



**BANK CENTERCREDIT JOINT STOCK COMPANY**  
**Consolidated Financial Statement**  
**For six months, ended on 30 June 2019**

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, if not stated otherwise)

### 1. ORGANIZATION

Bank CenterCredit JSC (hereinafter referred to as the “Bank”) is a Joint-Stock Company established and operating in the Republic of Kazakhstan since 1988. The activities of the Bank are regulated in accordance with the legislation of the Republic of Kazakhstan. The authorized state body in relation to the Bank is the National Bank of the Republic of Kazakhstan (hereinafter referred to as the “NBRK”). The Bank operates in accordance with the updated license No. 1.2.25 / 195/34 dated January 28, 2015. The main activities of the Bank are commercial banking, performing operations with securities, foreign currency and derivatives, the provision of loans and guarantees. The Bank is a member of the Kazakhstan Deposit Guarantee Fund.

Registered office is located at : 38 Al-Farabi ave., Almaty, the Republic of Kazakhstan.

As of June 30, 2019 and December 31, 2018, the Bank had 19 and 18 branches in the Republic of Kazakhstan, respectively. On June 05, 2019, the Bank registered a branch of Bank CenterCredit JSC in the Turkestan region.

As of June 30, 2019 and December 31, 2018, the number of ordinary shares was distributed as follows:

	30 June 2019 %	31 December 2018 %
Baiseitov B.R.	47.93	48.07
Lee V.S.	10.40	10.05
Amankulov D.R.	5.90	5.98
Other (individually holding less than 5%)	35.77	35.90
	100.00	100.00

During the six months of 2019, as part of the additional capitalization of the Bank, 3,181,111 announced ordinary shares were placed for a total of KZT 954,333,300.

The Bank is the parent company of the Banking Group, which includes the following subsidiaries consolidated for the purposes of these financial statements:

Name	Country of operation	Type of operation
BCC-ODAM LLP (Organization for distressed asset management)	The Republic of Kazakhstan	Distressed asset management
JSC BCC Invest	The Republic of Kazakhstan	Broker-dealer activity
LLP Center Leasing	The Republic of Kazakhstan	Financial leasing

	30 June 2019 Ownership share, %	31 December 2018 Ownership share, %
BCC- ODAM LLP (Organization for distressed asset management)	100.00	100.00
JSC BCC Invest	100.00	97.63
LLP Center Leasing	90.75	90.75

In December 2011, Kazakhstan adopted the Law of the Republic of Kazakhstan “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Regulating Banking Activities and Financial Organizations in Risk Minimization”, which provides for the creation of second-tier banks of special subsidiaries that will acquire non-performing (distressed) assets of banks and manage them. On August 21, 2013, a special subsidiary of Bank BCC-ODAM LLP for distressed asset management was registered by the Ministry of Justice of the Republic of Kazakhstan.

BCC Invest JSC was established in May 1998 in the form of a limited liability partnership (former KIB ASSET MANAGEMENT LLP) in accordance with the legislation of the Republic of Kazakhstan. On September 26, 2006 KIB ASSET MANAGEMENT LLP was re-registered as a Joint-Stock Company. The main activity of BCC Invest JSC is the management of mutual fund assets and investment portfolio management. During 2018, the Bank made the additional capitalization of JSC BCC Invest in order to expand the business of the subsidiary and enhance the synergy of the banking group's business. During 2019, the Bank repurchased shares in the amount of 2.37% and as of April 1, 2019, the Bank's share was 100%.

Center Leasing LLP was established in the form of a Limited Liability Partnership in accordance with the legislation of the Republic of Kazakhstan in September 2002. The main activity of Center Leasing LLP is to conduct leasing operations that

Center Leasing LLP was established in the form of a Limited Liability Partnership in accordance with the legislation of the Republic of Kazakhstan in September 2002. The main activity of Center Leasing LLP is to conduct leasing operations that are carried out in accordance with Article 10 of the Law of the Republic of Kazakhstan "On Financial Leasing". Since 2018, Center Leasing LLP has been in the process of liquidation.

These consolidated financial statements have been approved by the Management Board of Bank CenterCredit JSC.

## **2. PRINCIPLES OF PRESENTING FINANCIAL STATEMENTS**

### **Basic accounting principles**

Provided consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The functional currency of the Group is the Kazakhstani tenge, which, being the national currency of the Republic of Kazakhstan, best reflects the economic substance of most of the Group's operations and related circumstances affecting its operations.

Kazakhstan tenge is also data presentation currency of these consolidated financial statements.

All consolidated financial statements are rounded to the nearest millions of tenge.

### **IFRS 9 «Financial instruments»**

The Group applied IFRS 9 in its consolidated financial statements as of January 1, 2018.

Based on the results of the assessment, the cumulative effect (net of tax) on the application of the standard is reflected in the opening balance of the Bank's equity as of January 1, 2018 in an amount equal to KZT 20,6 billion, including:

- a decrease in 17 billion tenge connected with the application of requirements for impairment;
- a decrease in 3 billion tenge connected with the application of requirements for the modification of assets other than the requirements for impairment;
- an increase in 600 million tenge connected with the reflection of the effect of deferred taxes and an increase in 3.4 billion tenge associated with the reflection of the current income tax.

### **Classification - financial assets**

IFRS 9 introduces a new approach to the classification and measurement of financial assets, reflecting the business model used to manage these assets and the characteristics of their associated cash flows.

IFRS 9 contains three main categories of financial assets evaluation: measured at amortized cost, measured at fair value through other comprehensive income, and measured at fair value through profit or loss. The standard eliminates existing financial asset categories in IFRS IAS 39: loans and receivables held to maturity and available for sale.

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 3. NET INTEREST INCOME

	Six months, ended 30 June 2019 (not audited)	Six months, ended 30 June 2018 (not audited)
<b>Interest income:</b>		
Interest income on financial assets recorded at amortized cost:		
- interest income on financial assets not impaired	44,548	37,849
- interest income on financial assets that have been impaired	8,140	11,066
Interest income on financial assets at fair value through profit or loss, through other comprehensive income	6,616	5,607
<b>Total interest income</b>	<b>59,304</b>	<b>54,522</b>
Interest income on financial assets recorded at amortized cost comprises:		
Interest on loans to customers and banks	50,483	47,322
Interest on held-to-maturity investments	933	830
Interest on funds in banks	815	462
Penalties for loans granted to customers and banks	457	301
<b>Total interest income on financial assets at amortized cost</b>	<b>52,688</b>	<b>48,915</b>
Interest income on financial assets at fair value includes:		
Interest on investments initially recognized at fair value through profit or loss, through other comprehensive income	6,616	5,607
<b>Total interest income on financial assets at fair value</b>	<b>6,616</b>	<b>5,607</b>
<b>Total interest income</b>	<b>59,304</b>	<b>54,522</b>
Interest expenses:		
Interest expense on financial liabilities carried at amortized cost	(30,975)	(32,460)
<b>Total interest expense</b>	<b>(30,975)</b>	<b>(32,460)</b>
Interest expense on financial liabilities carried at amortized cost:		
Interest on funds of clients and banks	(18,795)	(22,687)
Interest on funds and loans of banks and financial organizations	(3,929)	(4,180)
Interest on subordinated bonds	(3,841)	(4,027)
Interest on debt securities issued	(4,410)	(1,566)
<b>Total interest expense on financial liabilities carried at amortized cost</b>	<b>(30,975)</b>	<b>(32,460)</b>
<b>Net interest income before provision for impairment of financial assets</b>	<b>28,329</b>	<b>22,062</b>

## BANK CENTERCREDIT JOINT STOCK COMPANY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

#### 4. PROVISION FOR IMPAIRMENT, OTHER PROVISIONS

Information on the movement of provisions for impairment losses on assets for which interest income gets charged is presented as follows:

	Corporations	Medium-sized business	Mortgage loans	Consumer loans	Car loans	Business loans to individuals	Loans to banks	Total
<b>01 January 2018</b>	<b>126,564</b>	<b>3,455</b>	<b>6,961</b>	<b>7,704</b>	<b>115</b>	<b>5,749</b>	-	<b>150,548</b>
Accrual / restoration of reserve	10,978	(258)	1,278	1,554	3	1,304	-	14,859
Newly created or acquired financial assets	1,332	19	24	122	-	1	-	1,498
Derecognised financial assets	(1,112)	(46)	(158)	(103)	-	(36)	-	(1,455)
Restoration of written-off unrecoverable debt	134	19	443	248	5	34	-	883
Write-off of assets	(41,919)	(99)	(414)	(1,265)	-	(75)	-	(43,772)
Release effect*	(8,942)	(179)	(742)	(160)	(2)	(496)	-	(10,521)
Exchange difference	(327)	(2)	21	(91)	(1)	(43)	-	(443)
<b>30 June 2018</b>	<b>86,708</b>	<b>2,909</b>	<b>7,413</b>	<b>8,009</b>	<b>120</b>	<b>6,438</b>	-	<b>111,597</b>
<b>01 January 2019</b>	<b>87,461</b>	<b>9,971</b>	<b>7,305</b>	<b>8,794</b>	<b>117</b>	<b>8,010</b>	<b>25</b>	<b>121,683</b>
Accrual / restoration of reserve	6,588	1,794	2,331	1,860	(25)	1,430	(27)	13,951
Restoration of written-off unrecoverable debt	2	88	239	170	17	41	-	557
Newly created or acquired financial assets	166	48	5	937	-	18	5	1,179
Exchange difference	(1,495)	(192)	(121)	(125)	(1)	(149)	-	(2,083)
Asset write-off	(1,680)	(38)	(2,071)	(3,815)	(4)	(363)	-	(7,971)
Release effect	(3,263)	(419)	(603)	(445)	(5)	(269)	-	(5,004)
<b>30 June 2019</b>	<b>87,779</b>	<b>11,252</b>	<b>7,085</b>	<b>7,376</b>	<b>99</b>	<b>8,718</b>	<b>3</b>	<b>122,312</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 5. NET PROFIT / LOSS ON OPERATIONS WITH FINANCIAL ASSETS AND LIABILITIES REFLECTED AT FAIR VALUE THROUGH PROFITS OR LOSSES

	Six months, ended 30 June 2019 (not audited)	Six months, ended 30 June 2018 (not audited)
Net profit / loss on operations with financial assets and liabilities reflected at fair value through profits or losses includes:		
Realized profit on trading transactions	112	222
Realized (loss) / profit on trading transactions with derivative financial instruments	40	160
Unrealized profit / (loss) on operations with derivative financial instruments	(296)	1,095
Unrealized gain / (loss) on transactions with derivative financial instruments from changes in fair value	404	(271)
<b>Total net profit / loss on transactions with financial assets and liabilities at fair value through profit or loss</b>	<b>260</b>	<b>1,206</b>

### 6. NET PROFIT/LOSS ON TRANSACTIONS WITH FOREIGN CURRENCY

	Six months, ended 30 June 2019 (not audited)	Six months, ended 30 June 2018 (not audited)
Dealing operations, net	2,819	2,891
Exchange differences, net	(161)	(300)
<b>Total net income from operations with foreign currency</b>	<b>2,658</b>	<b>2,591</b>

### 7. COMMISSION INCOME

	For six months, ended on 30 June 2019 (not audited)	For six months, ended on 30 June 2018 (not audited)
<b>Revenues from services and commissions received :</b>		
Settlement operations	3,511	3,020
Payment cards	3,846	3,336
Cash transactions	2,158	2,140
Issuance of guarantees	2,207	2,037
Foreign currency operations	-	2
Internet Banking Services	73	57
Custody Activity	180	124
Conducting documentary operations	64	73
Conducting trust operations	7	10
Other	488	388
<b>Total revenues for services and commissions received</b>	<b>12,534</b>	<b>11,187</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

### 8. TRANSACTION COSTS

	For six months, ended 30 June 2019 (NOT AUDITED)	For six months, ended 30 June 2018 (NOT AUDITED)
Salary	8,491	6,422
Rental Costs	1,649	1,244
Taxes (excluding income tax)	1,826	1,583
Depreciation and amortization	1,521	1,252
Administrative expenses	1,588	1,242
Deposit Guarantee Fund	1,083	1,115
Telecommunications	371	286
Security and alarm costs	529	422
Collection costs	252	209
Travel expenses	196	151
Repair and maintenance of equipment	179	239
Advertising expenses	176	82
Representation expenses	25	16
Professional services costs	123	76
Other expenses	374	322
<b>Total transaction costs</b>	<b>18,383</b>	<b>14,661</b>

### 9. OTHER PROFIT/(EXPENSE)

	For six months, ended 30 June 2019 (NOT AUDITED)	For six months ended 30 June 2018 (NOT AUDITED)
Net income from the sale of inventory	1,105	40
Other	280	1,789
<b>Total other profits/expenses</b>	<b>1,385</b>	<b>1,829</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 10. EARNING PER SHARE

Basic and diluted earnings per share are calculated as the ratio of net profit for the period attributable to shareholders of the parent Bank to the weighted average number of ordinary shares for the period.

	For six months, ended 30 June 2019	For six months, ended 30 June 2018
	(NOT AUDITED)	(NOT AUDITED)
<b>Basic earnings per share</b>		
Net income attributable to shareholders of the Bank	7,049	5,085
After deduction of: additional dividends paid on the full distribution of profits among holders of preference shares	(12)	(6)
<b>Net income attributable to holders of ordinary shares</b>	<b>7,037</b>	<b>5,079</b>
Weighted average number of ordinary shares for calculating basic earnings per share	159,593,573	161,231,784
<b>Basic earnings per share (in tenge)</b>	<b>44.09</b>	<b>31.50</b>
<b>Diluted earnings per share</b>		
Net income attributable to holders of ordinary shares	7,037	5,079
Plus: additional dividends paid on full distribution of profits among holders of preference shares	12	6
Profit used to calculate diluted earnings per share	7,049	5,085
Weighted average number of ordinary shares	159,593,573	161,231,784
Shares deemed to be issued:		
Weighted average number of ordinary shares that would be issued when converting preference shares	295,414	204,414
Weighted average number of ordinary shares for calculating diluted earnings per share	159,888,987	161,436,198
<b>Diluted earnings per share (KZT)</b>	<b>44.09</b>	<b>31.50</b>

The group calculated the book value of one share for each type of stock according to the method of calculating the book value of one share provided by the KSE.

The book value of one share for each type of stock as of 30 June 2019 and 31 december 2018 is presented below:

	30 June 2019			30 December 2018		
Type of shares	Shares in circulation (quantity of shares)	Amount to calculate the book value mln. tenge	Book value per one share, tenge	Shares outstanding (number of shares)	The amount to calculate the book value mln. tenge	Book value of one share, tenge
Ordinary shares	158,895,593	112,715	709	161,275,581	99,871	619
Preference shares	295,414	89	301	204,414	61	298
		<b>112,804</b>			<b>99,932</b>	

The book value of one preferred share is calculated as the ratio of the amount of capital relating to preference shares to the total number of preference shares at the reporting date.

The book value of one ordinary share is calculated as the ratio of the sum of the net assets of the Group for ordinary shares to the total number of ordinary shares at the reporting date. The net assets of the Group for ordinary shares are calculated as the sum of the total capital minus intangible assets and the amount of capital attributable to preference shares at the reporting date. The total number of ordinary and preference shares is calculated as the total number of shares issued and outstanding, minus shares repurchased by the Group at the reporting date.

Management of the Group believes that the Group fully complies with the requirements of the KASE as at the reporting date.



# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 11. CASH AND THEIR EQUIVALENTS

	30 June 2019	31 December 2018
	<u>32,311</u>	<u>51,917</u>
<b>Cash on hand</b>	<u>91,115</u>	<u>94,388</u>
<b>Nostro accounts with the NBRK</b>		
<b>Nostro accounts with other banks</b>	17,300	2,577
- with a credit rating from "AA-" to "AA +"	28,504	9,853
- with a credit rating from "A-" to "A +"	3,872	4,411
- with a credit rating from "BBB-" to "BBB +"	1,681	5,733
- with a credit rating from "BB-" to "BB +"	25	54
- with a credit rating from "B-" to "B +"	336	334
<b>Total nostro accounts with other banks, before deducting the reserve for expected credit losses</b>	<u>51,718</u>	<u>22,962</u>
Estimated loss allowance	(21)	(18)
<b>Total nostro accounts with other banks</b>	<u>51,697</u>	<u>22,944</u>
<b>Term deposits in other banks</b>		
- with a credit rating from "BBB-" to "BBB +"	-	1,988
- with a credit rating of "BB-" to "BB +"	190	-
- with a credit rating from "B-" to "B +"	7,632	4,231
<b>Total current accounts and term deposits with other banks, before deducting the reserve for expected credit losses</b>	<u>7,822</u>	<u>6,219</u>
Estimated loss allowance	(176)	(55)
<b>Total current accounts and term deposits with other banks</b>	<u>7,646</u>	<u>6,164</u>
<b>Total cash and cash equivalents</b>	<u>182,769</u>	<u>175,413</u>

Credit ratings are presented in accordance with the standards of the rating agency Standard & Poor's or with similar standards of other international rating agencies.

#### Minimum reserves requirements

As of 30 June minimum reserve requirements are calculated in accordance with regulations issued by the NBRK. To meet the minimum reserve requirements, the Bank places cash in reserve assets that must be maintained at a level no less than the average cash amount in cash in national currency and the current account balance in the NBRK in national currency for 4 weeks, calculated as a certain minimum level of deposits and current account balances of clients who are residents and non-residents of the Republic of Kazakhstan, as well as other liabilities of the Bank.

As of 30 June 2019 the amount of the minimum reserve requirements was 11,687 million tenge (31 December 2018: 12,704 million tenge), and the reserve asset was 43,428 million tenge (31 December 2018: 34,866 million tenge).

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 12. FINANCIAL ASSETS EVALUATED AT FAIR VALUE WHICH CHANGE IS REFLECTED BY PROFIT OR LOSS

Financial assets at fair value through profit or loss include:

	Nominal rate, %	30 June 2019	Nominal rate, %	31 December 2018
<b>ASSETS</b>				
<b>Derivative financial instrument</b>				
Contracts for the purchase and sale of foreign currency	-	27,078	-	27,177
		<u>27,078</u>		<u>27,177</u>
<b>Trading securities</b>				
<i>Debt securities</i>				
Government bonds of the Republic of Kazakhstan	3.88-9.6	4,226	2.38-9.6	5,145
Corporate bonds	6.3-15.00	8,931	4.63-15.00	9,272
<i>Equity securities *</i>				
Shares of Kazakhstani companies		1,275		1,036
Shares of international companies		11		46
		<u>14,443</u>		<u>15,499</u>
		<u>41,521</u>		<u>42,676</u>
<b>LIABILITIES</b>				
<b>Derivative financial instruments</b>				
Contracts for the purchase and sale of foreign currency	-	(12,774)	-	(12,668)
		<u>(12,774)</u>		<u>(12,668)</u>

### 13. INVESTMENT SECURITIES

	Nominal rate, %	30 June 2019	Nominal rate, %	31 December 2018
<b>Investment securities measured at fair value through other comprehensive income</b>				
<i>Debt securities</i>				
Government bonds of the Republic of Kazakhstan	3.88-10.20	22,746	2.38-10.2	42,110
Corporate bonds	3.88-8.50	53,150	3.88-11.5	88,016
Discounted notes of the NBRK	-	73,162		40,593
<i>Equity securities</i>				
Shares of Kazakhstani companies	-	139	-	138
Shares of international companies	-	22	-	22
		<u>149,219</u>		<u>170,879</u>
<b>Investment securities measured at amortized cost</b>				
<b>Debt securities</b>				
- Government bonds of the Republic of Kazakhstan	5.60-6.70	4,082	5.60-6.70	5,908
Corporate Bonds	8.00	1,034	8.00	1,009
		<u>5,116</u>		<u>6,917</u>
Provision for expected credit losses		(6)		(6)
		<u>5,110</u>		<u>6,911</u>
		<u>154,329</u>		<u>177,790</u>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 14. FUNDS IN BANKS

	30 June 2019	31 December 2018
<b>Term deposits</b>		
- escrow deposit with the NBRK	5,395	1,826
- with a credit rating from "AA"- to "AA+"		
	3,046	-
- with a credit rating from "A"- to "A+"	806	-
- with a credit rating from "BB-" to "BB+"	19	1,014
- with a credit rating from "B-" to "B +"	-	25,117
- without credit rating	31	3,907
<b>Total term deposits, before deduction of provision for expected credit losses</b>	<b>9,297</b>	<b>31,864</b>
Provision for expected credit losses	(8)	(572)
<b>Total term deposits</b>	<b>9,289</b>	<b>31,292</b>

Credit ratings are presented in accordance with the standards of the rating agency Standard & Poor's or with similar standards of other international rating agencies.

As of 30 June 2019 the escrow deposit with the NBRK includes funds in the amount of KZT 4,182 million (31 December 2018: 1,183 million tenge) received from JSC Development Bank of Kazakhstan and 1,213 млн. тенге million tenge (31 December 2018: 643 million tenge) received from DAMU Entrepreneurship Development Fund JSC (EDF DAMU JSC) in accordance with the terms of loan agreements concluded with BRK JSC and EDF DAMU JSC. Funds will be issued as loans to small and medium-sized enterprises on special preferential terms. These funds can be withdrawn from the escrow deposit only after the approval of DBK JSC and EDF DAMU JSC, respectively.

#### Concentration of accounts and deposits in banks

As of 30 June 2019 the Group doesn't have balances in one bank (December 31, 2018: one bank) funds which exceed 10% of the equity capital.

### 15. LOANS PROVIDED TO CUSTOMERS AND BANKS

	30 June 2019	31 December 2018
Loans granted to customers	971,306	929,588
Accrued interest	33,020	53,584
	<b>1,004,326</b>	<b>983,172</b>
Net of allowance for losses	(122,309)	(121,658)
<b>Total loans granted to customers</b>	<b>882,017</b>	<b>861,514</b>
Loans granted to banks	470	1,214
Accrued interest	-	4
	(3)	(25)
<b>Total loans to banks</b>	<b>467</b>	<b>1,193</b>
Continuing involvement in an asset	59,266	30,906
<b>Loans granted under reverse repurchase agreements</b>	<b>39,970</b>	<b>75,071</b>
<b>Total loans granted to customers and banks</b>	<b>981,720</b>	<b>968,684</b>

Information on the movement of reserves for credit losses on loans to customers and banks for the six months ended on 30 June 2019 and 2018, is presented in Note 4.

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

The following table provides information on the types of credit products as of 30 June 2019:

	Amount of loan before allowance for impairment	Impairment allowance	Book value
<b>Loans to corporate clients</b>			
Corporate loans	497,996	(87,779)	410,217
Small and medium businesses	131,840	(11,252)	120,588
Net investment in financial leases	-	-	-
<b>Loans issued to individuals</b>			
Mortgage loans	132,506	(7,085)	125,421
Consumer loans	140,625	(7,376)	133,249
Business development	93,897	(8,718)	85,179
Car loans	7,462	(99)	7,363
	<b>1,004,326</b>	<b>(122,309)</b>	<b>882,017</b>

The following table provides information on the types of credit products as of December 31, 2018:

	Loan amount before provision for impairment	Impairment allowance	Book value
<b>Loans issued to corporate clients</b>			
Corporate loans	472,048	(87,461)	384,587
Small and medium businesses	124,651	(9,971)	114,680
<b>Loans issued to individuals</b>			
Mortgage loans	154,453	(7,305)	147,148
Consumer loans	130,489	(8,794)	121,695
Business development	95,115	(8,010)	87,105
Car loans	6,416	(117)	6,299
	<b>983,172</b>	<b>(121,658)</b>	<b>861,514</b>

## BANK CENTERCREDIT JOINT STOCK COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS,  
ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

### Quality of corporate loans, loans to small and medium businesses and loans to individuals

Credit quality analysis of loans issued to customers as of 30 June 2019 is as follows:

	<u>Corporate loans</u>	<u>Small and medium business</u>	<u>Mortgage loans</u>	<u>Consumer loans</u>	<u>Business development</u>	<u>Car loans</u>	<u>Total</u>
<b>Loans, provided to clients</b>							
Undue loans	410,647	100,291	99,132	107,442	67,310	7,146	791,968
Overdue loans:							
- overdue for less than 30 days	10,498	10,676	6,827	7,069	4,102	47	39,219
- overdue for a period of 31-60 days	51,667	4,906	8,736	4,097	4,220	26	73,652
- overdue for a period of 61-90 days	8,180	1,546	884	887	384	5	11,886
- overdue for a period of 91-180 days	14,399	1,223	6,043	6,223	1,386	-	29,274
- overdue for more than 180 days	2,605	13,198	10,884	14,907	16,495	238	58,327
<b>Total loans to customers, before deducting the allowance for expected credit losses</b>	<b>497,996</b>	<b>131,840</b>	<b>132,506</b>	<b>140,625</b>	<b>93,897</b>	<b>7,462</b>	<b>1,004,326</b>
Provision for expected credit losses	(87,779)	(11,252)	(7,085)	(7,376)	(8,718)	(99)	(122,309)
<b>Total loans to customers, deducting the allowance for expected credit losses</b>	<b>410,217</b>	<b>120,588</b>	<b>125,421</b>	<b>133,249</b>	<b>85,179</b>	<b>7,363</b>	<b>882,017</b>

## BANK CENTERCREDIT JOINT STOCK COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS,  
ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

The credit quality analysis of loans issued to customers as of December 31, 2018 is presented as follows:

	Corporate loans	Small and medium business	Mortgage loans	Consumer loans	Business development	Car loans	Total
<b>Loans, provided to clients</b>							
Undue loans	326,833	97,941	122,250	95,701	67,730	6,028	716,483
Overdue loans:							
- overdue for less than 30 days	67,792	7,654	13,150	9,944	6,407	72	105,019
- overdue for a period of 31-60 days	29,482	164	2,063	1,551	498	8	33,766
- overdue for a period of 61-90 days	16,379	1,542	2,860	5,488	659	32	26,960
- overdue for a period of 91-180 days	11,448	7,181	1,473	1,222	4,191	15	25,530
- overdue for more than 180 days	20,114	10,169	12,657	16,583	15,630	261	75,414
<b>Total loans to customers, before deducting the allowance for expected credit losses</b>	<b>472,048</b>	<b>124,651</b>	<b>154,453</b>	<b>130,489</b>	<b>95,115</b>	<b>6,416</b>	<b>983,172</b>
Provision for expected credit losses	(87,461)	(9,971)	(7,305)	(8,794)	(8,010)	(117)	(121,658)
<b>Total loans to customers, deducting the allowance for expected credit losses</b>	<b>384,587</b>	<b>114,680</b>	<b>147,148</b>	<b>121,695</b>	<b>87,105</b>	<b>6,299</b>	<b>861,514</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### Analysis of collateral and other means of enhancing creditworthiness

The tables below provide information on collateral and other means of improving the quality of a loan for loans issued to corporate clients as well as small and medium business clients (minus provision for expected credit losses) by type of collateral.

30 June 2019	Book value of loans issued to customers	Fair value of collateral: for collateral valued as at the reporting date	Fair value of collateral: for collateral valued as of the date of loan issuance	Fair value is not defined
<b>Loans provided to corporate clients</b>				
Cash and deposits	5,038	5,038	-	-
Tradable securities	-	-	-	-
Property	272,007	272,007	-	-
Vehicles	605	605	-	-
Equipment	15,658	15,658	-	-
Corporate warranties	44,066	-	-	44,066
Revenues from future contracts	11,150	-	-	11,150
Goods in circulation	7,045	-	7,045	-
Subsoil use	24,439	24,439	-	-
Other collateral	661	-	661	-
Without collateral and other means to improve loan quality	29,548	-	-	29,548
<b>Total unimpaired loans</b>	<b>410,217</b>	<b>317,747</b>	<b>7,706</b>	<b>84,764</b>
<b>Loans provided to SME clients</b>				
Cash and deposits	4,590	4,590	-	-
Tradable securities	-	-	-	-
Real estate	104,357	104,357	-	-
Vehicles	1,026	1,026	-	-
Equipment	1,016	1,016	-	-
Corporate warranties	6,152	-	-	6,152
Profits on future contracts	86	-	-	86
Goods in circulation	151	-	151	-
Subsoil use	157	157	-	-
Other collateral	692	-	692	-
Without collateral and other means to improve loan quality	2,361	-	-	2,361
<b>Total impaired loans</b>	<b>120,588</b>	<b>111,146</b>	<b>843</b>	<b>8,599</b>
<b>Total loans issued to corporate clients</b>	<b>530,805</b>	<b>428,893</b>	<b>8,549</b>	<b>93,363</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

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31 December 2018	Book value of loans issued to customers	Fair value of collateral: for collateral valued as at the reporting date	Fair value of collateral: for collateral valued as of the date of loan issuance	Fair value is not defined
<b>Loans granted to corporate clients</b>				
Cash and deposits	2,257	2,257	-	-
Property	276,848	276,848	-	-
Vehicles	492	492	-	-
Equipment	9,753	9,753	-	-
Corporate warranties	44,230	-	-	44,230
Revenues from future contracts	5,401	-	-	5,401
Goods in circulation	6,325	-	-	6,325
Subsoil use rights	3,372	3,372	-	-
Other collateral	12,893	-	12,893	-
Without collateral and other means of improving the quality of the loan	23,016	-	-	23,016
<b>Total loans granted to corporate clients</b>	<b>384,587</b>	<b>292,722</b>	<b>12,893</b>	<b>78,972</b>
<b>Loans to small and middle-sized enterprise clients</b>				
Cash and deposits	2,587	2,587	-	-
Property	102,618	102,618	-	-
Vehicles	1,058	1,058	-	-
Equipment	856	856	-	-
Corporate warranties	4,201	-	-	4,201
Goods in circulation	141	-	-	141
Other collateral	1,682	-	1,682	-
Without collateral and other means of improving the quality of the loan	1,537	-	-	1,537
<b>Total loans to small and middle-sized enterprise clients</b>	<b>114,680</b>	<b>107,119</b>	<b>1,682</b>	<b>5,879</b>
<b>Total corporate loans</b>	<b>499,267</b>	<b>399,841</b>	<b>14,575</b>	<b>84,851</b>



# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### Loan portfolio analysis

As of 30 June 2019 the Group has 14 borrowers or groups of interrelated borrowers, (31 December 2018: 14), the balances of loans which constitute more than 10% of the capital. The total amount of loans for these counterparties as of 30 June 2019 is 245,835 million tenge, (31 December 2018: 276,797 million tenge).

Loans were issued mainly to clients operating in the Republic of Kazakhstan in the following sectors of the economy.

	30 June 2019	31 December 2018
Individuals	374,490	386,473
Trade	135,874	125,527
Property rent	107,729	110,107
Transport and telecommunications	49,274	39,715
Industrial construction	43,323	41,906
Production	41,019	39,677
Oil and gas industry	38,516	20,354
Food industry	36,003	34,054
Power industry	32,639	32,480
Residential construction	32,583	29,278
Services for transportation and maintenance of equipment	30,565	34,881
Agriculture	23,391	21,848
Financial services	3,059	5,815
Other	55,861	61,057
<b>Total</b>	<b>1,004,326</b>	<b>983,172</b>
Provision for expected credit losses	(122,309)	(121,658)
	<b>882,017</b>	<b>861,514</b>

The fair value of assets received as collateral and the carrying amount of reverse repurchase agreements as of June 30, 2019 and December 31, 2018 amounted to:

	30 June 2019		31 декабря 2018 года	
	Book value of loans	Fair value of collateral	Book value of loans	Fair value of collateral
Government bonds of the Republic of Kazakhstan	30,981	30,617	66,116	66,263
Other	8,989	13,016	8,955	13,316
	<b>39,970</b>	<b>43,633</b>	<b>75,071</b>	<b>79,579</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 16. MAIN RESOURCES AND INTANGIBLE ASSETS

	Buildings and constructions	Furniture and equipment	Unfinished building	Intangible assets	Total
<b>Overvalued / initial cost</b>					
<b>1 January 2018</b>	31,010	13,992	105	9,339	54,446
Aquisitions	2	3,205	245	2,622	6,074
Transactions	(5,900)	5	(92)	-	(5,987)
Disposals	-	(1,752)	(11)	(448)	(2,211)
<b>31 декабря 2018 года</b>	<b>25,112</b>	<b>15,450</b>	<b>247</b>	<b>11,513</b>	<b>52,322</b>
Aquisitions	-	1,441	12	591	2,044
Transactions	120	-	(120)	-	-
Disposals	(29)	(233)	-	(1,760)	(2,022)
<b>30 June 2019</b>	<b>25,203</b>	<b>16,658</b>	<b>139</b>	<b>10,344</b>	<b>52,344</b>
<b>Accumulated depreciation, amortization and impairment</b>					
<b>31 December 2018</b>	(393)	(8,887)	-	(4,346)	(13,626)
Accruals for a year	(269)	(1,376)	-	(801)	(2,446)
Disposals	153	1,733	-	447	2,333
<b>31 December 2018</b>	<b>(509)</b>	<b>(8,530)</b>	<b>-</b>	<b>(4,700)</b>	<b>(13,739)</b>
Accruals for a period	(117)	(788)	-	(450)	(1,355)
Disposals	1	225	-	30	256
<b>30 June 2019</b>	<b>(625)</b>	<b>(9,093)</b>	<b>-</b>	<b>(5,120)</b>	<b>(14,838)</b>
<b>Net book value</b>					
<b>30 June 2019</b>	<b>24,578</b>	<b>7,565</b>	<b>139</b>	<b>5,224</b>	<b>37,506</b>
<b>31 December 2018</b>	<b>24,603</b>	<b>6,920</b>	<b>247</b>	<b>6,813</b>	<b>38,583</b>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

### 17. OTHER ASSETS

	30 June 2019	31 December 2018
<b>Other financial assets</b>		
Accounts receivable	6,824	3,873
Accrued commission	8,042	8,122
Western Union and other electronic transfers	608	164
Other financial assets	4	-
	<u>15,478</u>	<u>12,159</u>
Provision for expected credit losses	(1,386)	(1,388)
	<u>14,092</u>	<u>10,771</u>
<b>Other non-financial assets</b>		
Withdrawn collateral	48,208	51,375
Payment on withdrawn collateral	3,713	3,688
Investment property	11,972	10,587
Advances issued	4,619	3,323
Taxes recoverable other than income tax	1,826	1,919
Inventories	45	40
Other assets	697	408
	<u>71,080</u>	<u>71,340</u>
	<u>85,172</u>	<u>82,111</u>

**Withdrawn collateral.** Withdrawn collateral includes real estate collateral accepted by the Bank in exchange for its liabilities of the borrowers on impaired loans. These assets are initially recorded at fair value and are subsequently measured at the lower of their fair values minus costs for selling and book value. Bank policy involves sale of these assets as soon as possible.

**Payment on withdrawn collateral.** The payment on withdrawn collateral is mainly represented by an advance payment on the withdrawn property, the acquisition process of which passes through an auction.

### 18. PAYABLES AND LOANS OF BANKS AND FINANCIAL ORGANIZATIONS

	Nominal interest rate, %	30 June 2019	Nominal interest rate, %	31 December 2018
Long-term loans received from banks and financial institutions	1.00-9.08	64,522	1.00-9.08	62,577
Termless financial instruments	8.54	29,794	8.34	30,056
Loans received from international credit organizations	7.70-10.00	21,888	8.50-10.00	16,920
Correspondent accounts of banks	-	4,757	-	10,201
Short-term loans received from other banks and financial institutions	2.00	2,609		
Loan received from the Government of the Republic of Kazakhstan	9.00	82	5.50	90
Accumulated interest expense	-	930	-	979
		<u>124,582</u>		<u>120,823</u>
Loans received under repurchase agreements	8.2-10.5	4,017	8.50-11.00	4,827
		<u>128,599</u>		<u>125,650</u>

During the six months, ended on 30 June 2019, the Group received long-term loans from DAMU JSC in the amount of KZT 378,00 million at 4.5% per annum maturing in 2025, as well as an additional tranche of long-term loan of 1 096,91 million tenge, at 1% per annum with maturity date in 2025.

Loans from DAMU JSC were received in accordance with the Government Program (the "Program") to finance small and medium-sized businesses (hereinafter "SMEs") in certain industries. According to the loan agreement between DAMU and

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

the Bank, the Group provides loans to SMEs eligible to participate in the Program at a rate of 4% margin and with a maturity not exceeding 10 years. The Group's liabilities for loan repayment to DAMU do not depend on the repayment of loans granted to SMEs. The group is obliged to pay a penalty in the amount of 15% of the undeveloped loan amount within 3-9 months after receiving funds from DAMU.

During the six months which ended on 30 June 2019, the Group received a short-term loan from Agrarian Credit Corporation JSC in the amount of KZT 2 609,00 million at 2% per annum maturing in 2019.

**Termless financial instruments.** The termless non-cumulative financial instruments were issued by the Group in March 2006 with the right to repay fully, but not partially, on any interest payment day, starting from 3 March 2016 at a nominal value of \$ 100 million. Interest dates are paid quarterly according to the schedule.

**Loans received from international credit organizations.** Loans received from international credit organizations are represented by loans from European Bank for Reconstruction and Development JSC at 7,7%-10% per annum with maturity dates in 2019-2022.

During six months, ended on 30 June 2019, the Group received a long-term loan from European Bank of Reconstruction and Development in the amount of 8 651,48 mln KZT at 7,7% per annum with a maturity date in 2022.

The Group is required to comply with certain financial ratios to implement the conditions of funds and loans of banks and financial organizations presented above. These covenants include agreed ratios, the ratio of liabilities to equity and other ratios used for indicators of financial results. As at 30 June 2019, the Group did not commit breaches of obligations

### 19. PAYABLES TO CLIENTS AND BANKS

	<u>30 June 2019</u>	<u>31 December 2018</u>
Payables to clients		
- Retail clients	541,468	583,807
- Corporate clients	431,750	490,723
Payables to banks	14,322	-
	<u>987,540</u>	<u>1,074,530</u>

  

	<u>30 June 2019</u>	<u>31 December 2018</u>
Term deposits	659,518	767,528
Deposits on demand	310,175	302,280
Accrued interest	3,525	4,722
	<u>973,218</u>	<u>1,074,530</u>

As of 30 June 2019 the Group has 2 customers (31 December 2018 : 8 clients), with account and deposit balances of more than 10% of the capital. The total amount of balances on the accounts and deposits of specified customers as of 30 June 2019 is 40,236 million tenge (31 December 2018: 116,040 million tenge).

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

	30 June 2019	31 December 2018
<b>Analysis by economic sector:</b>		
Individuals	541,468	583,807
Social services	87,123	118,562
Construction	85,914	99,784
Trade	54,392	54,068
Education and health	43,991	28,032
Transport and communication	28,577	27,161
Production	14,847	25,457
Agriculture	12,159	14,042
Power industry	11,959	6,045
Insurance and pension fund	11,161	23,476
Chemical production	6,300	5,186
Research and development	6,176	4,582
Entertainment services	6,131	4,548
Oil and gas industry	5,708	8,627
Metallurgy	5,167	10,586
Fuel	4,453	6,396
Machine construction	3,020	3,117
Public administration	641	794
Other	44,031	50,260
<b>Total customer funds</b>	<b>973,218</b>	<b>1,074,530</b>

### 20. ISSUED DEBT SECURITIES

	Curren y	Date of issue	Maturity date	Interest rate, %	30 June 2019	Interest rate, %	31 December 2018
Bonds issued in Kazakhstan	Tenge	16/03/2015- 10/06/2019	22/08/2019- 05/02/2028	4.50-12.00	86,579	8.00-12.00	68,825
					<u>86,579</u>		<u>68,825</u>
Accrued interest					1,156		1,322
					<u>87,735</u>		<u>70,147</u>

Coupons on issued debt securities are payable every half a year, the principal debt is payable at the end of the term.

### 21. ISSUED DEBT SECURITIES

	Curren y	Date of issue	Maturity date	Interest rate, %	30 June 2019	Interest rate, %	31 December 2018
Fixed rate	Tenge	27/11/2009 - 03/11/2017	27/11/2024 - 03/11/2032	4.00-11.00	51,363	4.00-11.00	50,555
Floating rate	Tenge	05/12/2007 - 27/11/2009	27/11/2019 - 11/11/2023	5.80	20,230	7.00-7.50	20,217
					<u>71,593</u>		<u>70,772</u>
Accrued interest					2,323		1,143
					<u>73,916</u>		<u>71,915</u>

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

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Coupons on subordinated bonds are payable every six months, the principal debt is payable at the end of the term.

### *Participation in the Banking Sector Financial Strengthening Program*

The NBRK Resolution No. 191 dated October 10, 2017 approved the Bank's participation in the Program for Improving the Financial Sustainability of the Banking Sector of the Republic of Kazakhstan (the "Program").

In accordance with the terms of the Program, the Bank received funds from a subsidiary of the NBRK, Kazakhstan Sustainability Fund JSC, through the issuance of registered coupon subordinated bonds of the Bank (hereinafter referred to as "Bonds"), convertible into common shares of the Bank in accordance with the terms of the Prospectus.

The Bank accepts the following restrictions (covenants) in its activities, which are valid for 5 years from the date of commencement of circulation of the Bonds, the violation of any of which entails the exercise of the right of Bond holders to convert Bonds into ordinary shares of the Bank:

- The Bank undertakes to fulfill the capital adequacy ratios established by the authorized body for second-tier banks of the Republic of Kazakhstan;
- The Bank undertakes not to take action on the withdrawal of Bank assets; in addition, a list of cases that will be considered as a withdrawal of assets is given in the Prospectus of the Bonds issue.

As part of participation in this Program, on November 3, 2017, the Bank placed Bonds at Kazakhstan Stock Exchange JSC in the amount of KZT 60,000 million with a circulation period of 15 years and a coupon rate of 4.00% per annum. The result of discounting the Bonds using the 15%, which was recognized as income in the income and losses statement at the time of the initial recognition of the Bonds, is KZT 38,687 million.

## 22. OTHER LIABILITIES

	30 June 2019	31 December 2018
<b>Other financial liabilities:</b>		
Commitment from continued participation	59,266	30,904
Calculations for other operations	6,292	6,253
Issued warranty obligations	7,777	7,933
Accrued commission expenses	982	499
Provisions for guarantees and letters of credit	73	125
	<u>74,390</u>	<u>45,714</u>
<b>Other non-financial liabilities:</b>		
Taxes payable, other than income tax	660	740
Other non-financial liabilities	256	199
<b>Total other liabilities</b>	<u>75,306</u>	<u>46,653</u>

## 23. SHARE CAPITAL

As at 30 June 2019 the authorized capital of the Bank is as follows:

	Authorized and issued share capital	Unissued share capital	Placement of announced ordinary shares	Shares purchased from shareholders	Total share capital
Ordinary shares, units	995,876,753	(833,419,953)	3,181,111	(3,561,207)	162,076,704
Preference shares, units	39,249,255	-		(38,953,841)	295,414

# BANK CENTERCREDIT JOINT STOCK COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

(in million KZT, unless otherwise specified)

As at 31 December 2018 the Bank's share capital consisted of:

	Authorized and issued share capital	Unissued share capital	Shares purchased from shareholders	Total share capital
Ordinary shares, units	995,876,753	(833,419,953)	(2,431,823)	160,024,977
Preference shares, units	39,249,255	-	(38,953,841)	295,414

As at 30 June 2019 the Bank's share capital consisted of:

	Authorized and issued share capital	Placement of announced ordinary shares	Purchased shares	Total
Ordinary shares	57,511	954	(293)	58,172
Preference shares	89	-	(19)	70
	<u>57,600</u>	<u>954</u>	<u>(312)</u>	<u>58,242</u>

As at 31 December 2018 the Bank's share capital consisted of:

	Authorized and issued share capital	Purchased shares	Total
Ordinary shares	57,794	(283)	57,511
Preference shares	11,775	(11,686)	89
	<u>69,569</u>	<u>(11,969)</u>	<u>57,600</u>

All ordinary shares belong to the same class, have one vote and do not have a nominal value.

Preference shares are cumulative and convertible into ordinary shares as decided by the Board of Directors; one preference share can be exchanged for one ordinary share. In accordance with the laws and statutory documents of the Bank, dividends on ordinary shares can be paid in cash or by Bank securities, provided that the decision to pay dividends was made at a general meeting of shareholders of the Bank. In accordance with the Charter of the Bank, dividends on ordinary shares can be paid for the year end. Reserves available for distribution are subject to the rules and regulations of the Republic of Kazakhstan.

The terms of the preference shares require the Bank to pay a nominal dividend in the amount of 0.01 tenge per share in order to comply with Kazakhstani legislation. This legislation requires joint stock companies to pay a certain guaranteed amount of dividends on preference shares. According to Kazakhstani legislation On Joint-Stock Companies, the amount of dividends paid on ordinary shares shall not exceed payments on preference shares. Moreover, dividends on ordinary shares are not paid until the full payment of dividends on preference shares has been made.

## BANK CENTERCREDIT JOINT STOCK COMPANY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR SIX MONTHS, ENDED ON 30 JUNE 2019

*(in million KZT, unless otherwise specified)*

	30 June 2019 Quantity, in thousands	31 December 2018 Quantity, in thousands
Preference shares at the beginning of the period	295	39,249
Repurchase of preference shares	-	(38,954)
Preference shares at end of the period	295	295
Ordinary shares at the beginning of the period	160,025	161,004
Placement of announced ordinary shares	3,181	-
Repurchase of own shares	(1,200)	(2,344)
Sale of repurchased shares	71	1,365
Ordinary shares at the end of the period	162,077	160,025

#### 24. SUBSEQUENT EVENTS AFTER THE STATEMENT DATE

The Group is not aware of any significant events after the statement date.