operating activities during the six months ended September 30, 2016, was lower compared to the six months ended September 30, 2015, primarily as a result of a $188,554 increase in accounts payable, which was only partially offset by a $51,435 increase in net loss and a $48,369 decrease in prepaid expenses.

During the six months ended September 30, 2016, net cash provided by financing activities was $130,000 compared to $0 during the six months ended September 30, 2015. All funds provided by financing activities resulted from capital contributions to the Company by Mr. Turlov.

Our principal source of liquidity during the six months ended September 30, 2016 and 2015, was cash and cash equivalents. At September 30, 2016, unrestricted cash and cash equivalents totaled $139,551 compared to $99,678 at March 31, 2016.

Contractual Obligations and Contingencies

See Note 7 - *Commitments and Contingent Liabilities* for information regarding our significant contractual obligations and contingencies at September 30, 2016.

Off-Balance Sheet Financing Arrangements

As of September 30, 2016, we had no off-balance sheet financing arrangements.

Critical Accounting Policy and Estimates

We believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this "Management Discussion and Analysis of Financial Condition and Results of Operations."

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Item 3. Qualitative and Quantitative Disclosures about Market Risk

Because we are a smaller reporting company we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2016, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures under the 2013 framework of the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report in timely alerting them to information required to be included in the Company's periodic filings with the Commission.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors

We believe there are no additions to the risk factors disclosed in our annual report on Form 10-K for the year ended March 31, 2016, filed with the Commission on July 14, 2016.

Item 6. Exhibits

Exhibits. The following exhibits are filed or furnished, as applicable, as part of this report:

Exhibit No.*	Description of Exhibit	Location
Item 31	**Rule 13a-14(a)/15d-14(a) Certifications**	
31.01	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Attached
31.02	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Attached
Item 32	**Section 1350 Certifications**	
32.01	Certification Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Attached
Item 101	**Interactive Data File**	
101	The following BMB Munai, Inc. financial information for the periods ended September 30, 2016, formatted in XBRL (eXtensive Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) the Notes to the Unaudited Condensed Consolidated Financial Statements.	Attached

* All exhibits are numbered with the number preceding the decimal indicating the applicable SEC reference number in Item 601 and the number following the decimal indicating the sequence of the particular document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BMB MUNAI, INC.

Date:November 14, 2016	/s/ Timur Turlov Timur Turlov Chief Executive Officer
Date:November 14, 2016	/s/ Evgeniy Ler Evgeniy Ler Chief Financial Officer

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Timur Turlov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BMB Munai, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:November 14, 2016

/s/ Timur Turlov
Timur Turlov
Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Evgeniy Ler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BMB Munai, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2016

/s/ Evgeniy Ler
Evgeniy Ler
Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report of BMB Munai, Inc. (the "Company") on Form 10-Q for the periods ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Timur Turlov, Chief Executive Officer of the Company and Evgeniy Ler, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date:November 14, 2016

/s/ Timur Turlov
Timur Turlov
Chief Executive Officer

Date:November 14, 2016

/s/ Evgeniy Ler
Evgeniy Ler
Chief Financial Officer