



ANNUAL
REPORT

2011



Expert analysis and historical information on the types of Kazakh national weapons and armor were provided by **Azat Akimbek**, *Distinguished Artist of the Republic of Kazakhstan*.



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A Word From B.R. Bayseitov, Chairman of the Board of Directors, Bank CenterCredit Joint Stock Company (JSC)



Dear Shareholders, Clients and Partners,

This reporting year the Bank has managed to overcome some negative trends caused by the country's economic crisis and has entered a path leading to sustainable development.

The measures taken to improve the expenses of Bank CenterCredit Joint Stock Company were to reduce the cost of resources, decrease the amount of excess liabilities, introduce new technologies, and restructure the system of the branch management. These efforts helped achieve a 2011 profit of 2.8 billion tenge.

Improvement in the quality of our loan portfolio was our first priority. As a result of this focus, the situation with bad loans was significantly improved, freeing up over two hundred million U.S. dollars. The Bank's active participation in the government anti-crisis program positively affected our loan portfolio. These measures decreased the share of low performance loans from 10.2% to 8.2%, while the volume of loans increased by more than 9%.

A systematic disposal of expensive resources led to a projected reduction in the size of assets by 11.6%, but on the other hand, it helped to increase the net interest margin of the Bank from 1% to 2.4%.

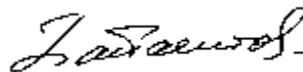
For 2011 the volume of deposits by individuals increased by 12%. The Bank continues to maintain its leadership position in the small and medium business lending market. Loans to individuals are a significant share of the loan portfolio.

In the reporting year the Bank was positively impacted by the support of its strategic shareholder – Kookmin Bank. Positive results were made possible by the introduction of new business technologies, improvement of the Banking structure and the development of professional level employees.

In 2012 the Bank intends to consolidate these positive trends. Efforts will continue both to reduce funding costs and to increase the share of retail lending in the loan portfolio. Efforts will continue to focus on the reduction of bad loans and the improvement of loan portfolio quality. In addition, the Bank will offer new technological products, including bank cards, along with the expansion of project and trade financing.

With regards,

B.R. Bayseitov



Chairman of the Board of Directors
Bank CenterCredit JSC



BOARD OF DIRECTORS

Bakhytbek Rymbekovich Bayseitov
Chairman of the Board of Directors

Vladislav Sedinovich Li
Member of the Board of Directors

Suh Ki Youl
Member of the Board of Directors

**Dzhumageldy Rakhishevich
Amankulov**
Member of the Board of Directors

Yang Cheon Sik
Member of the Board of Directors,
Independent Director

Werner Claes
Member of the Board of Directors,
Independent Director

Nurtay Shaikhievich Irkegulov
Corporate Secretary



 **EXECUTIVE BOARD**

Vladislav Sedinovich Li
Chairman of the Bank Executive Board

Maksat Kabykenovich Alzhanov
Business Group Executive Director

Ki Hong Oh
Group Finance Executive Director

Bulan Adilkhanovich Adilkhanov
Group Operations Support Executive Director

Nam Kyu Lee
Group Lending Executive Director

Moo Gill Shim
Group IT Executive Director



DEPARTMENT HEADS

Murat Meirkhanuly Abishev

Director, Finance Department

Timur Amanovich Akyllov

Director, Information Technologies Department

Erzhan Asylbekuly Asylbek

Director, Credit Risk Department

Lyudmila Fedorovna Butyrina

Director, Department of Records and Operations Support

Rizvangul Saidullayevna Vakhidova

Director, Management Improvement Department

Galina Donnerovna Von

Director, Human Resources Department

Aset Radylkanovich Dautbayev

Director, Corporate Finance Department

Denis Vladimirovich Davydov

Director, Retail Business Department

Sergey Ivanovich Dorozhkin

Director, Administrative Department

Erlan Amirbekovich Ermakhanov

Director, Loan Management Department

Timur Zhaksylykovich Ishmuratov

Director, Treasury

Aizhan Toleugaziyevna Nurgaliyeva

Director, Accounting and Reporting Department
– Deputy Chief Accountant / Acting Chief Accountant

Tatyana Valeryevna Popova

Director, Bank Cards Department

Vladimir Aleksandrovich Savchenko

Director, Legal Department

Bakhytzhan Bakhadirovich Tastanbekov

Director, Security Department

Kulyash Izmagzamovna Shayakhmetova

Director, Business Process Department



CORPORATE GOVERNANCE

On 22 April 2011 the Annual General Meeting of Shareholders of Bank CenterCredit JSC approved the report of the Board for 2010, the annual financial statements and changes in the composition of the Board of Directors (early termination of the duties of G.N. Shalgimbayeva, member of the Board of Directors, and the election of Claes Werner Frans Jozef to the Board of Directors as an independent director).

In 2011 the Board of Directors made nine protocol decisions and 251 resolutions on the priorities of the Bank, approved internal documents and procedures on the Bank's credit, tariff and deposit policy, an increase in liabilities through bond issuance, and other issues of general management of the Bank's activity related to the exclusive jurisdiction of the Board of Directors.

At its meetings the Board of Directors considered issues of Bank CenterCredit JSC related to budget implementation, strategic planning, organizational restructuring, BPR introduction and development, establishment of a compliance function, Audit Committee and Internal Audit Service improvement, the work of the Bank Management Board, and other issues.

Members of the Board of Directors are actively involved in the work of the Bank Committees. They participate in Management Board meetings and other working bodies of the Bank.

The Board of Directors has the following four committees: Assets and Liabilities Committee (ALCO), Credit Committee, Audit Committee, Nomination and Remuneration Committee.

In 2011 the ALCO carried out twelve scheduled and four unscheduled meetings. As of 01 Jan 2012, the ALCO made 182 decisions. As a result of these decisions and the work carried out by the Committee, there were substantial reductions in the funding costs and the amount of excess liquidity. The result was a reduction in interest expense and a twofold increase of the net interest margin in 2011.

In 2011 the Credit Committee held 89 meetings and reviewed 923 projects related to the issuance of guarantees (89), credit limits (101), credit lines (112), loan issues (128), overdrafts (16), transfer of files to the Credit and Loans Department and the Legal Department (20), monitoring of loans (96), changing of financing terms (126), and others.

During the reporting period, the Audit Committee held 4 meetings and considered 23 issues, including reports on Audit Committee activities implementation (2), reports on the audit of branches, subsidiaries and divisions of the Bank (7), reports on the implementation of the action plans to address findings by the Internal Audit Function (2), proposals on the organizational structure of the Internal Audit Function (1), 2010 - 2012 audit plan implementation reports, changes to the 2011 audit schedule (3), changes to the Internal Audit Function procedures, approval of the Bank departments audit programs (2), and issues related to compliance, security and others.

The Audit Committee composition was reviewed. Currently, it includes only members of the Board of Directors. It is chaired by Cheon Sik Yang, an independent director.

The Nomination and Remuneration Committee of the Bank CenterCredit JSC Board of Directors held seven meetings in the reporting year focusing on staff issues.

Preparation was completed for the establishment of a Compliance Function for 2012. Previously, the Compliance Department was included with the Accounting and Reporting Department.

In 2011 the Executive Board of Bank CenterCredit JSC held 30 meetings, including five on management reporting issues. The executive body held 50 working meetings. The Executive Board of the Bank made 661 decisions during the period under review.

Bank shareholders made seven inquiries and one application in 2011. Inquiries related to the provision of information on the number of shares and dividends paid. The application was a proposal to include a shareholder nominee on the list of candidates nominated to become a member of the Board of Directors. Comprehensive answers were provided to all inquiries and to the application. The Bank received no complaints concerning the actions of its officers.

The Bank Corporate Governance Code, the decisions of the Board of Directors, the decisions of the Executive Board, and other internal regulatory documents of Bank CenterCredit JSC addressed corporate governance issues.



MATCHLOCK MUSKET

During the Jungar invasion in the first part of the 18th century, Kazakhs first became acquainted with the matchlock musket rifle, or the “weapon of fire.” During this period of Jungar military expansion, following battles and skirmishes, both sides would claim trophies. For Kazakhs, these trophies included matchlock muskets, which the Jungars themselves acquired from the Tibetans in the 16th century.

The Kazakh gunsmiths gave a special name to this gun in their own language, bilte mylytk, or “the wick weapon.” These muskets were muzzle-loading; thus, the loading process took a long time, which was unacceptable in the heat of battle. Moreover, the wick was often ruined by moisture. When lit at night it gave away the shooter’s position, and it had to be lit before the shot and then extinguished afterwards. Therefore, these rifles had more of a psychological impact on the enemy rather than being a decisive factor in the final outcome of the battle.

Kazakh gunsmiths greatly improved the process of making matchlock muskets. The barrel makers first stretched by hand the cut and forged barrel, then perfected its shape with small hammers. The stock, fore-end and barrel bed were hewn from a block of solid wood. The barrel was attached to the bed of the stock with tanned leather straps. Inside the wooden section was a hole that held a wooden ramrod. The rifle had extendable wooden legs. When fully loaded, the rifle weighed about 5-6 kilograms.

In peacetime, the bilte mylytk gained popularity among hunters. Going on a hunt, along with the musket the hunter took two small bags that held large and fine-grained black gun powder; a dispenser made from the tip of a horn, known as an okshantay; a case for bullets; a rawhide garter to carry the game, and a knife in a sheath. All of this was attached to the kise beldik — a narrow leather belt decorated with silver. The bullets were cast from lead and did not always have a perfect circular shape.

Timely reloading, which was a disadvantage in war, did not really matter on a hunt. Having pre-measured a dose of gun powder, the hunter poured it into the muzzle and then dropped in the bullet. On top of all this the wad was stuffed with the ramrod. In order to make a shot, one had to fix a smoldering wick in the holder, pour the gun powder in the form of a line, take aim, having positioned his musket on wooden legs, and pull the trigger.

*Kazakhstan.
Beginning of the 18th century.*

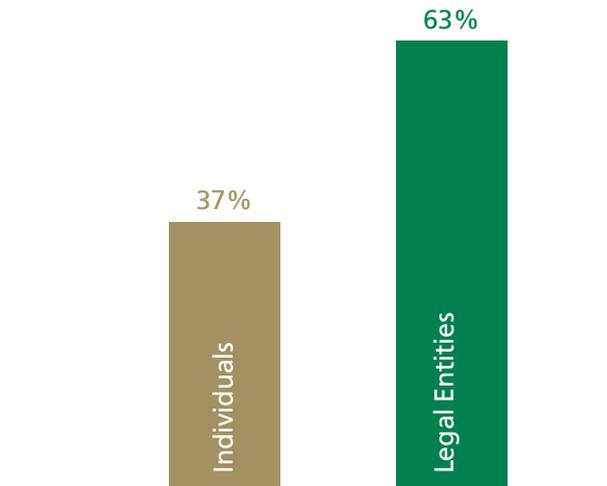




SHAREHOLDERS AND CAPITAL

As of 01 Jan 2012, the number of outstanding common shares was 162,456,800, the number of preferred shares convertible into common stock was 39,249,255, and paid up share capital amounted to 69.751 billion tenge.

Shareholders in the Share Capital, %
01 Jan 2012

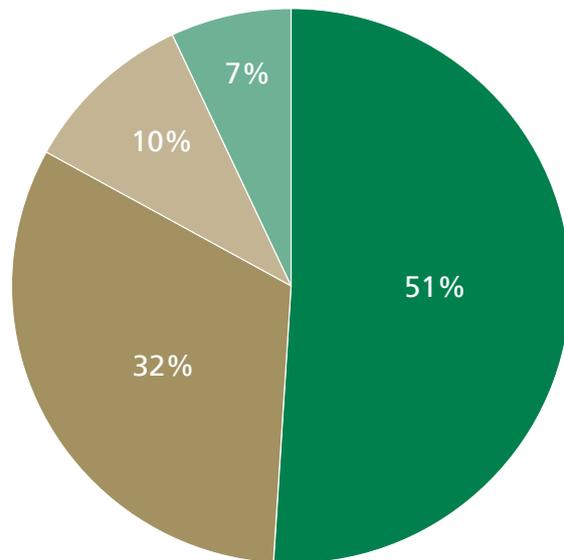


The following shareholders hold more than 5 percent of all outstanding shares:

Kookmin Bank Co. Ltd.	41.9 %
B.R. Bayseitov	25.1 %
IFC	10%

Structure of Equity Capital (million tenge)

	(million tenge)
Authorized Capital	69,751
Subordinated Debt	44,052
Perpetual Eurobond	13,216
Reserves and Revenues of Past Years	9,534



Bank Equity as of 01 Jan 2012 was **136.553 billion tenge**

- Authorized Capital
- Subordinated Debt
- Perpetual Eurobond
- Reserves and Revenues of Past Years

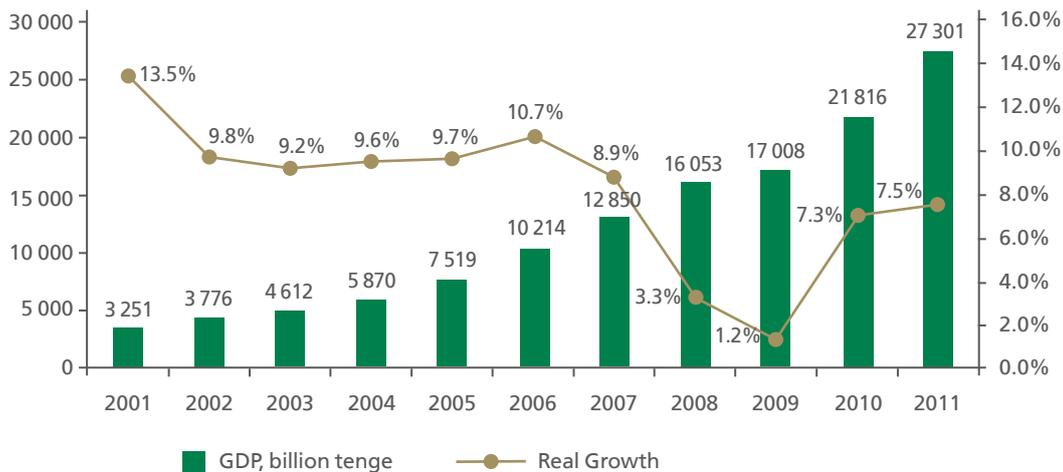


2011 KAZAKHSTAN ECONOMIC AND BANKING SECTOR REVIEW



MACROECONOMIC REVIEW

GDP of the Republic of Kazakhstan



In 2011 Kazakhstan virtually maintained the economic development dynamics level achieved in the previous year. According to the RK Statistics Agency's preliminary data, the GDP growth in 2011 was 7.5% versus 7.3% in 2010. The industrial growth slowdown was partially offset by the positive dynamics of the development of the agriculture and services sectors. Last year, GDP reached 27.301 trillion tenge.

As in 2010, the service sector remains the main contributor to economic growth. According to 2011 preliminary results, services grew in the information and communication industry (18.7%) as a result of modern communications development, in trade (14.5%) due to deferred consumer demand, and in transportation (6.8%), which grew largely due to government-funded infrastructure projects. Production of goods accounted for 43.2% and services for 51.8% of Kazakhstan's GDP in 2011. This trend is typical for the structure of global production and consumption GDP.

Inflation was 7.4% in 2011 and 7.8% for the previous year. As in 2010, the increase of food prices put the most pressure on the inflation level.

According to 2011 preliminary results, industrial output amounted to 11.7888 trillion tenge, a 5% increase.

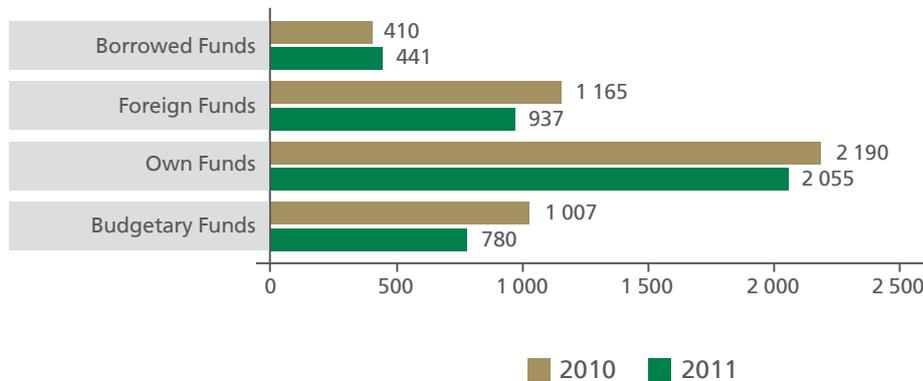
Production in the manufacturing sector increased by 6.2%, which surpassed the growth rate in the mining industry by almost five times (1.3%).

According to current data, the 2011 growth of the agricultural gross production (services) was 26.7%, due to an increase in crop production compared to 2010 of 58.6%.

The 2011 grain harvest increase significantly contributed to overall growth. The grain harvest makes up a third of the gross production (services) in agriculture. Favorable weather conditions in 2011 positively affected the volume of oilseed crops (by 43.7%), potatoes (by 20.4%), and vegetables and melons (by 11.7%). These also positively affected the production growth in agriculture.

A 0.7% decline of livestock products was due to a 3% decrease in production of cow's milk compared to 2010.

Investment in Fixed Assets (billions of tenge).



In 2011 the amount of construction activities increased by 2.7% to **1.8 trillion tenge.**

In 2011 the fixed asset investments rate declined. The overall investment in the economy amounted to 4.2 trillion tenge. Businesses’ own funds continue to be the main source of financial investment (48.8%). The investment of businesses’ own funds increased in the transportation, information and communication industries.

Growth of financing by borrowing was observed in the processing industry and in segments of the transportation and real estate sectors.

In 2011 retail trade turnover amounted to 3.6732 trillion tenge, or an increase from the corresponding period of 2010 by 12.5%. This shows the solvency and consumption behavior of the population.

According to 2011 preliminary data, the foreign trade turnover of the Republic of Kazakhstan amounted to 126.1 billion US dollars, an increase of 40.2% over 2010. During 2011 exports totaled 88.1 billion U.S. dollars, or 48% more than in 2010.

Imports in 2011 totaled 38 billion US dollars, an increase of 25% compared to 2010.

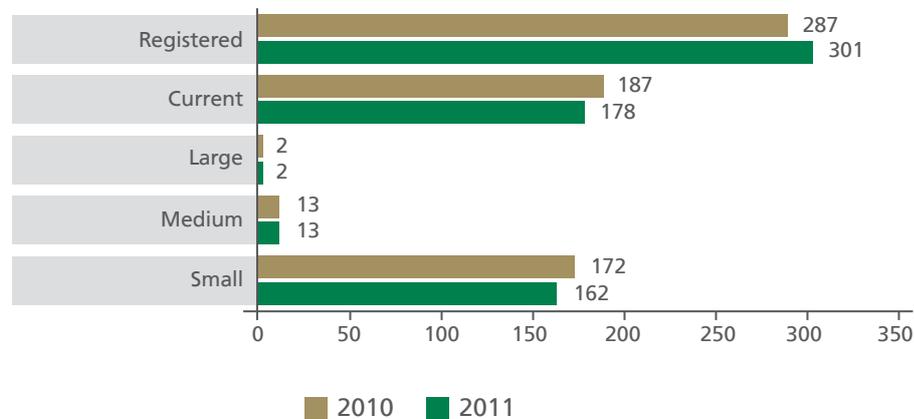
High prices for raw materials exported by Kazakhstan mitigated the negative impact of other external negatives during the crisis and contributed to the recovery of economic growth.

According to the Customs Union, 2011 trade between the Republic of Kazakhstan and other Customs Union countries amounted to 24.5 billion US dollars, or 40.8% more than in 2010. This included 7.6 billion US dollars (an increase of 43.1%) of export and 16.9 billion US dollars (an increase of 39.8%) of import.

The 2011 domestic production export to the Russian Federation was 7.5 billion US dollars (an increase of 47.8% over 2010) and the imports were 16.3 billion US dollars (an increase of 39.8%).

Exports to the Republic of Belarus in 2011 were 103.5 million US dollars (a decline of 57.0% compared to 2010) and imports totaled 623.4 million US dollars (an increase of 37.8%).

Legal Entities in RK (in thousands)



The number of active legal entities as of 01 Jan 2012, was 177,584. This is a 5% decline from 187,161 on 01 Jan 2011.

On 15 Jul 2011, in order to reduce the administrative burden on businesses, the Head of State signed a Law of the Republic of Kazakhstan entitled "On the introduction of additions and changes to some legislative acts of the Republic of Kazakhstan on the improvement of the permit system" which abolished 348 of the existing 1,015 permits. Another bill was drafted to abolish another 30% of the licenses and permits. Such steps, taken to reduce the administrative burden on businesses, allowed Kazakhstan to join 50 countries with the most favorable business conditions in the "Doing Business" rating.

According to the Ministry of Economic Development and Trade of the Republic of Kazakhstan, the 2011 state budget revenues amounted to 5.3708 trillion tenge and expenditures amounted to 5.4232 trillion tenge. Relative to 2010, the state budget revenues increased by 24.9% and expenditures in-

creased by 21.7%. The 2011 budget deficit amounted to 568.9 billion tenge (compared with 527.3 billion tenge in 2010).

In 2011 Standard & Poor's, for the first time in the history of Kazakhstan, raised the long-term sovereign credit rating to BBB+. This increase of Kazakhstan's rating in foreign currency reflects an improvement of the fiscal and external flexibility, rapid economic growth, and a persistently high inflow of foreign direct investments. This became possible thanks to a stable fiscal and external balance of the country, large reserves of natural resources, along with the inflow of foreign direct investments.

Thus, according to S&P ratings Kazakhstan became a leader among the CIS countries and moved from the BBB group, which Kazakhstan was a part of together with Russia, Bulgaria, Lithuania, Bahrain, Peru and Mexico, to the superior group of BBB+, which currently includes Ireland, South Africa and Thailand. The forecast by all ratings was "stable."



HORSE TACK OF THE KAZAKHS

One of the most important art forms and skills of Kazakh folk artisans in the past was the making of beautiful horse tack: saddles, saddle pads, saddle side extensions, harnesses and horse cooling covers. This tradition was associated primarily with the great and exceptional place that horse riding occupied for thousands of years in the life and worldview of the nomads of the Central Asian steppe. The horse was a loyal friend and companion of the steppe dweller — both warrior and herdsman— at all stages of life, from early childhood when a child received his first colt with a full set of saddle gear, until death when the deceased's favorite horse, attired in a festive outfit, played a key role in the memorial ceremony.

Horse gear was the most important indicator of a rider's social status and the evidence of his success in life. It also indicated his tribal affiliation, as each Kazakh's tribe had its own distinctive features evident in the horse's harness. The Kazakh traditional horse harness (er-turman, er-tokym) included the saddle (er), consisting of a wooden framework; a leather sweat-absorbing saddle pad (tokym, kezhim) and leather side extensions (tebingi); a bridle with a headband (zhugen); a breastplate (omildirik); crupper (kuyskan); reins (tartpa, pistan); stirrups (uzengi) and a whip (kamschy).

The main decorative element of all these things were silver-covered metal plates and silver medallions (at times even covered with gold) of various configurations. When decorating different parts and components of a horse's tack, the artisans actively employed the methods of applying and stamping the leather (saddle pads, leather side extensions), carving and painting on the wood (the frame of the saddle, wooden stirrups), and bone inlay. The complete kit of horse tack also included objects of decorative textiles (saddle pillows, blankets and saddle bags).

Despite the variety of decorations used, each ornament was a distinct expression and graphic form of communication. The beautiful presentation of horse and tack — much like decorating the felt-covered home of the Kazakhs, the yurt — was a single, complete and well thought out work of art. It was designed for attracting someone's admiring gaze during the bright light of day, with the green grass of the steppe and the pure blue sky in the background.





BANKING SECTOR

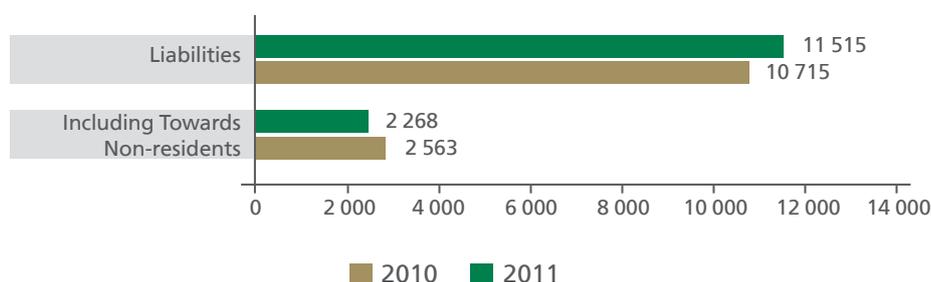
Cumulative assets of the banking sector of the Republic in 2011 showed an increase of 4.5% and amounted to 12.8178 trillion tenge, against 12.0314 trillion tenge in 2010.

In 2011, as in the previous four years, the cumulative assets to GDP ratio (47%) continued its downward trend. Lending to the economy was 32.2% of GDP.

Lending to
the Economy
Grew By
15.6%

	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP, billion tenge	4 612	5 870	7 519	10 214	12 850	16 053	17 008	21 816	27 301
Assets to GDP,%	36.3	45.8	60.0	86.9	90.1	74.1	68.0	55.2	47.0
Loans to GDP,%	23.6	30.9	40.7	58.7	69.0	57.6	56.7	41.6	38.4
Capital to GDP,%	5.1	4.6	5.9	8.6	11.1	9.0	-5.8	6.0	4.8
Deposits to GDP,%	21.1	27.4	33.9	46.2	50.0	28.6	35.3	31.3	28.6

Liabilities of the Commercial Banks of RK (in billion tenge)



Loan portfolios of commercial banks increased since the beginning of the year by 1.4086 trillion tenge, or by 15.5%.

Standard loans grew by 297.3 billion tenge (12.4%), doubtful debts by 621.1 billion tenge (12.8%) and bad debts by 488.4 billion tenge (26.9%). Loan provisions, established in accordance with governmental requirements, increased by 560.1 billion tenge (20.0%).

By industry, the main users of bank loans are such economic sectors as trade (20.8%), construction (14.9%), manufacturing (12%) and agriculture (3.8%).

In 2011 the cumulative liabilities of the commercial banks of RK increased by 799.5 billion tenge (7.5%). Deposits in the liability structure by legal entities grew by 459.0 billion tenge (10.0%), and by individuals grew by 513.2 billion tenge (22.8%). Special purpose deposits by subsidiary organizations declined by 23.9 billion tenge.

Cumulative liabilities of commercial banks as of 01 Jan 2012, amounted to 11.515 trillion tenge (compared with 10.715 trillion tenge as of 01 Jan 2011), including liabilities toward non-residents of 2.268 trillion tenge, or 19.7% of total liabilities (compared with 2.563 trillion tenge as of 01 Jan 2011).



2011 BANK CENTERCREDIT JSC OPERATIONS REVIEW

In accordance with the Bank's 2011 consolidated financial statements, Bank CenterCredit JSC occupies fourth place according to the size of assets and fourth place according to its net worth.

For the reporting period, the assets of the Bank decreased by 11.6% to 1.0819 trillion tenge against 1.2246 trillion tenge in 2010. In 2011 Bank CenterCredit JSC made a net profit of 2.8 billion tenge.

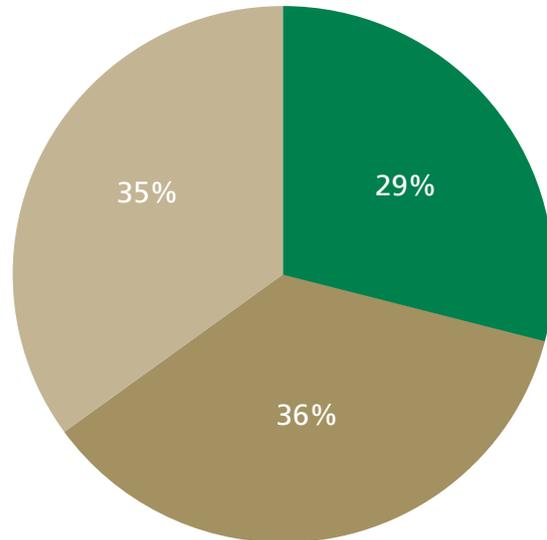
Deposits of individuals to Bank CenterCredit JSC grew by 12% in 2011. Cumulative deposits of the population in the banking system of Kazakhstan for the same period increased by 22.8%. The Bank's share of the market of retail deposits decreased over the year from 14.9% to 13.6%.

Bank CenterCredit JSC has a leading position in Kazakhstan in lending to small and medium businesses. Growth of the SME loan portfolio is anticipated in 2012 as well.

In 2011 the share of lending to small and medium enterprises in the loan portfolio was a significant 36%. Though funding of the oil and gas industry is naturally declining, the Bank continues its activity in such industries as agriculture and construction.

On the other hand, in 2011 Bank CenterCredit JSC increased the volume of retail lending, the share of which in the total loan portfolio of the Bank amounted to 35%. Since current demand for retail loans is significant, the Bank intends to strengthen the retail segment of its business in 2012.

Loan Portfolio Structure



- Large Business
- SME
- Retail Lending



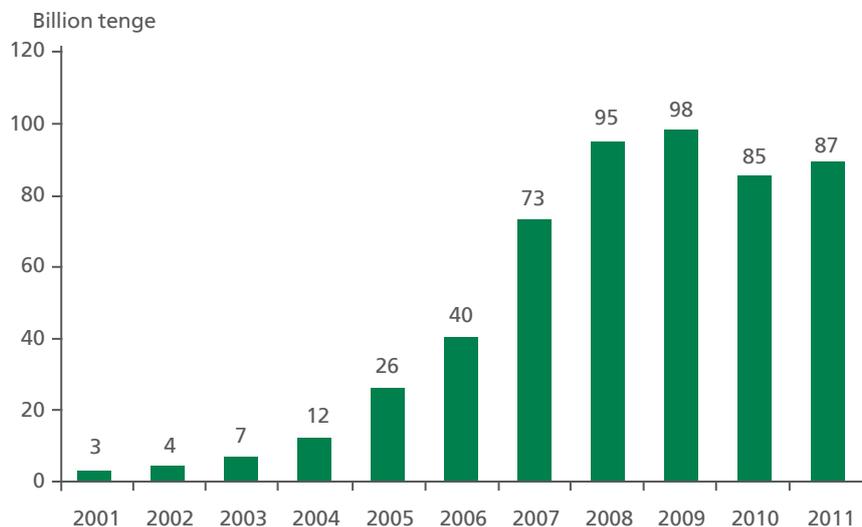
ASSETS

In 2011 the assets of the Bank decreased by 11.6% and reached a level of 1.0819 trillion tenge. Bank CenterCredit's share of assets in the cumulative of all Kazakhstan banking assets decreased by 1.8% compared to the previous year's share of 8.3%.



CAPITAL

In 2011 Bank capital increased by 2.1% and, as of 01 Jan 2012, reached **86.8** Billion tenge

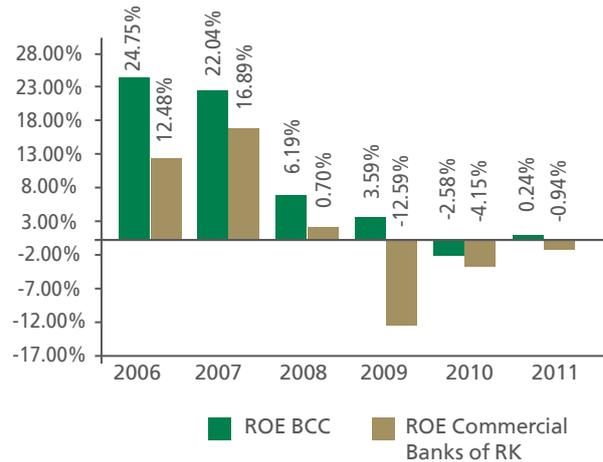
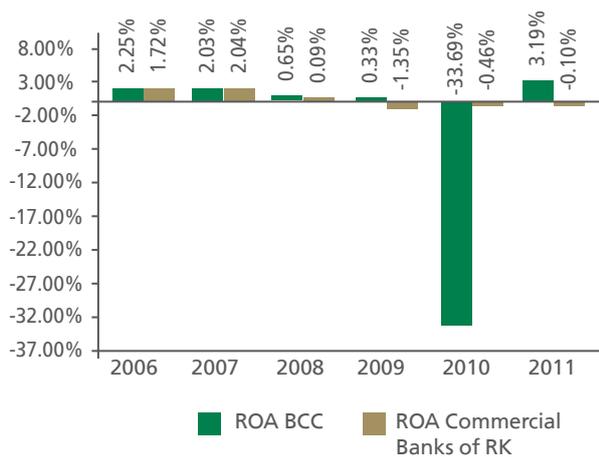




PROFITABILITY

In 2011 there was a trend of moderate lending activity among banks. The structure of the loan portfolio quality changed, with the share of doubtful debts in the total portfolio having increased from 35.8% to 37.1% and the share of bad debts decreasing from 55.6% to 53.5%.

The profitability indices of Bank CenterCredit JSC in 2011 were as follows: ROA - 3.19%, ROE - 0.24%. The average indices for the whole banking system were 0.10% and 0.94%, respectively (excluding BTA Bank JSC and Alliance Bank JSC).



Sources of Information:

1. Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Markets and Financial organizations
2. Statistics Bulletin of the National Bank of Kazakhstan
3. Information and analytical magazine Socio-economical development of Kazakhstan by the Statistics Agency of Kazakhstan
4. Statistics bulletin of the Ministry of Economic Development and Trade of the Republic of Kazakhstan

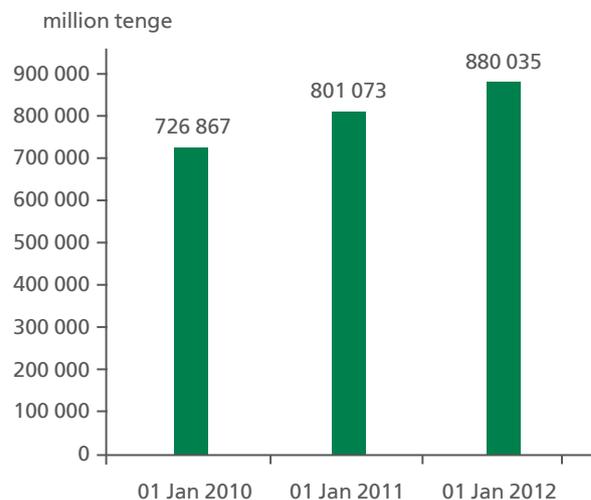


BANK CENTERCREDIT JSC LOAN PORTFOLIO

as of 01 Jan 2012

During 2011 the loan portfolio of Bank CenterCredit JSC grew by 10% or 79 billion tenge, and at the end of the year was 880 billion tenge. There were no significant changes in the structure of the portfolio.

The reporting year was marked by low lending activity in the whole banking system and by the establishment of additional reserves for the coverage of potential risks. Thus, the level of Bank CenterCredit JSC reserves in 2011 was 125 billion tenge or 14.2% (compared to 106 billion tenge or 13% in 2010). The NPL level at the end of 2011 decreased from 81 to 73 billion tenge and amounted to 8%.

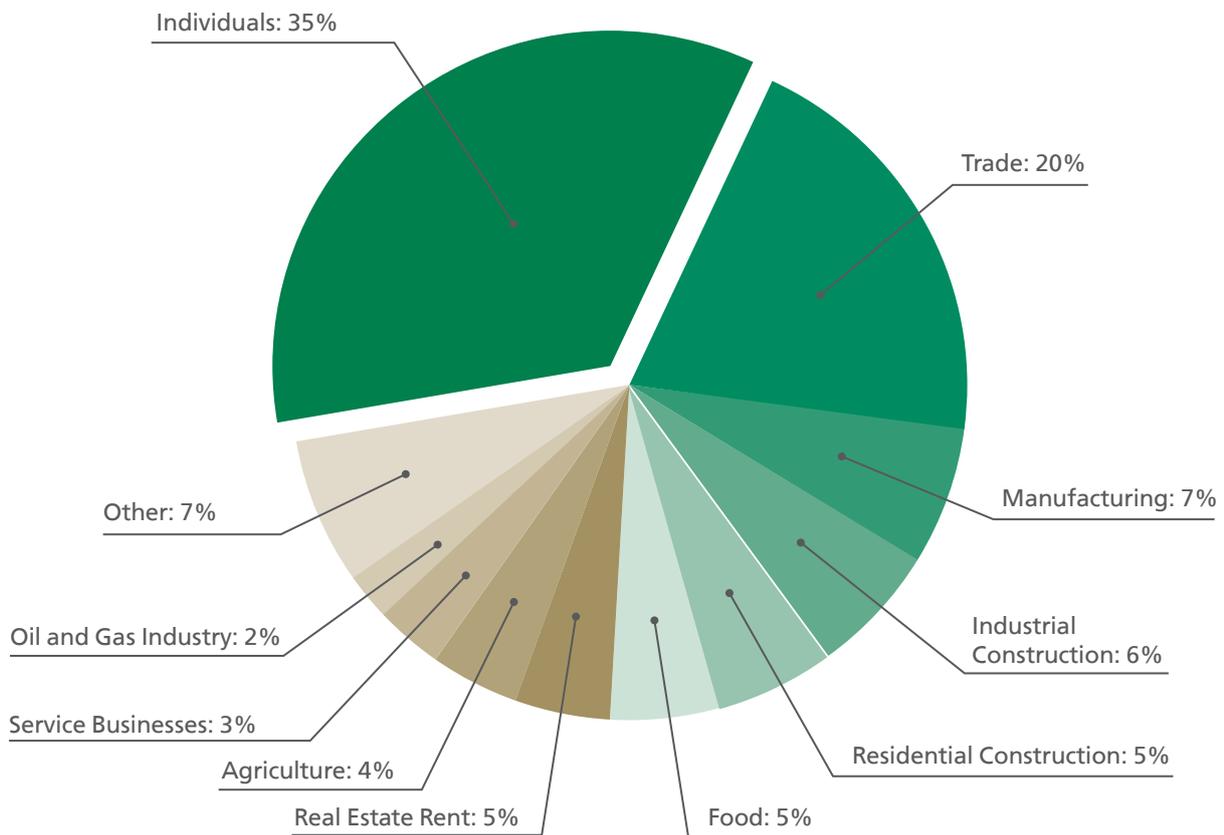


*IFRS Index

All statistical data are provided in accordance with IFRS

Bank CenterCredit JSC followed a diversification policy in lending to different sectors of the economy in order to mitigate the negative impact of any one industry on the Bank's activity.

The biggest share of lending in the Bank CenterCredit JSC loan portfolio belonged to the retail (35%) and trade (20%) sectors.



Bank CenterCredit JSC actively participates in government programs supporting small and medium businesses, including the Damu Entrepreneurship Development Fund, the Samruk-Kazyna National Welfare Fund, and the budget program of the Ministry of Agriculture, "Subsidy of the interest rate on the loans issued by commercial banks to companies processing agricultural products for the replenishment of their working capital."

The Bank participates in the "Business Road Map 2020" program and holds a leading position in terms of subsidies received.

Bank CenterCredit JSC maintains active cooperation in the implementation of international programs for financing SMEs through the German Development Bank (DEG), the International Finance Corporation (IFC), ADB, EBRD and the German Government Program (GTZ).

Bank CenterCredit JSC offers mortgage lending to private households, both under its own program and under the program of Kazakhstan Mortgage Company.



THE SABER OF A KAZAKH SULTAN

Blade – Damascus steel. Handle – wood, silver and gold. Sheath – wood, velvet, silver and gold.

Overall length – 105 cm. Blade length – 82 cm. Blade width – 29 mm.

Saddle side extensions – embossed leather. Kazakhstan. 19th century.

This sultan kilyshy (a saber with a strongly curved blade, referred to in Kazakh as aldaspan style) was a weapon of Kazakh sultans in peacetime and was largely ceremonial. However, it became a combat weapon when the sultan acted as a military commander.

The sword's blade has a very large curvature, characteristic of all Kazakh sabers, but especially the aldaspan. On the right side of the blade there is a branding mark in Arabic script, crafted and encased in a diamond, called a tangba in Kazakh, which identifies a particular tribe.

Unfortunately, the blade of this saber has been subject to extensive wear and therefore the mark is unreadable. However, knowing the traditions of the Kazakh master weapon makers in forging these swords, one can safely say that the mark could have belonged to the highest representative of the Kazakh aristocracy.

The handle of the saber is made of hard wood, on both sides decorated with overlaid silver plating embossed with rich and vivid floral ornamentation. The silver plating is also decorated with a golden floral ornament in the center and two gold patch elements in the shape of a flower bud. The cross and head of the handle are made of steel.

The sheaths are made of wood and covered with dark blue velvet, or makpal, which shows signs of wear from long usage. The body of the sheath is made of steel and decorated with two gold rosettes at the top. The mouth and the tip of the sheath are made of skillfully forged silver and decorated with a slotted overlaid ornament, also made of silver with gold gilding. The silver parts of the scabbard are decorated with semi-precious stones — turquoise and cornelian. In the manufacture of this saber the master weapon maker used the traditional methods: forging, shaping, perforation, engraving and gold inlay.

Initially, this sword lacked its wooden handle and the scabbard was in poor condition. The nationally known master jeweler and sword maker Rym Kanafin was contracted to restore the saber.

The sultan kilyshy design is a prototype of the well known Persian (Iranian) Shamshir sword.

This sultan kilyshy, made by an unknown master bladesmith in the 19th century, has historical and cultural value and can be displayed in state museums and private collections of all levels.





RETAIL LENDING

A merger of two of Bank CenterCredit JSC's credit departments — those working with retail loans and loans for individual entrepreneurs — took place in 2011.

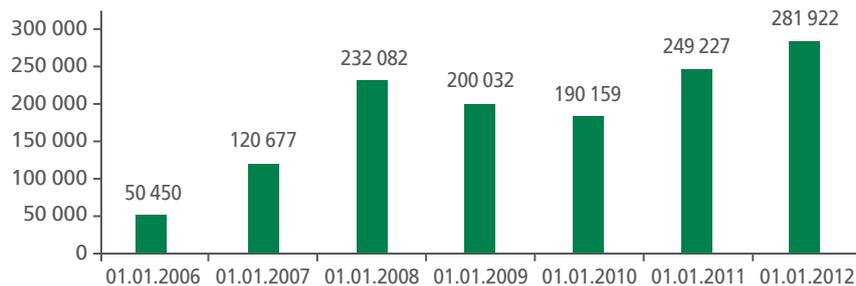
The portfolio of loans issued to individuals as of 01 Jan 2012, consisted of 87,592 loans, totaling 281.922 billion tenge.

In 2011 the Bank issued 29,645 loans, totaling 113.226 billion tenge, including:

- 7,323 mortgage loans for 41.796 billion tenge;
- 18,156 consumer loans for 47.978 billion tenge;
- 4,166 individual entrepreneurship loans for 23.452 billion tenge.

Compared to 2010, the portfolio grew by **13%**

Loan Portfolio Dynamics of Lending to Individuals (million tenge)



INNOVATIONS

In the second half of the previous year, Bank CenterCredit JSC introduced the "Auto Stop" new car loan in the Almaty city market, which provided customers with some new special conditions.

Client document processing time was reduced through the re-engineering of business processes in order to optimize the loan applications review process. This helped reduce decision-making time.



DEPOSITS

Bank CenterCredit JSC ranks third among the country's commercial banks in terms of deposit portfolio volume.

The market share of Bank CenterCredit JSC in the deposit market at the end of 2011 was 13.61%.

The balance of individual deposit accounts in 2011 was 344.370 billion tenge, having grown by 8.407 billion tenge (2.5%) compared with 2010.

In 2011 the Special Checking Account, a new type of deposit, was introduced for the transfer of pensions and allowances from the National Center of Pension Payments.



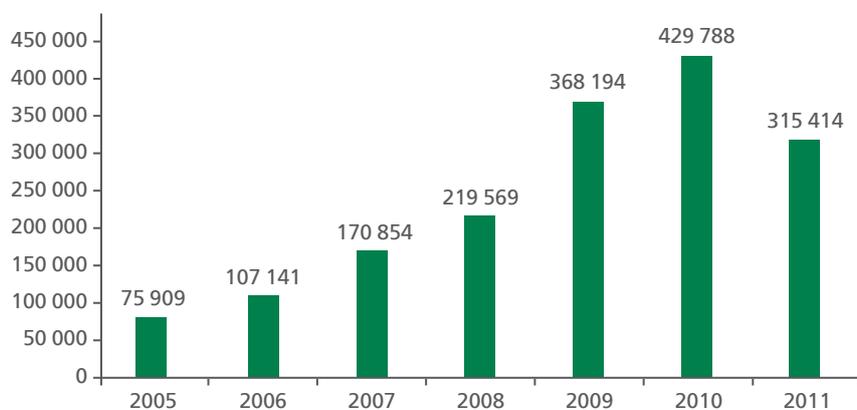
LEGAL ENTITY DEPOSITS

A new conditional deposit, Liquidation Fund for Landfill Disposal, was developed and approved for business customers in 2011.

The purpose of the Liquidation Fund Landfill Disposal deposit is the establishment of a liquidation fund in accordance with the requirements of the laws of the Republic of Kazakhstan. This will define the activities required for the closure of a landfill, landfill site remediation and monitoring of the environmental impact after the closure of a landfill.

The deposit can be in tenge, US dollars or Euros. It can be used by the Depositor solely for the elimination of a landfill in accordance with the liquidation of the landfill project, agreed to by a competent authority in the area of environmental protection. Interest from the deposit shall be accrued on a monthly basis and paid at the end of the deposit term.

Dynamics of the Legal Entities Deposits Growth (in million tenge)



Government Lending and Subsidies Programs Agreements Signed in 2011

1. Loan Agreement № 179-МГ on 30 May 2011, under which funds were drawn for the "Small Town Funding" program in the amount of 220 million tenge.

In 2011 20,552,000 tenge were disbursed under this agreement.

2. Loan Agreement № 13-ЖП on conditional placing of funds in commercial banks for further lending to women's entrepreneurs on 16 May 2011 for 320 million tenge.

In 2011 289,007,038 tenge were disbursed under this agreement.

3. Under the "Damu Regions II" program (№ ДПИІ-180) funding was made for regional priority projects, signed on 23 Sep 2010 for 5 billion tenge.

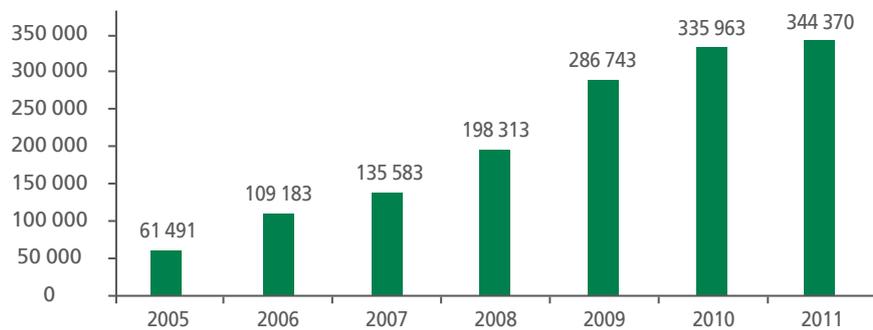
In 2011 38 contracts were signed worth 2,707,099,013 tenge.

4. Subsidies amounting to 2,068,087,000 tenge were disbursed under the "Business Road Map 2020" program.

5. Subsidies totaling 1,002,751,000 tenge were disbursed under the Subsidy Program of the Ministry of Agriculture in 2011.

6. ADB Loan Agreement № ABR/I-002 on 22 Sep 2011, for 7 billion tenge, of which 165,718,600 tenge was raised in 2011.

Bank Account Balances of Individuals (million tenge)



INTERNATIONAL RELATIONS

Bank CenterCredit JSC is developing at a stable and consistent pace, each year strengthening its position in the international financial market. The strategy of the Bank's international business aims to promote and strengthen cooperation with foreign financial institutions and to expand the range of products and services offered in the area of trade financing, international borrowing, etc.

In the reporting year the Bank continued its active cooperation with such international financial organizations as the European Bank for Reconstruction and Development (EBRD), FMO, DEG, International Financial Corporation (IFC), ADB, OPIC and EDB. Fruitful cooperation with recognized international development institutions is an important recognition of the financial stability of Bank CenterCredit JSC, the transparency of its activities, and its reliability to its customers and partners. Total resources provided by these institutions to the Bank amounted to about 500 million US dollars.

The amount of borrowing from EBRD, as of the end of the reporting year, exceeded 185 million US dollars. Bank CenterCredit JSC actively participates in the following EBRD programs: micro, small and medium enterprises financing program, trade financing program, mortgage program and the program of financing for energy efficiency improvement and renewable energy source development projects. In total, IFC provided the Bank with about 140 million US dollars.

Since 2005 Bank CenterCredit JSC has issued and distributed five Eurobond issues, totaling about 1.3 billion US dollars, of which 200 million was redeemed in 2008.

During the reporting year the Bank successfully repaid the external obligations to the investors of two Eurobond issues, thereby reducing the size of its external debt. Thus, in February, Bank CenterCredit JSC fully redeemed the principal in accordance with the terms of the second issue of international bonds in the amount of 241,030,000 US dollars, and in September the Bank fully redeemed the fourth issue of international bonds in the amount of 95,064,319.57 US dollars.

The Bank is developing relationships with financial institutions in CIS countries, Kazakhstan and foreign countries, expanding the list of accounts in other currencies such as the Canadian dollar and Chinese yuan. In 2011 the Bank opened a new correspondent account in Chinese yuan (renminbi) with the Standard Chartered Bank of Shanghai. This account allows for more flexibility in working in the Chinese market for our customers, enabling the sending and receiving of payments in that currency.

Prestigious international rating agencies recognize the stability of the development, strong financial condition and creditworthiness of the Bank. In 2011 Bank CenterCredit JSC for the first time received a rating from Standard & Poor's.

Bank CenterCredit JSC Ratings as of 31 Dec 2011

Moody's Investor Service	Fitch Ratings	Standard&Poor's
Long-term rating for bank deposits in foreign currency: B1	Long-term Issuer Default Rating: B	Long-term Partner Rating: B +
Long-term rating for bank deposits in national currency: B1 (stable)	Short-term Issuer Default Rating: B	Short-term Partner Rating: B
Financial Sustainability Rating: E+	Support Rating: 5 Individual rating: D / E	Kazakhstan's National Rating Scale: kzBBB
Forecast: Negative	Forecast: Stable	Forecast: Stable



DOCUMENTARY CREDIT OPERATIONS AND TRADE FINANCING

The total amount of transactions issued by documentary credit operations and trade financing amounted to 220 million US dollars, including:

- Import letters of credit for more than 159 million US dollars;
- Import guarantees for 12 million US dollars;
- Instruments for import and pre-export financing for 49 million US dollars.

Nearly 141 million US dollars (64% of the aforesaid volume) was guaranteed by EBRD and IFC under the Trade Finance Program. Bank CenterCredit JSC actively participates in this program and is recognized as the most active bank in Kazakhstan under the trade facilitation framework in 2011.

In 2011 the Bank also processed export documentary credit operations (letters of credit, guarantees, collections of payments) worth more than 343 million US dollars.



OPERATIONS ON THE STOCK AND INTERBANK MARKETS

Bank CenterCredit JSC is one of the largest professional participants in the securities market of the Republic of Kazakhstan. It provides brokerage services for stock market transactions. The results of

2011 show that Bank CenterCredit JSC is one of the leaders of the repo and government securities stock markets.

Name	Volume at the End of 2010	Volume at the End of 2011
Securities Portfolio, Total	271,850	116,201
Including:		
Government Securities	250,375	97,688
Non-government Securities	21,475	18,513

(million tenge)



KAZAKH HORSE SADDLE

From an artistic standpoint, saddles — both their form and *dıcor* — are of particular interest, since the saddle is the main component of the entire ensemble of the aesthetic decoration of the horse. The wooden frame of the saddle was usually hewn from one piece of hard wood (*biteu er*); however, at times it was made from a composite (*kyrandy er*). Most Kazakh saddles had relatively high saddlebows (*kas*) with an almost vertical front and strongly curved backend. The forms of the front saddlebows had great variety; from oval-shaped to artfully carved tops in the form of birds' heads and twin horn shapes. The earliest types of saddles with the front pommel were often decorated in the shape of the head of waterfowl (*kus agash er*, *uirek bas er*) or the horns of a mountain ram (*baldak er*, *ak bas er*, *shoshak bas er*). Saddles with these types of pommels were for men. Women's saddles differed with more profoundly posed oval pommels and rich decor.

On each side of the saddle hung leather saddle pads decorated with embossed designs, sometimes with an application of colored leather, and usually bearing the massive silver-plated metal medallions and stamped pieces of silver. On both sides of the saddle were fastened fancy leather side extensions ornamented with embossed horn-shaped patterns. These extensions served to protect the rider's feet from friction against the upper part of the belt and the saddle ornaments.

The stirrups, many of which are superb examples of Kazakh jewelry and bronze work, completed a beautiful, artful image of the saddle and its ornamentation. Their shapes also varied, but the predominant type had a round base and a high bail. In their finishing detail of the stirrup, artisans used decorative inlay, profiling, engraving and openwork carving. Brass stirrups were sometimes decorated with incised patterns in the form of concentric circles — this technique has its origin in the ancient art of ornamentation of animal bones. The handles of riding whips (*kamshy*) also sometimes were decorated with pieces of silver and with artfully woven wire.

KAMSHY — WHIP

Wood, leather, weaving. Kazakhstan. 19th century.

There are two types of *kamshy* (riding whip): casual and festive. The most common is the everyday *kamshy*. Typically, the handle is made of wood (*tobylygy*) and the leather part has a complex weave (*orme*). Kazakhs usually kept these *kamshy* tucked in their boots. The festive *kamshy* was worn tucked into the belt (*kise beldik*).



Bank CenterCredit JSC continues to take a leading stand in the domestic currency market, being an active member of the Kazakhstan Stock Exchange. A team of highly professional dealers, enhanced by

the Bank's desire to strengthen its leading position on the interbank market, ensures that each client of the Bank will get the highest level of service and the best interest and exchange rates.

Dynamics of Bank CenterCredit JSC Key Performance Indicators on Currency Operations:

KPI	2010	2011
Volume of Transactions USD/KZT	22.5 billion USD	21.8 billion USD
Volume of Transactions RUB/KZT	24.9 billion rubles	32.7 billion rubles
Volume of Transactions EUR/USD	2.6 billion euro	2.5 billion euro
Volume of Transactions EUR/KZT	844.8 million euro	958.8 million euro
Volume of Transactions USD/RUB	709 million USD	1.0 billion USD



CUSTODIAL ACTIVITY

Bank CenterCredit JSC provides custodial services by keeping client's records and safeguarding client's assets.

Custodial Bank CenterCredit JSC Client's Assets

Client	2010 (million tenge)	2011 (million tenge)
Pension Funds	61 387	75 485
Investment Funds	5 236	7 903
Legal Entities	79 611	115 719
Legal Entities (documents storage)	26 798	6 489
Legal Entities (bondholder representative services)	88 500	80 500
ИТОГО:	261 532	286 096



PRODUCTS AND SERVICES

Internet Banking System

Internet Banking System offers legal entities on-line remote service via the Internet. The service allows a client to perform banking transactions without having to visit a Bank office.

Bank CenterCredit JSC increased document turnover through the Internet Banking system, which reached 70% of the volume of outgoing client payments by legal entities of the Bank in 2011.

The number of companies connected to the Internet Banking System increased by more than 9% and is currently about 18,500 customers.

Home Banking System

Home Banking System is a remote banking service for individuals so they do not have to visit Bank offices. An individual can manage his bank accounts online via the Internet at his own convenience, regardless of his location. At the end of 2011, the Home Banking client base reached 11.5 thousand users.

In 2011 a new service was introduced in the Home Banking System. Now a client can transfer funds to a third party by using a session confirmation code. This significantly improved the security level and increased the number of payments and transfers by 9% of all deposit transactions.

SMS-Banking

SMS-Banking System is a proprietary development of Bank CenterCredit JSC and has provided its services to customers since August 2010.

The system is designed to ensure the transparency of transactions by sending SMS-notification of all expenditures and receipts by account, upcoming loan maturity of outstanding loans, along with information updates from the Bank.

As of 31 Dec 2011, more than 18.5 thousand clients connected to the SMS-Banking System. Within a year, the number of clients increased by almost 15 thousand.

Contact

Bank CenterCredit JSC started using the Contact money transfer system in July 2001. The Contact system allows individuals to make money transfers in US dollars, euros and rubles to the CIS and abroad, without opening an account. Since 2010, Contact has offered the possibility to make transfers from individuals to legal entities.

Western Union

Bank CenterCredit JSC was the first official representative of Western Union in Central Asia and has been offering international money transfer for individuals since 1998.

The Western Union international system is a fast and trustworthy method of money transfer without opening a bank account.

In addition to money transfers between individuals by the Western Union system, the Bank also arranges Quick Pay payments (from individuals to legal entities connected to the Western Union system) and Quick Cash (payments from legal entities to individuals).

As of 31 Dec 2011, Bank CenterCredit JSC had 903 points of service.

Sub-representatives of the Bank are Kazakhstani banks such as Alliance Bank JSC, ATF Bank JSC, Temirbank JSC, Tsesna Bank JSC, Eurasian Bank JSC, Sberbank JSC, VTB Bank JSC, Delta Bank JSC, Astana-Finance Bank, PNB Kazakhstan (Dana Bank), and TAIB Kazakhstan Bank. Bank Kassa Nova JSC joined this group in 2011.

Quick Transfers

The Quick Transfers system was developed by the Bank and has been functioning since July 2000. This system allows individuals to transfer money in Kazakhstan without opening a bank account. The uniqueness of the system is its speed, achieved with the help of Internet technology and the Bank's corporate network. A record speed of a two-second transfer has been recorded.

System users are notified of the transfer status on their mobile phones.

In 2011 the amount of money transfers by individuals in Kazakhstan through Quick Transfers exceeded 6.2 billion tenge. In 2011 there were more than 100,000 transfers made through the system.

Quick Earnings

The Quick Earnings system allows companies to quickly collect all their earnings in the territory of Kazakhstan and get current online information on payments received. Currently over 1,800 corporate entities in Kazakhstan use the Quick Earnings system.

In 2011 the Quick Earnings system processed more than 3.2 million transfers and deposited over 105.8 billion tenge into corporate clients' accounts.

Remote phone/e-mail/web/fax-service

Call Center (Sales and consultations on banking products)

– In 2011, compared to 2010, the Call Center processed 3,106,840 / 2,529,701 inquiries (client calls), including 636,575 / 328,645 telephone inquiries (consultation for banking services). At the service level (SL) 74% / 77% of the inquiries of customers were able to get through within 20 seconds. Call failure to the Call Center averaged 5.857% / 4.5%, and the answer speed was 11 / 10 seconds (an average of ten seconds from the time a caller began waiting until they were speaking with a Call Center operator).

Auto Call Center (Automated telephone customer service)

– 97 / 120 campaigns were implemented using outgoing automatic dialing of Bank CenterCredit JSC clients (to 26,790 / 28,667 individuals, legal entities and individual entrepreneurs, 17,760 / 14,305 of which reported positively).

– The round-the-clock automated telephone response system served 98,422 / 96,782 customer inquiries.

– The round-the-clock Automatic Telephone Center (ATC) of the Bank served 1,422,157 / 1,582,336 external telephone calls to internal bank phones.

– Through the Telephone Banking System (TBS) in round-the-clock automated mode 586,290 / 376,932 customer inquiries were processed. TBS transactions numbering 376,449 / 244,931 were performed between clients' accounts and cards. The number of clients connected to TBS increased by 22,478. At the same time, inactive customers are disconnected from TBS on a regular basis, which raised the level of activity of the TBS service to 50% from 40.6% in 2010.

Contact Center (Documentary correspondence with the customers using e-mail / web / fax-Communications)

– There were 68 / 43 campaigns of mass personal and corporate e-mail distributions sent to various categories of customers. A total of 551,186 / 164,432 messages were sent. In addition, 60,943 / 59,709 messages were sent individually to clients (individuals, legal entities and individual entrepreneurs) through these channels. A total of 612,129 / 224,141 messages were sent to customers during the year.

During the year 1,777 / 1,633 inquiries were received from various segments of the Bank's financial group clients and forwarded for processing.

In 2011 the Authorization Center Retail Business Department for card holders and the Help Desk Service for the users of the Internet and Home Banking systems were merged into the common Distance Client Service (call center). This was part of the Strategic Development Plan of Bank CenterCredit JSC, pursuant to optimization of the Bank's organizational structure. The round-the-clock call center processed 353,340 incoming telephone inquiries

Number of Individual Clients:

Number of Clients	Small Business	VIP	Mass Segment	Median	Upper Middle Class
1,371,144	27,316	5,536	1,313,930	17,790	6,572

by cardholders. Distance technical consulting assistance was provided 27,623 times to users of the Internet and Home banking systems by phone / e-mail communication. During the year 195 foreign trade reviews were performed. An intensive e-mail correspondence was carried out concerning Internet business publications by the Bank CenterCredit JSC financial group.



SPEARHEADS

Metal, hand-forged pressed inlay with brass.

Kazakhstan. End of the 19th century.

The spear was a weapon constructed with a wooden pole and used for stabbing, piercing and slashing. Lighter javelins were for throwing and heavier lances for close combat.

The regular spear consisted of a wooden pole and a metal tip, the shape of which could be very diverse.

For a long time the javelins prevailed decisively as the spear of choice because they allowed dual usage — throwing and jabbing. Therefore, even in the Bronze Age up until the transition to combat tactics in organized formations (and even afterwards with some peoples), the spear was universal.

If a warrior intended to use his spear for both throwing and jabbing, he usually carried two spears so that, after deploying one, he would not be unarmed. Or, if he carried just one, he would fasten a leather strap several meters in length. Once the spear was thrown he could easily retrieve it.

However, after the transition to the tactics of fighting in formations, it became clear that one type of spear was needed for throwing, and another for close combat. The issue was not length or weight, but balance. A javelin's center of gravity is shifted more toward the tip, but because it is best to hold the weapon close to the center of gravity, the two-meter spear, intended for throwing, when used in the formation, extended very little beyond the line of the shields, but was hitting the legs of fellow warriors three rows back.





BANK CARDS

ATM transactions volume increased by **40%** And amounted to **252 Billion tenge**

As of 01 Jan 2012 the market share of Bank CenterCredit JSC cards in circulation was 7.9%. The number of cards issued in 2011 totaled 347,226, a 15% increase. Turnover in the trade network increased by 95% and reached 2.9 billion tenge. The volume of cashless payments by Bank CenterCredit JSC cards was 21 billion tenge in 2011.

Compared to 2010, the Bank's self-service network significantly expanded and now numbers 748 operating ATMs. Point-of-sale (POS) terminals, numbering 1,056, are installed in commercial and service points, and 393 POS terminals are installed in Bank branches.

In 2011 the Bank initiated the MasterCard issue project, which helped to diversify the product line. Functionality of payment cards was expanded through the introduction of such services as the White Concierge Service for VIP clients and the PIN change service via ATM. The automatic card scoring project was initiated in March 2011 to improve and accelerate the process of setting a limit on the credit cards.

As part of the main directions of the card business in 2012, the Department of Bankcards plans to expand its product range and improve business processes by focusing on the development of credit cards, which are the Bank's most profitable loan product.

To expand the functional content of its credit card products, the Bank plans to implement co-brand projects and loyalty programs. The Bank is working on commercial acquisition certification for MasterCard and the 3D Secure / SecureCode program, aimed at expanding the trade network and increasing the number of non-cash transactions.



PERSONNEL

The number of Bank CenterCredit JSC employees as of the end of 2011 was 4,538 people (a decrease of 222 people compared to the beginning of the year).

More than 80% of this total number is regional network staff. In the past year the Bank made significant organizational and structural changes in the branch network in conjunction with improvements in lending processes and division of rights, powers and accountability measures within this process. As a result, by the end of the year the branch network was concentrating on selling products and providing operational services to clients, with the involvement of 2,382 employees, which is more than 52% of the total staff. One thousand and two employees worked in the regional centers of credit analysis and operational support as of the end of the year.

The average age of a Bank CenterCredit JSC employee is 33.

The Bank purposefully pursues a policy of nurturing its staff. In this regard, when selecting candidates for a vacant position, priority is given to an employee who has demonstrated high performance and professional competence. The Bank widely practices recruiting talented and gifted university

students for entry-level positions after they have successfully completed a trial period and internship. Employees enrolled in the candidate pool participate in the selection process for management positions, together with the candidates chosen by the Selection Committee.

The Bank invests in personnel development on an ongoing basis through arranging in-house, external and distance training. In the reporting year as part of the integration of strategic partner (Kookmin Bank) technologies, the Bank continued implementation of a personnel management system improvement project, which includes staff development to create an environment for the professional growth of Bank employees.

Over the past year, training was provided to 4,322 employees by sending 683 employees to short-term professional and language courses in Kazakhstan and abroad. In addition, 684 employees were sent to the corporate training center of the Bank, and 2,955 employees were sent to regional classes of the branch network. Pursuant to implementation of the education system improvement project, distance learning is actively being developed, directed mainly at the development of professional competence in the branches of the Bank.

Forty-six employees from the main office and several branches went on a six-week training to Kookmin Bank in Seoul, Korea, in order to become acquainted with strategic partner business processes and technologies.

In order to improve personnel management, Bank CenterCredit JSC introduced a personal evaluation of employees based on performance indicators and competence levels. Evaluation results are the basis for making decisions on the employees' career growth, their rotation, and training and development aimed at improvement of their professional skills.

In the reporting year, Bank CenterCredit JSC also introduced a candidate pool aimed at identifying promising employees and creating conditions for the development of their managerial capacity by motivating and providing opportunities for their career growth. The pool was created for positions of department directors, branch directors and managers of head office departments.

Additionally, the Bank successfully operates a Translation Department, which provides transla-

tions of written documents into Kazakh, English and Korean, as well as translations of management meetings and other collective bodies of the Bank into English and Korean. Language support is offered in the transfer of business technologies from the strategic investor (Kookmin Bank).

Bank CenterCredit JSC pays particular attention to the introduction and development of the use of the state language. In this regard, the state language is actively used not only in document flow but also in automated banking information systems (ABIS) and in all software used in the Bank's activities. Support for the state language is being implemented into every sphere of the Bank's work. Thus all payment documents can be generated in both Kazakh and Russian at the same time. Lots of work was carried out to translate the software designed for remote banking customers into the Kazakh language. This software includes Telephone Banking, ATM, Internet Banking, Home Banking, Quick sales, and Fast Payment. This access allows our customers to perform all banking operations - including automated remote services - and receive documentation in the state language.



INFORMATION TECHNOLOGIES

Bank CenterCredit JSC has invested more than 36 million tenge in the development of our corporate network, 97 million tenge in computer equipment and 136 million tenge in server equipment. With the assistance of KPMG consulting, the Bank has developed its information technology strategy. The Bank has changed to a digital signature-certified CA KISC to enhance the security of the Bank's customers via remote self-service channels. The Bank has also developed a collateral database module, which allows the storage and tracking of all information about Bank collateral in a single database.

The first stage of a united monitoring system project has been implemented. This system provides automated around-the-clock monitoring of key IT services of the Bank. A united system of ABIS Bank administration was introduced for unification and optimization of access rights distribution and control. In accordance with the plans of the National Bank of the Republic of Kazakhstan, ABIS Bank is ready to transition to a system that uses customer identification numbers. With assistance by KB Data Systems, the Bank introduced a united corporate data warehouse system and is developing a reporting system.



RETAIL NETWORK

About **90%** of branch structural units provide a full range of banking services

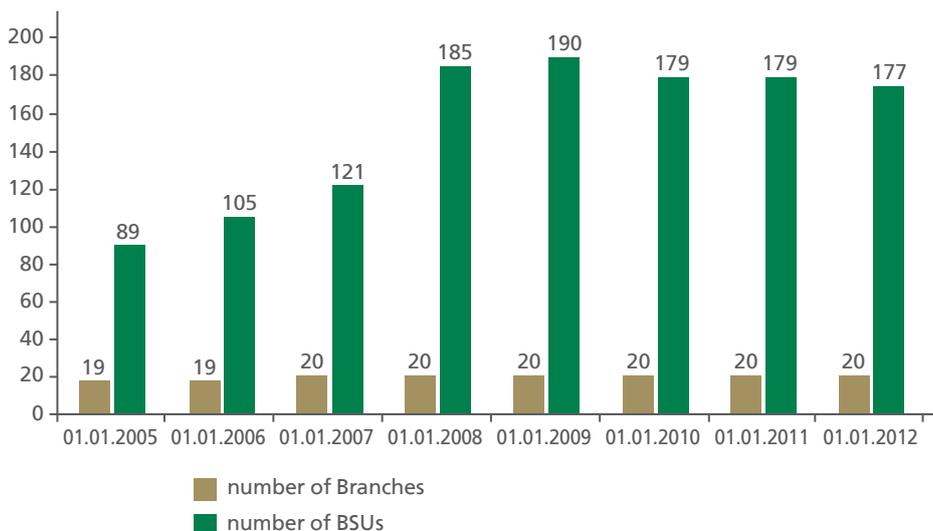
Bank CenterCredit JSC retail network, as of 1 January 2012, consists of 20 branches and 177 branch structural units (BSU), including 53 BSUs that are temporarily closed. In connection with the optimization of the retail network, 35 BSUs were suspended and two BSUs were closed in 2011 as a result of performance evaluations.

BSUs have the following composition:

- VIP-Center – 1;
- Centers for financial services – 38;
- Centers for retail services – 40;
- Cashier departments – 98.

The bank has branches in all regional centers and major cities of the Republic. Branches and BSUs are present in over 50 locations throughout the Kazakhstan.

About 90% of BSUs, regardless of their format (VIP-center, CFS, CRS, CD), provide a full range of banking services.



In 2011, the Bank adopted a new concept for standardization of the structural units of Bank CenterCredit JSC. In accordance with the adopted concept, the Bank developed standards for the process of opening / relocation of BSUs in terms of evaluation of client flow and assessment of the effectiveness of the placement of newly opened BSUs.

In addition, the Bank introduced a new organizational structure in order to improve management efficiency in accordance with international standards. In the previous organizational structure, branch management was responsible for sales, decision-making and back-office support, which negatively affected business levels and productivity. The new structure provides for separation of these functions. For this purpose, the Bank established region-

al centers of credit analysis and the operational support centers. Thus, the branches retain the sales and business development functions, and the regional centers of credit analysis are vested with the decision-making function for loan applications and are responsible for loan portfolio quality. The regional operating support centers perform the business support functions (legal support, security, administration, HR, etc.). This separation of functions will let the branches focus on sales and improve the quality of the loan portfolio of Bank CenterCredit JSC.





BCC-INVEST JSC

BCC-Invest JSC is a professional member of the securities market of the Republic of Kazakhstan and possesses all the licenses and permits required by legislation. BCC-Invest JSC is a subsidiary of Bank CenterCredit JSC .

Mission

BCC-Invest JSC is an investment company. One of its main tasks is to assist clients in achieving their goals through the stock market.

The company principles are honesty and professionalism.

BCC-Invest JSC offers its clients the following services:

- Investment funds;
- Brokerage services;
- Financial consulting;
- Individual trust management;
- Nominee holder services;
- Fund raising;
- Analytical support.

The Financial Performance of the Bank in 2011:

- Net income – 250,537,000 tenge.
- Equity increased by 15% and totaled 1,864,000,000 tenge.
- The assets of the Company totaled 2,659,776,000 tenge.
- In 2011, BCC-Invest JSC acted as financial advisor and official underwriter for following bond issues:
 - Coupon bonds of the largest grain traders in Kazakhstan, which form the state grain reserves of National Company Food Contract Corporation JSC, for a total of 40 billion tenge;
 - Coupon bonds of a leading agricultural company KAZEXPORTASTYK Holding JSC, for a total of 40 billion tenge.
- Investment fund CenterCredit - Smart Balance ranks first among open and interval pension funds based on its rate of return.

- In December 2011, BCC-Invest launched a unique trading platform, unavailable with other competitors. In particular:
 - A new platform provides access to the operations of local and foreign markets;
 - Customers are able to track the movement of cash, securities and shares on their brokerage accounts;
 - Customers are able to calculate return on their investment portfolios as a whole and for individual securities and shares;
 - Customers are able to see the current status of all completed transactions;
 - Customers are able to transfer funds to their own accounts and the accounts of third parties.
- The Company carried out an active promotion on the Internet. It carries out social media marketing strategies and campaigns on Facebook and Twitter.
- Optimized business processes have improved services provided to clients.
- Voice commands were introduced.
- Most business processes have been automated and the risk management system has been improved.
- Clients' access to the world's leading stock exchanges has been organized.
- The Bank established a new custodian bank – HSBC – which made it possible to improve the accounting system and to reduce costs.



CAPITAL PENSION SAVING FUND JSC

Capital Pension Saving Fund JSC is a subsidiary of Bank CenterCredit JSC.

Capital PSF has worked on the pension services market since October 2001. The goals of its activities are the attraction of pension contributions, the payment of pensions, and the investment management of pension assets.

Fund Mission

The components of our success are responsibility, integrity and competence, creating a secure future for each pension fund investor.

Corporate values

Our corporate values of respect and care for clients create the best experience for investors in the pension services market.

Fund Financial Performance in 2011:

- Pension assets – 145.848 million tenge (an increase of 32%);
- Number of investors – 427,172 people (an increase of 10.4%);
- Quantity of payments – 8.051 million tenge;
- Authorized capital – 2 million tenge (an increase of 1%);
- Equity – 3.860 million tenge (an increase of 20%);
- Market share of pension assets – 5.5%.

As of 01 January 2012, the total number of Fund depositors increased by 40,304 to 427,172 people.

The growth of the pension assets of the Fund in 2011 amounted to 35.2 billion tenge. The Fund is one of the five largest pension funds of the Republic of Kazakhstan when measuring the size of pension assets. The average investor's savings as of the beginning of 2012 was about 341,400 tenge.

During the past year, Capital PSF's pension assets growth rate was increased by the receipt of more than 22.9 billion tenge in pension contributions, 31.3 billion tenge in positive inflow of pension savings from other pension funds, and 5.2 billion tenge in net investment income debited to the accounts of investors.

The 5-year nominal income ratio (K60) is 40.7 points, which exceeds the weighted average yield of the system by 35.5% (10.66).

On 01 January 2012, the 12-month nominal income coefficient (R2) of Capital PSF was 4.42, which exceeds the weighted average nominal income index of the pension system for the same period by 1.83 points.

Furthermore, as of the beginning of 2012, 66.17% of the Fund's pension assets were placed in highly reliable state securities of the Republic of Kazakhstan. The share of corporate bonds in the portfolio is 25%. As of 01 January 2012, the investment portfolio of Capital PSF pension assets is as follows:

- Securities issued by the National Bank of RK and by the Ministry of Finance of the Republic of Kazakhstan (SS) – 66.17%;
- Nongovernment securities issued by enterprises of the Republic of Kazakhstan – 25.94%;
- Corporate securities of foreign issuers – 1.13%;
- Securities of international financial institutions – 3.57%;
- Accounts in the National Bank and second-tier banks of the Republic of Kazakhstan – 1.42%;
- Funds in investment accounts and other assets – 0.84%.

Successful financial performance resulted in an upgrade of the Fund's reliability rating from A (high level of reliability) to A+ (very high level of reliability) by the rating agency Expert RA Kazakhstan. Investment portfolio stability, high dynamics of pension savings growth, the developed regional network of the Fund and the high probability of financial support from the shareholders factored into this decision.

In 2011, the Fund was awarded a special prize by the organizing committee of the contest festival "Number One Choice in Kazakhstan 2011" in the category "Business Grand-Prix: The dynamics of development in 2011 in Kazakhstan" as the most rapidly growing financial institution of Kazakhstan in 2011.

During 2011, Capital PSF fully met the Prudential requirements of the Financial Supervisory Committee (FSC). As of 1 January 2012, the Fund's equity grew by 635.5 million tenge and reached 3.86 billion tenge.

The Fund works in accordance with the highest quality standards and uses modern marketing tools to promote pension services. The CapitalClub partnership network is successfully developing today and includes more than 600 partners, offering from 3% to 50% discounts for the Fund's investors. The Fund also provides consulting and other services to users via Internet resources (In Contact, Facebook and Twitter).

The Fund provides its services in all regions of the country. Fifty-three regional offices of Capital PSF provided services for investors.



BANK BCC–MOSCOW LLC

Established in December 2007, Bank BCC–Moscow, LLC is a subsidiary of Bank CenterCredit JSC.

Throughout this period, the Bank has established a stable customer base, developed a highly qualified staff, and developed and introduced products for small and medium enterprises in the retail sector.

During 2011, the Bank continued to be active in the Russian market, expanding the range of services for its clients, both for individuals and corporate entities. A license for professional securities market participation with no expiration date on broker, dealer, custody and securities management was obtained in February 2011 and became a significant support for further development of the Bank. This allowed the Bank to join the RTS Stock Exchange in July 2011, and the MICEX Stock Exchange JSC in December 2011.

In March–April 2011 the Bank opened two additional offices in Moscow, thus starting its network for further development of its business in the Moscow region.

On 28 March 2011 the Bank signed a contract with the Eurasian Development Bank (EDB) with a 450 million ruble credit line for the financing of small and medium enterprises (SME). These funds were used to support SME business development and project financing.

In April 2011 the international rating agency, Fitch Ratings, awarded ratings of B in both the long-term and short-term issuer default rating in foreign and local currency. A support rating of 4, a national long-term rating of BBB-(rus), and a forecast of “stable” were also awarded.

In July 2011 all procedures were completed to increase the Bank’s authorized capital up to 1,293,680,000 rubles, which allowed the Bank to intensify its activities in the market of banking services and to rank 297th in assets in 2011 among Russian banks (compared to a ranking of 378th at the end of 2010).

Another significant achievement of Bank BCC–Moscow in 2011 was joining the VISA International Service Association international payment system. This gave impetus to the implementation of an active plastic card program and became a platform for the development of card business by Bank BCC–Moscow in 2012.

In 2011 Bank BCC–Moscow continued its active cooperation with Moscow’s Fund for assistance with lending to small businesses. According to the results of work in 2011, the Bank ranked 5th among 35 participating banks authorized by the Fund program (after Alfa-Bank, PSB, Savings Bank and NOMOS Bank) with a volume of guarantees issued by the Fund in the amount of 412.5 million rubles.

Bank BCC–Moscow has participated in the Fund’s programs for 1.5 years (since May 2010). Bank BCC–Moscow ranked 10th in the overall period of the Fund’s existence (since 2006) and in the implementation of its programs in support of small and medium businesses.

Cooperation between Bank BCC–Moscow and the Fund contributes to the Bank’s mission: assistance to the development of small and medium businesses and raising up the middle class in Russia and the CIS. It also contributes to the development of entrepreneurship in Russia, to the improvement of the national banking system and to economic recovery.

Based on the positive and stable development of Bank BCC–Moscow in 2011, the growth of capitalization, the good quality and adequate structure of its assets and the decreasing dependence on shareholder resources, on 29 December 2011 the rating agency Expert RA raised the credit rating of Bank BCC–Moscow to A (high creditworthiness) with a stable outlook.



COMBAT BELT (FOR HUNTING)

Leather, metal plates.

Cast silver, imprinting.

Kazakhstan. 18th century – beginning of 19th century.

A **kise beldik** was an absolutely necessary piece of equipment for the warrior, nomad or hunter. A combat sword and battle axe (aybalta) were fastened to the belt. Later, with the spread of firearms such as the bilte mylyk, or matchlock musket, the belt was used to carry the gunpowder bag, the bullet pouch, etc.

The **kise beldik** shown is a classic example of the average combat belt. This belt is decorated with silver buckles. The master craftsman in the manufacture of this **kise beldik** used traditional techniques: imprinting, forging and silver inlay.

Due to changes in the Kazakh way of life by the middle of the 19th century, as noted by Chokan Valikhanov, the well-known Kazakh military officer and historian, such belts served a more decorative function, often worn by nobility or those from the older generation.

Kemer belbeu – men's belt, ethnically distinctive, indicator of the status of a Kazakh aristocrat.

Cast silver, imprinting, leather embossing.

Kazakhstan. Beginning of the 19th century.

Men's belts and, above all, the **kemer belbeu**, as with other Turkic peoples, were an indispensable attribute of the aristocratic Kazakh male's ceremonial national costume. Such a belt, richly decorated with overlaid silver medallions, was primarily an indicator of high social status. Made with much love, as indicated by the great precision and care shown in the details, by an unknown Kazakh craftsman, this belt is the skillfully-made expression of highly advanced folk art of the early 19th century.

The Kazakh male aristocracy of previous centuries widely used belts made of leather and fabric. The **kemer belbeu** (wide belt) was more festive, but the **kise beldik** was important in the traditional gear of the Kazakh warriors and mergens (sharpshooting hunters). Such a belt was used to carry a gunpowder bag, a small leather pouch, a whetstone and a knife or **kanzhar** (dagger).

The festive type of belts always included an attached sword or a small classical **kanzhar** (dagger).



BANK CENTERCREDIT JOINT STOCK COMPANY

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR PREPARATION AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Management is responsible for the preparation of consolidated financial statements that provide a fair and accurate representation of the financial position of the Bank CenterCredit Joint Stock Company and its subsidiaries (hereinafter referred to as the Group). Consolidated financial results, cash flow and change in capital for the year ending 31 December 2011 are in accordance with the International Financial Reporting Standards (hereinafter referred to as IFRS).

In the process of preparation of the financial statements, the management is responsible for following:

- Guarantee of correct selection and application of accounting policy principles;
- Presentation of relevant, reliable, comparable and understandable information about accounting policy;
- Disclosure of additional information in cases when following the IFRS requirements is insufficient for the reader to understand how transactions as well as other events or conditions impact either the consolidated financial position or the consolidated financial results of the Group;
- Estimation of the Group's ability to maintain its activity in the foreseeable future.

Management is also responsible for:

- Development, implementation and maintenance of efficient and reliable internal control systems in the Group;
- Maintenance of accounting books in a form that allows the disclosure and explanation of Group transactions as well as presentation of information as of any date with sufficient accuracy about the consolidated financial position of the Group to ensure compliance of the consolidated financial statements to the IFRS requirements;
- Maintenance of accounting books in accordance with legislation of the Republic of Kazakhstan;
- Adherence to all prudent measures to safeguard the Group's assets;
- Detection and prevention of acts of fraud, errors and other wrongdoings.

This consolidated financial statement for the year ended 31 December 2011 was approved on 15 February 2012 by the Executive Board of the Group.

On behalf of the Executive Board of the Group:



V.S. Lee
Chairman of the Managing Board

15 February 2012
Almaty



Oh Ki Hong
Executive Director

15 February 2012
Almaty



A.T. Nurgaliyeva
Acting Chief Accountant

15 February 2012
Almaty

Deloitte.

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INDEPENDENT AUDITORS REPORT

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

We have finished the audit of the enclosed consolidated financial statement of Bank CenterCredit Joint Stock Company and its subsidiaries, which includes the consolidated statement of financial results as of 31 December 2011, the consolidated statement of profit and loss, the consolidated statement of aggregate profit and the consolidated cash flow statements and changes in capital for the year which ended this date, as well as the disclosure of basic principles for accounting policy and other explanations.

Management Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and faithful presentation of this consolidated financial statement in accordance with the International Financial Reporting Standards, as well as for creating an internal control system that the management deems necessary for preparation of financial statements free of any substantial distortions resulting from illegal acts or errors.

Responsibility of Auditors

Our responsibility is to give our opinion about the authenticity of this financial statement based on our audit. We conducted this audit in accordance with International Auditing Standards. These standards require that the auditors comply with standards of ethics and also plan and conduct audits in a manner that gives sufficient assurance that the consolidated financial statements do not have significant distortions.

The audit includes procedures necessary for obtaining audit evidence with respect to the numbers and notes in the financial statements. The choice of procedures is based on the professional judgment of the auditors, including the evaluation of the risk of substantial distortions resulting from illegal acts or errors. Evaluation of such risks includes reviewing the system of internal control over preparation and reliability of the financial statements in order to develop the audit procedures relevant to specific situations, but not expressing an opinion about the effectiveness of the system of internal control. The audit also includes an evaluation of the accounting policy and of the assumptions made by management, as well as evaluation of the presentation of consolidated financial statements in general.

We believe that the evidence we have collected serves as a sufficient and appropriate basis for expressing our opinion.

Наименование «Делойт» относится к одному либо любому количеству юридических лиц, входящих в «Делойт Туш Томацу Лимитед», частную компанию с ответственностью участников в гарантированных ими пределах, зарегистрированную в соответствии с законодательством Великобритании; каждое такое юридическое лицо является самостоятельным и независимым юридическим лицом. Подробная информация о юридической структуре «Делойт Туш Томацу Лимитед» и входящих в нее юридических лиц представлена на сайте www.deloitte.com/about. Подробная информация о юридической структуре «Делойта» в СНГ представлена на сайте www.deloitte.com/ru/about.

Member of Deloitte Touche Tohmatsu Limited

Opinion

In our opinion, this consolidated financial statement reliably in all major aspects reflects the financial position of the Bank CenterCredit Joint Stock Company and its subsidiaries as of 31 December 2011 and also its operational results and cash flow for the year ended this day in accordance with the International Financial Reporting Standards.



Andrew Weekes
Engagement Partner, Certified Accountant
Certificate of Social Practice 78586,
Australia



Deloitte LLP
State license for rendering audit services
in the Republic of Kazakhstan №0000015,
series МФЮ - 2, issued by the Ministry of
Finance of the Republic of Kazakhstan
on 13 September 2006.



Nurlan Bekenov
Qualified Auditor of the Republic of Kazakhstan
Qualifying Certificate №0082, issued on 13 June 1994,
General Director
Deloitte LLP



15 February 2012
Almaty

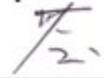
BANK CENTERCREDIT JOINT STOCK COMPANY
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31 DECEMBER 2011**
(in millions of Kazakhstan tenge, except earnings per share stated in tenge)

	Notes	Year ended - 31 Dec 2011	Year ended - 31 Dec 2010
Interest income	4, 28	87,558	94,792
Interest expenses	4, 28	<u>(62,057)</u>	<u>(80,047)</u>
NET PERCENTAGE PROFIT BEFORE ALLOWANCE FOR RESERVES FOR DEVALUATION OF ASSETS SUBJECT TO INTEREST		25,501	14,745
Пайыз есептелетін активтердің құнсыздануына бөлінген резерв	5	<u>(18,379)</u>	<u>(38,547)</u>
NET INTEREST INCOME (EXPENSE)		<u>7,122</u>	<u>(23,802)</u>
Net income /(loss) from operations with financial assets and obligations, reflected by fair value through profit or loss	6	877	1,382
Net realized loss from disposal and depreciation of investments, available for sale	7	(975)	(942)
Net profit from operations with foreign currency	8	4,044	2,351
Income from services and commissions received	9	18,652	15,718
Expenses from services and commissions paid	9	(1,955)	(1,298)
Recovery / (formation) of impairment reserves			
For other operations	5	586	(574)
Other income		<u>90</u>	<u>32</u>
NET NONINTEREST INCOME		<u>21,319</u>	<u>16,669</u>
OPERATING (LOSS) PROFIT		28,441	(7,133)
OPERATING EXPENSES	10, 28	<u>(25,812)</u>	<u>(23,845)</u>
OPERATING (LOSS) / PROFIT BEFORE TAXES		2,629	(30,978)
Profit tax saving	11	<u>102</u>	<u>309</u>
NET PROFIT / (LOSS)		<u>2,731</u>	<u>(30,669)</u>
Related to:			
Parent Bank shareholders		<u>2,579</u>	<u>(30,785)</u>
Minority ownership shares		<u>152</u>	<u>116</u>
		<u>2,731</u>	<u>(30,669)</u>
PROFIT / (LOSS) PER SHARE			
Basic (tenge)	12	12.79	(192.55)
Diluted (tenge)	12	12.79	(192.55)

On behalf of the Executive Board of the Group:


V.S. Lee
Chairman of the Managing Board

15 February 2012
Almaty



Oh Ki Hong
Executive Director

15 February 2012
Almaty



A.T. Nurgaliyeva
Acting Chief Accountant

15 February 2012
Almaty

Notes on pages 10 – 89 are integral parts of these consolidated financial statements.

✦ THE TRADITIONAL ARMOR OF KAZAKH WARRIORS — THE KNIGHTS OF THE STEPPE

Kireuke sauyt — Chainmail. Annulated armor in the form of a shirt made of riveted rings.

Kazakhstan. 16th – 18th centuries.

The nomadic warriors preferred the type of chainmail called “kobe sauyt” and “kireuke sauyt.” The chainmail most frequently mentioned in Kazakh oral folk tradition is kireuke sauyt or kireuke.

The rings of which this chainmail was constructed were called “koz” (“eye”) by the Kazakh armor makers. They had various diameters; the smallest rings were called “torgay koz” — “sparrow eyes.”

In rare cases, for greater strength and reliability, the kireuke sauyt was made with a double-ringed layer. The ends of the chainmail rings were connected with rivets. This technique was called “to put on a nail.” The chainmail made with large rings was called “badana koz kireuke” or “badana sauyt.”

Among Kazakh warriors the kobe sauyt, kireuke sauyt and badana sauyt remained the most popular protective equipment up until the 19th century. From the middle of the 19th century protective armor quickly went out of use in Central Asia due to its vulnerability as a result of the rapid improvement of firearms.

Kaiky kilysh — Kazakh saber (for light cavalry)

Kazakhstan. 16th – 18th centuries.

The oldest surviving examples of Kazakh weapons are the narrow and curved swords that were called “kayky kilysh” by the weapon makers. The handles of these swords with very short cross-pieces usually made of wood or bone. The blade of the sword was made of Damascus steel, which was obtained by fusing purified iron ore with graphite in crucibles. Eventually this process changed and Damascus steel was obtained by fusing pure iron with cast iron.

An excellent sword was highly valued by the nomadic knights, and they would give several stallions or mares for it.

The kayky kilysh design is the prototype of the well-known Persian (Iranian) Shamshir sword. Kazakh warriors used this sword for light cavalry charges.



BANK CENTERCREDIT JOINT STOCK COMPANY

**CONSOLIDATED STATEMENT OF CUMULATIVE PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2011**

(in millions of Kazakhstan tenge)

	Year ended - 31 Dec 2011	Year ended - 31 Dec 2010
Net profit / (loss)	<u>2,731</u>	<u>(30,669)</u>
OTHER CUMULATIVE (LOSS) / PROFIT		
Net change of fair value of investments, available for sale	(88)	764
Difference in exchange rate originated during recalculation of foreign operations	<u>(594)</u>	<u>(172)</u>
OTHER CUMULATIVE (LOSS)/PROFIT	<u>(682)</u>	<u>592</u>
TOTAL CUMULATIVE (LOSS)/PROFIT	<u>2,049</u>	<u>(30,077)</u>
Related to:		
Parent Bank shareholders	1,897	(30,193)
Minority ownership shares	<u>152</u>	<u>116</u>
TOTAL CUMULATIVE PROFIT / (LOSS)	<u>2,049</u>	<u>(30,077)</u>

On behalf of the Executive Board of the Group:



V.S. Lee
Chairman of the Managing Board
15 February 2012
Almaty



Oh Ki Hong
Executive Director
15 February 2012
Almaty



A.T. Nurgaliyeva
Acting Chief Accountant
15 February 2012
Almaty

Notes on pages 10 – 89 are integral parts of these consolidated financial statements.

BANK CENTERCREDIT JOINT STOCK COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2011
(in millions of Kazakhstan tenge)

	Notes	31 December 2011	31 December 2010
ASSETS:			
Cash and cash equivalents	13	148,771	209,163
Financial assets reflected at fair value through profits and losses	14	16,331	13,495
Investments available for sale	15	86,369	100,176
Investments retained until redemption	16	20,778	163,812
Funds in banks	17	6,010	1,649
Loans granted to clients and banks	18, 28	764,806	699,456
Claims for current profit tax		2,713	2,162
Claims for deferred profit tax	11	2,008	1,693
Other assets	19	10,747	10,538
Other assets and intangible assets	20	23,384	22,414
TOTAL ASSETS		1,081,917	1,224,558
LIABILITIES AND CAPITAL			
LIABILITIES:			
Means and loans of banks and financial organizations	21, 28	106,176	146,921
Means of clients and banks	22, 28	727,334	796,382
Issued debt securities	23	121,565	153,891
Other obligations	24	6,642	6,969
Junior bonds	25	33,392	35,614
Total liabilities		995,109	1,139,777
CAPITAL:			
Capital related to shareholders of the parent Bank:			
Authorized capital	26	69,797	69,841
Fund for revaluation of investments available for sale		666	754
Exchange rate differences deficit		(619)	(25)
Special reserves		1,633	-
Undistributed profit		14,253	13,307
Total capital, related to shareholders of the parent Bank		85,730	83,877
Minority ownership shares		1,078	904
Total capital		86,808	84,781
TOTAL OBLIGATIONS AND CAPITAL		1,081,917	1,224,558
Ordinary share balance value (tenge)	12	449	436
Preferred share balance value (tenge)	12	300	300

On behalf of the Executive Board of the Group:


V.S. Lee
Chairman of the Managing Board
15 February 2012
Almaty



Oh Ki Hong
Executive Director
15 February 2012
Almaty



A.T. Nurgaliyeva
Acting Chief Accountant
15 February 2012
Almaty

Notes on pages 10 – 89 are integral parts of these consolidated financial statements.

BANK CENTERCREDIT JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011
(in millions of Kazakhstan tenge)

	Authorized capital	Fund for revaluation of investments available for sale	Fund/ (deficit) of exchange rate differences	Special reserve	Undistributed profit	Total capital related to parent Bank shareholders	Minority shareholders	Total capital
31 December 2009	52,710	(10)	147	-	44,092	96,939	683	97,622
Net profit	-	-	-	-	(30,785)	(30,785)	116	(30,669)
Net change of fair value of investments available for sale	-	764	-	-	-	764	-	764
Difference in exchange rate originated during recalculation of foreign operations	-	-	(172)	-	-	(172)	-	(172)
Net cumulative (loss)/profit	-	764	(172)	-	(30,785)	(30,193)	116	(30,077)
Repurchase of own shares	(1)	-	-	-	-	(1)	-	(1)
Ordinary shares issued	5,377	-	-	-	-	5,377	-	5,377
Preferred shares issued	11,755	-	-	-	-	11,755	-	11,755
Changing of minority ownership shares	-	-	-	-	-	-	105	105
31 December 2010	69,841	754	(25)	-	13,307	83,877	904	84,781
Net (loss)/profit	-	-	-	-	2,579	2,579	152	2,731
Net change of fair value of investments, available for sale	-	(88)	-	-	-	(88)	-	(88)
Difference in exchange rate originated during recalculation of foreign operations	-	-	(594)	-	-	(594)	-	(594)
Net cumulative profit/(loss)	-	(88)	(594)	-	2,579	1,897	152	2,049
Transfer to special reserve	-	-	-	1,633	(1,633)	-	-	-
Repurchase of own shares	(44)	-	-	-	-	(44)	-	(44)
Changing of minority ownership shares	-	-	-	-	-	-	22	22
31 December 2011	69,797	666	(619)	1,633	14,253	85,730	1,078	86,808

On behalf of the Executive Board of the Group:

V.S. Lee
Chairman of the Managing Board
15 February 2012
AlmatyOh Ki Hong
Executive Director
15 February 2012
AlmatyA.T. Nurgaliyeva
Acting Chief Accountant
15 Feb
Almaty

BANK CENTERCREDIT JOINT STOCK COMPANY
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011
(in millions of Kazakhstan tenge)

	Year ended 31 December 2011	Year ended 31 December 2010
CASH FLOW FROM OPERATING ACTIVITY		
Interest income received by financial assets, reflected at fair value through profit or loss	946	959
Interest income received by investments available for sale	2,777	3,214
Interest income received by investments retained till redemption	2,805	5,218
Interest income received by funds in banks	518	794
Interest income received by loans granted to clients and banks	74,210	68,224
Penalties received on loans granted to clients	866	1,291
Interest expense paid from funds and loans of banks and financial organizations	(8,012)	(9,545)
Interest income paid for funds of clients and banks	(41,778)	(51,853)
Interest expense paid for issued debt securities	(14,486)	(16,171)
Interest expense paid for the junior bonds	(3,632)	(2,928)
Earnings for services and commissions received	18,634	15,693
Expenses paid for services and commissions paid	(1,704)	(1,413)
Other income received	264	32
Operating expenses paid	<u>(24,167)</u>	<u>(25,738)</u>
Operational cash inflow / (outflow) before changes of operational assets and liabilities	7,241	(12,223)
Change of operating assets and liabilities (Increase)/decrease of operating assets:		
Financial assets, reflected at fair value through profits or losses	(1,890)	(1,688)
Funds in banks	(4,347)	(944)
Loans granted to clients and banks	(78,564)	(42,507)
Other assets	258	(1,949)
Increase/(decrease) operating obligations:		
Funds and loans of banks and financial organizations	(40,232)	(43,769)
Funds of clients and banks	(41,380)	120,834
Other liabilities	<u>(235)</u>	<u>6,077</u>
Operational cash (outflow) / inflow before taxes	(159,149)	23,831
Profit tax paid	<u>(764)</u>	<u>(3,065)</u>
Net operational cash (outflow) / inflow	<u>(159,913)</u>	<u>20,766</u>

BANK CENTERCREDIT JOINT STOCK COMPANY**CONSOLIDATED CASH FLOW REPORT FOR THE YEAR ENDED 31 DECEMBER 2011
(CONTINUED)***(in millions of Kazakhstan tenge)*

	Year ended 31 December 2011	Year ended 31 December 2010
CASH FLOW FROM INVESTMENTS:		
Revenue from selling investments available for sale	250,952	357,600
Purchase of investments available for sale	(241,027)	(494,293)
Revenue from redemption of investments retained until redemption	246,381	529,442
Purchase of investments retained until redemption	(100,623)	(448,292)
Purchase of fixed and intangible assets	(3,979)	(3,391)
Revenue from sale of fixed assets	<u>1,158</u>	<u>568</u>
Net investment cash inflow / (outflow)	<u>152,862</u>	<u>(58,366)</u>
CASH FLOW FROM FINANCING:		
Revenue from issue of common and preferred shares	-	17,132
Repurchase of own shares	(44)	(1)
Redemption of debt securities	(52,954)	(11,232)
Revenues from issued debt securities	859	2,871
Redemption of junior bonds	<u>(2,000)</u>	<u>(2,000)</u>
Net financing cash (outflow) / inflow	<u>(54,139)</u>	<u>6,770</u>
<i>Impact of foreign currency exchange rate on cash and its equivalents</i>	798	(5,436)
NET DECREASE OF CASH AND ITS EQUIVALENTS	(60,392)	(36,266)
CASH AND ITS EQUIVALENTS, as of the beginning of year	<u>209,163</u>	<u>245,429</u>
CASH AND ITS EQUIVALENTS, as of the end of year	<u>148,771</u>	<u>209,163</u>

On behalf of the Executive Board of the Group:




V.S. Lee
Chairman of the Managing Board
15 February 2012
Almaty


Oh Ki Hong
Executive Director
15 February 2012
Almaty


A.T. Nurgaliyeva
Acting Chief Accountant
15 February 2012
Almaty

Notes on pages 10 – 89 are integral parts of these consolidated financial statements.



BATTLE AXE

The *aybalta*, or battle axe, was one of the favorite weapons among the nomadic knights.

Used as an attack weapon, the battle axe was wielded even by the Saks and Sarmatians, nomads that pre-dated the Kazakhs in Central Asia (4th–5th centuries BC). The first examples of the *aybalta* are found in the ancient cave paintings, or petroglyphs, and also their images are quite commonly carved on the ancient stone *kulpytas*.

There were two main types of *aybalta*. The first type had a long handle and were also called palace axes. Palace guards were armed with these. In the Turkic world, these guards were called “*aybaltashy*” or “*teberdar*”. The second type was the more prevalent battle *aybalta* which averaged 70–100 cm in length. This size was the most rational and convenient for the mounted warrior in a battle. The *aybalta* handles were usually made from wood and covered in leather. Other axes had metal or bamboo handles that were imported by merchants from China. The bamboo handle was very convenient for hiding a small spear which served the warrior as an additional weapon.

The combat versions of *aybalta* came in four varieties of which the most popular was the axe in the shape of a crescent moon (*ay* in Kazakh, hence the *ay-balta* name). This variety is the one pictured.

Warriors carried the *aybalta* tucked into their belts, the *kise beldik*, or hung from the belt on a special leather braid.

*Kazakhstan.
17th – 18th centuries.*





2011 BANK CENTERCREDIT JSC HIGHLIGHTS

February

Full repayment of the principal was made in accordance with the terms of the second issue of international bonds CCBNe2 (XS0243010443) in the amount of USD 241,030,000.00.

March

EDB granted a loan to Bank BCC–Moscow LLC for financing small and medium businesses.

A new version of the corporate website www.bcc.kz was launched.

April

Bank CenterCredit JSC issued its 2010 Annual Report.

The Bank introduced a direct money transfer in U.S. dollars to banks in South Korea (including Kookmin Bank), bypassing U.S. banks.

May

The Bank won the following awards:

- by EBRD: The Most Active Issuing Bank in Kazakhstan for three years in the trade facilitation program in Kazakhstan.
- by IFC: The Most Active Issuing Bank in Central Asia in the global trade financing program.

June

BCC-Invest JSC was recognized as a leader in the ranking of the IPIF CenterCredit - Smart Balance investment fund.

July

The Korean Desk, a unique project for Kazakhstan, was launched for working with business customers, supporting business relations with the Republic of Korea, as well as for cooperation with companies with Korean participation.

Bank BCC - Moscow increased its authorized capital up to 1,293,680,000 rubles.

August

BCC-Invest JSC, based on the results of the first half of 2011, was again recognized as a leader in the ranking of the IPIF CenterCredit - Smart Balance investment fund.

The Bank expanded the additional options of automated teller machines (payment for mobile communication, subscription to the SMS-notification services, subscription to Mobile Banking services, card to deposit / current account transfer, card to any card of Kazakhstan / foreign bank transfers, cash-in).

September

A full repayment of the fourth issue of international bonds CCBNe5 (XS0267377454) was made in the amount of USD 95,064,319.57.

White Concierge, a new information service, was launched for Visa and MasterCard Platinum cardholders by Bank CenterCredit JSC.

November

Chairman of the Executive Board met with representatives of leading business media during the annual press lunch.

December

The 2010 Annual Report of the Bank was recognized as the best report in the financial sector. BCC received a certificate as the winner in the competition of the annual reports by RA Expert-Kazakhstan.

Standard & Poor's agency rated the Bank at B+.

Expert RA Kazakhstan Rating Agency upgraded the security rating of Capital PSF from A (high level of reliability) to A+ (very high level of reliability).

Capital PSF was awarded a special prize by the organizing committee of the contest festival "Number One Choice in Kazakhstan 2011" in the category "Business Grand-Prix: The dynamics of development in 2011 in Kazakhstan" as the most rapidly growing financial institution of Kazakhstan in 2011.

