



# 2023

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Annual report

## Contents

<b>Glossary</b>	<b>3</b>
<b>Group Portrait</b>	<b>6</b>
Address by the Chairman of the Board of Directors	7
Address by the CEO	8
Investment Attractiveness	9
Regional Footprint	11
<b>Strategic Report</b>	<b>12</b>
Information about Bank CenterCredit	13
Key Events and Awards for 2023	14
Macroeconomic and Banking Sector Overview	16
JSC Bank CenterCredit Development Strategy	22
<b>Performance Overview</b>	<b>24</b>
Retail Business	25
Large Business	47
Small and Medium-Sized Businesses	49
Public Relations	64
Stock and Interbank Market Transactions	64
<b>Corporate Governance and Corporate Events</b>	<b>66</b>
Corporate Governance	67
Corporate Events	68
Board of Directors	70
Management Board	78
Shareholders and Equity. Dividend Policy	80
Internal Audit Service	82
Compliance Risk	84
Remuneration of the Members of the Bank's Board of Directors and Management Board for 2023	85
JSC Bank CenterCredit Organizational Structure	86
<b>Sustainable Development</b>	<b>88</b>
ESG Transformation of the Bank	89
Social Responsibility	92
Environmental Stewardship	107
<b>Financial Performance</b>	<b>111</b>
Assets	112
Liabilities	113
Equity	114
Profitability	115
Lending	116
<b>Risk Report</b>	<b>118</b>
Risk Management System	119
Risk Identified in 2023	123
Risk Management in 2023	124
Risk Management System Development Plans for 2024	126
<b>Subsidiaries</b>	<b>127</b>
JSC BCC Invest	128
JSC Sinoasia B&R Insurance Company	130
CenterProject LLP	134
Center Leasing LLP	136
<b>Independent Auditor's Report</b>	<b>140</b>

# Glossary

ATM	Automated/Automatic Teller Machine
Bcc.Business	Mobile version of the Internet Banking system for legal entities, providing electronic banking services using dynamic identification means or sms-code via a mobile device (smartphone, tablet)
BCC.KZ	A system of remote banking services for individuals, which allows them to manage their bank accounts in real time (On-line) from various technical devices (computer, smartphone, tablet, etc.) connected to the Internet.
BCCI	JSC BCC Invest (Subsidiary of JSC Bank CenterCredit)
CIR	Cost-to-income ratio
CRM	Customer Relationship Management
CVM	Customer Value Management is an approach to managing aspects of the customer value journey, spanning from the initial interaction with a product to the final engagement with the company
DAU	Daily Active Users
ECB	JSC Eco Center Bank (SB of JSC Bank CenterCredit, formerly JSC SB Alfa-Bank)
ESG	Environmental, Social, Governance
FX platform	Online currency exchange platform
GF	Green Front platform is a front-end system for automating business processes for customer service in Bank branches
HR	Human Resources
IPO	Initial public offering, when a company issues its securities to the market for the first time and they are purchased by investors
JB	JuniorBank
KPI	Key performance indicators are numerical performance indicators that help to measure the extent to which the objectives or the optimality of a process have been achieved, namely efficiency and effectiveness
MAT	Monthly Active Transactors
MAU	Monthly Active Users
NIM	Net Interest Margin
NPL	Non-Performing Loan is a +90-day overdue loan issued by second-tier bank,
Open API	A formalized specification and ecosystem of multiple tools that provides an interface between front-end systems, low-level library code, and commercial solutions in the form of APIs
OTP	One Time Password is a password valid for one authentication session only
POS terminal	Electronic software and hardware device for accepting payment cards for payment
QR	Quick Response Code
ROAA	Return on Average Assets
ROAE	Return on Average Equity
Sinoasia/JSC IC Sinoasia B&R	JSC Sinoasia B&R Insurance Company (Subsidiary of JSC Bank CenterCredit)
SLA	Service Level Agreement is an external document between the customer and the provider, detailing the parameters of the service to be provided
SREP	Supervisory Review and Evaluation Process – a methodology developed based on the experience of the European Central Bank, which the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market applies annually as part of the supervisory risk assessment of banks
UPI	Unified Payment Interface (UPI) is a payment method that allows instant transfer of funds to bank accounts
UX/UI	UX Design (User Experience) focuses on the functionality and usability of the interface, while UI design (User Interface) is concerned with the visual aesthetics and presentation of the interface
VaR	Value at risk is one of the methods of risk assessment, an indicator which is often calculated in percentages and indicates the maximum deviation of an asset or its value estimation, with a specified probability over a specified time interval
VOC	Voice of the Customer is a method of researching user expectations and needs used to understand customers' requirements for products and services
ADM	Automated Deposit Machine

JSC EDF Damu / Damu Fund / Damu	JSC Damu Entrepreneurship Development Fund
ARDFM	Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market
STB	Second-tier banks
Bank / BCC	JSC Bank CenterCredit
GDP	Gross Domestic Product
IRD	Internal Regulatory Document
FEA	Foreign Economic Activity
HO	Head Office
BCC Group/ Banking Group	Group of Companies of JSC Bank CenterCredit
VHI	Voluntary health insurance
SB	Subsidiary
EEU	Eurasian Economic Union
EBRD	European Bank for Reconstruction and Development
UAPF	Unified Accumulative Pension Fund
PCP	Payroll Card Program
IP	Individual Entrepreneur
Mutual fund	Mutual Fund - a fund that collects assets of multiple investors (shareholders) for joint investment
IPT	Information and Payment Terminals
IT	Information Technology
Campus	A convenient infrastructure management system for an organization, integrating various platforms into a unified system based on a campus card
LB	Large Business
CLA	Credit Limit on Account - credit product for legal entities
CL	Cash Loan
CFO	Credit Front Office
CC	Credit Center
SB	Small Business
MA	Mobile App
IPS	International Payment System
SMB	Small and Medium-Sized Businesses
IPCS	Interbank Payment Card System
AIFC	Astana International Financial Centre
NBRK / Regulator	National Bank of the Republic of Kazakhstan
UMA	Unallocated metal account means a metal account opened by the bank to record refined precious metals without specifying their individual characteristics, as well as to carry out operations on acceptance, Placement and purchase and sale of refined precious metals in impersonal (non-physical) form
ML/TF	Money Laundering and Terrorist Financing
SW	Software
CEO	CEO
CBD	Chairman of the Board of Directors
RB	Retail Business
MB	Medium-Sized Business
IAS	Internal Audit Service
BoD	Board of Directors
IBS	Internet Banking System
CS	Compliance Service
IPS	Instant Payment System
ORMS	Operational Risk Management System
CA	Current Accounts
SST	Self-Service Terminal



Individual	Individual
SF	Salary Fund
IDF	Industrial Development Fund
BN	Branch Network
SCF	Supply Chain Finance
CA	Central Asia
SEC	Securities
CEA	Central Electronic Archive
Acquiring	Possibility for a merchant to accept cashless payment for goods and services with plastic cards
EDS	Electronic Digital Signature
LE	Legal Entity

# Group Portrait



## Address by the Chairman of the Board of Directors

Dear Shareholders, Partners and Colleagues,

In recent years, we've navigated through significant turbulence. The global pandemic and geopolitical shifts, both domestically and internationally, which have led many economies around the world to large-scale restructuring, have necessitated complex decision-making. Despite these challenges, our country's political leadership has adeptly guided us through these changes, preventing economic decline and ensuring the successful implementation of all social programs.

In these conditions, Bank CenterCredit formulated a new Development Strategy, which we have consistently implemented to achieve significant positive results. Throughout the pandemic, the Bank prioritized technological upgrades, extensive process automation, and the creation of new technological products. Consequently, we have not only achieved positive financial metrics but also introduced qualitatively new approaches to banking activities.

Following the successful merger with ECO Center Bank in 2023, Bank CenterCredit independently generated a net income exceeding 135 billion tenge.

I'm delighted to highlight that nearly all of the Bank's performance indicators have seen growth: asset size, loan book size, corporate and retail deposits, as well as the number and engagement of our customers. Today, we rank third in the country in terms of assets and second in terms of corporate deposits.

In 2023, our focus on sustainability initiatives was paramount. Bank CenterCredit initiated an active ESG transformation of its business, prioritizing the implementation of international standards for responsible business practices.

As always, the Bank prioritizes the professional competence of its employees, endeavoring to create decent working conditions, prioritize their health and well-being, and provide ample opportunities for training and career growth.

We have set ourselves ambitious goals to implement best practices in corporate governance, social responsibility and environmental stewardship.

The Bank's performance is reflected in assessments by leading rating agencies. In 2023, the Bank's long-term rating was upgraded for the third time during the year: from B+ to BB- (S&P) with a Positive outlook, and by 2 notches from B1 to Ba2 (Moody's) with a Positive outlook.

There is still much work ahead to ensure the profitability and stability of the Bank. We remain committed to consistent development, implementing best practices, enhancing the quality of customer service, improving products and services, and leveraging technological efficiency across all processes to ensure growth. We look forward to further growth and development alongside our partners.

**Chairman of the Board of Directors**  
**JSC Bank CenterCredit**

**Bakhytbek Baiseitov**





## President's address

Dear Shareholders, Partners and Colleagues,

In 2023, we achieved robust results, affirming our stability and efficiency. We bolstered lending volumes, expanded our customer base, launched new products and services, and enhanced service quality. By year-end, our capitalization rates, specifically the k1 ratio, increased from 14.0% to 15.4%, creating opportunities for further business expansion. Net profit amounted to 135 billion tenge. The bank's liquidity ratio remained high at 43%, with the deposit base experiencing a 23% growth. International agencies Moody's and S&P Global Ratings upgraded the bank's rating to Ba2 with a Positive outlook and BB- with a Positive outlook, respectively.

The Bank commemorated its 35th anniversary. We launched several new projects. Foremost among these is the Open API initiative, a strategic focus for our development. Through collaboration with fintech companies and startups, we're

pioneering new business models to offer personalized services to our customers.

In partnership with the Visa payment system and the National Payment Corporation of Kazakhstan, we've successfully completed the initial phase for development and testing of financial transactions using digital tenge. Today, the bank stands ready to deploy products and services for end-users commercially. For instance, issue of debit cards for receiving salaries in digital tenge.

The opening of our first bank branch in the Khorgos International Center for Cross-Border Cooperation marks a mutually beneficial and convenient solution for many and is poised to serve as a catalyst for the burgeoning international trade and business between Kazakhstan and China. At the core of our operations is the commitment to being where our customers need us most.

The Bank plays an active role in state programs aimed at supporting businesses, emerging as one of the largest lenders under all major initiatives targeting the real sector of the economy. Furthermore, since 2023, small and medium-sized enterprises in Kazakhstan have had the groundbreaking opportunity to secure financing through subsidized bonds under the Damu Fund program. Notably, the bank's subsidiary, BCC Invest, acted as a financial consultant for the inaugural deal under this program.

We maintain our leadership in collateralized lending, with digitized processes and the launch of online mortgage. Through this service, individuals can apply for a mortgage loan to purchase housing in just one day, without the need to visit a bank branch.

We dedicated significant focus to the Bank's sustainable development. The Bank joined the United Nations Global Compact, the world's largest voluntary effort in corporate social responsibility and sustainable development. We've supported over 45 social initiatives aimed at enhancing healthcare, education, culture, and the environment in our country.

The Bank successfully achieved its targets in lending, investing, and customer service. Our team demonstrated harmonious and efficient collaboration. Moving forward, we remain committed to enhancing the quality of our services and expanding our business. We extend our sincere gratitude to our partners and shareholders for their trust and unwavering support.

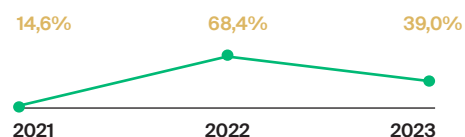
**President**  
**JSC Bank CenterCredit**

**Ruslan Vladimirov**

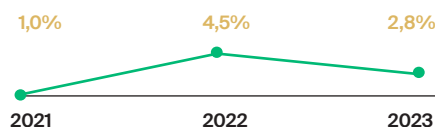
# Investment attractiveness

	2021	2022	2023
<b>Assets</b> KZT million	2 079 304	4 323 966	5 291 039
<b>Loans (net)</b> KZT million	1 138 701	2 009 113	2 928 849
<b>Equity</b> KZT million	150 812	273 851	419 366
<b>Net interest income</b> KZT million	67 302	135 246	257 551
<b>Provisioning</b> KZT million	27 390	41 687	43 075
<b>Net profit,</b> KZT million	20 645	145 129	135 246

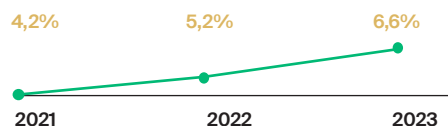
## ROAE, %



## ROAA, %



## NIM, %



Source: Audited consolidated data



## Banking Group Structure



JSC Bank CenterCredit

**JSC BCC Invest**  
Broker-dealer operations

**100 %**

**CenterProject LLP**  
Distressed asset management

**100 %**

**Center Leasing LLP**  
Finance lease and real estate management

**100 %**

**JSC Sinoasia B&R Insurance Company**  
Insurance

**92,45%**

## Ratings

**S&P Global**  
Ratings

**BB-**

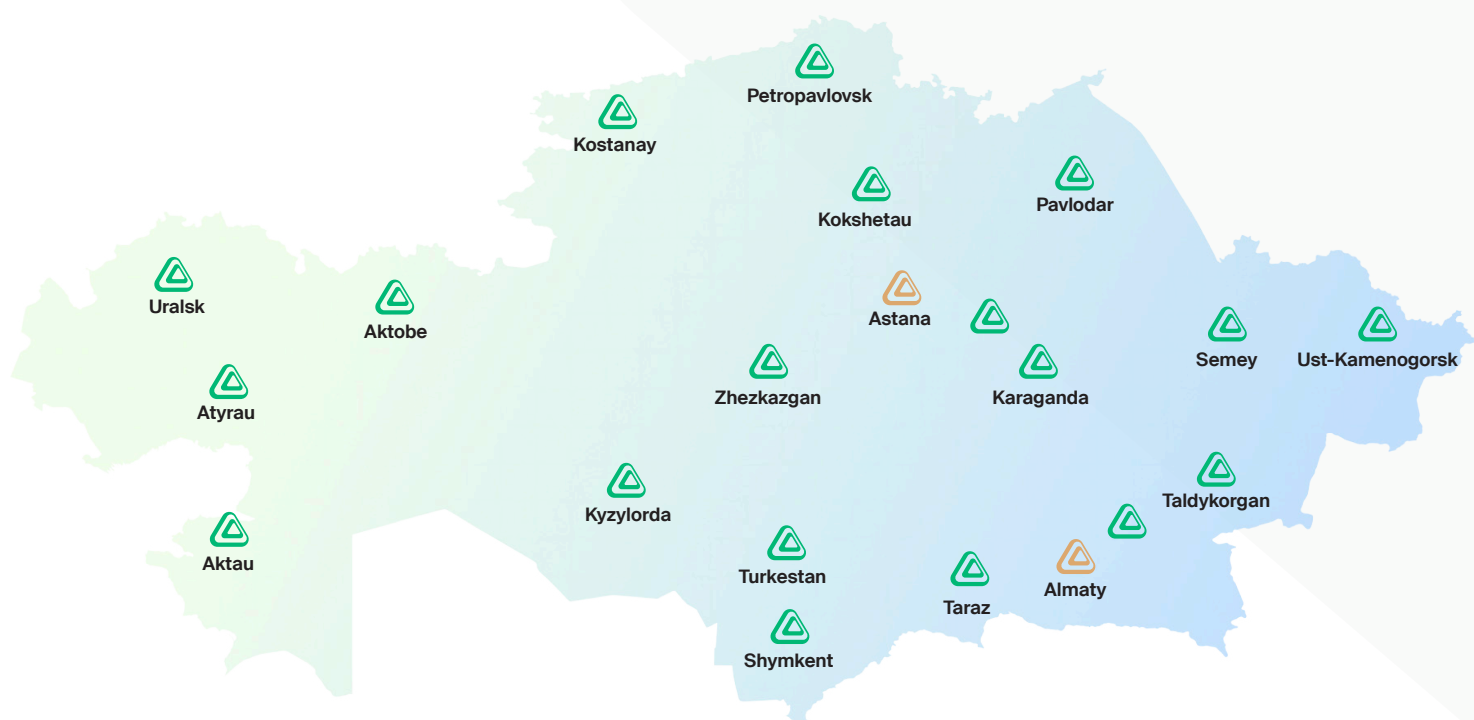
"Stable"  
18.07.2023

MOODY'S

**Ba2**

"Positive"  
01.11.2023

## Regional footprint



**21**  
branches

**152**  
outlets

**776**  
ATMs

**273**  
IPT

**18 018**  
POS Terminals

# Strategic report

## About Bank

Joint-Stock Company Bank CenterCredit was established on 19 September 1988, and is one of the largest banks in the Republic of Kazakhstan, providing a full range of high-tech financial services. More than 3 million customers are served in the Bank's 21 branches throughout Kazakhstan.

The Bank pays special attention to innovation and convenience, so that each category of customers has its own unique product and can use banking services as comfortably as possible.

The Bank actively participates in almost all state programs to support entrepreneurship and has been repeatedly recognized by the expert community as the Best SME Bank in Kazakhstan.

### Call Center of the Bank:



**505** – toll-free line for individuals to call from mobile phones across Kazakhstan

**605** – toll-free line for legal entities to call from mobile phones across Kazakhstan

## 2023 key events



International rating agencies Moody's and S&P Global Ratings upgraded the Bank's rating to Ba2, Positive outlook, and BB-, Stable outlook.



Public services became available in the bcc.kz mobile app. Digital documents, IE registration, submission of tax returns, registration at the place of residence, application for social benefits, vehicle ownership history and much more.



The Bank acquired a controlling stake in Sinoasia B&R Insurance Company. This decision made it possible to strengthen the synergy of the banking and insurance business, expand the product line in property and health insurance, and increase business efficiency by offering combined products for the Bank's and Sinoasia's customers.



In lending, the Bank launched an online mortgage and brought all post-lending services online.



The Bank joined the United Nations Global Compact. The United Nations Global Compact is the world's largest voluntary initiative in the field of corporate social responsibility and sustainable development.



The first bank branch was opened in the Khorgos International Center for Cross-Border Cooperation. Financial services are available to both individuals and business clients.



Jointly with the Visa payment system and the National Payment Corporation of Kazakhstan, the first stage for development and testing of financial transactions using digital tenge was successfully completed. During the Congress of Kazakhstan Financiers, a presentation of the current project results was delivered, and the first payments using digital currency were made.



The Bank obtained a license to carry out regulated activities on the territory of the Astana International Financial Centre as the Bank's branch in the AIFC.



# 2023

## Bank awards



### Green Economy

Bank CenterCredit has been awarded in the "Best Environmental Project Portfolio Performance" category. The financial institution is the first partner bank in the country to support the global GEFF initiative launched by the European Bank for Reconstruction and Development.



### 4 Awards from Kazakhstan Stock Exchange (KASE)

- Equity Market Leader
- Bond Market Leader
- For Contribution to FX Market Development
- For Retail Investor Development

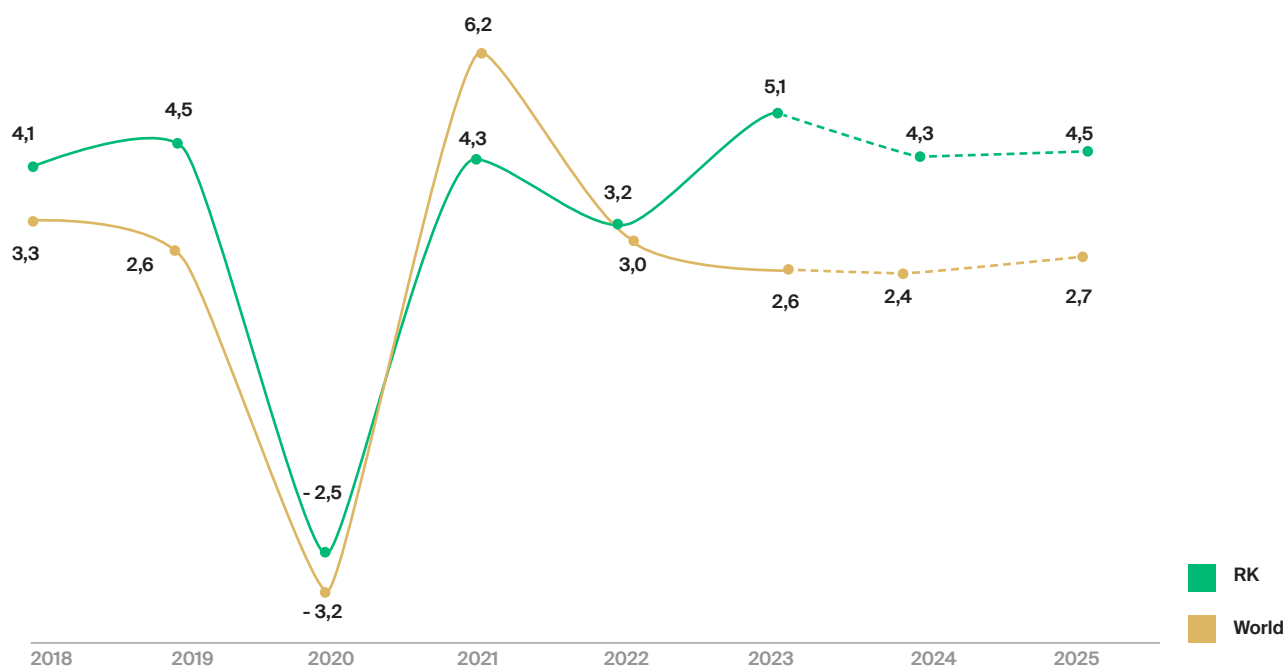


### 5 Awards according to VISA

- First Digital Tenge Card Award
- Best Premium Card Bank Award
- Best Transaction Approval Rate Award
- Children's Banking Innovation Award
- For launching the ApplePay card top-up service in BCC.KZ

# Macroeconomic and banking sector overview

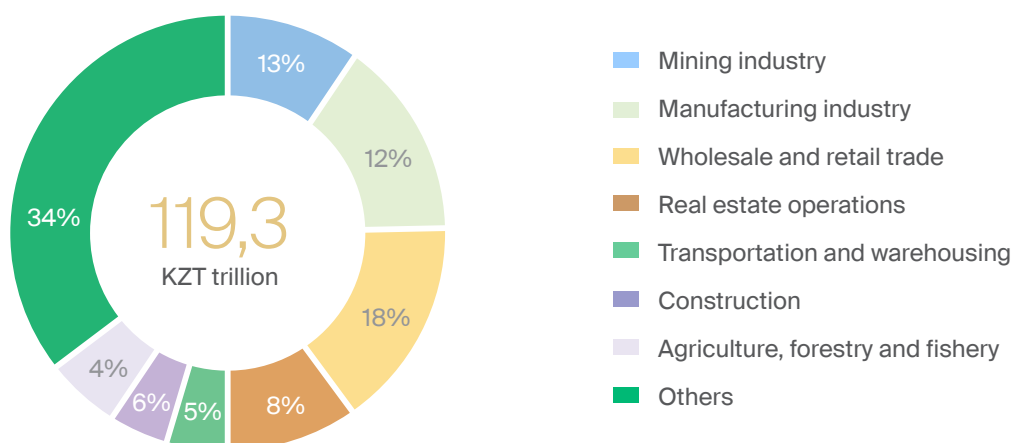
## Real GDP growth: Kazakhstan vs global, %



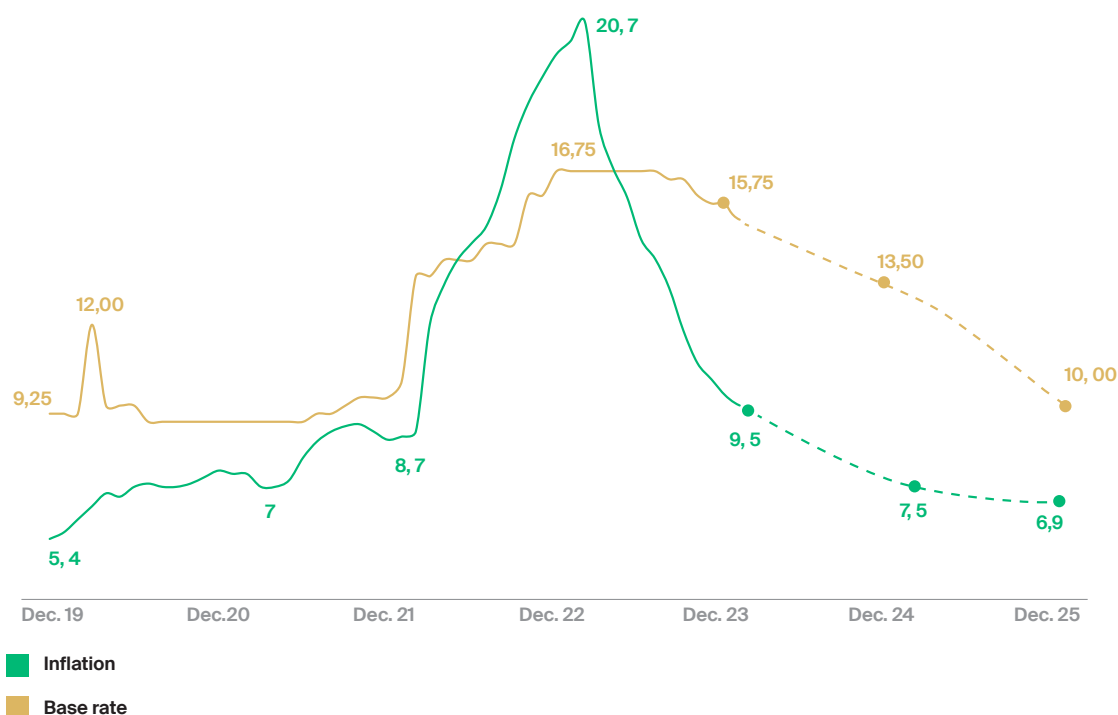
- Our country's economy grew by 5.1% in 2023.
- Kazakhstan expects moderate economic growth (4.3-4.5%) in 2024-2025.
- The mining industry continues to dominate the economic structure.

Source: NBRK and World Bank Prospects

## Kazakhstan's GDP structure for 2023



## Inflation and base rate, %



## USD | KZT exchange rate and BRENT oil price (in USD)

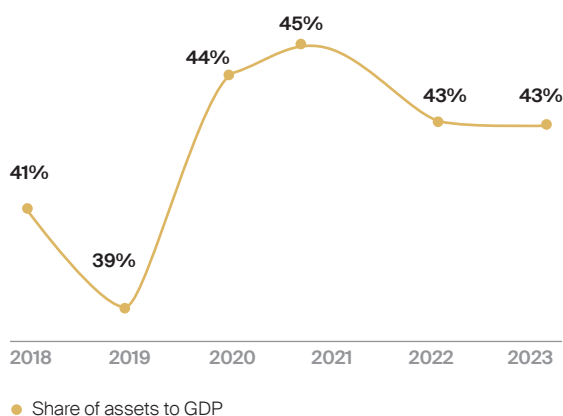


- Inflation in Kazakhstan accelerated in 2023, ending the year **at 9.8%**.
- The average annual exchange rate of USD to KZT appreciated by 17% in 2023, reaching **456.31 tenge**
- Brent oil price ended the year with an **18.4%** drop, settling **at \$77.04** per barrel in December 2023.

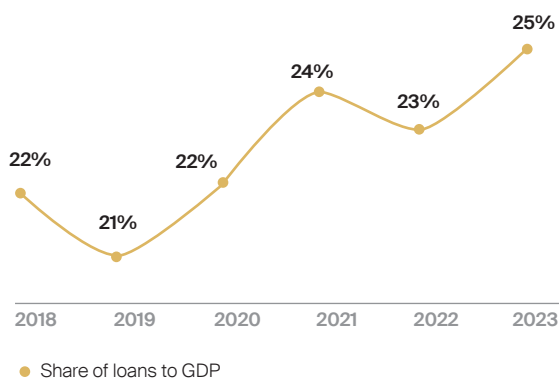
Source: NBRK Projections

# Financial Sector Performance

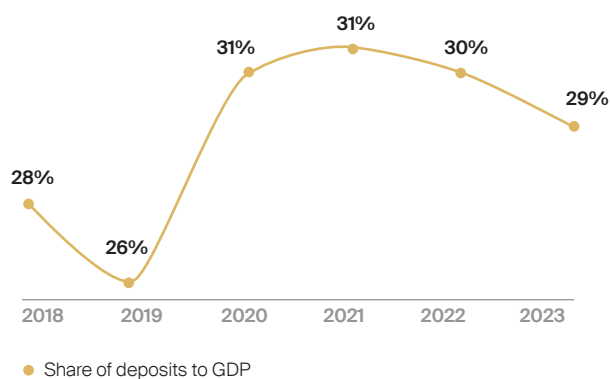
## STB assets



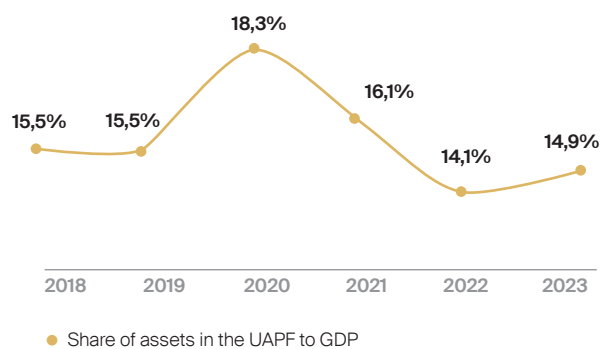
## STB loan portfolio



## STB deposits



## UAPF assets

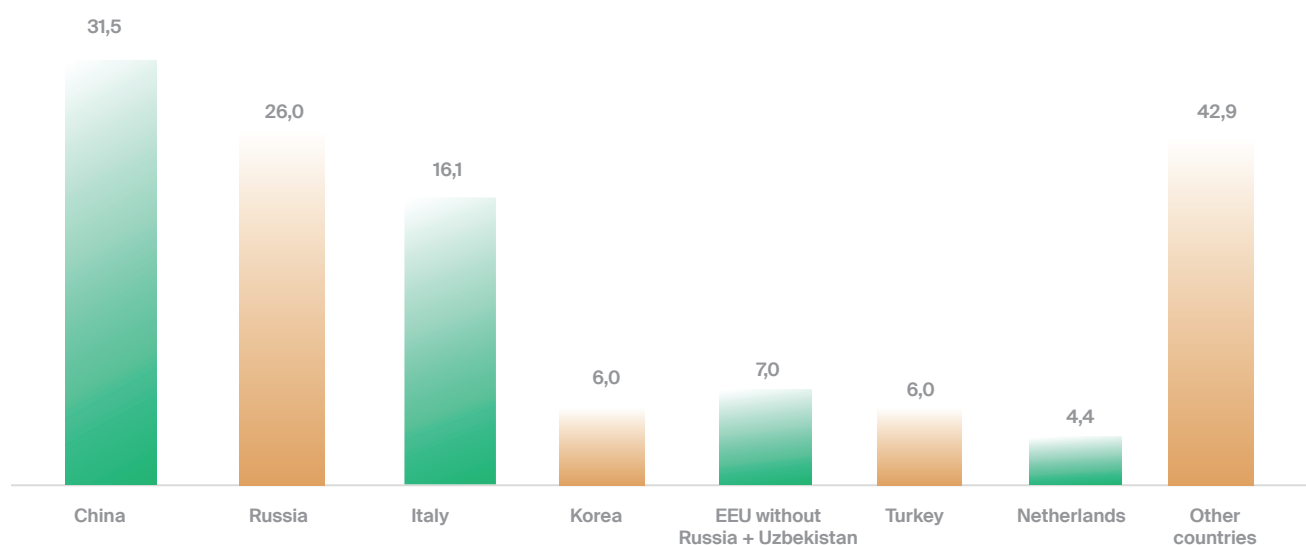


- STB assets grew by 15.4%, reaching KZT 51.4 trillion in 2023.
- The banking sector assets-to-GDP ratio remained stable at the previous year's level of 43%.
- STB loan portfolio rose by 23.1% to KZT29.9 trillion.
- Loan-to-GDP ratio rose from 23% to 25%.
- STB deposits grew by 11.1% to KZT35.1 trillion.
- Deposits to GDP decreased by 29%
- UAPF assets experienced a 21.8% growth to KZT17.9 trillion over the year.
- The share of UAPF assets to GDP slightly increased to 14.9% in 2023.

# Kazakhstan's Foreign Trading Partners

## Trading partners 2023

USD billions

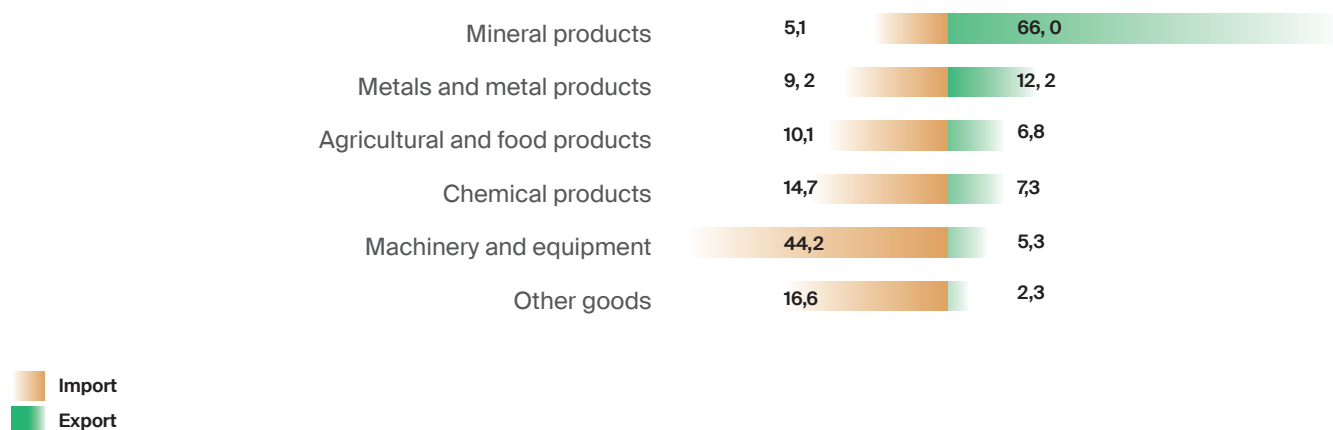


- By the end of 2023, China's share in total trade turnover surged **by 30%** to reach **22.5%**.
- Conversely, Russia's share in total trade turnover declined from **19.9%** to **18.6%**, attributed to a **9.4%** decrease in imports from Russia)
- This trend is expected to persist over the long term due to continuation of Western-imposed sanctions against Russia.



# Kazakhstan's Foreign Trading Structure

## Trading structure 2023, %



- For 2023, exports of goods totaled **\$79 billion (-7%)**
- Imports of goods sustained high growth rates for the second year in a row, rising by **20.1%** to reach **\$61 billion**.
- The commodity structure in foreign trade remains unchanged: exports are predominantly comprised of raw materials, while imports are dominated by high value-added goods.

# BCC's Standing Among Peers By Business Indicators

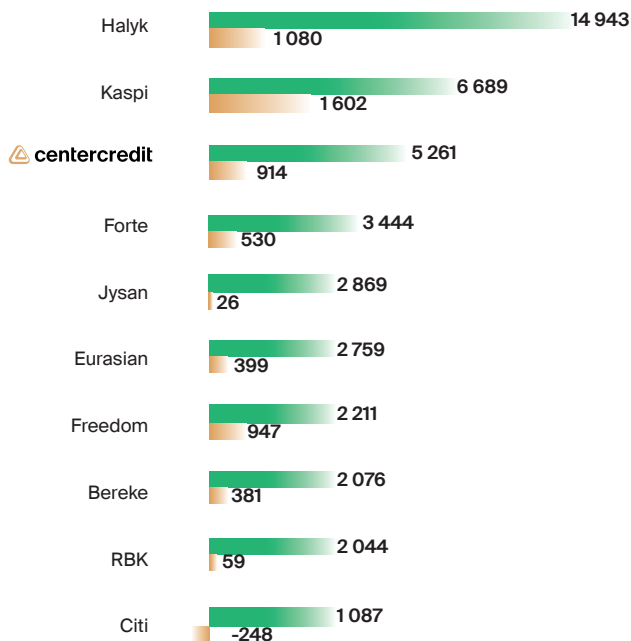
- Top 3 banks collectively hold **52%** of market assets
- In 2023, BCC maintained its market positions across all indicators
- BCC ranked first in terms of corporate deposit growth rate in 2023

value  
market-share gain

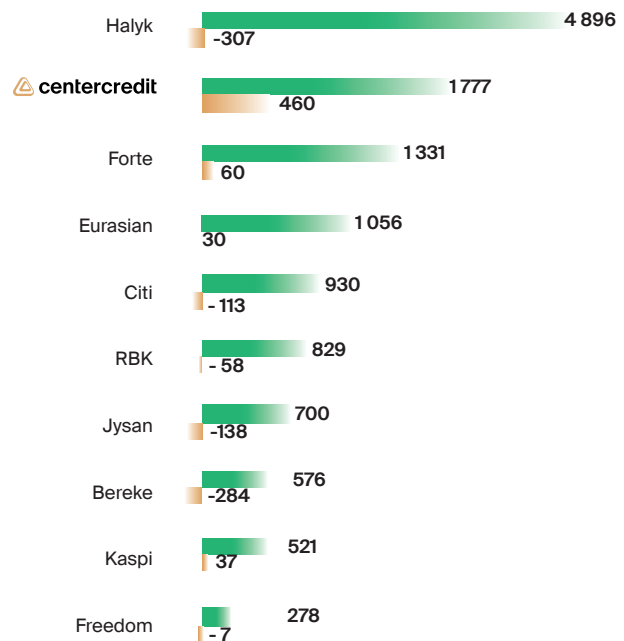
NBRK data as of 1 January 2024, and growth for 2023 (excluding Otbassy Bank)

\* Deposits, including current and card accounts

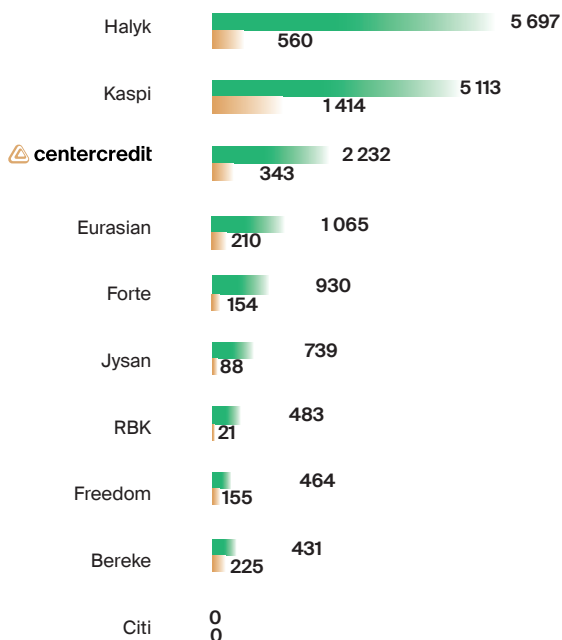
## Assets



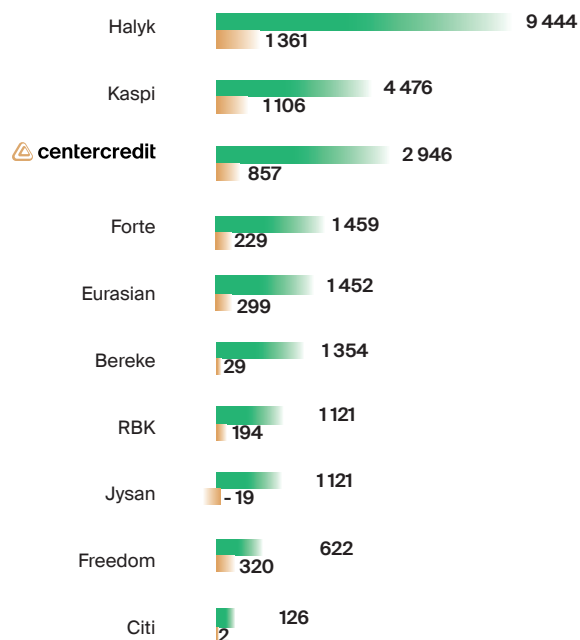
## Deposits of Legal Entities\*



## Deposits of Individuals\*



## Loans



# Bank development strategy

On 5 April 2023, the Board of Directors of JSC Bank CenterCredit approved the updated Development Strategy extending until 2025.

## 2025 Strategy Update Background

New Challenges And Opportunities:

### New challenges

In 2022, Kazakhstan's trade with EEU countries totaled \$28.3 billion, up 6.5% from 2021.

Competitors are actively developing eco-systems to generate additional revenue streams

Fighting for customers involves not only offering a product but also a responsible business.

### New opportunities

#### Uncovered market in the EEU / CA

- Opportunity for business expansion, including import and export operations in CA and EEU

#### Shift in development focus

- Cultivating a Partner Ecosystem
- BCC's High Potential Fueled by Synergies within the Group

#### ESG

- Sustainable Development and Implementation of ESG Standards in the Bank's Operations
- External rating of the Bank incorporating ESG Standards: reinforcement of the Bank's brand and additional opportunities

# Key elements of bcc's development strategy until 2025



## Mission

We provide smart and quick solutions with the care for customers and establishing long-term partnerships



## Vision

**BCC** - a reliable bank demonstrating responsibility towards customers, partners, and the environment

## Strategic objectives

1

**Maintain leadership in profitability and significantly enhance business performance indicators**

2

**Boost engagement and loyalty among existing Bank customers**

3

**Ensure sustainable development of BCC within the Group and partner ecosystem in CA and EEU**

# Performance overview



# Retail business

## 2023 Key Events:

#1 in mortgage lending among commercial STBs, capturing a market share of 57%

#1 in secured lending, with a 50% market share

#1 in auto lending, commanding a market share of 25%

#1 in ITS transfers among STBs

The online premium card issuance was successfully implemented on bcc.kz

A service enabling RUR and CNY withdrawal and depositing at ATMs was launched

#1 in online post-sale personal loan services

Introduced online real estate encumbrance release services

Introduced online motor vehicle encumbrance release services

Issued 353 online mortgage loans

Launched the service enabling transfers from the Russian Federation to BCC cards by phone number

Launched online SWIFT transfer service in bcc.kz, accounting for 42% of the total number of transfers made through the mobile app

Launched air ticket purchase service in bcc.kz

Launched Cash Loan product in bcc.kz, capturing a 20% market share in online cash lending

The number of premium cards increased: TravelCard by 54% and IronCard by 52%

The number of unique customers and private transactions on the FX platform has doubled

Gold bar sales doubled

The number of active bcc.kz mobile app customers increased: daily users by 22% and monthly users by 16%

# Retail Lending

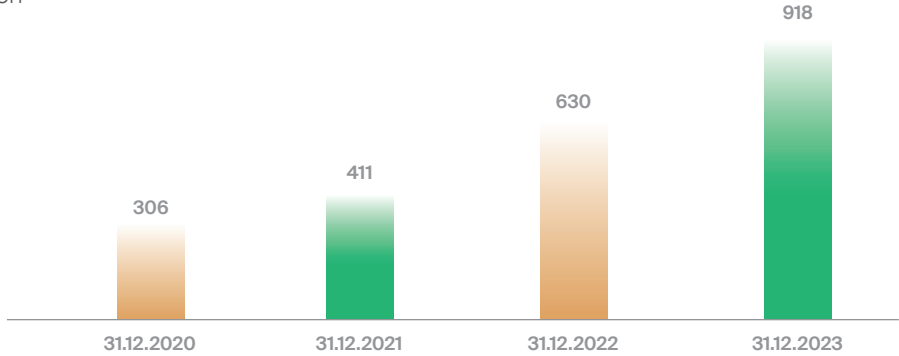
As of 1 January 2024, the retail loan portfolio of the banking group totaled **KZT 1,769 billion** (including loans issued under the “7-20-25” and “Baspana Hit” Programs), marking a year-over-year increase of **KZT 607 million or 52.3%**.

In 2023, the volume of car loans increased significantly 2.7-fold, reaching **395 billion tenge**. The volume of mortgage loans, including those issued under the “7-20-25” and “Baspana Hit” programs, increased 1.5-fold to **KZT 918 billion**. Consumer loans at the year-end rose by 1.2 times to **KZT 456 billion**. The retail portfolio structure shifted by the end of 2023: mortgages accounted for 52% (compared to 54% in 2022), consumer loans for 26% (33% in 2022), and car loans for 22% (13% in 2022).

As of 1 January 2024, the Bank held a market share of 57% in mortgage lending among commercial STBs, 25% in car loans, and 50% in secured lending.

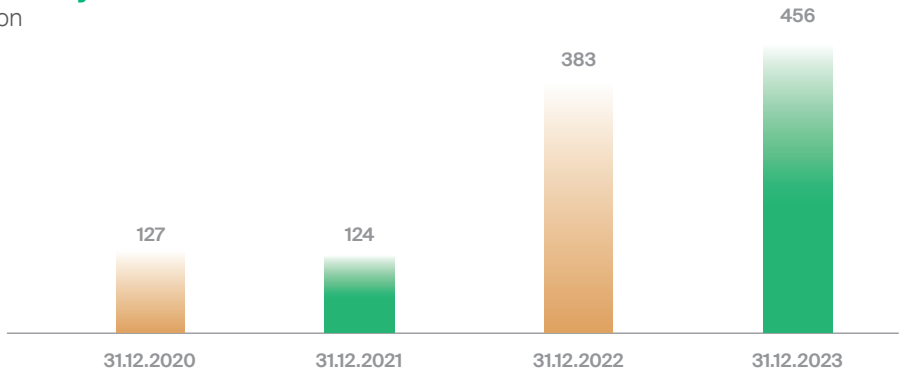
## Mortgage Portfolio Dynamics, including Baspana

(gross), in KZT billion



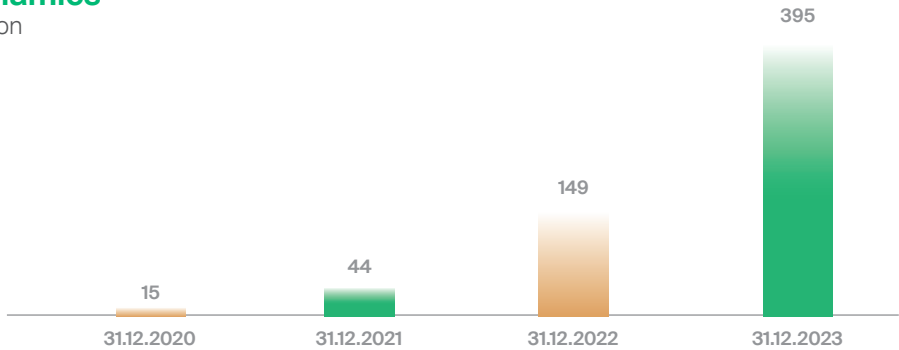
## Consumer Loan Dynamics

(gross), in KZT billion



## Car Loan Dynamics

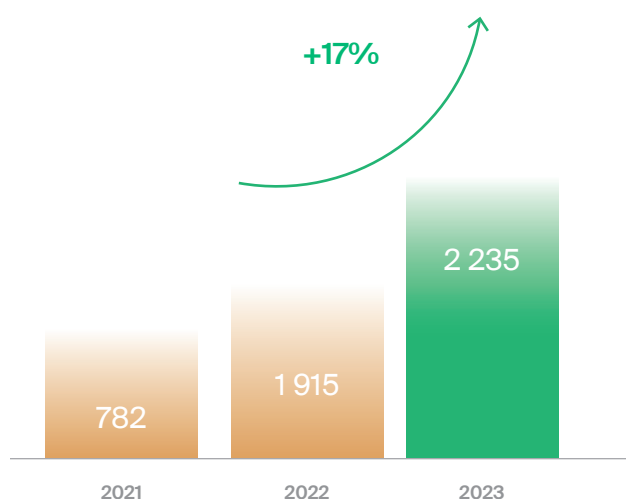
(gross), in KZT billion



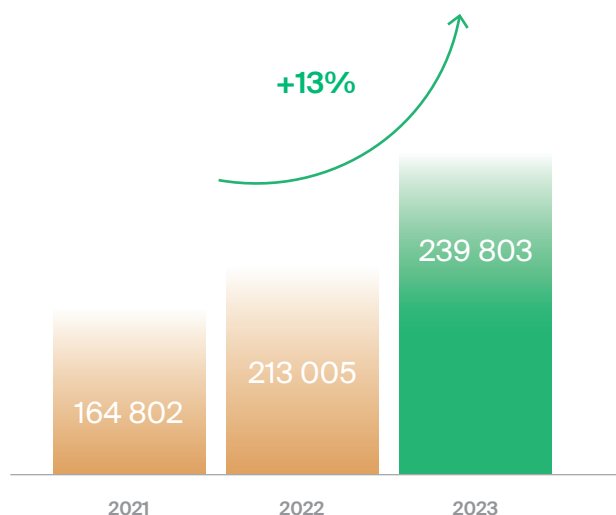
Source: Audited consolidated data

# Retails Deposits

## RB Customer Accounts\*, KZT billion



## Number of Unique Customers



## 2023 Accomplishments

- Online deposit closure
- Paperless deposit opening
- Adding new currencies for online current account opening
- Enhancement of online statements on deposits and current accounts
- Deposit information pages in bcc.kz

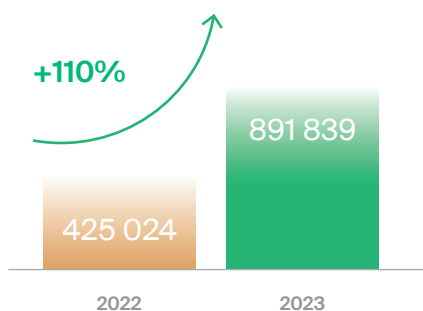
## 2024 Objectives

- Redesign / migration to BCC.4.0
- Development of the "My Goal" deposit
- Implementation of the National Fund for Children State Project
- Development of children's educational deposit
- Implementation of service Push notifications
- Dedollarization - reallocation of foreign currency deposits to investment products

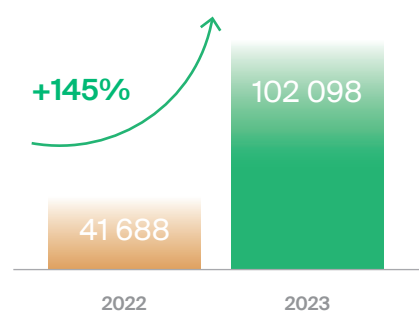
\*Audited consolidated data

# FX-Exchange for Retail Customers

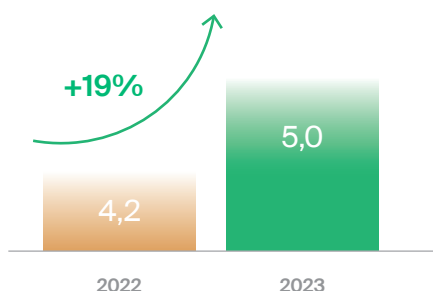
## Number of Transactions



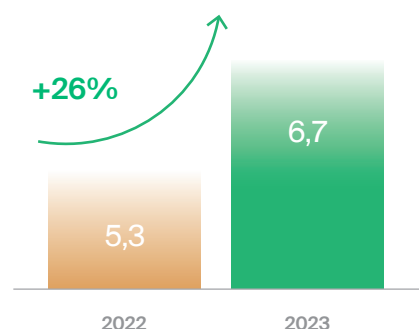
## Number of Unique Customers



## Total Volume, KZT billion



## Income, KZT billion



## 2023 Accomplishments

- FX-Exchange rebranding and redesign
- 8 currency pairs added: KZT-XAG, USD-XAU, USD-XAG, EUR/RUB, AED/KZT, KZT/CNY, USD/CNY, USD/AED
- The first on the market to add silver buying/selling to the FX-Exchange
- Full FX-Exchange onboarding process in BCC.KZ
- FX-Exchange transaction history added
- Migration to new exchange rate provider - NT PRO

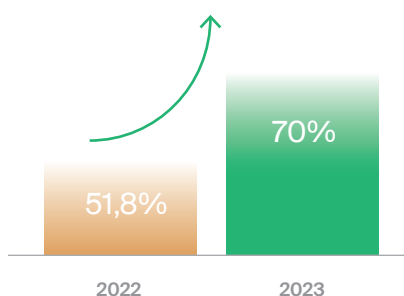
## 2024 Objectives

- Future value-dated conversion (TOM&SPOT)
- Redesign / migration to BCC.4.0
- Pending order for 5 days
- Stage 2 of TOM/SPOT development

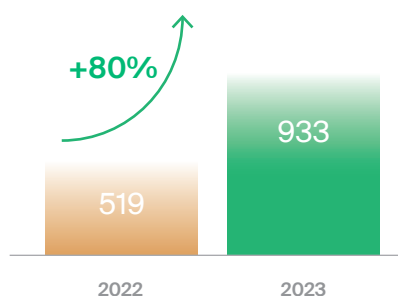
# Gold and UMA

## Gold bars

### Market Share

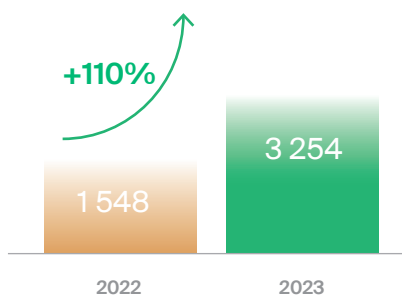


### Sold kg.

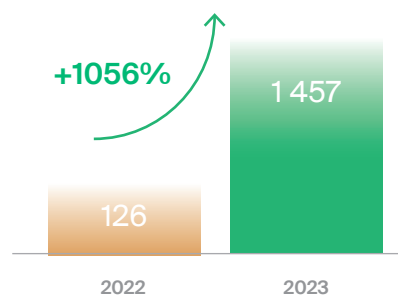


## UMA

### Unique Customers



### Sold kg.



### 2023 Accomplishments

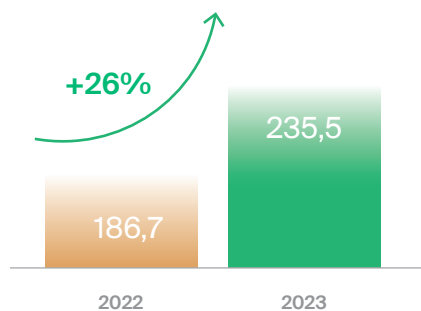
- Market share - over 70%
- 24/7 online gold/silver buying/selling
- Launch of gold bar sales for legal entities

### 2024 Objectives

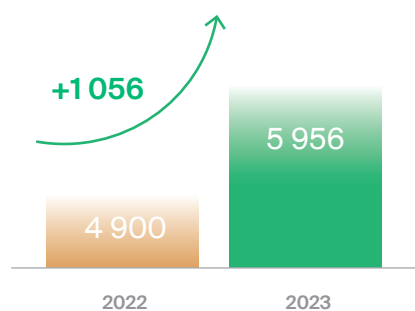
- Reverse Project (withdrawal of bars from metal accounts and vice versa)
- Online gold bar booking

# Safe Deposit Box Services

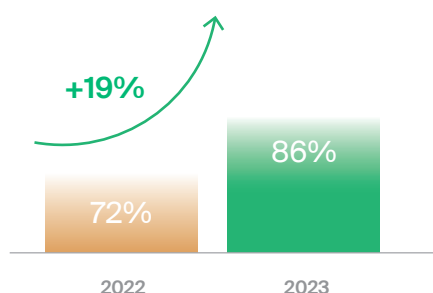
**Income,**  
KZT million



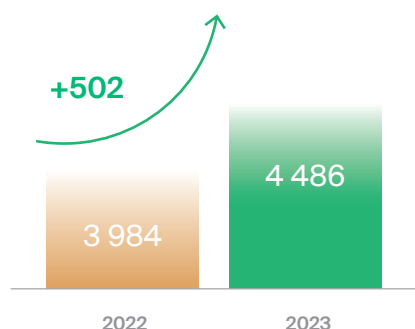
**Number of Boxes**



**Share of Online Renewals**



**New Contracts**



## 2023 Accomplishments

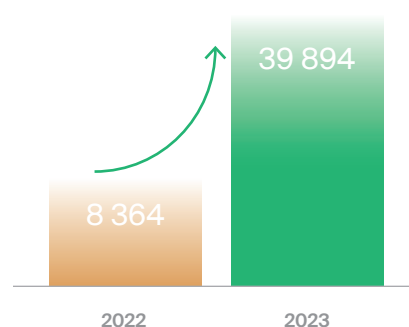
- Upgrade of renewal process in BCC.KZ
- Confirmation of Safe Deposit Transactions with OTP
- Opening 4 new depositories

## 2024 Objectives

- Online safe deposit box lease in BCC.KZ
- Opening 3 new depositories
- Installation of SafePRO MS PRO TEST access control system in safe depository

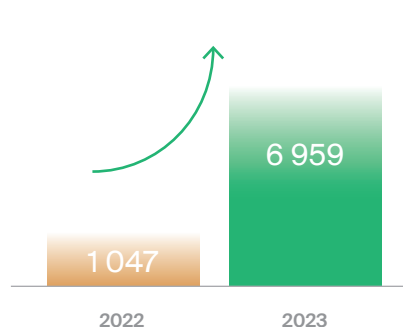
# Investment Products Tailored For Individuals

## Number of Brokerage Accounts

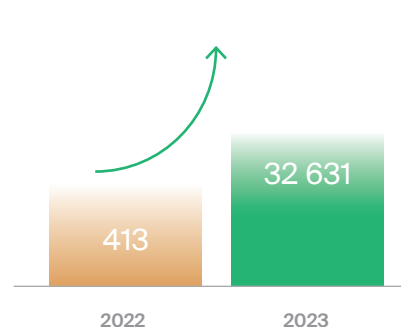


## Secondary Market Trading Volume

KZT million



## Number of Orders in the Secondary Market



## 2023 Objectives

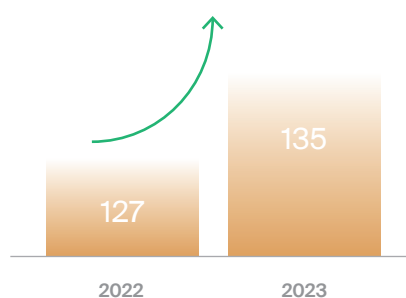
- 40,000 brokerage accounts
- Leader in the amount of orders from private investors under the SPO KEGOC
- 24/7 brokerage account opening
- Launch of KASE secondary market for all customers
- New design of Investments (redesign of the home page; according to research to improve VOC)
- Updating of customer data by trading day ( active orders, trades in transit, pending securities )
- BCC Bonds IPO (implemented possibility to apply via mobile application)
- Implemented tax return - regulatory task

## 2024 Accomplishments

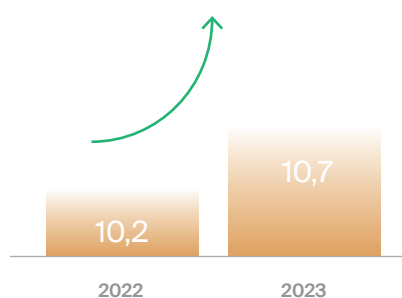
- Conduction of Air Astana IPO
- 100,000 brokerage accounts
- Launch of KASE GLOBAL
- Integration with AIX Exchange
- Display of all bonds available for trading

# Merchant Acquiring

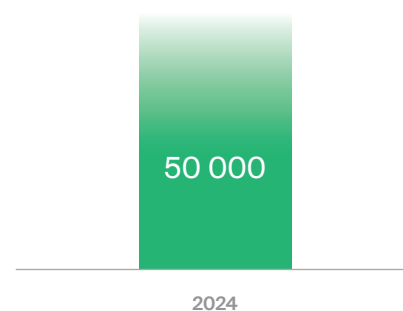
## Turnover (KZT billion)



## Number of Active Devices (thousands)



## Number of Devices



### 2023

#### Accomplishments:

- Launch of Online Merchant Acquiring Sales Channel through BCC.Business
- Launched BCCBOX 3in1 project
- New Landing page for Merchant Acquiring products
- Paperless office project - signing customer documents with OTP-code

### 2024

#### Objectives:

- Automation of terminal firmware
- Development of QR - BCC, IPS, mVisa, UPI, AliPay, WeChat Launch of Online refund
- Remote Billing
- Online application onboarding via through BCC.Office platform
- Launch of PushAlert - notification process for inactive devices



## ATM/SST

### 2023 Accomplishments



- Provision of services in ATMs for visually impaired individuals
- Carrying out transactions in ATMs/IPTs without till roll
- Transactions in RUR and CNY at ATMs
- Launch of ADMs

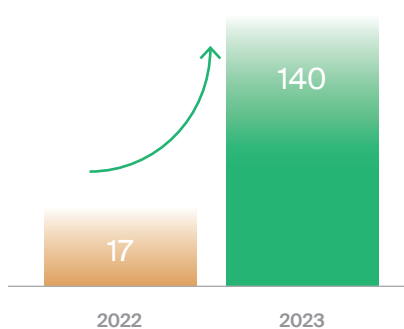
### 2024 Objectives



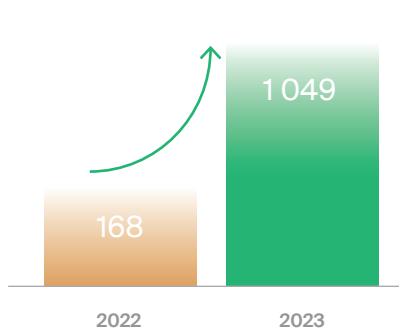
- Redesign of services at ATMs/IPTs
- Cardless ATM withdrawals
- Fleet renewal and expansion (154 ATMs)

## E-com

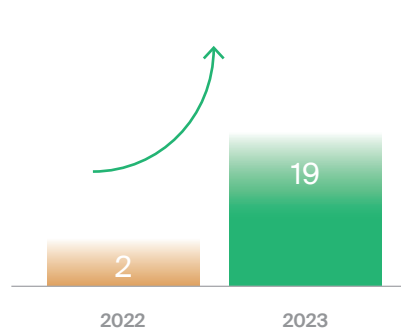
**Total volume,**  
KZT billion



**Number of Connected Terminals**



**Number of Transactions,**  
mln.



### 2023 Accomplishments

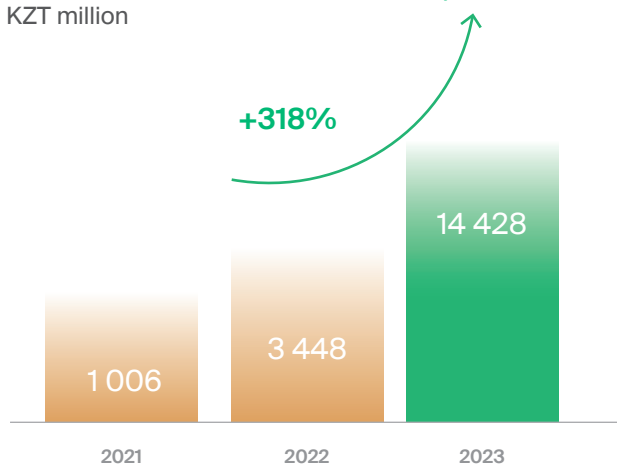
- Product launch - Payments to cards
- Automation of customer connection via BCC Business
- Improved fraudulent transaction monitoring by connecting Web-Shield

### 2024 Objectives

- Card2Business product development
- E-money product development
- E-com Personal Area development
- Payment Link functionality development

# Insurance

**Fee and Commission income,**  
KZT million



## 2023 Accomplishments

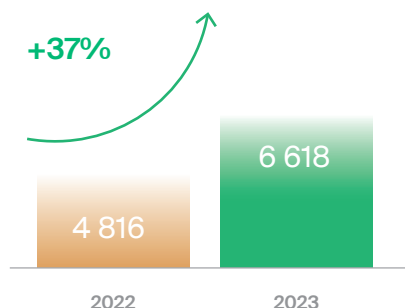
- Property insurance and title insurance for the #secured loan product launched
- Card insurance against fraudulent actions on GF and BCC.KZ launched
- GF accident insurance launched
- Turnkey property insurance launched on GF
- Foreign travel insurance implemented on GF
- Launched automated service for receiving Customer documents from the Bank's CEA in CRM of Sinoasia IC.
- Implemented the service to obtain the Bank's confirmation to Sinoasia IC regarding the absence of any outstanding loan debt in the event of early termination of the insurance contract.
- The integration of the Bank's CC and Sinoasia's CC for handling calls outside of the Bank's working hours has been completed.

## 2024 Objectives

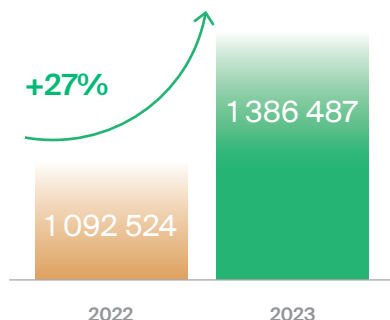
- Launch of insurance in SME lending products
- Launch of at least 3 packaged insurance products on BCC.KZ
- Launch of online insurance contracts

# Transfers

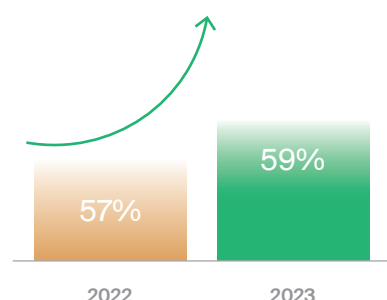
**Profit,**  
KZT million



**Number of Unique Customers**



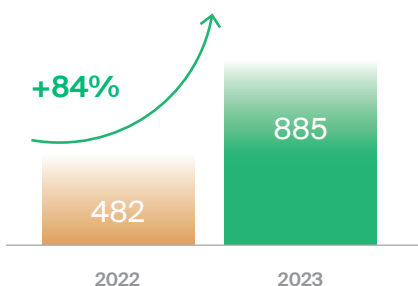
**MAU transfers**



## 2023 Accomplishments

- First in Central Asia to launch the service of card top-up via ApplePay on BCC.KZ
- Online SWIFT transfers on BCC.KZ launched
- Transfers from the Russian Federation to BCC cards by phone number launched
- QR platform introduced
- A platform integrated with the National Bank's node as part of the Digital Tenge project implemented
- Money Pool service launched
- #1 Bank in terms of transfers through the NBRK Instant Transfer System
- Implemented the Anti-Fraud Project as part of transfers

**Volume of International Transfers,**  
KZT billion

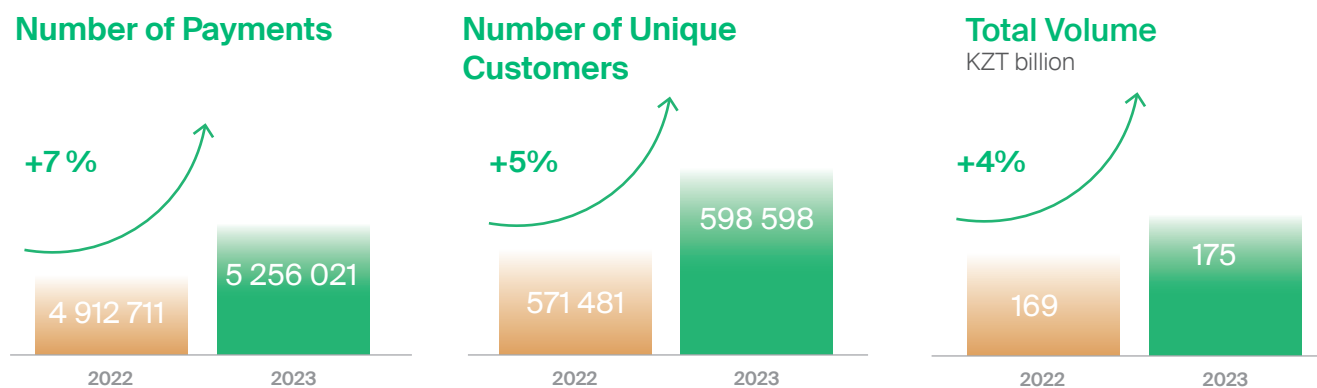


## 2024 Objectives

- Development of TransferHub own transaction platform
- Implementation of a universal QR platform
- Expansion of capabilities of online international transfer services
- Launch of SWIFT payments online
- Possibility to provide additional documents at the request of SWIFT online
- Redesigned Transfers section as part of BCC 4.0



# BCC Payments (Retail Customers)



## 2023 Accomplishments

- Implemented a billing system for Alseco Public Utility, including taxes and fines.
- Simplified mobile payment with just two clicks.
- Launched the Travel segment, now offering online air ticket purchase services.
- Implemented the purchase of entertainment tickets.
- Introduced the function of payment for Public Service Center/Specialized Public Service Center services via QR code.
- Launched online services for tax payment, along with the option to pay taxes using provided details.

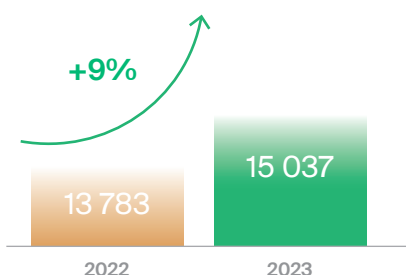
## 2024 Objectives

- Migration to a new backend: Successfully migrated to a new backend platform to enhance performance and streamline integration of new service providers.
- Technology Stack Optimization: Initiated the transition from Android and iOS to Flutter to streamline development efforts and lower support expenses.
- QR payment implementation: Introduction of QR code functionality to streamline payment process for 2000 services, enhancing the customer experience
- Enhanced integration with utility companies: Automated billing processes for all utility companies to enhance payment process efficiency.
- Development of a personal account for service providers: Developing a user-friendly interface for service providers enabling to manage offerings and monitor financial flows

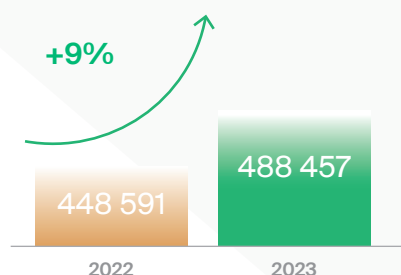
## Card business

### Targeted Crediting

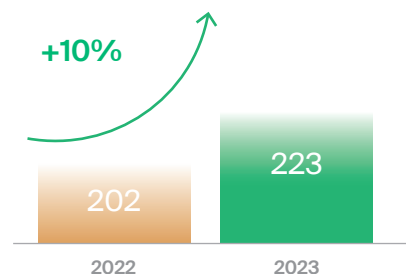
#### Number of Payroll Card Projects with funds credited



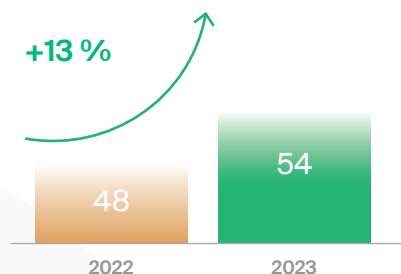
#### Number of Payroll Cards with funds credited



#### Amount of Funds Credited, KZT billion



#### Balance Amount, KZT billion



### 2023 Accomplishments

- Launched the ATM balance display service for pension cards, along with fee amount display during card withdrawals.
- Launched automatic reissuance of payroll cards upon card expiration.
- Launched tablet service for payroll card projects (card registration and issuance).
- Option to select Bank CenterCredit for opening a special account when applying for social payments, allowances, and pensions on the eGov.kz portal.
- Implemented pension and social card reissue, closing, and blocking processes in the GreenFront system.

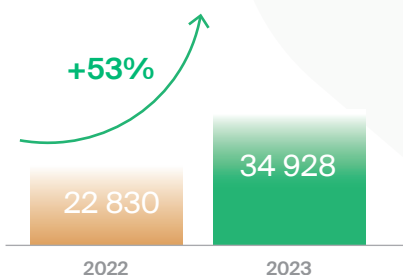
### 2024 Objectives

- Launch of #bccpay (#monocard)
- Issuance of instant cards through mini embossers.
- Integration of BCC Business with 1C.
- Card issuance through the GOV platform (opening through the Ministry of Labor).
- Registration of Payroll Agreements and card issuance in BCC Office.
- Positioning of the updated #bccpay card (#monocard).
- Launch of a new debit card (UPI).
- Displaying payroll card project offers on Center Market/tender sites

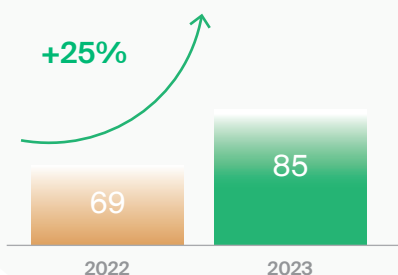
## Premium Cards



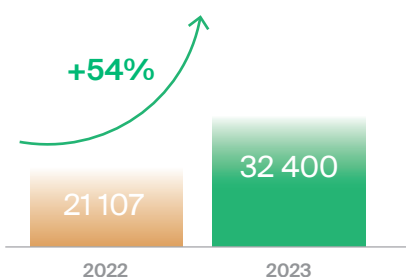
**Total Cards,**  
pcs



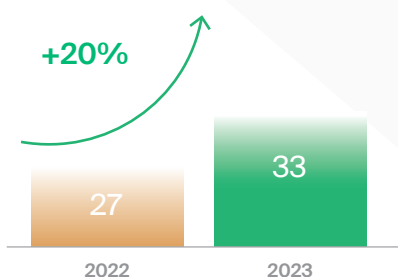
**Balances,**  
KZT billion



**Total Cards,**  
pcs



**Balances,**  
KZT billion



### 2023 Accomplishments

- #IronCard - Ranked #1 in terms of Visa Infinite issuance and turnover among STBs in Kazakhstan and CIS, and among the top 11 in CEMEA
- Instant opening and activation of digital cards when ordering physical cards
- Launched the promotion "Invest in Emotions with #IronCard" featuring a prize fund in a new format for Kazakhstan
- Free access to VIP lounges (Almaty airport) for 2023 (an exclusive agreement with Visa)
- Validation of non-resident applications

### 2024 Objectives

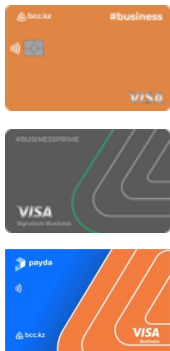
- Online card issuance on BCC.KZ platform
- Introduction of new products: MC World #Black Edition and UPI Asia Prestige Diamond
- Implementation of subscription model for #IronCard (an exclusive project with Visa)
- Launch of new silver-designed #IronCard and #IronCard OYU
- Adding new currencies AED and GBP
- Repositioning of #IronCard
- Premium card delivery
- Collaborations with key partners such as Technodom, Kaztour Premium, Lamoda, Bolashaq, etc.

Total cards **67 328**  
Balances **117,8 KZT billion**

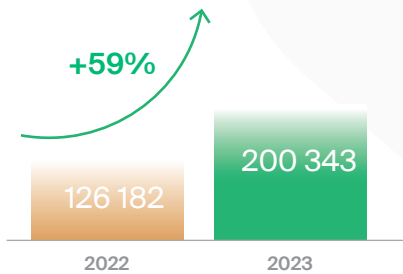


**Best Premium Card Bank**  
according to Visa

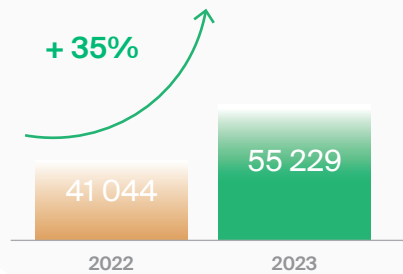
## Corporate Cards



### Card Portfolio at the year-end, pcs



### Number of Active Cards at the year-end



## 2023 Accomplishments

- No. 1 in launching the virtual first co-branded business card (with the Bank partner - PayDa)
- Launched #businessprime premium business card
- Issuance and maintenance of personalized corporate cards and cards for the bank employees in the GreenFront system
- Held a promotion for the first time targeting business card holders to increase the transactional activity of cards

## 2024 Objectives

- Issuance of #BUSINESSPRIME digital cards through Bcc.Business web/mobile platform
- Issuance of #BUSINESSPRIME business cards with separate card accounts
- Balance separation for primary and additional cards under #business account
- Virtual business cards through Visa Commercial Pay (a new Visa service)
- #businesscredit digital business credit card (MC World Business Credit)
- A loyalty program for business cards (bonus accounts on bcc.business)
- Launch of a new business card product - #businessunion (UPI Business)
- Fuel business card
- Market analysis and research, scoring incentives, and advertising and marketing activities to enhance brand awareness

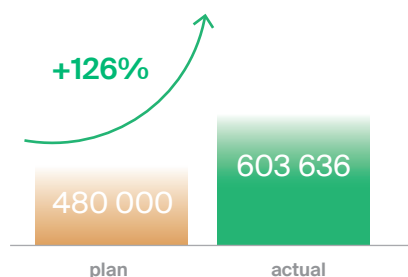


## Credit Cards

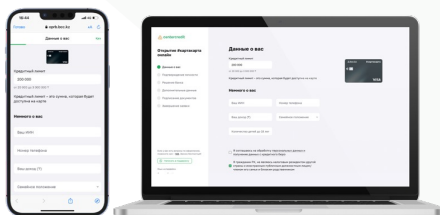


### 2023 Accomplishments

**604 ths**  
#kartakarta sold



**Introduced the option to open a #kartakarta with a credit limit on the online platform**



**For new and existing customers of the Bank:**

- 24/7 online opening
- Process speed of 5-7 minutes
- Card can be used immediately upon opening
- User-friendly interface available in Kazakh and Russian languages



### 2024 Objectives

- Implemented a new credit card with a grace period of 180 days
- Closing of sales for the debit #kartakarta
- Migration of existing and new cards to BCC 4.0 (daily functionality + online opening)
- Increased activity in the #kartakarta portfolio

## Disputes And Transactional Antifraud

### 2023 Accomplishments



- Implemented online Dashboards for financial monitoring of Customer transactions
- Implemented the Cash Management System - analytics for effective ATM/IPT loading and unloading

### 2024 Objectives



- Launching an online cross-channel anti-fraud system.
- API integration with the NBRK anti-fraud - for streamlined anti-fraud interaction between STBs
- Card Management - system with analytics for efficient distribution, accounting, and forecasting of card issuance



**No. 1 in terms of Approval Rate**  
share (approved card transactions)  
in the portfolio, according to Visa in  
2023

## BCC Junior Children's Banking



### 2023 BCC Junior Accomplishments



**#1 Innovative  
Children's Banking  
according to Visa in  
2023**



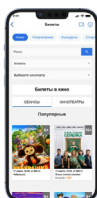
**Best rated JuniorBank  
children's mobile app in  
the App Store - 4.3 and on  
Android - 4.5**



**Seamless transition of  
18 year olds from Junior  
Bank to bcc.kz.**



**In 2023, we sold 41,452  
Junior Cards and opened  
over 2,500 children's  
deposits.**



**Junior Bank introduced  
an online cinema and  
entertainment ticket  
purchase service**



### 2024 BCC Junior Objectives

- Online card closure on BCC.KZ;
- JB demo version (demonstrating API functionality for selling);
- JuniorAPI - development of microservice architecture (children's card, children's moneybox);
- Preparation of a unified design;
- JuniorAPI - development of microservice architecture and white-label JuniorBank;
- Multi-currency card;
- Online financial education platform available in three languages;
- Co-branded with UNESCO for schoolchildren (expected coverage of 10,000 active cards);
- Web game: Super Lucky.

## Card Technologies

### 2023 Accomplishments



- The project to launch products and services from the international payment system Union-Pay has commenced.
- Improvements to the "Purchase with Cash-back" service have been implemented, enabling our MasterCard cardholders to receive cashback rewards for payments made at POS terminals abroad.
- Integrated two new associates - Commerts-bank and Dushanbe City.
- Launched the IPCS Target Model pilot project

### 2024 Objectives

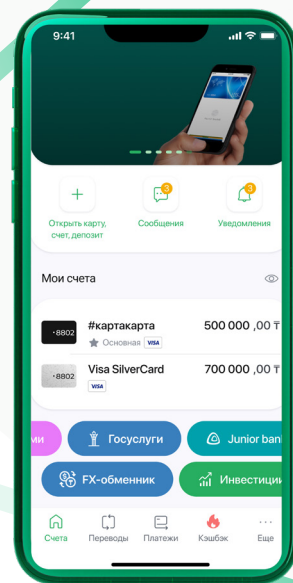


- Launch of the UnionPay project (issue and acquiring) in full capacity.
- Resumption of issue of MasterCard World Black Edition and World Business products
- One of the first Kazakhstani banks to successfully launch the IPCS Targeted Model Project into production environment
- Project completion and introduction of new currencies for premium cards.
- Kick-off of the project to add the Turkish Lira as a new VISA settlement currency.
- Islamic Card Project kick-off.
- Successful implementation of the project for transition to PIN verification in in-house processing.
- Successful implementation of the project for automation of token removal for expired cards.
- Successful implementation of the Subscription Management Project.

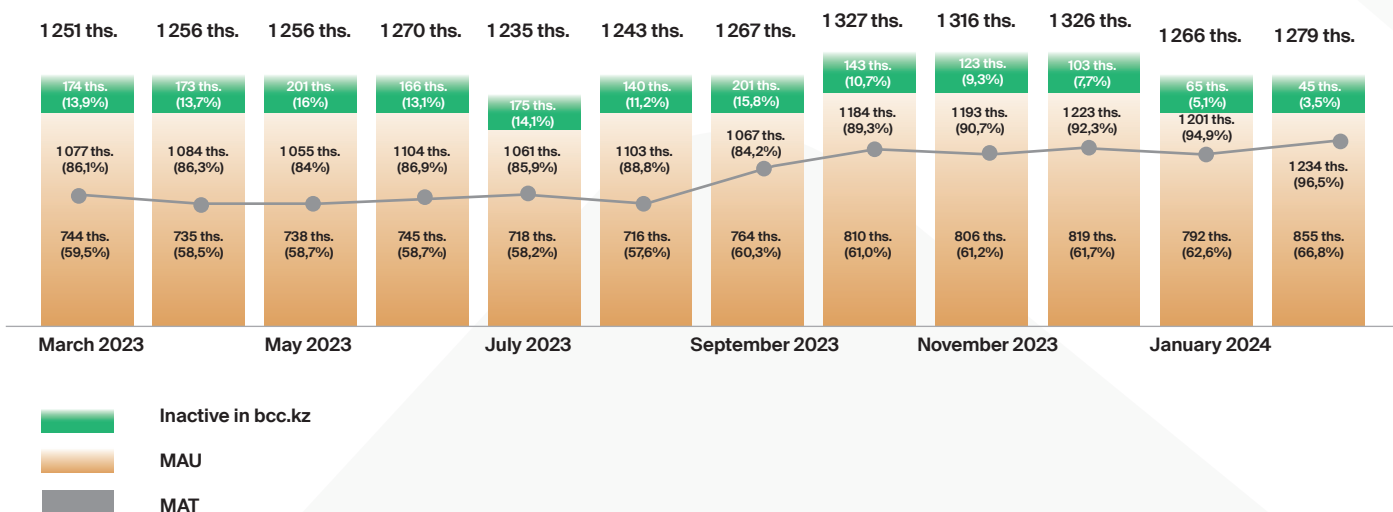
# bcc.kz Mobile App

## 2023 Accomplishments

- The number of clients in the bcc.kz application in 2023 increased by 16% to 1 223 000 active users.
- The number of active transactors (MAT) of the bcc.kz application in 2023 increased by 18% and amounts to 819 000 clients at the end of 2023.
- The number of mobile app daily users (DAU) increased by 22% to 329 000 customers at the end of 2023



## Online customer share



## Achievements



Cash loan in the **bcc.kz mobile** application launch

+ % 2023  
**more than 14 000  
loans**



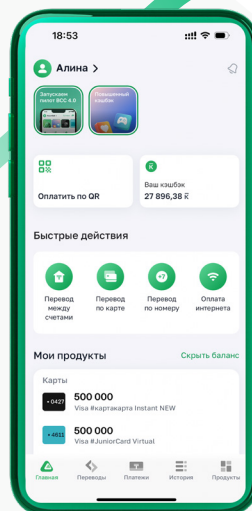
**10 billion.**  
KZT

## What's new in **bcc.kz app:**

- Stock market and investing in **IPO**
- Tickets for city events
- Flight and railway tickets
- **GovTech** section
- issuing premium cards
- password recovery via biometrics
- top up cards via **Apple Pay**
- buying and selling precious metals

## New bcc.kz 4.0 app

Test version of the new mobile application bcc.kz 4.0 was launched for bank employees

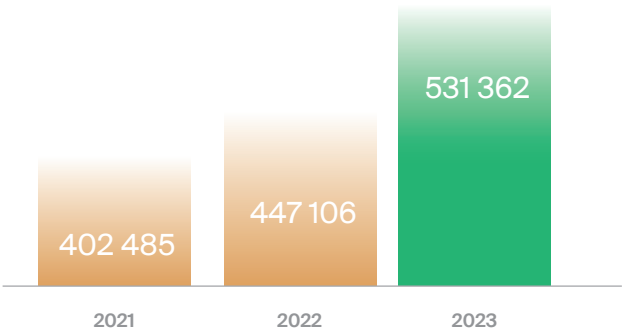


# Corporate block: large business

## CB Lending

As of 1 January 2024, the Large Business's corporate loan portfolio amounted to KZT 531 billion, marking a year-on-year increase of KZT 84 billion or 19%. This moderate growth in the Large Business portfolio aligns with the strategic goals. The bank is actively developing promising mass products.

### CB Loan Portfolio Dynamics (gross), KZT million

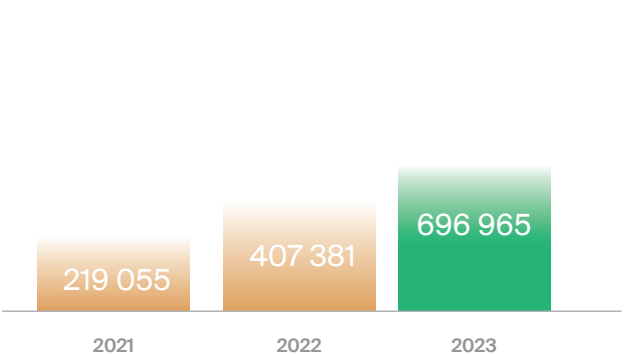


Source: Audited consolidated data

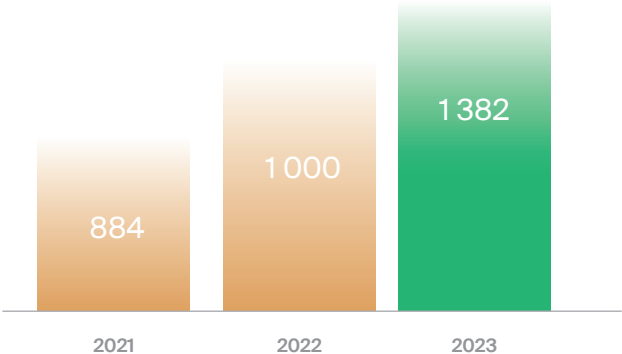
## CB Customer Funds

As of 1 January 2024, the total funds deposited by Large Business customers amounted to KZT 699 billion. Analysis of data for 2022 and 2023 reveals a total growth in placement of KZT 290 billion, representing a 71% increase. Additionally, there has been a 38% increase in the number of Large Business customers with balances on current accounts and deposits for 2023. Furthermore, the share of online deposits as of 1 January 2024, reached 97%, compared to 94% as of 1 January 2023.

### Dynamics of CB Customer Funds held in Current Accounts and Deposits, KZT million



### Dynamics of the Number of CB Customers with Current Account and Deposit Balances



Source data: Separate reporting of the bank

## 2023 Accomplishments in CB segment

Achieved a stronger position, ranking in the top 3 among STBs in terms of letter of credit volume.	→	Moved up from the 3rd place to the 2 place.
Increased profitability on import letters of credit.	→	Advanced from 7th place to 3 place
Financing against contracts with the State.	→	24 comfortable schools under the JSC SWF Samruk Kazyna program, amounting to KZT162 billion
Synergy with BCC Invest, facilitated the transfer of loans to the stock market	→	Successfully handled 4 cases, totaling KZT13 billion

## 2024 Objectives In CB Segment

Development and collaboration at the AIFC
Engagement in infrastructure Development Projects.
Development of a new product in collaboration with BCC Invest and SinoAsia
Expanding the Corporate Business portfolio by attracting quasi-sector clients
Increase in Cross Selling per customer
Implementation of Cash Pooling and a unified personal account for JSC NC KTZH.
Establish partnerships with leading players in the Russian market (non-sanctioned, registered in the Republic of Kazakhstan)
Diversifying the range of counterparties for trade finance instruments
Maintaining the leading position in issuance of import letters of credit among STBs.

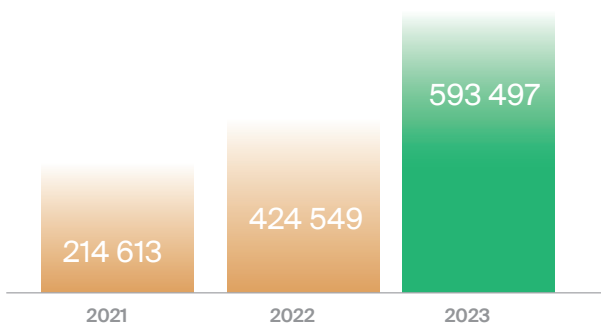


# Corporate block: Small and medium-sized enterprises

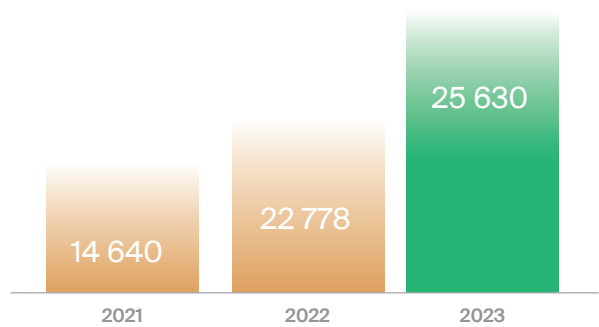
## SME Lending

As of 1 January 2024, the SME loan portfolio totaled KZT 593 billion, marking a notable increase of KZT 169 billion over the year. This growth is accompanied by a slight 13% rise in SME customers during 2023. The loan portfolio and customer base growth in 2023 is driven by development of anchor SME loan products such as "Growing Business," "Credit Limit on Account," "Business Loan," and "Revolving Credit Line," aligning seamlessly with the Bank's approved Strategy.

**SME Loan Portfolio Dynamics**  
(gross), KZT million



**Number of Borrowing SME Customers**

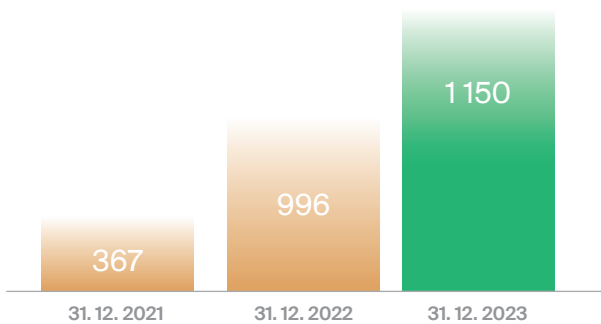


Source: Audited consolidated data

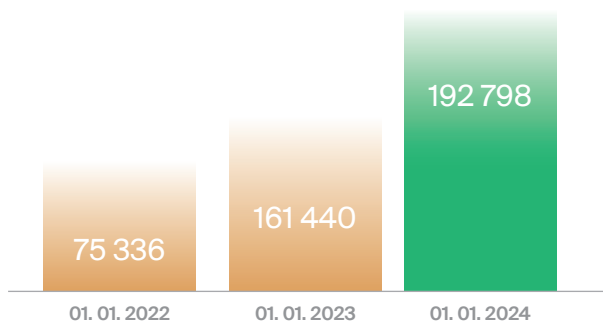
## SME Customer Funds

As of 1 January 2024, SME customer deposits totaled KZT 1,150 billion, marking a 1.1-fold increase year-on-year. The number of SME customers maintaining balances on current accounts and deposits surged by 1.2 times to reach 192.7 thousand customers in 2023. The share of online deposits constituted 97% of the total. In line with the Bank's strategy to diversify funding sources, the share of SMEs is on the rise.

**Dynamics of SME Customer Funds on Current Accounts and Deposits,**  
KZT billion



**Dynamics of the Number of SME Customers with Current Account and Deposit Balances**

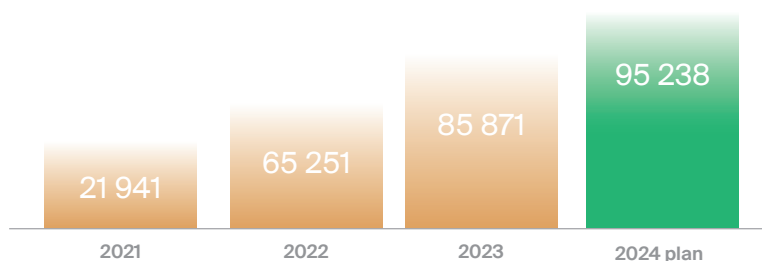


Source data: Separate reporting of the bank

# Promising SME Products

## Unsecured Growing Business

### Portfolio for Unsecured Growing Business (KZT million)



### 2023

**Acceptance of guarantees from individuals for IE**  
Mitigating risks in loan repayment

01.07.2023

**Introduced AGRO product (DAMU)**  
Expansion of customer base

12.09.2023

**Introduced AGRO product (Bank)**  
Expansion of customer base

20.10.2023

### 2024

**Acceptance of third-party guarantors for individual loans**  
Expansion of customer base and growth of the loan portfolio.

01.04.2024

**Acceptance of founders' guarantees for LLP**  
Mitigation of risks in loan repayment

01.04.2024

**Implementation of novel decision-making strategies**  
Expansion of customer base and loan portfolio growth

01.03.2024

## Online Lending



### 2023 Results

#### Launch of Online Lending

##### Online loan for internal IEs on the BCC Business - March:

Increase in loan portfolio

##### Online loan disbursement with Damu guarantee and subsidy

Increase in loan portfolio

##### AGROproduct - September

Expansion of customer base, loan portfolio growth

##### Online loan for external customers - IE on BCC.KZ - October

Expansion of customer base, loan portfolio growth

##### Online loan for internal LLPs on the BCC Business - December

Increase in loan portfolio

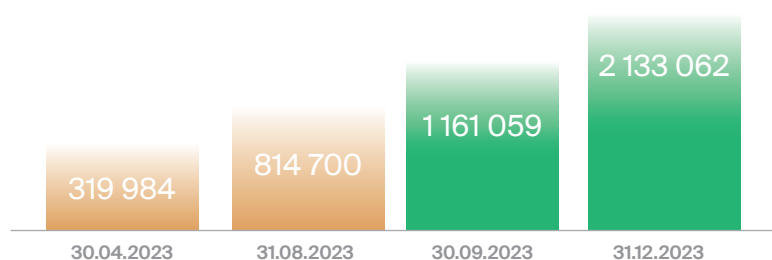


### 2024 Objectives

#### Launch of online factoring and factoring limit processes

## Volume of Disbursements

KZT ths

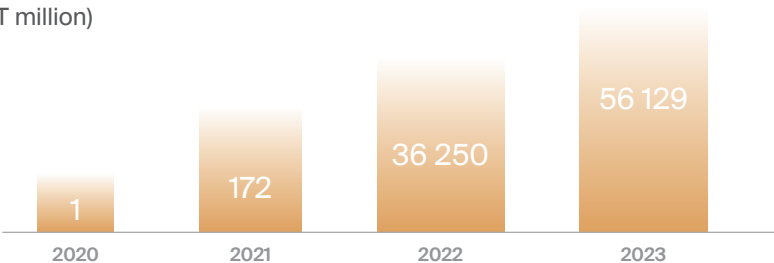


## Supply Chain Finance

Since 2020, the Bank has been actively crafting distinctive offerings under the Supply Chain Finance program in the STB market. These encompass:

- Distributor Finance
- Contract Financing
- Factoring

**SCF Product Portfolio**  
(KZT million)



### 2023 Results



- Promoting the SCF product line through the establishment of a partner network.
- Advancing government programs to lower financing costs for end users

### 2024 Objective



- Rolling out a distinctive automated process for online factoring through partner marketplaces.
- Allocation of state funds for factoring to reduce financing costs for end consumers.
- Offering assistance to exporting companies.

## Credit Limit On Account (CLA)

### 2023 Results



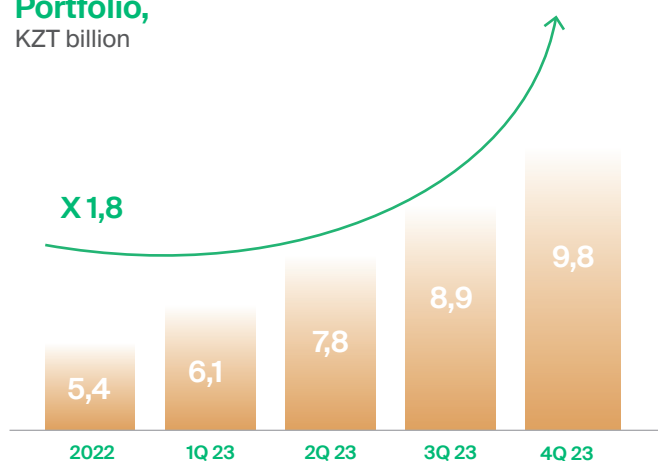
- Online CLA setting for new customers through BCC Office,;
- CLA product-related push notifications;
- Technical capability to sign Supplementary Agreements with Customers to modify CLA conditions via GF.)
- Technical capability to offer deferral for the CLA;
- CLA suspension without completion of CLA Contract;
- Automated generation of Decision/Protocol Resolution in the Green Front system.

### 2024 Objective



- Online CLA setting for existing customers through BCC Office.
- A digital CLA installment card.
- CLA through the Authorized Body for external bank customers.
- CLA Limit visualization and management via the web-based BCC Business .

### Portfolio, KZT billion



## Guarantees

### 2023 Results

- Migrated the online unsecured tender guarantee limit opening to the new BCC Business and GF from the old Internet Banking System
- Migrated the online tender guarantee issue under the Online Unsecured Limit to the new BCC Business and GF from the old Internet Banking System
- Migrated the online tender and payment guarantee issue under Secured CL to the new BCC Business and GF from the old Internet Banking System
- Launched a novel product called “Unsecured Payment Guarantee” to the market: designed for Individual Entrepreneurs.
- Introduced a new product: Payment Guarantee under the Comfortable School National Educational Project by JSC Samruk-Kazyna Construction

### 2024 Objective

- Migrate the process of issuing online guarantees against money pledge to the new BCC Business and Green Front platform from the old IBS
- Launch the Unsecured Payment Guarantee for LLPs
- Migrate online processes from the Credit Front-Office module to BCC Business and GF platform
- Develop an API for guarantees specifically designed for issuing tender guarantees for LLPs on a one-to-one basis
- Launch the process of issuing online guarantees against security deposit through the newly implemented BCC Business and Green Front platform

#### Guarantee portfolio

KZT 87.3 billion (+4% year-on-year growth)

#### Guarantee income

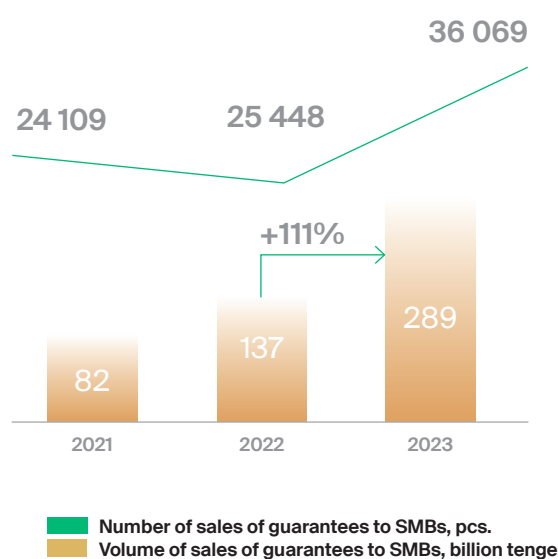
KZT 3.2 billion (upsurge of +52%)

#### Tender Guarantees

sold 32,250 guarantees, marking increase of +45%, for KZT 110 billion (+96% surge)

#### Payment Guarantees

sold 3,819 guarantees (+6%, upsurge) for KZT 179 billion, reflecting a leap of +163%



## StartUp Business

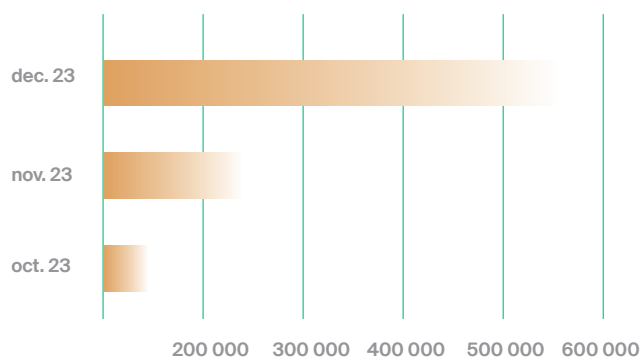
### October 2023:

launch of a new loan product - StartUp Business.

### Target audience -

start-up entrepreneurs (business operations - less than 3 years)

### Disbursements for 2023, KZT thousand



### Benefits



- No comparable alternatives on the STB market
- Minimal package of documents
- Fast decision-making terms
- Simplified financial analysis
- Opportunity to participate in government programs

## Business Loan and Revolving Credit Line

### 2023 Accomplishments



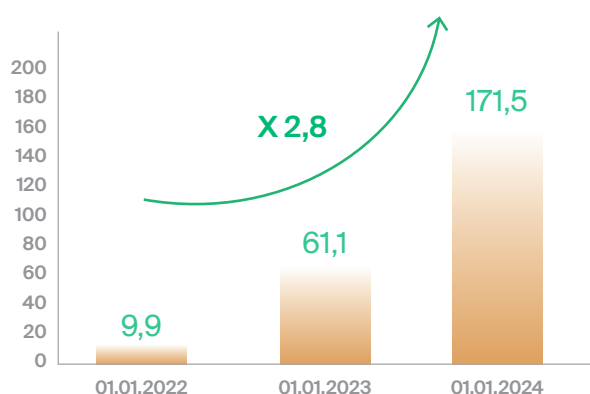
- The portfolio increased 2.8-fold since 2022.
- Accepting personal guarantees for IEs, a move aimed at mitigating credit risks;
- Accepting founders' guarantees for LLPs to further reduce exposure to credit risks;
- implementing new decision-making strategies, such as analyzing working capital requirements and discontinuing housing market lending;

### 2024 Objectives



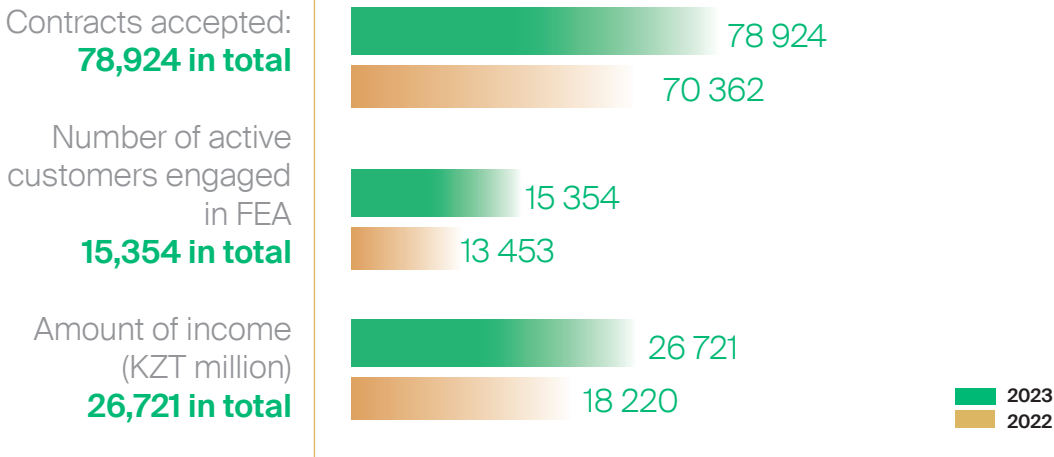
- By the end of 2024, our targeted portfolio is set at KZT 270 billion;
- Migration to the Green Front platform;
- Automated generation of Decisions/ Protocol Resolutions in the Green Front system.

**BL RCL Portfolio,**  
KZT billion





## Foreign Economic Activities



### 2023 Accomplishments

- The share of auto-approval for outgoing transfers surged from 28% to 68%, slashing the foreign exchange transfer processing time by threefold
- The share of auto crediting of export proceeds increased from 0% to an impressive 62%. This enhancement led to a 17-fold increase in the speed of crediting.
- The contract registration time reduced by 8 times

### 2024 Objectives

- KZT 34 billion fee and commission income for FEA operations
- The share of active customers making foreign currency payments - 40% of Mid-Sized Business customers and 10% of Small Business customers
- Similarly, the share of active customers making currency conversion - 40% of Mid-Sized Business customers and 10% of Small Business customers

## Results of the Bank's Participation in Entrepreneurship Support Programs in 2023



### Funding:

- The Bank increased its total JSC EDF Damu funding limit to KZT 46 billion;
- Additional funding was secured under JSC EDF Damu programs totaling KZT 12.8 billion;
- Raised EBRD funding for financing of SMEs, women-led businesses, and green technologies under the GEFF programme, totaling 28 billion tenge;
- Raised funding from the Agrarian Credit Corporation to finance agri-business entities totaling 4.9 billion tenge.



### Subsidies/ Guarantees:

- In 2023, under the subsidizing instrument of JSC EDF Damu, the Bank financed 4,911 projects totaling KZT 169 billion;
- In 2023, under the guarantee instrument of JSC EDF Damu, as of December, the Bank financed 4,592 projects amounting to KZT 135 billion;
- Attracted KZT 22.5 billion for portfolio guarantee and subsidies under the National Entrepreneurship Development Project for the period of 2021-2025.



### Plans for 2024:

- Increase the Bank's limit to raise funding from JSC EDF Damu by KZT 10 billion;
- Increase the loan coverage for micro entrepreneurs by raising the micro business portfolio subsidies and guarantees limit;
- Engage in lending the new support instruments for large businesses in the form of guarantees from the Development Bank of Kazakhstan and agri-business support (new instruments of subsidizing and guaranteeing).

## bcc.business Mobile App

### 2023 Results

#### Launch of BCC Business, a new internet banking platform.

More than 100 thousand entrepreneurs migrated to the new platform. Users have access to transactions in tenge and foreign currency, cards, tariffs, online accounting and many other online services.

#### Functionality to address frequently asked questions and streamline customer onboarding

simplifies for customers the process of getting acquainted with our services. This approach not only enhances customer awareness but also alleviates the burden on our contact center and branches.

#### VoC measurements

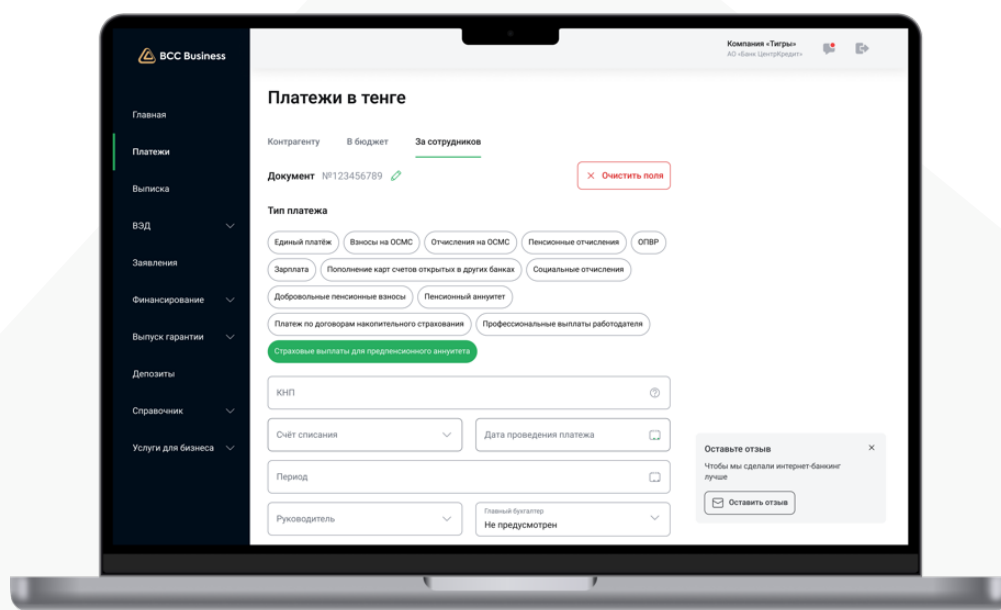
make it possible to evaluate the service and quality of Internet banking. Customers can choose ready-made answers, write their comments, which serves for continuous improvement of the functionality.

#### Launched the service allowing users to verify counterparties from both the Republic of Kazakhstan and the Russian Federation.

Through this service, users can verify their counterparties by IIN/BIN, as well as the TIN or OGRN (Primary State Registration Number). The service provides comprehensive information on the trustworthiness status of these counterparties and allows to upload detailed reports empowering users to make informed decisions regarding business relations

#### Automation and optimization of KZT payment-related processes

Our efforts focused on reducing the number of transactions requiring manual processing, resulting in over 98% of payments being processed automatically. Worked on acceleration of sending payments from the Bank; currently, payments to counterparties are credited to recipients in other banks within just 30 minutes.

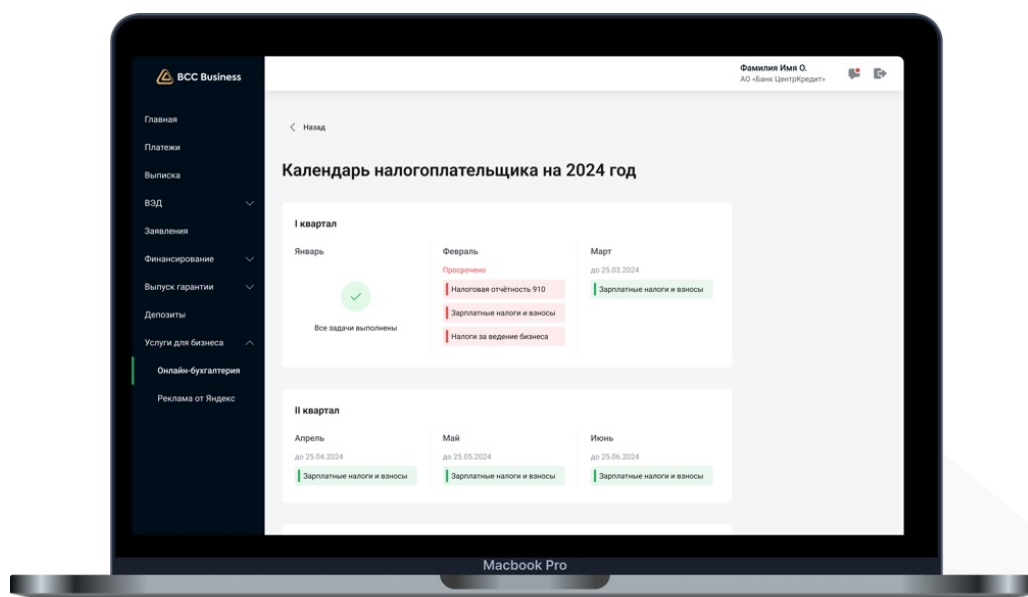


## Launch of a new product - Online Accounting

The Online Accounting product has been successfully launched on the new platform for the Bank customers. Now BCC Business customers have an opportunity to connect their business to online accounting services.

### Functionality:

- Pay taxes for business operations
- Pay taxes for employees
- Now BCC Business customers can plan their tax year and make payments on time.
- Enter employees and manage their HR events
- What events are available to customers:
  - Sick leave
  - Vacation
  - Dismissal
  - Salary change
  - Bonuses
  - Social status assignment
  - And other HR-related events



## Currency conversion/exchange.

Currency conversion functionality has been successfully launched on the new platform for the Bank customers. Now BCC Business customers have an opportunity to convert currency for any amount

## Foreign currency transfers within the Bank.

The Bank customers have access to the functionality to make transfers between their own accounts, and to other Customers.

## International foreign currency transfers.

In addition to the main currencies (USD, EUR, RUB), customers have the opportunity to send international transfers in other currencies.

## Currency Control File (view and edit).

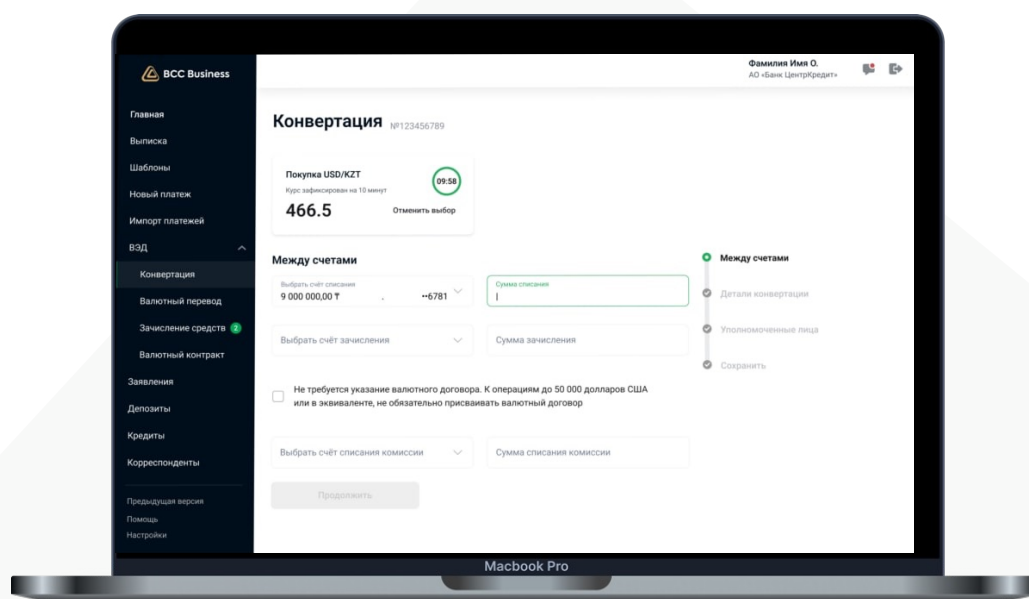
In addition to registering contracts, customers now have the flexibility to make changes to the parameters of their registered contracts conveniently online .

## Conversion at individual exchange rates.

Customers can convert currency at individual rates for amounts exceeding \$50,000 in equivalent

## Conversion at operational exchange rates.

If the FX Platform is unavailable, customers will still have access to currency conversion using operational exchange rates.



### Tariff management functionality:

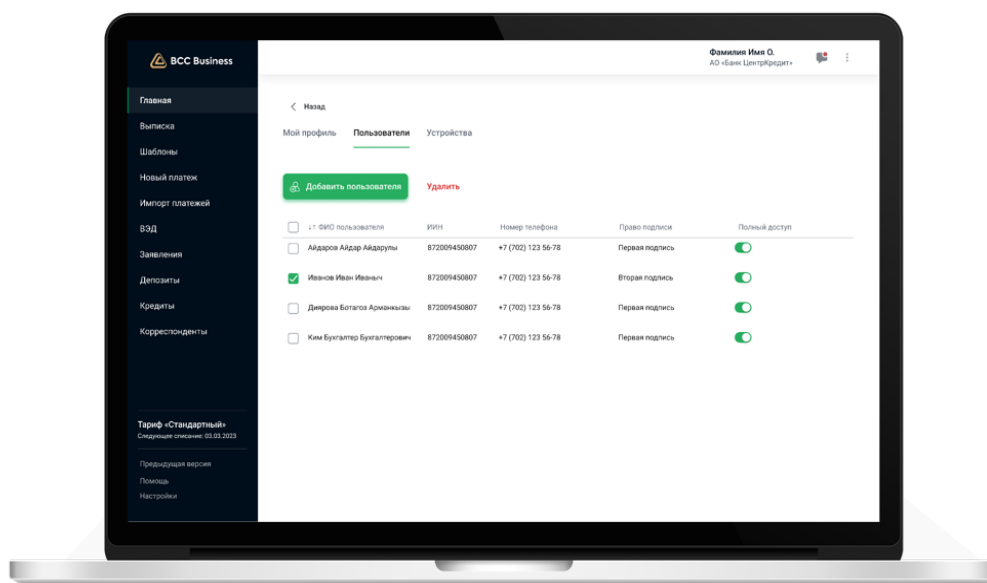
The new platform provides the Bank customers with the functionality to receive information on the connected tariff, including the date of debiting and the number of free payments, as well as the ability to select and change a new tariff from the proposed current tariff schedule.

### Business card management functionality:

- Information on issued business cards
- Renaming
- Limit management
- Blocking/unblocking
- Pin code setting
- Closing.

### Internet bank access management functionality:

- Customer registration
- Password recovery
- Password change
- User creation (without signing authority)



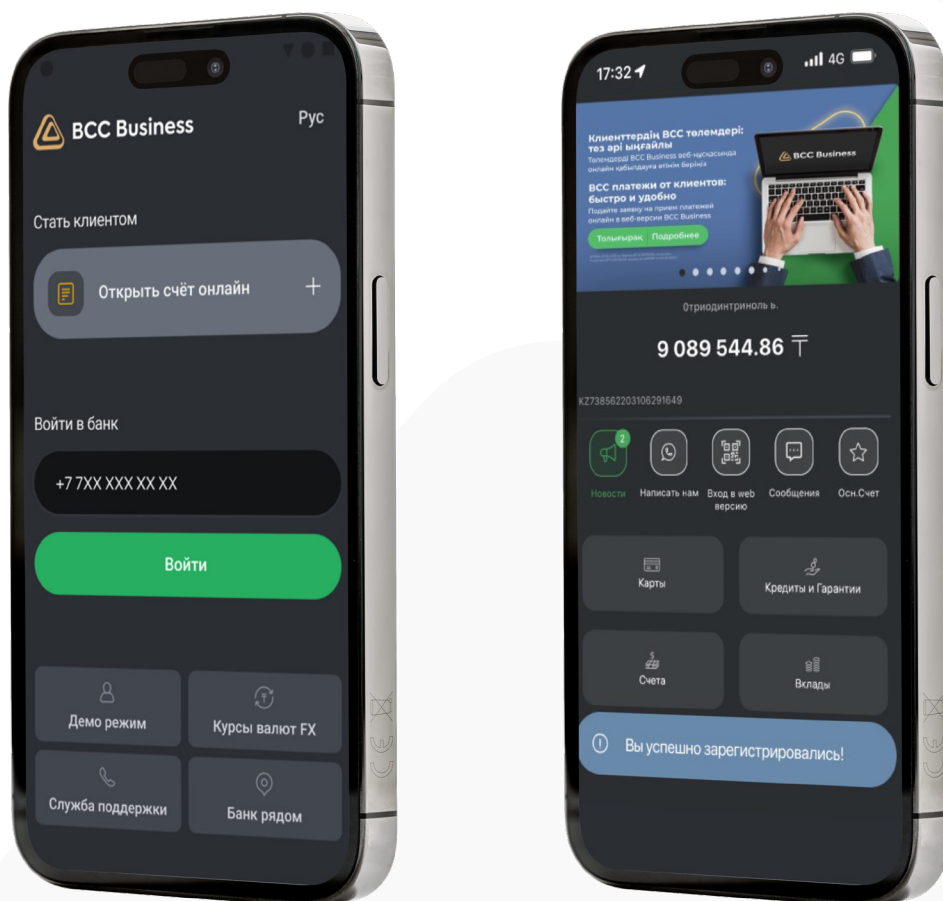
## New functionality in BCC Business mobile app.

The following advancements have been introduced, enabling customers to access the bank services online, eliminating the need to visit a physical bank branch:

- Biometric password change
- Single payment
- Connection and change of tariff package
- Push-notification history
- Corporate card issue and management
- Open API workroom
- Acquiring workroom
- Implementation of the FEACN for foreign currency transactions
- Automation of foreign currency payment investigation.

## Redesign and refactoring of the mobile app modules

to better customer experience while working with the app.



## Public relations

The Bank places a high value on maximum transparency in its operations and is dedicated to providing required information to all stakeholders.

The Bank has been ranked 4th in media mentions among Kazakhstani financial institutions.

In 2023, our press service diligently handled every media request, working closely with journalists to promptly disseminate information to the public. This involved preparing press releases, facilitating interviews, addressing journalist inquiries, and engaging in other communication activities.

The SME Customer Stories project has been launched, featuring motivating and inspiring stories of Kazakhstani entrepreneurs across various cities in the country.

## Stock market and interbank market operations

### Correspondent Relations and Work with Financial Institutions

Bank CenterCredit has an extensive correspondent network, encompassing counterparties from both near and far-abroad countries.

In 2023, the Bank has become an indirect participant of the CIPS, the international Chinese financial messaging and payment system.

It is planned for 2024 to broaden the spectrum of currencies pursuant to the evolving needs and business directions of our clientele.



# Online Currency Conversion and Stock Market Services

	2023 Key Accomplishments	2024 Objectives
Foreign Exchange Market	Optimization of the FX-Platform for legal entities and individuals, reducing market quotations retrieval from 3 minutes to 10 seconds. Migrating the Treasury Center Back-Service to microservices for seamless data transfer.	Enhancements to the FX Platform for both legal entities and individuals as part of the automatic trade overlapping.
	Automation of the process for importing FX market transactions from trading systems into the Bank's accounting system, resulting in a reduction of Dealing, Middle Office, and Back Office transaction support time by 2-3 hours).	Incorporation of currency charts into the FX platforms for individuals and legal entities.
Stock Market	KASE secondary market offering KZT-denominated company shares	Integration of a trading robot
	Improvement of brokerage service processes for individuals (operational risk reduction through process automation).	

## Custody Activities

KZT million	2021	2022	2023
Securities	326 492	556 305	406 714
Units of investment funds	25	25	25
Bank deposits	44	67	47
Other assets	6 048	6 216	6 261
Total	332 609	562 613	413 047

In 2023, the Bank entered into 9 custody agreements. At the end of the year, the number of the Bank's largest custodial customers totaled 10.

# Corporate governance and corporate events

# Corporate governance

## **Corporate governance at JSC Bank CenterCredit is based on the following principles:**

- 1.** Corporate governance is based on respect for the rights and legitimate interests of the Bank's shareholders and staff, and contributes to its efficient operation, including: increasing the value of assets, maintaining financial stability and profitability, and creating jobs.
- 2.** The basis for the Bank's efficient operation and investment attractiveness is transparency in the performance of its activities by all participants involved in corporate governance. The corporate governance principles are aimed at creating trust in relations arising out of the management of the Bank.
- 3.** These principles are formulated subject to the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Principles of Corporate Governance of the Organization for Economic Cooperation and Development (OECD), international practice in the field of corporate governance and other regulatory legal acts of the Republic of Kazakhstan.
- 4.** Adherence to the corporate governance principles ensures the creation of an effective approach for conducting an objective analysis of the Bank's activities and obtaining appropriate recommendations from analysts, financial consultants and rating agencies.
- 5.** The risk management system ensures awareness of the Bank's authorized decision-making collegial bodies bearing risks by building an effective corporate governance system, availability of complete, reliable and timely management information on significant risks inherent in the Bank's activities.

# Corporate events

## Shareholders' Meeting

Meeting Name and Date	Agenda	Resolved
Annual General Shareholders' Meeting of JSC Bank CenterCredit held on	1. 2022 Bank Performance Report	1.1. To approve JSC Bank CenterCredit Management Board's Performance Report for 2022.
	2. Approval of the Consolidated and Separate Annual Financial Statements of JSC Bank CenterCredit for 2022.	2.1. To approve the consolidated and separate financial statements of JSC Bank CenterCredit for 2022, as certified by KPMG auditing company.
	3. Approval of the procedure for distribution of JSC Bank CenterCredit net profit for 2022.	3.1. To refrain from payment of dividends on ordinary shares of JSC Bank CenterCredit for 2022 fiscal year.  3.2. 2022 net income totaling KZT 144,915 million(one hundred forty-four billion nine hundred fifteen million tenge) shall be retained in the account "Retained net earnings (uncovered loss) of previous years".
	4. Introduction of amendments to JSC Bank CenterCredit Articles of Association, approval of the restated Corporate Governance Code of Joint-Stock Company Bank CenterCredit and invalidation of the Corporate Governance Code of Joint-Stock Company Bank CenterCredit as approved by the Minutes of the Annual General Shareholders' Meeting of Joint Stock Company Bank CenterCredit dated 5 June 2020.	4.1. To approve the Amendments to the Articles of Association of Joint Stock Company Bank CenterCredit in the proposed wording.  4.2. To approve the restated Corporate Governance Code of Joint Stock Company Bank CenterCredit.  4.3. To invalidate the Corporate Governance Code of Joint-Stock Company Bank CenterCredit as approved by the Minutes of the Annual General Shareholders Meeting of JSC Bank CenterCredit dated 05 June 2020.  4.4. To authorize President of JSC Bank CenterCredit Ruslan Vladimirovich Vladimirov to sign the Amendments to the Articles of Association of Joint Stock Company Bank CenterCredit Bank for and on behalf of JSC Bank CenterCredit Bank.  4.5. The Management Board of JSC Bank CenterCredit shall undertake the procedure for state registration of amendments to JSC Bank CenterCredit Articles of Association.

Meeting Name and Date	Agenda	Resolved
	<p><b>5.</b> Election of members to JSC Bank CenterCredit Board of Directors</p>	<p><b>5.1.</b> To maintain the current size of the Board of Directors consisting of six (6) persons with the term of office valid until holding the Annual General Meeting of Shareholders in 2024.</p> <p><b>5.2.</b> To elect the following persons as members of the Board of Directors of JSC Bank CenterCredit:</p> <ul style="list-style-type: none"> <li>● <b>Bakhytbek Rymbekovich Baiseitov;</b></li> <li>● <b>Vladislav Sedinovich Lee;</b></li> <li>● <b>Jumageldi Rakhishevich Amankulov;</b></li> <li>● <b>Anvar Galimullayevich Saidenov - Independent Director;</b></li> <li>● <b>Werner Frans Jozef Claes - Independent Director;</b></li> <li>● <b>Kuat Bakirovich Kozhakhmetov - Independent Director.</b></li> </ul> <p><b>5.3.</b> To determine the amount and terms of remuneration and compensation for expenses to the BoD members for performance of their duties in accordance with Article 18 of the Corporate Governance Code of JSC Bank CenterCredit.</p>

## Board of directors

In 2023, the Board of Directors held 5 in-presentia meetings, which agenda included the issues of preliminary approval of the consolidated and separate annual financial statements for 2022, decision to convene the Annual General Meeting of Shareholders, the quantitative and personal composition of the Management Board, the election of the Chairman of the Board of Directors, management reports of JSC Bank CenterCredit as of 1 September 2023, information on the progress of the ESG project implementation, the status of the implementation of the Bank's Development Strategy for 2023-2025, the Bank's draft budget for 2024 and other.

During the reporting period, the Board of Directors adopted 242 resolutions by means of absentee voting.

## Board of Directors Performance Assessment

In accordance with the requirements of the Bank's Corporate Governance Code, the performance of the Board of Directors was assessed based on the results of 2022 by means of self-assessment (through a questionnaire survey), the results of which were submitted for consideration to the Bank's General Shareholders Meeting held on 12 May 2023.

## Composition of the Board of Directors as of 31 December 2023

Nº	Full Name of the BoD Member	Title	Date of Election/	Positions held over the last three years
1	Bakhytbek Rymbekovich Baiseitov	Chairman of the Board of Directors	Re-election to the Board of Directors	<p><b>1996</b> – to date - President of the Association of Banks of Kazakhstan</p> <p><b>1997</b> – to date - Chairman of the Board of Directors, JSC Bank CenterCredit</p> <p><b>2003</b> – to date - Chairman of the Board of Directors, JSC BCC Invest</p> <p><b>March 2020</b> – to date - Chairman of the Business Council of the Financial and Banking Association of Euro-Asian Cooperation (FBA EAC)</p> <p><b>31. May 2023</b> – to date - Chairman of the Board of Directors, JSC Sinoasia B&amp;R Insurance Company</p>
2	Vladislav Sedinovich Lee	Member of the Board of Directors	12 May 2023	<p><b>2000 – to date</b> - Member of the Board of Directors, JSC Bank CenterCredit</p> <p><b>04 July 2016 – 2021</b> - Independent Member of the Board of Directors, JSC of Almaty Development Center</p> <p><b>31 July 2018 – to date</b> - Independent Member of the Board of Directors, JSC KBTU</p>
3	Jumageldi Rakhishevich Amankulov	Member of the Board of Directors	12 May 2023	<p><b>2011</b> – to date - Member of the Board of Directors, JSC Bank CenterCredit</p> <p><b>May 2022</b> – October 2022 – Member of the Board of Directors, JSC Eco Center Bank (Subsidiary Bank of JSC Bank CenterCredit)</p>

Nº	Full Name of the BoD Member	Title	Date of Election/	Positions held over the last three years
4	Claes Werner Frans Josef	Member of the Board of Directors - Independent Director	12 May 2023	<p><b>2008</b> – to date - President , Global Financial Consulting</p> <p><b>2010</b> – to date - Senior Advisor International Financial Consulting Ltd</p> <p><b>2011</b> – to date - Member of the Board of Directors, Independent Director, JSC Bank CenterCredit</p> <p><b>2016</b> – 01 November 2022 - Member of the Board of Directors, JSCB Hamkorbank</p> <p><b>2017</b> – 26 April 2023 - Member of the Board of Directors, PJSC URALSIB BANK</p> <p><b>2019</b> – to date - Member of the Board of Directors, CJSC AccessBank</p> <p><b>01 December 2022</b> – to date - Independent Member of the Supervisory Board, OJSC Eshata Bank</p>
5	Anvar Galimullayevich Saidenov	Member of the Board of Directors - Independent Director	12 May 2023	<p><b>February 2018</b> – to date - Member of the Board of Directors, Independent Director , Subsidiary Bank JSC Bank Home Credit</p> <p><b>October 2018</b> – to date - Member of the Board of Directors, Independent Director , JSC Kazakhstan Development Bank</p> <p><b>April 2019</b> – to date - Member of the Board of Directors, Independent Director , JSC Bank CenterCredit</p> <p><b>August 2020</b> – 01 March 2022 - Member of the Board of Directors, Independent Director, Private Company Unicorn Holding</p> <p><b>1 April 2022</b> – 25 December 2023 - CEO , 50 North Capital Limited</p> <p><b>May 2022</b> – October 2022 - Chairman of the Board of Directors , JSC Eco Center Bank (Subsidiary Bank of JSC Bank CenterCredit)</p> <p><b>3 October 2022</b> – 25 December 2023 - Member of the Board of Directors, JSC Unicorn Holdings Limited</p>

Nº	Full Name of the BoD Member	Title	Date of Election/	Positions held over the last three years
	Kuat Bakirovich Kozhakhmetov	Member of the Board of Directors - Independent Director	12 May 2023	<p><b>10 March 2016</b> – 07 April 2023 - Member of the Board of Directors, Member of the Audit and Internal Control Committee, JSC AIFC Authority</p> <p><b>22. September 2020 - 2023</b> – to date - Chief Advisor to the AIFC Governor, JSC AIFC Authority</p> <p><b>01 April 2022</b> – September 2023 - Independent Member of the Board of Directors, Chairman of the Strategy and Investment Committee, JSC Kazakhstan Engineering National Company</p> <p><b>27 August 2022</b> – to date - Independent Director – Member of the Board of Directors, JSC "Standard Life" Life Insurance Company</p> <p><b>19 October 2022</b> – to date - Member of the Board of Directors/ Independent Director, JSC Kazakhstan Housing Company</p> <p><b>14 December 2022</b> – to date - Member of the Board, Independent Director, JSC Bank CenterCredit</p> <p>04 April 2023 – to date - Independent Director, Member of the Board of Directors, JSC NBK Banking Service Bureau</p> <p><b>31 May 2023</b> – to date - Independent Director, Member of the Board of Directors, JSC Sinoasia B&amp;R Insurance Company</p> <p><b>11 September 2023</b> – to date - Member of the Board of Directors, Independent Director, JSC First Heartland Jusan Bank</p>



# Committees under the Board of Directors

There are the following Committees under the Board of Directors:

1. Audit Committee
2. Finance and Risk Management Committee
3. Strategic Planning Committee
4. Credit Committee of the Board of Directors
5. Nomination, Remuneration and Social Issues Committee
6. Sustainable Development Committee (ESG)

## Audit Committee

### Members of the Committee:

#### Members of the Committee:

**Werner Claes** – Chairman of the Committee, Member of the Board of Directors - Independent Director;

**A. Saidenov** – Member of the Board of Directors - Independent Director;

**V. Lee** – Member of the Board of Directors.

The Audit Committee is an authorized collegiate body of the Board of Directors. The Committee's objective is to conduct a preliminary comprehensive study of the issues within its competence and to prepare recommendations for the Board of Directors to make informed and balanced decisions.

**In 2023, Audit Committee held six meetings (including two by absentee voting), considered 14 issues, of which: 7 issues related to review of reports:**

- 7 issues related to review of reports:
  1. on the Internal Audit Service activities (quarterly), including the audit findings and recommendations on the effectiveness of internal control and risk management systems;
  2. annual financial statements of the Bank (KPMG);
- 1 issue related to review of the Strategic/Annual Internal Audit Plan for 2024;
- 1 issue related to the Bank's external audit activities (KPMG planning presentation);
- 1 issue related to the provision of non-audit services;
- 4 issues on the current IAS activities (approval of changes to the IRD, KPI, IAS structure and others).

# Finance and Risk Management Committee

**Members of the Finance and Risk Management Committee during the period from 01 January 2023 to 31 December 2023:**

1. **A. Saidenov** - Chairman of the Committee, Member of the Board of Directors – Independent Director;
2. **V. Lee** - Member of the Committee, Member of the Board of Directors;
3. **J. Amankulov** - Member of the Committee, Member of the Board of Directors;
4. **R. Vladimirov** - Member of the Committee, President;
5. **R. Tenizov** - Member of the Committee, First Vice President
6. **M. Kenzhekhanov** - Member of the Committee, First Vice President – **date of resignation from the Committee: 12 May 2023**
7. **N. Shegebayev** - Member of the Committee, Vice President - date of joining the Committee: **05 April 2023**
8. **A. Ovsyannikova** - Member of the Committee, Vice President - date of joining the Committee: **04 July 2023**

In 2023, Finance and Risk Management Committee held 12 regular and 22 extraordinary meetings, and adopted about three hundred decisions.

**During the year, the Committee considered and made relevant and timely decisions on the Bank's activities in terms of:**

- assets, liabilities and equity structure management;
- current interest rate policy management;
- setting interest rates on loan and deposit products for retail and business customers;
- risk management (market, credit, operational risks, interest rate risk, liquidity risk, non-financial and other financial risks);
- compliance with prudential and other regulatory standards, internal limits;
- analysis of financial markets, competitive environment, the banking sector of the Republic of Kazakhstan, etc.
- The effectiveness of decisions made ensured further improvement of financial and business indicators:
- the profitability of banking operations has increased;
- ROE and capital adequacy indicators have increased;
- asset diversification and business sustainability have improved;
- attractiveness of banking products for customers has improved, etc.

# Strategic Planning Committee

**Members of the Strategic Planning Committee during the period from 01 January 2023 to 31 December 2023:**

1. **A. Saidenov** - Chairman of the Committee, Member of the Board of Directors – Independent Director;
2. **B. Baiseitov** - Member of the Committee, Chairman of the Board of Directors;
3. **K. Kozhakhmetov** - Member of the Committee, Member of the Board of Directors – Independent Director.

The Committee's responsibilities, functions, meeting and decision-making procedures are set out in the Regulation on the Strategic Planning Committee under the Board of Directors approved as amended by Resolution of the Board of Directors No. 3-0212-05 dated 12 February 2021.

Planning and Finance Center is the Back office for the Strategic Planning Committee.

**In 2023, the Strategic Planning Committee held 6 meetings, which considered the following issues:**

- JSC Bank CenterCredit Financial Performance Reports;
- Brief analysis of the Bank's profitability situation;
- Pessimistic scenario of the Bank's strategic development until 2025;
- Bank Development Strategy Implementation Report as of 01 January 2023

# Credit Committee of the Board of Directors

Resolution of the Board of Directors No. 3-0122-02 dated 22 January 2019 approved the Regulation on the Credit Committee of the Board of Directors. The latest amendments to the Regulation on the Credit Committee of the Board of Directors were approved by Resolution of the Board of Directors No.3-1214-07 dated 14 December 2022.

## Members of the Committee:

The Committee consists of 10 members, comprising of members of the Board of Directors and experts with relevant professional expertise.

1. Chairman of the Committee (or the substitute person); Member of the Board of Directors - **J. Amankulov**
2. If absent: Deputy Chairman of the Committee - Member of the Board of Directors - **V. Lee**
3. First Vice President, Member of the Management Board supervising Business Support Group; - **R. Tenizov**
4. Vice President, Member of the Management Board supervising Corporate Business; - **N. Shegebayev**
5. Head of Risk Management/Head of Credit Risk Assessment Center; - **Yu. Voronin** (For the period until the person is approved for the position of Head of the Credit Risk Assessment Center)
6. Head of the Corporate Business Block subdivision (for the corporate portfolio); - **N. Nurmamedov**
7. Vice President of Collection supervising Loan Management Block (NPL issues of the Loan Management Block and CenterProject LLP, on the issues of bringing property onto the Bank's balance sheet); - **Zh. Mukhamedzhanov**
8. Executive Director of Legal Center; - **Ye. Muratov**
9. Executive Director of Security Center; - **K. Medetov**
10. Bank President (on loan restructuring issues due to financial hardships of borrowers/group of related borrowers whose total debt exceeds 1% of the Bank's equity); - **R. Vladimirov**
11. Head of the On-Balance Property Sales Directorate, Business Support Group (issues related to management of the Bank's on-balance property, including acceptance and sale). - **A. Muratbayev**

**In 2023, the BoD Credit Committee held 42 regular and 31 extraordinary meetings, and considered 227 issues.**

## Members of the BoD Credit Committee during the period from 01 January 2023 to 31 December 2023:

Nº	Full Name of the BoD Member	Title	Date of Joining the BoD Credit Committee	Date of Joining the BoD Credit Committee
1	Jumageldi Rakhishevich Amankulov	Member of the Board of Directors	22 Jan 2019	
2	Vladislav Sedinovich Lee	Member of the Board of Directors	22 Jan 2019	
3	Rustam Bolatkanovich Tenizov	First Vice President, Member of the Management Board supervising Business Support Group;	05 Nov 2019	
4	Nurlan Umirbekovich Shegebayev	Vice President, Member of the Management Board supervising Corporate Business Block;	03 Sept 2020	
65	Rustem Nurzhanovich Abyshev	Vice President of Risk Management Block	26. July 2023	
6	Birzhan Bagdanovich Nabiyeu	Head of Credit Risk Assessment Center	26 July 2023	19 Sept 2023
7	Yuriy Viktorovich Voronin	Head of Risk Management Block/Head of Credit Risk Assessment Center;	30 June 2023	19 Sept 2023
8	Namig Nuramizovich Nurmamedov	Managing Director of Corporate Business Block	28 Oct 2022	
9	Zhanat Serkkaliyevich Mukhamedzhanov	Vice President of Collection supervising Loan Management Block	08 Feb 2021	
10	Yerlan Muratovich Muratov	Executive Director of Legal Center	22. Jan 2019	
11	Kudaibergen Abdrahmanovich Medetov	Executive Director of Security Center;	04 May 2021	
12	Ruslan Vladimirovich Vladimirov	Bank President	28 Oct 2022	
13	Nurlan Yergaliyevich Druskildinov	Head of Sales Division	11 Aug 2020	30 June 2023
14	Akimzhan Akramovich Muratbayev	Head of On-Balance Property Sales Directorate, Business Support Group	26 July 2023	

## Nomination, Remuneration and Social Issues Committee

Resolution of the Board of Directors No.3-1001-02 dated 01.10.2020 approved the Regulation on Nomination, Remuneration and Social Issues Committee. Amendments to the Regulation on the Nomination, Remuneration and Social Issues Committee were approved by Resolution of the Board of Directors No.3-1214-09 dated 14.12.2022.

### Members of the Committee:

**Werner Claes** – Chairman of the Committee, Member of the Board of Directors - Independent Director;  
**B. Baiseitov** – Chairman of the Board of Directors;  
**A. Saidenov** – Member of the Board of Directors - Independent Director;

In the reporting year, the Committee held 5 meetings, which considered the following issues:

1. On recommendation of a nominee to the position of a Member of the Management Board
2. On amendments to JSC Bank CenterCredit Conflict of Interest Settlement Policy
3. On amendments to JSC Bank CenterCredit Organizational Chart
4. On bonus payment to the Bank executives
5. JSC Bank CenterCredit Top Management KPI Maps for 2023

In 2023, the Committee members pre-approved nominees for the position of Bank's Vice President.

## Sustainable Development Committee

### Members of the Committee:

**Werner Claes** – Chairman of the Committee, Member of the Board of Directors - Independent Director;  
**K. Kozhakhmetov** – Member of the Board of Directors - Independent Director;  
**R. Tenizov** – First Vice President, Member of the Management Board;  
**A. Ovsyannikova** – Vice President, Member of the Management Board;  
**N. Shegebayev** – Vice President, Member of the Management Board;  
**K. Ermakbayev** – Managing Director.

Sustainable Development Committee is an authorized collegiate body of the Board of Directors. The Committee was established under the BoD Resolution dated 20 September 2023 to provide recommendations to the Board of Directors on decision-making with regard to the Bank's sustainable development.

In 2023, the Sustainable Development Committee held one meeting which considered the following three issues:

1. On determining the Bank's subdivision to serve as the Back Office for the Sustainable Development Committee.
2. On approval of the IRD titled "BoD Sustainable Development Committee Meeting's Rules of Procedure".
3. On the Sustainable Development Report preparation status.

# Management Board

The Bank's Management Board held 80 in-presentia meetings in the reporting year, which considered 895 issues related to the principal activities of the Bank, including issues related to management reporting, business development and support, procedural banking issues, and approved decisions of Committees and Commissions.

## Members of the Management Board during the period from 01 January 2023 to 31 December 2023

Nº	Full Name of the Management Board Member	Date of Joining the Management Board	Title	Date of Step Down from the Management Board	Election Decision Number and Date	Number and Date of Decision on Early Termination of Powers
1	Ruslan Vladimirovich Vladimirov	25 June 2018	Member of the Management Board	13.05.2022	BoD Resolution No. 162 dated 25 June 2018	BoD Resolution No. 3-0519-01 dated 19 May 2022
		22 October 2022	Chairman of the Management Board (President)		BoD Resolution No. 3-1022-01 dated 22 October 2022	
		12. May 2023	Bank President		Minutes of JSC Bank CenterCredit BoD Meeting dated 12 May 2023	
2	Rustam Bolatkanovich Tenizov	31 March 2020	Deputy Chairman, Member of the Management Board		BoD Resolution No. 3-0331-03 dated 31 March 2020	
		03 August 2022	Deputy Chairman, Member of the Management Board		Minutes of JSC Bank CenterCredit BoD Meeting dated 03 August 2022	
		22 October 2022	Deputy Chairman of the Management Board, Member of the Management Board (Vice President)		BoD Resolution No.3-1022-01 dated 22 October 2022	
		12 May 2023	First Vice President, Member of the Management Board		Minutes of JSC Bank CenterCredit BoD Meeting dated 12 May 2023	

Nº	Full Name of the Management Board Member	Date of Joining the Management Board	Title	Date of Step Down from the Management Board	Election Decision Number and Date	Number and Date of Decision on Early Termination of Powers
3	Anastasiya Sergeyevna Ovsyannikova	12.05.2023	Vice President, Member of the Management Board		Minutes of JSC Bank CenterCredit BoD Meeting dated 12 May 2023	
4	Nurlan Umirbekovich Shegebayev	15.12. 2022	(Vice President) Deputy Chairman of the Management Board, Member of the Management Board		Minutes of JSC Bank CenterCredit BoD Meeting dated 15 December 2022	
		12.05.2023	Vice President, Member of the Management Board		Minutes of JSC Bank CenterCredit BoD Meeting dated 12 May 2023	
5	Marat Toleugazyevich Kenzhekhanov	03.08.2022	Deputy Chairman, Member of the Management Board	12 May 2023	Minutes of JSC Bank CenterCredit BoD Meeting dated 03 August 2022	Minutes of JSC Bank CenterCredit BoD Meeting dated 12 May 2023
		22.10.2022	Deputy Chairman of the Management Board, Member of the Management Board (Vice President) of JSC Bank Center Credit		BoD Resolution No. 3-1022-01 dated 22 October 2022	

# Shareholders and equity

## Dividend policy

As of 1 January 2024, the number of outstanding ordinary shares totaled 188,029,035\* shares, the number of preference shares totaled 39,249,255\* shares (of which 38,953,841\* preference shares were repurchased by the Bank), the share capital was paid in the amount of KZT 65,842\* \* million.

As of 1 January 2024, the structure of shareholders holding not less than 5.0% of the outstanding shares (less repurchased by the Bank) comprises the following:

№	Shareholder's Full Name / Name	Type of Securities	Total Number	Ratio of the number of securities owned by the securities holder to the number of securities of the issuer	
				Outstanding, %	Voting, %
1	Bakhytbek Rymbekovich Baiseitov	Ordinary shares	91 146 273	48,47	49,04
		Preference shares	20 278	6,86	-
2	Vladislav Sedinovich Lee	Ordinary shares	20 984 491	11,16	11,29
		Preference shares	0	-	-

The percentage of voting shares is calculated in accordance with paragraph 8, Article 1 of the Law of the Republic of Kazakhstan No. 415-II dated 13 May 2003 "On Joint Stock Companies"

\* According to the Register of Securities Holders provided by JSC Central Securities Depository

\*\*According to separate financial statements of JSC Bank CenterCredit

## Dividend Policy

The rights of shareholders to receive dividends and the procedure for dividend payment are set out in the Bank's Articles of Association as approved by the Resolution of the Bank's Board of Directors.

The Dividend Policy is based on balancing the interests of JSC Bank CenterCredit and its shareholders when determining the amount of dividend payments, increasing the investment attractiveness, financial stability, capitalization and liquidity of the Bank, ensuring market returns on investments, respecting and strictly observing the shareholder rights and improving their welfare.

Decision-making on dividend payment and approval of the amount of dividend per ordinary share based on the results of the year fall within the competence of the General Shareholders Meeting of JSC Bank CenterCredit.

In accordance with the Articles of Association of JSC Bank CenterCredit and the Share Issue Prospectus, the guaranteed amount of dividends is established on preference shares, which is calculated as the base rate of the National Bank of the Republic of Kazakhstan plus 3.5% per annum with threshold limits ranging between 12 and 14% per annum.



## Dividend Payout Expenses of the Bank

Item	2022	2021	2020	2019	2018
Preference shares, KZT thousand	12 397	11 676	10 992	11 207	3
Ordinary shares, KZT thousand	-	-	-	-	-
Total	12 397	11 676	10 992	11 207	3

**The increase in dividends between 2018 and 2022** is driven by the fact that for the periods prior to 2019, dividends per preference share were paid in the amount of KZT 0.01 in accordance with the Articles of Association of JSC Bank CenterCredit and the Share Issue prospectus.

At the same time, Resolution of the Management Board of the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market No. 21 dated 27 April 2023 approved the terms of profit distribution, dividend accrual on ordinary and (or) preference shares and (or) perpetual financial instruments, and repurchase of treasury shares by a second-tier bank to ensure financial stability and (or) rehabilitation of which funds from the state budget, the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and (or) its subsidiaries are used (hereinafter the Regulation). Given that since 2017, JSC Bank CenterCredit has been a participant of the Program for Improving Financial Stability of the Banking Sector of the Republic of Kazakhstan, dividends on BCC's preference shares can be paid only after the conditions established by this Regulation are met, which, among others, provide for early repayment of state funds in the amount stipulated in the Regulation, and availability of a separate report issued by an independent audit organization confirming that the amount of profit distributable in the form of dividends complies with the terms of the Regulation.

Subject to the above, payment of dividends on BCC's preference shares for 2023 is expected to be made during 2024 upon fulfillment of the conditions set forth in the Regulation.

**In 2023, earnings per share in accordance with the consolidated financial statements amounted to KZT 730.46.**

According to JSC Kazakhstan Stock Exchange, as at 31 December 2023, the market value of one ordinary share of JSC Bank CenterCredit (NIN KZ1C36280010) amounted to KZT 977.06.

# Internal Audit Service

The purpose of the Internal Audit Service (the IAS) is to assist the Bank's Board of Directors in achieving the goals set, ensuring the effectiveness and efficiency of the Bank's operations and that it operates in compliance with the principles of independence, objectivity, expertise and ethics.

The IAS assesses the internal control, risk management and corporate governance systems using a risk-based approach and is based on the level of risks inherent in business processes.

The IAS applies, among others, the International Professional Internal Audit Practice Frameworks in its activities.

In its turn, the Bank creates conditions for the IAS to perform its functions smoothly and efficiently.

The IAS is an independent structural subdivision accountable to the Audit Committee and the Board of Directors.

## In 2023, the Audit Committee held six meetings (including two in absentia) and considered 14 issues, of which:

- 7 issues related to review of reports:
  - on the IAS activities (quarterly), including the audit findings and recommendations on the effectiveness of internal control and risk management systems;
  - annual financial statements of the Bank (KPMG);
- 1 issue related to review of the Strategic/Annual Internal Audit Plan for 2024;
- 1 issue related to the Bank's external audit activities (KPMG planning presentation);
- 1 issue related to the provision of non-audit services;
- 4 issues on the current IAS activities (approval of changes to the IRD, KPI, IAS structure and other).

The IAS conducts audits in all areas of the Bank's operations, monitors the effectiveness of measures taken by the Management Board based on the audit findings to mitigate identified risks. The Head of the IAS submits to the Audit Committee and the Board of Directors the Service's reports on implementation of the Annual Internal Audit Plan and on audit results for the respective reporting periods.

The audit engagements set out in the Annual Internal Audit Plan for 2023 have been completed in full, and in addition, unscheduled activities have been performed as instructed by the Bank's management.

The management of the Bank and its branches has been informed about all audit findings in accordance with the established procedure. The IAS exercises control over implementation of recommendations.

The Head of the IAS regularly discusses important and urgent IAS activity-related issues with the Bank's management.

## In 2023, the IAS:

- audited 104 processes of the Bank and its subsidiaries (including IT-audit of processes and unscheduled activities);
- launched two alternative projects for continuous audit (payroll card program and customer data management);
- developed and approved the IAS Employee Business Trip Procedure as part of improving the methodology and practices in internal audit activities;
- finalized/updated/amended the Audit Committee Regulation;
- improved the automated monitoring system;
- IAS employees underwent training and passed DipPIA, Dipcpia exams, and studied regulatory legal acts of the Republic of Kazakhstan on a regular basis.

## The IAS Goals and Objectives for 2024:

- To ensure implementation of the Internal Audit Plan and unscheduled activities for 2024;
- To improve the internal audit quality in the Bank;
- For the purpose of improving the internal audit system:
  - to improve and upgrade the Continuous Audit technologies;
  - to automate and develop activities that are subject to audit as included in the indicators plan in order to perform continuous audit processes (development of automated scripts/source codes for the frequency of execution, daily, weekly, monthly and/or real time);
  - to finalize the automated action plan implementation monitoring system;
  - to introduce an automated process for signing the IAS notifications with EDS in the EDMS;
  - to continue training of the IAS employees to obtain DipPIA, Dipcpia certificates ;
- to finalize and improve the Internal Regulatory Framework of the IAS.

# Compliance Risk

## The Bank's Board of Directors

oversees the compliance risk management processes of the Bank by establishing a Compliance Control subdivision within the Bank (the Compliance Service), appoints and dismisses the Chief Compliance Officer, and approves the Compliance Risk Management Policy.

## The Risk Management Committee

is responsible for developing the Compliance Risk Management Policy that is subject to approval by the Board of Directors. This policy contains the basic principles of compliance risk management, including building a compliance culture within the Bank. Based on these principles, compliance risk is identified and managed at all levels of the Bank's structure.

## The Compliance Control Subdivision

organizes procedures to comply with legislative requirements of the Republic of Kazakhstan (including laws of foreign countries that affect the Bank's operations). The subdivision also ensures compliance with the Bank's internal documents that regulate the provision of banking services and transactions in the financial market. Additionally, the Compliance Control Subdivision submits complete and reliable information to the Bank's Board of Directors on any compliance risk that may exist.

The Chief Compliance Officer regularly interacts with the Board of Directors and/or the Risk Management Committee on the issues related to the Bank risk management.

## The compliance risk management procedures in the Bank include, but are not limited to:

1. development of internal regulations (guidelines) for the Bank employees on the compliance risk management issues, including money laundering/terrorist financing (ML/TF) risk, through preparation of internal documents.
2. monitoring of the Bank's and its employees' compliance with compliance risk management policies and procedures, including through staff training;
3. collecting data on compliance risk events;
4. analysis of customer complaints (requests) for compliance risk;
5. development and analysis of quantitative and qualitative indicators characterizing the degree of the Bank's compliance risk exposure;
6. conduction of investigations (inspections) independently or jointly with the Bank's structural subdivisions and (or) officials with regard to breaching the laws of the Republic of Kazakhstan by the Bank employees in accordance with the procedure determined by the internal document of the Bank;
7. consultations on requests regarding the compliance of a specific Bank operation (transaction) or its part with the laws of the Republic of Kazakhstan;
8. ensuring that the Bank has measures in place to identify, assess, and control conflicts of interest.
9. development and maintenance of the compliance risk reporting system, and submission of information on compliance risk management issues to the Bank's Board of Directors and Risk Management Committee on a periodic basis.

The Compliance Control is a structural subdivision of the Bank, independent of any activity of other structural subdivisions of the Bank.

Within its scope of responsibility, the Compliance Control Subdivision interacts with concerned parties - the "regulator".

The Compliance Control Subdivision interacts with the regulatory authorities in accordance with the requirements of the Bank's internal regulatory documents as approved by the authorized bodies of the Bank.

The supervisory response measures and/or regulatory sanctions imposed against the Bank are posted on public official Internet sources of the regulatory authority.

When providing services to customer and completing transactions, the Bank traditionally adheres to the practice of complying with all applicable international economic sanctions.

**The Bank, as a subject of financial monitoring, in order to eliminate the secondary sanctions risks and in accordance with the current international economic sanctions:**

- has implemented large-scale automation of processes to fully monitor sanctions restrictions.
- has strengthened the processes for monitoring all operations and transactions, controlling payments and transfers;
- has strengthened customer, beneficial owners verification processes;
- monitors foreign economic contracts as to availability of sanctioned products, including those related to dual-use products.

## Information On The Amount And Structure Of Remuneration Of Members Of The Bank's Board Of Directors And Management Board For 2023

Remuneration to members of the Bank's Board of Directors and the Management Board is paid in accordance with the Policy on Remuneration, Accrual of Monetary Rewards, and Other Types of Material Incentives to JSC Bank CenterCredit Key Management Personnel and Persons accountable to the Board of Directors of JSC Bank CenterCredit as approved by JSC Bank CenterCredit BoD Resolution No. 3-0121-02 dated 21 January 2019.

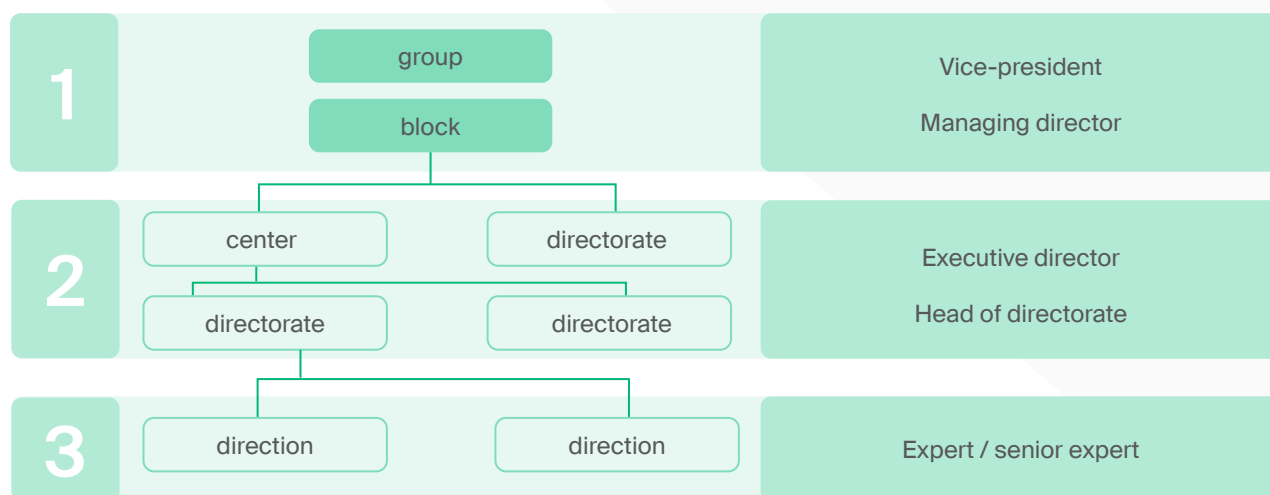
1. The amount of fixed remuneration to members of the Bank's Board of Directors for the 2023 financial year does not exceed 5% of the Bank's payroll fund and amounts to 1.4%.
2. The following types of remuneration are provided for the members of the Board of Directors and the Management Board:
  - Members of the Board of Directors – monthly remuneration based on individual performance indicators;
  - Members of the Management Board receive a guaranteed salary and remuneration based on the results of their yearly performance.
3. The total remuneration to members of the Board of Directors and the Management Board for 2023 amounted to KZT 1,084.3 million or 2.9% of the Bank's payroll fund.

The criteria for evaluating the performance of JSC Bank CenterCredit key management personnel include:

- performance of annual financial indicators;
- generation of net income by the Bank.

# Organizational Structure

During 2023, the following hierarchy of structural subdivisions and positions continued:



## Hierarchy of Positions within the Directorate/Direction:

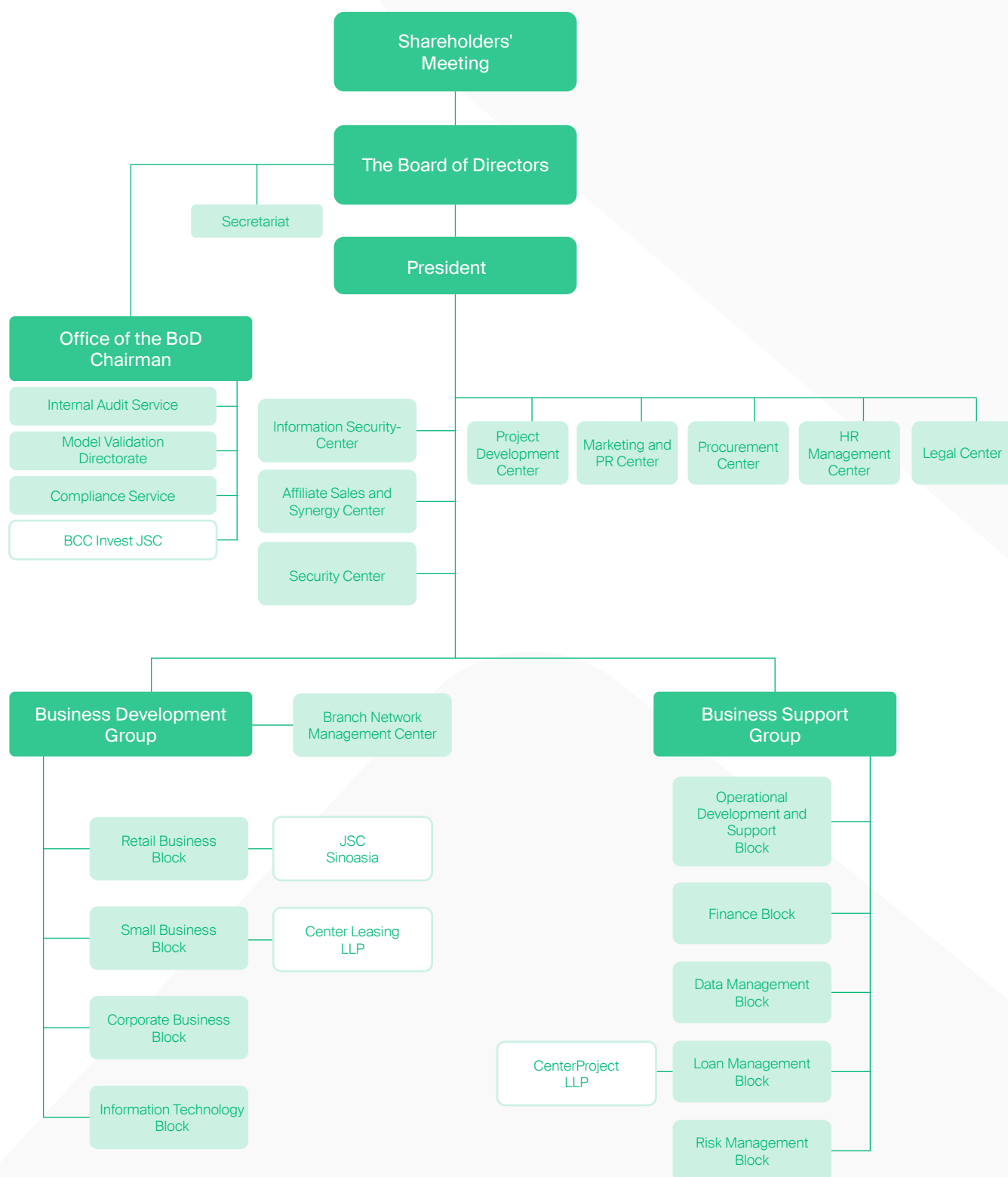


It is important to maintain a career ladder for employees of the subdivision: it is recommended to introduce at least 2 levels of positions to provide career advancement opportunities for employees.

The type and level of the subdivision to be created may depend on the number of factors: overall functionality of the subdivision, the scale of impact on the results of the Group and/or the Block, the availability of a separate Budget (revenue or expenditure), the number of subordinates per manager, and comparison of factors - responsibility, manageability and predictability of the results.

In December 2022, a new organizational structure of the Bank was approved, with changes implemented in mid-2023.

## JSC Bank CenterCredit Organizational Chart



# Sustainable Development



# ESG Transformation of the Bank

2023 was a year full of sustainability initiatives for the entire financial sector in Kazakhstan. The Agency for Regulation and Development of Financial Market of the Republic of Kazakhstan approved the ESG Roadmap, as part of which the ESG Disclosure Guidance for Financial Institutions was published in April 2023.

At the same time, the Bank started an active ESG business transformation in 2023. The purpose of this transformation is not only to comply with the requirements of the ARDFM, but also to achieve notable ESG results for the benefit of stakeholders. The Bank's management sets ambitious goals to implement the best practices embracing corporate governance, social responsibility and environmental stewardship.

**At the beginning of 2023, the Bank established the Sustainable Development (ESG) Directorate, which coordinates the Bank's ESG transformation process. The main objectives of the Directorate are:**

- control over implementation of tactical sustainability initiatives,
- development and control over fulfillment of strategic ESG KPIs,
- methodological support for the Bank's subdivisions,
- ensuring the disclosure of non-financial sustainable development information.

To make strategic ESG decisions, the Bank has established the Sustainable Development Committee under the Board of Directors. The Chairman and the members of the Committee have been determined subject to the necessary qualifications and gender balance. The Committee is chaired by Independent Director Mr. Werner Claes, who has expertise in ESG and climate risk management. The Committee's functions include overseeing the development and implementation of the ESG Strategy, and development of sustainable development projects and initiatives.

In 2023, the Sustainable Development Strategy was approved as part of the Bank's overall corporate Development Strategy until 2025. The Bank's management recognizes that battle for customers involves not just product offering, but also a responsible business.

**The Strategy formulates a goal to introduce ESG principles into the Bank's operations based on the best international practices, and defines the following tasks:**

- create a KPI system for the Bank's management;
- calculate the portfolio carbon footprint;
- disclose ESG information;
- implement the responsible financing principles;
- introduce modern approaches and methods of integrating ESG principles into the risk management system.

**The Bank has approved and updated a number sustainable development-related IRDs. Such IRDs include:**

- Sustainable Development Policy
- Responsible Financing Policy
- Human Rights Policy
- Code of Corporate Ethics
- Anti-Corruption Policy
- Counterparty Interaction Regulation

One of the objectives of ESG transformation was to define sustainable development KPIs for top and middle management of the Bank. The goals formulated to evaluate the management's performance include: integration of ESG principles into the risk management system and corporate governance; increase in the social investment indicator; preparation of an annual sustainable development report; increase in the share of "green" financing in the total corporate portfolio.

## Sustainable Development Management System

**The organizational sustainability management structure allocates authorities for managing ESG aspects and climate-related risks.**

- - The Board of Directors determines the priorities, goals and basic principles of the Bank's strategic development in the field of sustainable development and approaches for their integration into the Bank's development strategy, responsibilities of the Committees under the Board of Directors on sustainable development issues according to their scope of responsibility, KPIs for implementation of strategic ESG goals and monitors their implementation.
- - The Sustainable Development Committee is a consultative and advisory body of the Board of Directors providing recommendations to the Board of Directors on decision-making with regard to the Bank's sustainable development. The Committee's functions include providing oversight over development and implementation of the ESG and Climate Strategy, as well as over consideration and evaluation of climate risks and possibilities.
- - The Management Board ensures implementation of the Bank's Sustainable Development Strategy, compliance with procedures, processes and policies approved by the Bank's Board of Directors.
- - The Risk Management Committee under the Management Board is an operational decision-making body. At regular meetings, the Committee members consider topical issues and projects as part of the Bank's ESG transformation, pre-approve activities, initiatives and results of sustainable development activities.
- - The Sustainable Development (ESG) Directorate is the main coordinating structural unit of the Bank, which provides expert support to other Bank subdivisions in the field of sustainable development, manages implementation of the Action Plan to achieve the Bank's ESG strategic goals, monitors and reports on the progress in these initiatives.

## 2023 Key Results Achieved In Cooperation With International Organizations



**United Nations**  
Global Compact

In 2023, the Bank joined  
**the UN Global Compact**

This initiative is aimed at promoting social responsibility of business. Support and implementation of 10 fundamental principles in the areas of human rights, labor, environment protection, and anti-corruption.



Based on the results of a survey conducted among the Bank's management and employees, we identified 8 priority (focus) Sustainable Development Goals (UN SDGs) and subgoals within the selected goals to which the Bank can make a measurable contribution.



SDG  
AMBITION



The Bank participates in **the SDG Ambition Accelerator**.

The program aims to support participating companies in setting ambitious corporate goals and accelerating integration of the UN SDGs in business processes and management system.

## International Sustainable Project Financing Initiatives

The Bank is a Partner of:



EBRD's GEFF Programme (Green Economy Financing Facility)



UNDP Renewable Energy Financing Programmes

In total, **more than 100 green projects** have been funded under the GEFF Programme since 2021:

**~163 632 tons**

CO2 emission reduction under projects since 2021.



## Social responsibility



The Bank, as an Employer, follows ethical business practices, treats Bank employees with care, builds employment relations with employees based on respect for their human rights, and consistently improves its corporate governance practices.

The Bank, as a Financial Institution, providing financial services to companies in the real sector of economy and private customers, builds open and honest interaction with its customers.

The Bank, as a large Kazakhstani company, is committed to make a positive contribution to improving the quality of life for citizens, socio-economic development, and environmental sustainability in the country. We are dedicated to introducing and promoting innovations, supporting the development of local communities, and improving financial literacy of citizens.

**The Bank's Social Responsibility Projects are associated with the priority UN SDGs selected.**

**The main areas of focus are:**

- Effective team
- Charitable and social projects of the Bank
- Interaction with stakeholders

## Social Responsibility. Effective Team

### Headcount and Payroll

#### Actual Headcount

As at the end of 2023, the actual headcount of the Bank employees totaled 6,851 persons, having increased by 488 employees or by 7.7% year-on-year.

In 2023, the number of employees mainly increased in subdivisions engaged in project development and information technology.

The actual headcount of the branch network remained largely unchanged in 2023. Along with that, in Q4 2023 the Bank opened its branch in the AIFC. Development of open financial platforms is one of the priority areas of BCC's development.

## Actual Headcount Dynamics in 2021-2023, number of employees

	31.12.2021	31.12.2022	31.12.2023
Head Office	1 945	3 430	3 908
Branch Network	2 185	2 933	2 943
Total	4 130	6 363	6 851

## Actual Headcount at the end of 2023, number of employees

	Number
Subdivisions supervised by the BoD Chairman and Chairman of the MB	625
Business Development Group	1 581
Business Support Group	1 702
Branch Network	2 943
including:	566
Almaty Branch	
Astana Branch	378
Shymkent Branch	204
Karaganda Branch	171
Ust-Kamenogorsk Branch	157
Aktobe Branch	132
Uralsk Branch	128
Atyrau Branch	125
Kostanay Branch	118
Taraz Branch	118
Kyzylorda Branch	116
Abay Regional Branch	104
Aktau Branch	103
Pavlodar Branch	101
Almaty Regional Branch	93
Zhetisu Regional Branch	79
Kokshetau Branch	74
Petropavlovsk Branch	71
Ulytau Regional Branch	56
Turkestan Regional Branch	42
Branch in the AIFC	7
Total	6 851

## Payroll

### The basic remuneration principles at the Bank include the following:

- ensuring internal equity;
- ensuring external competitiveness by matching salaries set to the wage market;
- compliance of employees' remuneration with the level of complexity of the functions performed;
- dependence of the level of remuneration on the employees' and the Bank's achievement of the agreed goals.

In 2023, the Bank actively used such an incentive tool as “personal allowance”. This made it possible to address the issues of increasing salaries for high-performing employees for high quality of work performed without mass salary increases across the Bank, and thus solve the issues of retaining high performers. This measure was necessary during the period of developing grades. It should be noted that in 2023, the Bank engaged consultants to develop grades. Thus, with the assistance of consultants, all key positions of the Bank were assessed, and grades and salary grids were developed. Transition to a new grade-based remuneration system was divided into two stages. The first stage covered transition of the Branch network – since Q4 2023. The HO transition is scheduled for 1 January 2024.

April-August 2023		September 2023		October 2023		January 2024
Development of grades by consultants	>	Approval	>	Transition to grades by the branch network	>	Transition to grades by HO

In 2023, the constant component of the payroll amounted to KZT 42.4 billion, increasing its share in the structure to 75%.

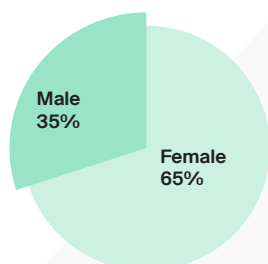
### Dynamics of the Share of Constant and Variable Components of the Payroll

in 2021-2023, %

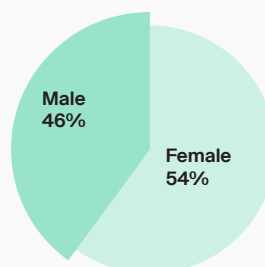
	2021	2022	2023
Constant component of payroll	81%	73%	75%
Variable component of payroll	19%	27%	25%
Total payroll	100%	100%	100%

## Gender distribution of Bank employees

Distribution of Bank Workforce by Gender



Distribution of Bank Management by Gender



As at the end of 2023, men and women represented 35% and 65% of all Bank employees, respectively. Among the Bank's senior management, 46% account for men, and 54% are women. These numbers demonstrates that both men and women have equal opportunities to advance in their careers.

## Assesement and bonus programs

Throughout 2023, the Bank has implemented 4 main approaches to assessment and bonus programs:

1

### Standards/ Unified Scorecard - Score-Based Incentives

Bonus payment for standardized transactions that are measured in quantitative terms and a unified scorecard subject to the main priority targets for Front Office managers.

Since October, score-based incentives has been in place for all front office positions, which is designed to replace all product-based incentives and make the bonus system more transparent, accessible and effective.

2

### SLA

Bonus payment based on the Service Level Agreement fulfillment results for support subdivisions (Back Office)

3

### Project Bonuses

Bonus payment based on the results of implementation of unscheduled projects/project tasks as part of the Bank's business transformation, changes in products, processes, technologies to achieve strategic goals

4

### Goal Maps

Bonus payment within the framework of setting and evaluating the achievement of goals for a certain period (from a quarter to a year) established by a higher-level manager and accepted by an employee

Each Bank employee is covered by one or another type of incentives, and sometimes participates in several programs simultaneously (for example, goal maps for annual bonuses and project bonuses for implementation of unplanned projects during the year).

## Support programs

**Currently, the Bank has the following types of social packages:**

1. The basic compensation package, which applies to all employees and the content of which varies depending on the level of the position (VMI packages, payment of transportation and parking expenses and, compensation for rental costs)
2. The basic motivational package for all employees, which includes a flexible schedule, remote work format, training and development at the Bank's expense, corporate events, corporate discounts from partners.
3. Additional extended packages for key employees under the BCC Key People project



## Turnover, Recruitment and Aadaptation

According to the 2023 results, overall staff turnover in the Bank decreased by 3.41 percentage points as compared to 2022, including a decrease by 3.44 percentage points in the branch network and by 2.85 percentage points in the Head Office.

**Overall turnover** = This indicator reflects the relative share of employees who have left the company either on their own initiative or at the initiative of the company.

**Voluntary turnover** = This indicator reflects the relative share of employees who left the company on their own initiative over the past period. High values of the indicator may be associated with low competitiveness of the company in the labor market, its inability to retain employees, poor quality of existing recruitment and training processes, and layoffs conducted by the company.

**Forced turnover** = This indicator shows the share of employees who left the company in the reporting period on the company's initiative. High values of the indicator may be associated with the company's staff reductions, changes in business processes, automation of work, or the involvement of a smaller number of highly qualified personnel.

**Turnover for reasons beyond the Parties' control** = This indicator reflects the percentage of employees who left the company in the reporting period due to unavoidable circumstances and reasons beyond the company's control. This indicator is solely related to the course of employees' personal life and is not subject to correction by the company; it is required for analysis as one of the components of the overall turnover rates.

### Overall Employee Turnover Rate

	2021	2022	2023	Change, p.p.
HO	37,9%	39,2%	36,4%	-2,85
Branch Network	40,9%	43,1%	39,7%	-3,44
Total in the Bank	39,5%	41,6%	38,2%	-3,41

### Voluntary Staff Turnover

	2021	2022	2023	Change, p.p.
HO	34,5%	36,4%	34,6%	-1,76
Branch Network	41,8%	39,7%	43,1%	3,38
Total in the Bank	38,9%	38,2%	38,7%	0,48

### Forced Staff Turnover

	2021	2022	2023	Change, p.p.
HO	4,2%	1,2%	0,7%	-0,53
Branch Network	0,9%	0,6%	1,3%	0,71
Total in the Bank	2,2%	0,9%	1,0%	0,10

### Turnover for Reasons Beyond the Parties' Control

	2021	2022	2023	Change, p.p.
HO	0,5%	0,3%	0,2%	-0,11
Branch Network	0,4%	0,5%	0,2%	-0,31
Total in the Bank	0,4%	0,4%	0,2%	-0,22



At the year-end 2023, key employee turnover was 2.4%, down from 6.3% in 2022. Turnover during probationary period in 2023 was 12% among HO employees and 13% among branch network employees, also down as compared to 2022.

**Key Employee Turnover  
2022**

**6,3%**

**Key Employee Turnover  
2023**

**2,4%**

**Employee Turnover during pro-  
bationary period in HO  
2022**

**16%**

**Employee Turnover during probationary  
period in HO  
2023**

**12%**

**Employee Turnover during  
probationary period in branches  
2022**

**18%**

**Employee Turnover during probationary period  
in branches  
2023**

**13%**

In 2023, the Bank employed a total of 3,554 persons, of which 1,861 were employed in the HO and 1,693 joined the branch network. The main goal of recruiting for 2023 was to maximize staffing.

## Training and development

### The key objective for 2023:

- To provide the employee with the most user-friendly and effective learning tool and involve them in the learning process.
- To implement the Web Soft platform, which will be used to create a corporate portal including a training section;
- To develop internal experts to involve them in the training process;
- To create "schools" to develop employees from junior specialist to an expert and to close open vacancies;
- To train employees occupying leadership positions.

### The following projects were launched in 2023:

- **IT School** - development of Colvir specialists
- **BCC Leader - a project for all senior managers**
- **Happy Job Survey** - engagement and satisfaction of the Bank employees
- **Development Program/Training - internal trainers of the Bank**
- **Functional Coaching** - Internal expert support and development program
- **Web Soft** - system implementation
- **Ambassadors** - BCC Brand Development Program

The Bank understands the value of the professional team of the company's employees, therefore, it strives to create decent working conditions for employees, take care of their health and well-being, and provide opportunities for training and growth.

**One of the ESG transformation objectives is to raise awareness of the Bank employees in the area of sustainable development. As part of this, a number of courses have been implemented for the Bank employees :**

- online ESG Principles course, which has been completed by more than 60% of the Bank employees;
- A series of workshops in ESG and Sustainable Development were held jointly with EBRD partners.
- offline seminars are regularly held for employees of dedicated subdivisions: Climate Stress Testing workshop from the Bank's partners ; seminars for employees on the Bank's ESG transformation aspects

Employees from the subdivisions responsible for implementing responsible financing principles attended a number of information seminars organized with the support of ARDFM by Big 4 companies, EBRD and other organizations.

**Moreover, it is important to note that the Bank employees are trained on an ongoing basis as follows:**

- Anti-fraud
- Compliance risks
- Anti-corruption
- Training delivered by partners in environmental initiatives

#### External Training

- Automation of the Service Desk request processing workflow, 175 requests (70 requests in 2022)
- Transfer of contract entry and payment functionality to the Procurement Organization Center
- Update of Training Regulations (October-January)
- 804 employees completed external training (277 in 2022), among them 436 men and 368 women

#### Online Training

- 19 new courses were created (for example, ESG Principles courses)
- Corrected and updated information in 20 courses
- 124 tests were created and revised. Average course grade – 4.8
- In 2023, the average pass rate for compulsory courses is 69%, whereas in 2022, while in 2022, the average pass rate was 46%. Gamification was implemented to increase employee engagement in completing mandatory courses. For each timely completed course and finding "Easter eggs", employees earned points and exchanged them for branded products and extra training courses.
- As part of the BCC Start (adaptation program for new Branch Network employees) - new training programs were created for the following positions: corporate manager, Director of the Banking Outlet, Deputy Director of the Banking Outlet, acquiring officer, car loan officer.

**Internal Training** – BCC Leadership School project was launched offering systemic development of managers at all levels. 60 employees were trained. The satisfaction rate regarding the training was 99%.

**Organization of the HR Committee** from agenda to Minutes, 150 nominees for managerial position were submitted for consideration and agreed upon.

## 2024 Strategic Priorities

### **“A Happy Employee is a Happy Customer”.**

- Centralized training function in the HR
- Development of the competence matrix, assessment and creation of Individual Development Plans
- Development of the internal Web Soft-based BCC Space platform, which includes the following blocks: an internal news portal and employee training and development
- Employee support under the Well-Being Program.

## HR Brand Development Focused on Sports and ECO

### Development of HR Communications

- The Happy Job satisfaction survey was launched in 2023. The survey results showed: Engagement - 88%, Loyalty - 85%, Happy index - 81%. The respondents' wishes regarding pay and working conditions were implemented.
- The number of @bccspace followers on Instagram increased by 8% reaching 22,600 subscribers.
- According to the results of the survey conducted in early 2024, the HR communications were assessed at 9.4. 870 Bank employees completed the survey.
- The Bank's HR writes the BCC Team column in the closed internal telegram channel covering bcc news, ECO, contests, BCC events, etc.

### Development of internal activities

- 2023 Business Events: 7 bank-wide events, 7 DemoDay, open talk.
- Employee Engagement and Team Building Activities: brand ambassador program - 120 ambassadors, 23 team buildings, 3 thematic quizzes.
- Sports Events: 12 sports challenges, 2 running marathons.
- ECO Events: cooperation with Teplo Foundation (collection and sorting of recyclable materials) - 2 tons of clothes were donated to the foundation.
- Large-scale Celebration of the Bank's 35th Anniversary through uniting employees of the Branch network and the Head Office:
  - Football Tournament: 600 employees;
  - Women's Volleyball Tournament: 180 employees;
  - Competition among fans: 66 fans in the final event organized to accommodate 1,000 employees;
  - Kazakhstan Map Challenge: all branches;
  - Team Building events in all branches to celebrate the 35th Anniversary;
  - BCC Stars – 3 bands of Bank employees who performed at the final event.

# Social Responsibility. Charitable and Social Projects

In 2023 Bank CenterCredit supported **more than 40 charitable** and social initiatives in education, healthcare, environment, creativity and sports.





## Education

- The first regional competition "HACKATHON-2023" at Sherkhan Murtaza International Taraz Innovation Institute.
- The second international competition on space technologies - Kazakhstan Smart Space at Satbayev University
- Case Championship 2023 among 2-4-year students of Kazakh-British Technical University (KBTU).
- Eurasian Rocketly Challenge held within the framework of the Eurasian Summit of Digital Economy Leaders
- Almaty IT Community club, to hold a special networking event between Fintech and GameDev of Kazakhstan.
- Almaty Digital Sales 2023
- "Business Women. Profession of the Future for Women" Forum
- The Smart Campus project for M. Ospanov West Kazakhstan State Medical University



Bank CenterCredit financed the construction of one of the large secondary schools named after D. Kunayev in Shymkent with the capacity of 3,500 students. The project was implemented using subsidy and guarantee instruments of Damu Fund. Thanks to comprehensive financial support, the Bank's customer managed to put the educational institution into operation in a short period of time.

This school is equipped with classrooms, a canteen, a library, an auditorium and a sports hall. There are also about 20 clubs: tennis, robotics, chess, boxing, volunteer club and others.





## Sport

- The final of the "Give the Ball!" school basketball league took place in Almaty, with more than 45 teams from 5 different age groups participating.
- Marat Baltabayev worked for many years at the Bank. At the age of 76, he decided to participate in the XXII Asian Masters Athletics Championships in Manila, the Philippines, and returned home with three gold medals.
- The Bank supported Samurai Sports Academy, which focuses on Brazilian jiu-jitsu and grappling, as part of the support and development of free sports for orphans and parentless children.
- Almaty hosted the largest geek festival in Central Asia, Almaty Geek Games Expo. Each guest of the festival learned about the benefits of bank cards and the VISA payment system, namely about #juniorbank and #kartakarta from the general sponsor Bank CenterCredit.



## Healthcare

- 40 voice assistants, which are the key elements of the Sezual e-roads.
- Cars for Aktobe Regional Phthisiopulmonology Center
- Motor vehicles for the multi-purpose medical center in East Kazakhstan region: Mother and Child Center, Municipal State-Owned Enterprise on the right of economic management of the East Kazakhstan Regional Akimat's Health Department.
- Support to the East Kazakhstan Regional Ambulance Station, Municipal State-Owned Enterprise on the right of economic management: the Bank presented a car, which will become an integral part of the ambulance station's fleet.





## Culture and Art

A new art object called Kara Shapan by contemporary Kazakh artist Syrlybek Bekbotayev was installed in Almaty at the intersection of Panfilov and Kabanbay Batyr Streets. This is a joint project and the first public art of abr and Bank CenterCredit with the support of the Almaty Department of Culture.



## SME Support

ULTTYQ ONIM, a large-scale exhibition of products made by Kazakhstani manufacturers, was held in Almaty. More than 320 participants from all regions of Kazakhstan were present at the event! The exhibition was organized by Damu Fund in cooperation with Almaty Akimat.



## New Year Wish Tree

**The Bank organizes a New Year Wish Tree for children every year.**

As part of this initiative, the Bank organized a New Year's celebration for children with disabilities and lonely elderly individuals, and also provided food baskets to large families.

Children and their parents were invited to the matinee in special institutions, contests and a concert were held with the participation of the main New Year characters - Santa Claus and Snow Maiden. Of course, no child could leave without some sweet treats.

And for the older generation under the care of the Club of Good People (Klub Dobryakov), the Bank prepared gifts in the form of warm blankets, treats and a concert, which was attended by Santa Claus and Snow Maiden as well.

**Inclusivity is a significant component of the ethics of modern society. It is an important and useful trend. Bank CenterCredit does not stand aside.**

Currently, 168 of GRG and 8 of NCR ATMs are equipped with headphone jacks and additional functionality for blind and visually impaired people. These customers will be able to easily top up their card accounts and withdraw cash.



## Social Responsibility. Interaction with Stakeholders

Stakeholders	Key Concerns of Stakeholders	Механизмы взаимодействия
Shareholders and Investors	<ol style="list-style-type: none"> <li>1. Provision of up-to-date and reliable information on financial performance, as well as achievements and problems encountered in activities.</li> <li>2. Exercise of shareholder rights as part of the corporate governance principles aimed at effective key decision-making.</li> <li>3. Ensuring proper management and investment attractiveness of the Bank.</li> <li>4. Getting feedback on the results of management and implementation of key decisions.</li> </ol>	<ul style="list-style-type: none"> <li>● General Shareholders' Meeting</li> <li>● Face-to-face meetings with shareholders</li> <li>● Providing comprehensive information on each agenda item of the General Shareholders' Meeting</li> <li>● Information messages and written communications by e-mail and/or phone</li> </ul>
Employees	<ol style="list-style-type: none"> <li>1. Informing about the Bank's strategic goals, performance and employee contribution.</li> <li>2. Strengthening the employer's brand, retaining key employees.</li> <li>3. Responding to the needs and concerns of employees</li> </ol>	<ul style="list-style-type: none"> <li>● Regular direct communication between managers, teams and individuals</li> <li>● Hotline (anonymous HR communication channel)</li> <li>● Annual and interim financial statements</li> </ul>
Public Authorities and Supervisory Authorities	<p><b>Regulatory Authorities</b></p> <ol style="list-style-type: none"> <li>1. Provision of up-to-date and reliable information on financial performance and compliance with all legislative and regulatory requirements.</li> <li>2. Maintaining banking licenses and minimizing operational risks.</li> </ol> <p><b>Public Authorities</b></p> <ol style="list-style-type: none"> <li>1. Strengthening the relationship with the state, which is both a partner in the development of the country and a key customer.</li> <li>2. Participation in the processes of developing legislation that affects the economy and banking activities.</li> <li>3. Striving to be a responsible and good faith taxpayer</li> </ol>	<ul style="list-style-type: none"> <li>● Meetings</li> <li>● Information messages and written communications by e-mail and/or phone</li> <li>● Letters</li> <li>● Reports</li> <li>● Commissions, audits and inquiries</li> <li>● Interaction through associations of financial institutions</li> </ul>
Customers (networks and distributors)	<ol style="list-style-type: none"> <li>4. 1. Informing about the Bank products, services, and the terms and conditions for receiving them.2. Understanding customer expectations and needs to ensure a high level of service.3. Professional advice.4. Development and implementation of customer-focused innovations.5. Customer loyalty to the Bank.6. Responding to customer concerns</li> </ol>	<ul style="list-style-type: none"> <li>● Customer Satisfaction Surveys, feedbacks and complaints related to products, services, and communication</li> <li>● Information messages and written communications by e-mail and/or phone</li> <li>● Annual financial statements and sustainability reports</li> </ul>
Consumers		

# Environmental Stewardship



The Bank complies with legislative requirements of the Republic of Kazakhstan and is committed to implement the best international practices in environmental responsibility. The Bank is actively developing environmental initiatives subject to the priority UN SDGs.

The key areas of environmental stewardship include:

1. Introduction of responsible financing principles
2. Green Office Project: energy efficiency, waste management
3. Environmental Projects

## Environmental Stewardship. Introduction of Responsible Financing Principles

### Responsible financing is a key element of our Strategy

The Bank, as a financial institution, provides financial services to companies in the real sector of economy, thereby indirectly contributing to decarbonization of the economy. In this role, the Bank integrates ESG factors into its investment and lending activities and strives to comply with international principles for responsible financing in order to achieve carbon neutrality.

Due to the Bank's active engagement in lending to both large businesses and SMEs, it has developed instruments complying with the responsible financing principles that minimize the long-term investment risks by incorporating social, environmental, and governance factors into investment strategies.

By implementing responsible finance instruments, the Bank achieves two main objectives:

- Assessment and management of lending-related ESG risks
- Providing and supporting the financing for projects demonstrating positive ESG effects

As part of the ESG transformation, the Bank has developed and implemented tools to screen borrowers/loan for compliance with ESG principles and to assess risks associated with their activities

#### Risk Assessment Actions in the context of compliance with the responsible financing principles:

- Customer screening to verify whether its activities and applicable practices comply with the list of unacceptable activities (determined based on the best practices and the specifics of the Kazakhstani market).
- High-level assessment of borrowers' ESG risks based on the industry of operations and responses to a specially designed questionnaire
- Detailed assessment of the customer's exposure to ESG risks, taking into account the minimization measures and adaptation initiatives undertaken

**To assess positive effects and risks:**

- High-Volume Transactions (Projects) Assessment Tools - checking loan eligibility against green or social taxonomy criteria, assessing ESG risks, positive environmental or social effects of the project, and project management practices.

## Environmental Stewardship. Green Office Project: Energy Efficiency

Due to the nature of its business, the Bank has no significant impact on the environment. The main resources consumed by the Bank are electricity, heat and water.

The Bank seeks to reduce excessive consumption of resources and minimize the existing negative environmental impact. This is achieved through implementation of energy-efficient technologies, reduced water consumption and paper consumption for office needs.

- Switching to the use of LED light bulbs in the Bank's front and back offices;
- Moving away from a fleet of internal combustion engine vehicles and switching to own fleet of electric cars. Since 2021, the Bank has installed 6 electric vehicle charging stations in Almaty. In 2023, the Bank's management began switching to electric cars, and the first 5 electric cars were purchased;
- Automatic shutdown of computer equipment after 08:00 p.m.
- Development of cashless payments by introducing contactless payment technologies for different types of smartphones (Apple Pay, Samsung Pay, Google Pay, BCC Pay).

## Environmental Stewardship. Green Office Project: Separate Waste Collection System



In the course of implementation of the “Separate Waste! We Don't Have Another Planet” Project, it was decided to start work on implementing a separate waste collection system in the Bank's offices.

**Since the Project kick-off, the following steps have been implemented:**

- Training of the Bank employees in environmental standards with the involvement of speakers from Ecosen and Kaizen Center
- Providing briefing to the Cleaning Service staff on separate waste sorting.
- The Bank entered into the Agreement with Ecosen to arrange transportation of separately collected recyclables for further processing to specialized enterprises in Almaty.
- The Memorandum of Cooperation was signed with the PlastNet network to scale-up the project across the Bank's branch network
- The Bank acted as the General Partner at the annual largest event in Central Asia on green business development, efficient waste management and renewable energy – the Seventh Eurasian Business Forum “Green Energy & Waste Recycling Forum 2023”.





**As of today, the Project outputs confirm its relevance and effectiveness.**

- Participation in plastic recycling projects: use of office supplies made from recycled materials, making branded watches from plastic bottle caps.
- Installation of eco-boxes for battery collection and disposal: In 2023, 35 kilograms were handed over to the contractor for removal and disposal.
- Conclusion of Separate Waste Collection Contracts in Atyrau, Astana, Shymkent (in addition to Almaty)

## Waste Generated in Bank Offices and Branches, tons

Nº	Name	2022	2023
1	Waste paper	13	11
2	Separate waste collection (plastic, glass, aluminum)	n/a	5
3	Scrap metal	n/a	54
4	Batteries	n/a	0,035
	<b>Total</b>		<b>70</b>

## Environmental Stewardship. Environmental Projects

Holding environmental campaigns and clean-up days is an essential part of Bank CenterCredit's corporate culture. Every year, the Bank organizes such environmental activities in all regions of Kazakhstan. The Bank employees plant trees, clean and improve the city areas. The main idea of the clean-up days is to draw people's attention to ecology, to think about the appearance of our cities, to learn how to take care of the environment.

The Bank joined the environmental initiative in Astana, and together with the Sustainable Development Earth Foundation, it planted 100 frost-resistant Sakura seedlings in the Presidential Park.



### Green Project Financing and Environmental Compliance Requirements for Companies Operating in Dirty Industries.

Bank CenterCredit is the EBRD key partner bank under the GEFF Initiative (Green Economy Financing Facility). For example, the Renewable Energy Project financed by the Bank in the amount of \$4.7 million led to CO<sub>2</sub> emissions reduction by 14,200 tons/year.

### Responsible Water and Energy Consumption

In order to achieve sustainable development, the Bank managed to save 123,636 liters of water and 6,122 Watts of electricity in 2023.

# Plans for Implementation of Sustainability Principles in 2024

## 2024

Integration of the best ESG practices into the Bank's business model.

### Preparation of Sustainable Development Report

- Consideration of the ARDFM Guidelines, TCFD, GRI International standards
- Disclosure of greenhouse gas emissions - Scope 1, 2, 3
- Certification of the report by an independent auditor

### ESG Integration into Lending and Investment Activities

- Integration of responsible financing principles into the Bank's operations
- Introduction and implementation of processes for collecting and accumulating quantitative ESG data from borrowers
- Labeling of the existing loan portfolio for compliance with ESG criteria
- Green Project Financing, including under the GEFF Green Technology Financing Programme

### ESG Integration into the Risk Management System

- Integration of the ESG scoring procedure into the lending process
- Taking ESG risks into account when pricing
- Development of the climate stress testing approach, methodology and tools

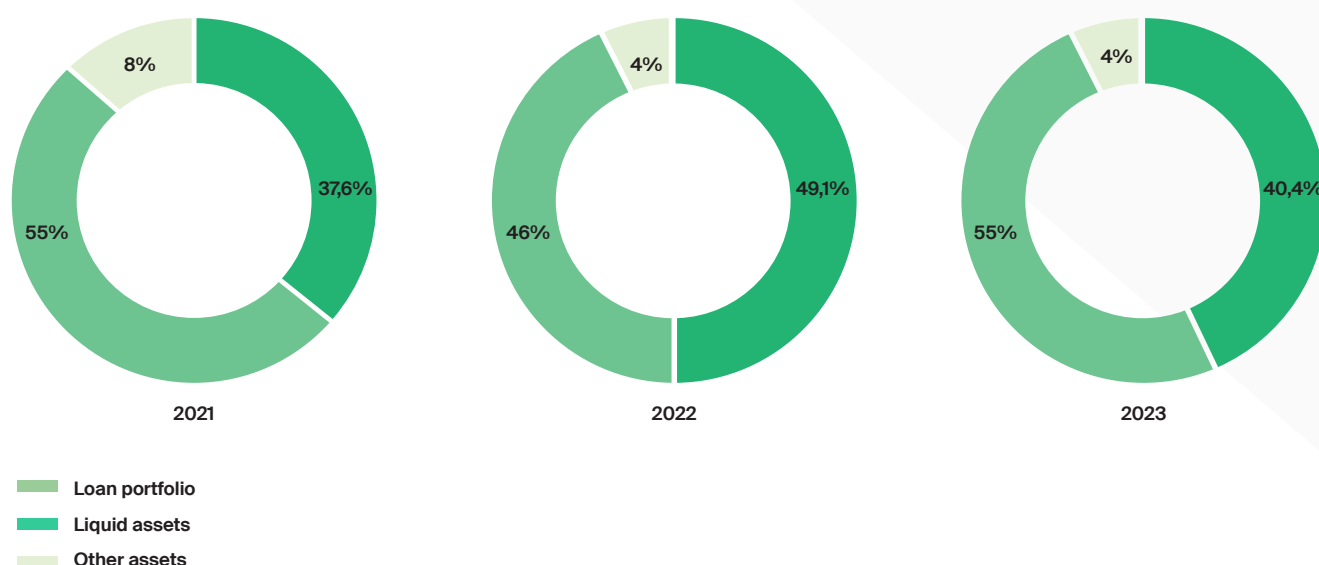
### Climate Strategy Development

- Analysis and diagnostics of the Bank's loan portfolio
- Development and setting of goals for financing climate positive projects
- Launching sustainable products to achieve decarbonization goals
- Approval of the Climate Strategy

# Financial Performance

# Assets

KZT million	01.01.2022	01.01.2023	01.01.2024
Cash and cash equivalents	261 492	1 135 957	1 353 334
Financial instruments and securities	508 235	949 387	745 766
Due from banks	12 997	35 799	39 483
Loans to customers and banks (net)	1 138 701	2 009 113	2 928 849
Other assets	157 879	193 710	223 607
<b>TOTAL</b>	<b>2 079 304</b>	<b>4 323 966</b>	<b>5 291 039</b>

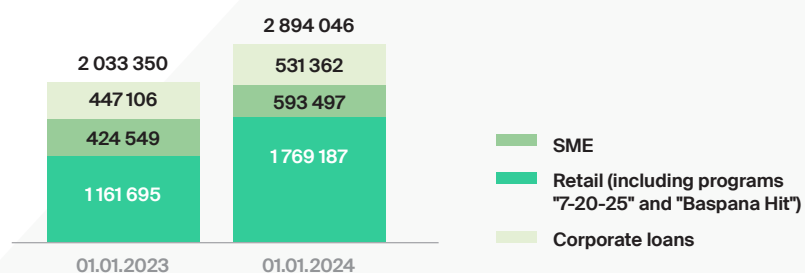


According to the 2023 results, total assets of the Banking Group increased 1.2-fold reaching KZT 5,3 trillion. In terms of assets, the Bank ranks third with a market share of 10.2%. The asset structure shows an increase in all items, with the liquidity ratio remaining high at 40.4%.

**Ranked 3d among STBs in terms of assets, with a market share of 10.2%**

## Customer Loan Structure of the Banking Group

(gross)\*, KZT million



The Bank's loan portfolio grew significantly 1.5 times in 2023. In the loan portfolio structure, loans to retail businesses and SMEs increased notably by 1.5 times and 1.4 times, respectively. This aligns with the Development Strategy adopted by the Bank.

\*According to internal segmentation criteria

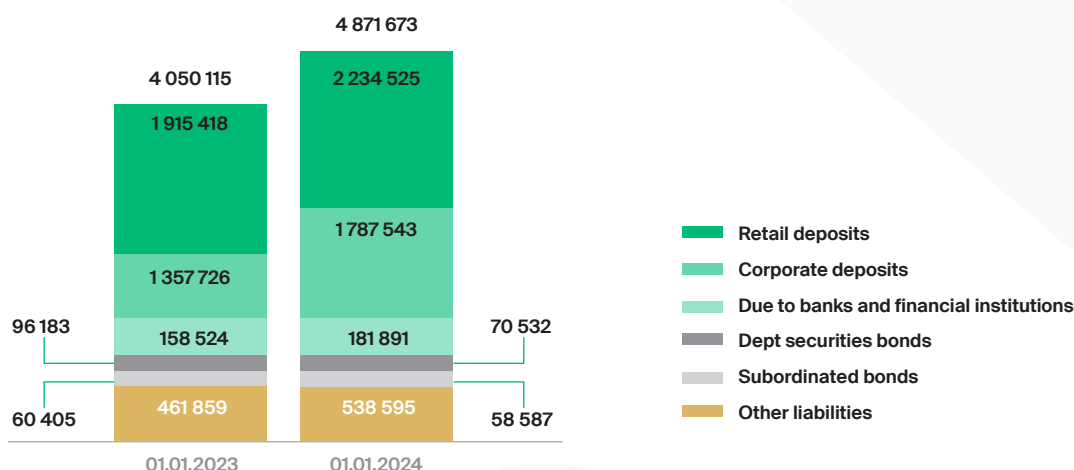
Source: Audited consolidated data



# Liabilities

KZT million	01.01.2022	01.01.2023	01.01.2024
Due to banks and financial institutions	65 647	158 524	181 891
Customer accounts	1 353 707	3 273 144	4 022 068
Debt securities issued	108 074	96 183	70 532
Subordinated bonds	63 877	60 405	58 587
Other liabilities	337 187	461 859	538 595
<b>TOTAL</b>	<b>1 928 492</b>	<b>4 050 115</b>	<b>4 871 673</b>

## Liabilities Structure of the Banking Group, KZT million



The growth of the Group's assets has been accompanied by a corresponding increase in liabilities. By the end of 2023, total liabilities of the Banking Group increased 1.2 times and reached KZT 4.9 trillion.

During the reporting period, the deposit base has seen significant increase by 1.2 times, reaching KZT 4.0 trillion. The retail deposit portfolio grew by 1.2 times, and the corporate deposit portfolio by 1.3 times in the deposit structure. The deposit growth was driven by increase in the deposit base and development of remote banking services.

**Ranked 4th** among STBs in terms of retail deposits with the market share of **10.9%**

**Ranked 2nd** among STBs in terms of corporate deposits with the market share of **11.8%**

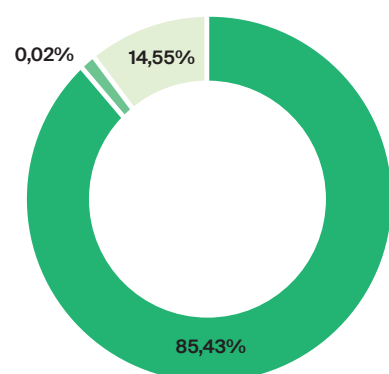
Source: Audited consolidated data

# Equity

KZT million	01.01.2022	01.01.2023	01.01.2024
Share capital	63 554	63 676	64 498
Capital reserve	2 346	- 21 194	- 12 285
Retained earnings	84 912	231 369	366 527
Non-controlling interest	-	-	626
<b>Total</b>	<b>150 812</b>	<b>273 851</b>	<b>419 366</b>

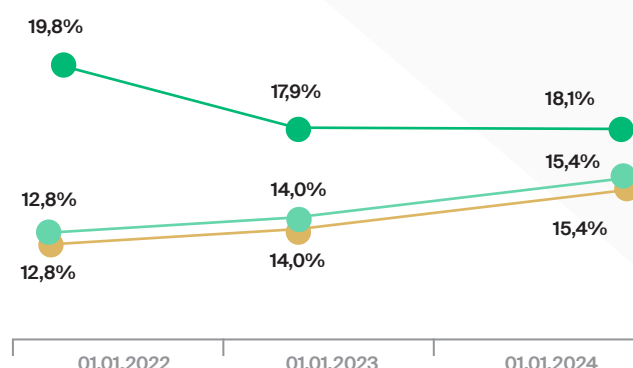
## The Bank's Regulatory Capital Structure

as at 01.01.2024



■ Tier 2 capital  
■ Additional capital  
■ Core capital

## Bank's Capital Adequacy Ratio Dynamics, %



● κ2 (min. 10%)  
● κ1-2 (min. 8.5%)  
● κ1 (min. 7.5%)

At the beginning of 2024, equity of the Banking Group totaled KZT 419 billion, having increased by 53% year-on-year. The main driver for capital growth is an increase in the Bank's retained earnings. Significant profit growth was mainly fueled by growth of the Bank's own operating profit. The negative result on capital reserve is due to a negative revaluation of securities recorded at fair value.

In accordance with the regulator's methodology for calculation of prudential standards (regulatory capital), shareholders' equity of JSC Bank CenterCredit amounted to KZT 464,898 million as of 1 January 2024.

Equity structure:

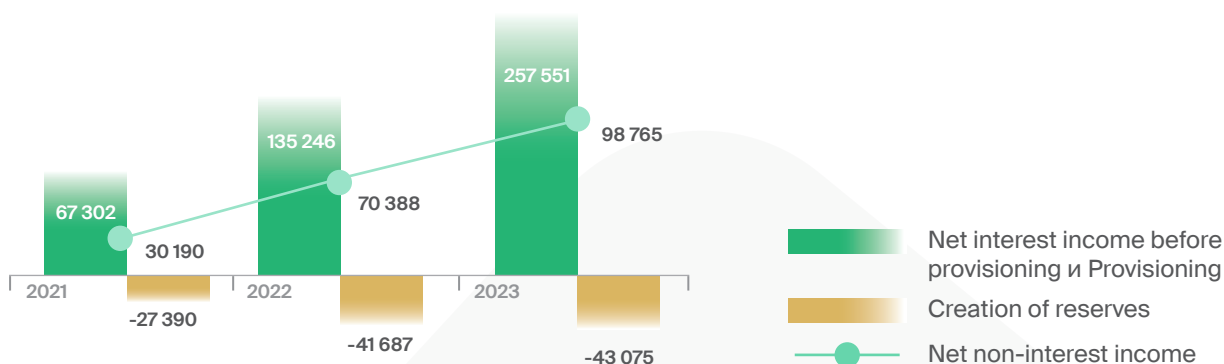
- Core capital – KZT 397,183 mln;
- Additional capital – KZT 89 mln;
- Tier 2 capital – KZT 67,626 mln.

Source: Audited consolidated data

# Profitability

KZT million	2021	2022	2023
Interest income	148 282	285 891	532 404
Interest expense	-80 980	-150 645	-274 853
Net interest income before provisioning	67 302	135 246	257 551
Provisioning	-27 390	-41 687	-43 075
Net non-interest income, including:	30 190	70 388	98 765
Net fee and commission income and dealing	32 320	73 893	96 369
Other income/expense	-2 130	-3 505	2 396
Impairment allowance for other transactions	-2 038	-7 989	-29 893
Operating income before provisioning	97 492	205 634	356 316
Operating expenses	-46 589	-88 334	-123 091
Bargain purchase gain		84 222	
Net profit	20 645	145 129	135 246
NIM, %	4,2%	5,2%	6,6%
CIR, %	47,8%	30,5%	34,5%

## Banking Group's Net Interest and Non-Interest Income Dynamics, KZT million



In 2023, interest income surged by 86% compared to 2022 and amounted to KZT 532 billion. The positive interest income dynamics became possible due to an increase in the share of high-yield retail loans and anchor SME products. Interest expenses for the period were up by KZT 124 billion and reached KZT 275 billion, mainly due to the growth in the number of customers and active increase in the deposit base, funding the loan portfolio growth.

As a result, net interest income in 2023 grew by KZT 122 billion to reach KZT 258 billion. This allowed for significant increase in net interest margin from 5.2% to 6.6%.

In 2023, net fee and commission income and dealing rose by KZT 22 billion, reaching KZT 96 billion as a result of growing customer base and active development of digital services. Other income/expenses in 2023 showed a positive result of KZT 2.4 billion.

The increase in operating expenses by KZT 35 billion compared to 2022 was driven by increased payroll budget as a result of strengthening the team to ensure active business and IT development, natural increase in maintenance costs, which can be attributed to inflation and exchange rate fluctuations, and strengthening of the Bank's marketing positions, including product promotion and increased sales efforts. The CIR equaled 34.5%.

As a result of the business growth and efficient use of resources, the Bank doubled its net profit to KZT 135 billion (excluding gain on bargain

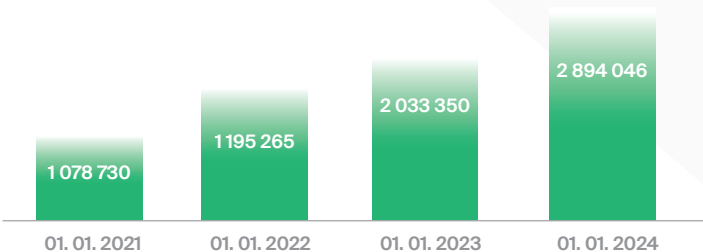
Source: Audited consolidated data

# Lending Activity

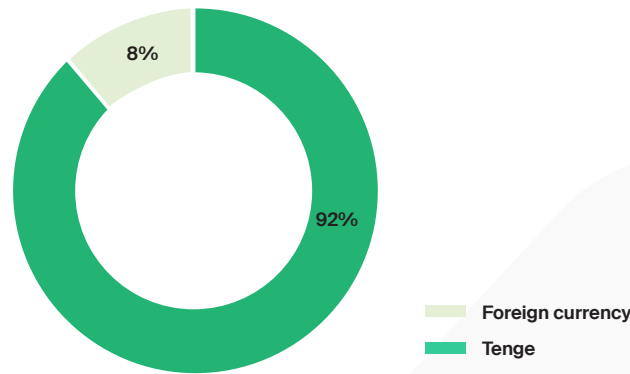
## Lending

In 2023, the Bank continued to focus on active lending, which positively affected BCC's loan portfolio dynamics. The portfolio increased by 42% to reach KZT 2.894 billion at year-end and allowed the Bank to maintain its third position among commercial banks in terms of loan portfolio size.

### Loans, KZT million

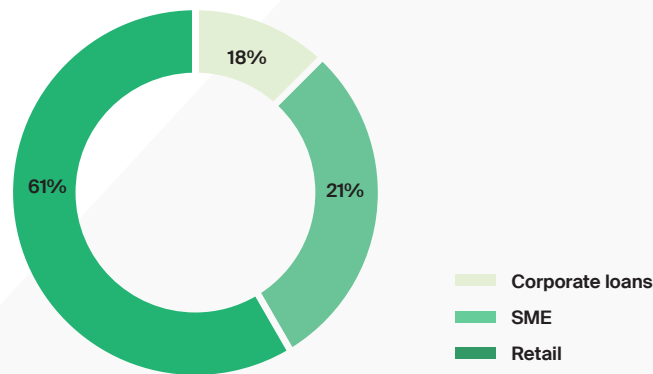


### Share of Foreign Currency Loans



As of 1 January 2024, the share of foreign currency loans equaled 8%, which does not put significant pressure on the Bank in terms of currency risks associated with possible KZT exchange rate depreciation in 2024.

### Loan Structure (%)

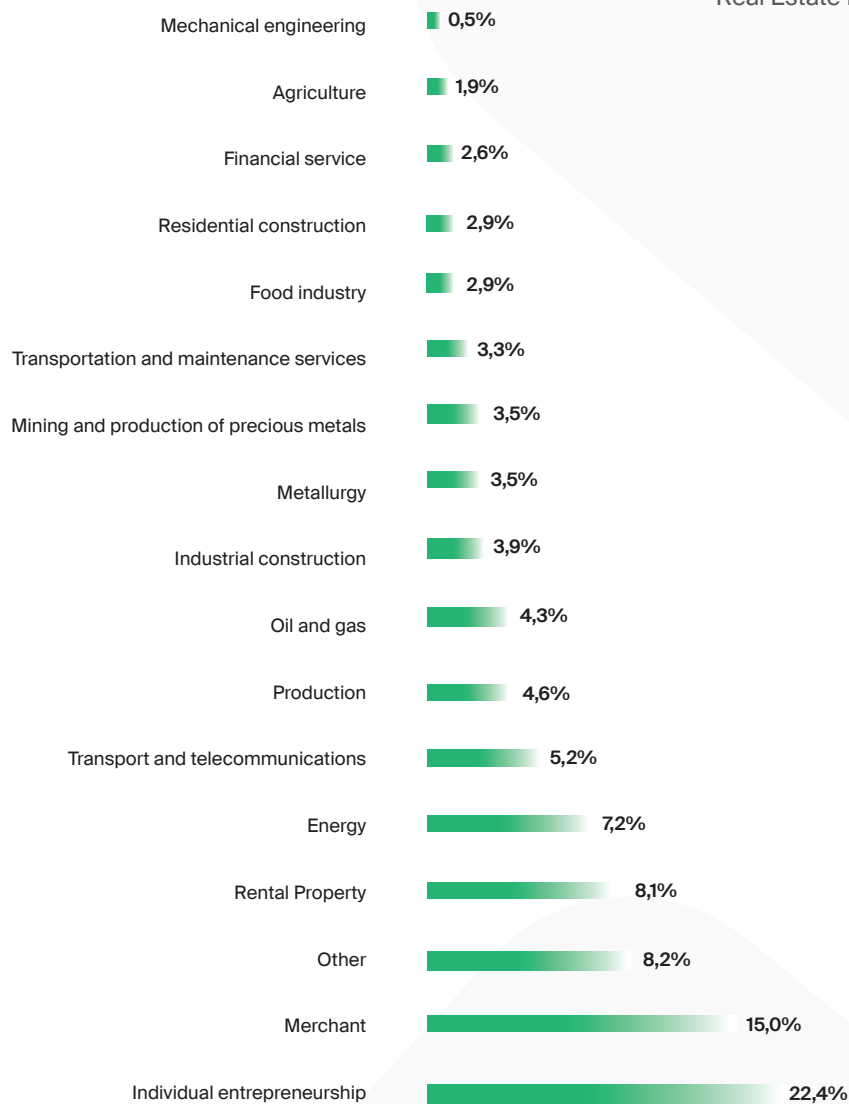


The majority of the Bank's loan portfolio is made up of loans to retail segment (61%) and SME segment (21%). The portfolio of these segments is growing actively in accordance with the Bank's strategy, having increased from 57% to 61%. At the same time, the share of corporate portfolio decreased from 22% to 18%, while the share of SMEs experienced no significant changes.

Source: Audited consolidated data

## Corporate and SME Portfolio Structure

(%)



In the corporate portfolio (Large Business and SMEs), the largest share is occupied by loans in Individual Entrepreneurs (22.4%), Trade (15.0%), Real Estate Rental (8.1%) sectors.

## Loan Portfolio Quality

One of the main objectives of the Bank, along with increasing the loan portfolio volume, in 2023 was to continue activities on improving its quality indicators. As a result of measures taken during the year, the share of non-performing loans in the loan portfolio (NPL) decreased from 3.4% to 2.2%. The volume of Stage 3 loans (credit-impaired loans) decreased from KZT 150 billion to KZT 126 billion, with its share down from 7.4% to 4.4%.

Source: Audited consolidated data

# Risk report

# Risk Management System

Risk Description	Политики и комитеты по управлению рисками	Risk Management And Assessment
<b>Credit risk</b> The risk of potential financial losses occurring as a result of default by a counterparty (borrower) on their obligation to repay interest and principal according to the terms of the agreement.	<b>Policy:</b> <ul style="list-style-type: none"> <li>● Lending and Risk Management Policy;</li> <li>● Risk and Capital Management Policy;</li> <li>● Collateral Policy.</li> </ul> <b>Risk Management Committee:</b> <ul style="list-style-type: none"> <li>● Finance and Risk Management Committee under the Board of Directors;</li> <li>● Credit Committee;</li> <li>● Risk Management Committee under the Management Board.</li> </ul>	<b>The main credit risk management practices:</b> <ul style="list-style-type: none"> <li>● Ensuring completeness and reliability of information for decision-making purposes;</li> <li>● Compliance with generally accepted lending rules, internal credit risk management policies and procedures;</li> <li>● Loan assessment procedure independent from business subdivisions;</li> <li>● Credit risk limitation by using a multi-tiered system of risk limits and/or restrictions;</li> <li>● Management of collaterals pledged for transactions;</li> <li>● Regular monitoring and follow-up of the credit risk level;</li> <li>● Classification of assets by credit risk level;</li> <li>● Maintenance of adequate provisions.</li> </ul> <b>Credit risk on transactions bearing credit risk is assessed subject to the type and sector of the counterparty's business.</b> <ul style="list-style-type: none"> <li>● Corporate lending for high-value financing requests is based on a combination of expert assessment and credit rating determined by taking into account the counterparty's financial standing, credit history, industry , and other business characteristics.</li> <li>● Corporate lending under mass SME products - through automated verification of borrower's eligibility for a loan product.</li> <li>● Retail lending – by means of a scoring model that uses mathematical statistics and behavioral information, and information from external sources.</li> </ul>

Risk Description	Политики и комитеты по управлению рисками	Risk Management And Assessment
<p><b>Liquidity risk</b></p> <p>The risk of encountering difficulties in obtaining funds to repay deposits and meet obligations associated with financial instruments as they become due.</p>	<p><b>Policy:</b></p> <ul style="list-style-type: none"> <li>● Lending and Risk Management Policy;</li> <li>● Risk and Capital Management Policy;</li> </ul> <p>Collateral Policy.</p> <p><b>Risk Management Committee:</b></p> <ul style="list-style-type: none"> <li>● Finance and Risk Management Committee under the Board of Directors;</li> <li>● Credit Committee;</li> <li>● Risk Management Committee under the Management Board.</li> </ul>	<p><b>The main liquidity risk management practices:</b></p> <ul style="list-style-type: none"> <li>● Analysis of maturities of assets and liabilities, conducting money market transactions to maintain current liquidity and optimize cash flows;</li> <li>● calculation of the optimal balance sheet structure and asset and liabilities management in order to maintain liquidity in the long term horizon;</li> <li>● calculation of liquidity management limits and regular monitoring of prudential and internal liquidity ratios;</li> <li>● development of the liquidity management plan in crisis situations;</li> <li>● stress testing and scenario analysis;</li> <li>● control of the deposit portfolio concentration;</li> <li>● continuous analysis of funding sources.</li> </ul>
<p><b>Market risk</b></p> <p>The risk that the Bank's income or equity will be adversely affected by changes in market rates, exchange rates or prices of financial instruments.</p> <p>Market risk comprises interest rate risk, currency risk and other price risks that the Bank may be exposed to in the course of its activities.</p>	<p><b>Policy:</b></p> <ul style="list-style-type: none"> <li>● Operational Risk Management Policy;</li> <li>● Risk and Capital Management Policy.</li> </ul> <p><b>Risk Management Committee:</b></p> <ul style="list-style-type: none"> <li>● Finance and Risk Management Committee under the Board of Directors;</li> <li>● Risk Management Committee under the Management Board.</li> </ul>	<p><b>The main operational risk management practices:</b></p> <ul style="list-style-type: none"> <li>● Involvement of all Bank employees and management (the Management Board, the Finance and Risk Management Committee and the Board of Directors) in the operational risk management process;</li> <li>● Operational risk identification, monitoring and their periodic assessment by the Bank subdivisions are part of the Bank's day-to-day activities;</li> <li>● Shortcomings in the Operational Risk Management System and cases of their realization are promptly notified to the Bank's senior management, the Management Board and the Board of Directors, and promptly addressed;</li> <li>● Distribution of operational risk management powers and responsibilities between the Heads of subdivisions at various levels, providing them with the necessary resources, establishing the interaction and reporting procedure;</li> <li>● The cost of operational risk control measures should be lower than the amount of potential losses the Bank may incur as a result of such risk, while taking additional operational risk shall not directly entail any additional expenses.</li> </ul>



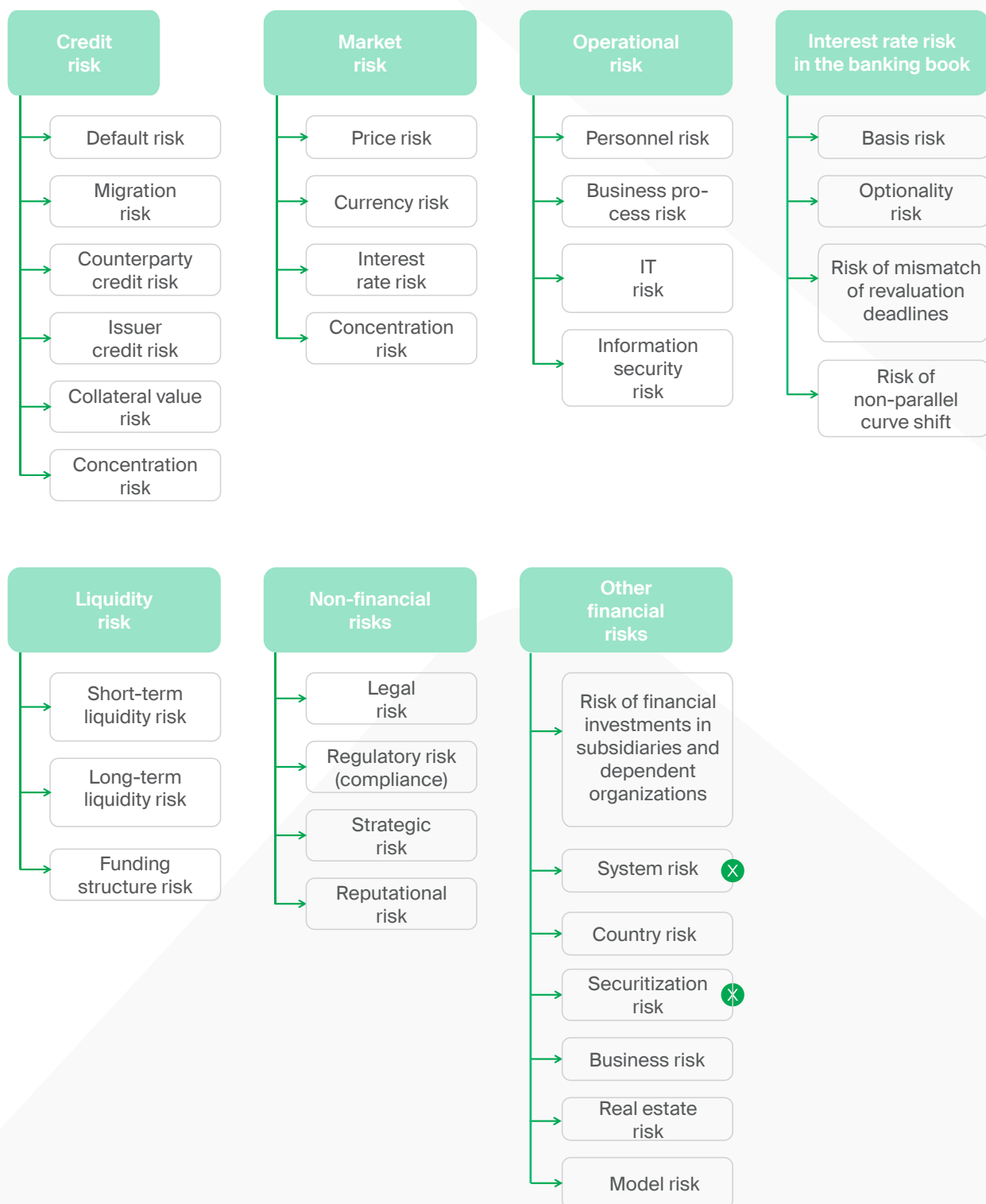
Risk Description	Политики и комитеты по управлению рисками	Risk Management And Assessment
<b>Operational risk</b> Risk of losses arising from system failures, unclear organizational structure, employee errors or incorrect organization of business processes, and from external factors.	<b>Policy:</b> <ul style="list-style-type: none"> <li>Operational Risk Management Policy;</li> <li>Risk and Capital Management Policy.</li> <li>Risk Management Committee:</li> <li>Finance and Risk Management Committee under the Board of Directors;</li> <li>Risk Management Committee under the Management Board.</li> </ul>	<b>The main operational risk management practices:</b> <ul style="list-style-type: none"> <li>Involvement of all Bank employees and management (the Management Board, the Finance and Risk Management Committee and the Board of Directors) in the operational risk management process;</li> <li>Operational risk identification, monitoring and their periodic assessment by the Bank subdivisions are part of the Bank's day-to-day activities;</li> <li>Shortcomings in the Operational Risk Management System and cases of their realization are promptly notified to the Bank's senior management, the Management Board and the Board of Directors, and promptly addressed;</li> <li>Distribution of operational risk management powers and responsibilities between the Heads of subdivisions at various levels, providing them with the necessary resources, establishing the interaction and reporting procedure;</li> <li>The cost of operational risk control measures should be lower than the amount of potential losses the Bank may incur as a result of such risk, while taking additional operational risk shall not directly entail any additional expenses.</li> </ul>


Risk Description	Политики и комитеты по управлению рисками	Risk Management And Assessment
<b>Compliance Risk</b> The risk of losses resulting from the Bank's and its employees' non-compliance with legislative requirements of the Republic of Kazakhstan, regulatory legal acts of the authorized body, internal documents of the Bank regulating the procedures for provision of Bank services and transactions in the financial market, as well as laws of foreign countries that may affect the Bank's operations.	<b>Policy:</b> <ul style="list-style-type: none"> <li>● Compliance Risk Management Policy;</li> <li>● "Know your Customer" Policy;</li> <li>● Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Policy</li> <li>● Internal Control Policy;</li> <li>● Conflict of interest Policy.</li> </ul>	<b>The main compliance risk management practices:</b> <ul style="list-style-type: none"> <li>● Development of internal guidelines for the Bank employees on compliance risk management, including money laundering and terrorism financing risks, by preparing internal documents;</li> <li>● Monitoring of the Bank's and its employees' observance of the compliance risk management policies and procedures;</li> <li>● Collection of data on compliance risk events;</li> <li>● Analysis of complaints (applications) submitted by customers (counterparties) about the actions of the Bank or its employees to identify compliance risks and take measures to address (prevent) them;</li> <li>● Development and analysis of quantitative and qualitative indicators characterizing the Bank's exposure to compliance risk;</li> <li>● Conduction of investigations (audits) independently or jointly with the Bank structural subdivisions and/or officials regarding the facts of breaching the laws of the Republic of Kazakhstan regulating provision of services and transactions in the financial market by the Bank employees, as well as the laws of foreign countries affecting the Bank's operations, in accordance with the procedure established by the internal documents of the Bank.</li> </ul>

# Risks Identified in 2023

The Bank annually identifies and aggregates risks for the purpose of effective risk management.

In 2023, the Bank identified and determined relevant the following types of risks, while also identifying some irrelevant risks:



Note:  - irrelevant risks

# Risk Management in 2023

## Decision-Making Strategies and Model Development

- Implementation and upgrade of decision-making strategies for digital products
- Development and integration with anti-phishing services for all telecom operators
- Implementation of Pre-Collection and Collection models for unsecured and secured products for effective collection
- Development of strategies based on customer behavior in the mobile app

## Technological Process and Innovation

- Implementation of ModelOps. i.e. a unified environment for model development and life cycle management
- Development of AutoML in JupyterHub, a system for automatic self-learning of models.
- Development and scaling of the Voice Collector Robot
- Development of custom models in secured and unsecured lending, and profitability models for #kartakarta product
- Transition to a micro-service architecture for calling data sources

## Risk Data

- Streaming analytics focused on risk and fraud reduction, increasing approval rates and collection efficiency
- Implementation of proprietary metadata reading and statement parsing services.
- Activation of Preapprove campaigns: a pre-approved offer for unsecured products for loyal customers, resulting in a 2-fold increase in disbursements.

## Individual Lending

- Optimization and improvement of corporate borrower assessment criteria
- Creation of a flexible and prompt loan application review process
- Automation of the process for opening/closing availability to utilize credit limit, subject to monitoring of warning signals
- Introduction of a new rating model for legal entities

## Lending to SME Mass Segment

- Introduction of a scoring system for individual entrepreneurs as part of unsecured lending
- Implementation of a fraud detection and prevention system (AntiFraud)
- Upgrade of implemented decision-making strategies for tender guarantees, unsecured loans to individual entrepreneurs
- Implementation of strategies for unsecured products designed for LLPs and CLA limit management
- Integration of the decision-making system with Connectivity
- Optimization of the underwriting and verification process

## Objectivity of Collateral Valuation

- Improvement of the independent appraiser valuation rating model
- Expansion of cost verification control zones for mass segment
- Creation of a tool for online apartment valuation in large cities (8 cities)
- Creation of a tool for determining the cost of passenger vehicles
- Revision of collateral requirements for banking products

# Risk Management System

In 2023, the ARDFM carried out evaluation of quantitative and qualitative characteristics of the STB operations and risks (SREP).

The Bank was assigned overall score of 2 using a 4-point rating scale. This outcome means that the Bank is exposed to a medium or low level of viability risk.

Score	Supervisory view	Considerations
1	The Bank is exposed to a low viability risk	<ul style="list-style-type: none"> <li>● The Bank's business model and strategy do not raise any concern.</li> <li>● Internal governance and corporate control mechanisms do not raise any concern.</li> <li>● The Bank's capital and liquidity risks are not material and very low.</li> <li>● The Bank's liquidity position and funding structure do not give cause for concern.</li> </ul>
2	The Bank is exposed to a medium or low viability risk	<p><b>There are concerns ranging from low to medium in terms of:</b></p> <ul style="list-style-type: none"> <li>● Bank's business model and strategy</li> <li>● Bank governance or bank-wide controls mechanism</li> <li>● Bank's liquidity position and/or funding profile</li> <li>● Bank's overall ability to collect debts</li> </ul>
3	The Bank is exposed to a medium viability risk	<p><b>There are concerns ranging from medium to high in terms of:</b></p> <ul style="list-style-type: none"> <li>● Bank's business model and strategy</li> <li>● Bank governance or bank-wide controls mechanism</li> <li>● Bank's liquidity position and/or funding profile</li> <li>● Bank's overall ability to collect debts</li> <li>● There is a medium or high level of risk of significant prudential exposure</li> </ul>
4	The Bank is exposed to a high viability risk	<p><b>High level of concerns in terms of:</b></p> <ul style="list-style-type: none"> <li>● Bank's business model and strategy</li> <li>● Bank governance or bank-wide controls mechanism</li> <li>● Bank's liquidity position and/or funding profile</li> <li>● Bank's overall ability to collect debts</li> <li>● There is high level of risk of significant prudential exposure</li> </ul>

# Retail Risk Management Development Plans for 2024



## 2024

RiskTech = HighTech



## Internal Customer Development and Personalized Offer to Each Customer

- Implementation of income estimation models by customers using account statement and certificate of income
- Integration of Telco operators' PTB models and in-house developments in the Preapprove process
- Segmented model customization to reduce 1+ delinquency (Precollection models for all products)
- Segmented model customization to improve the quality of disbursements and reduce risks



## Technological Process

- Implementation of cross-channel anti-fraud
- Development of Offer Store to increase the share of sales to loyal customers
- Implementation and development of oCRM (in-house) for Soft Collection
- Realization of online #kartakarta limit management module



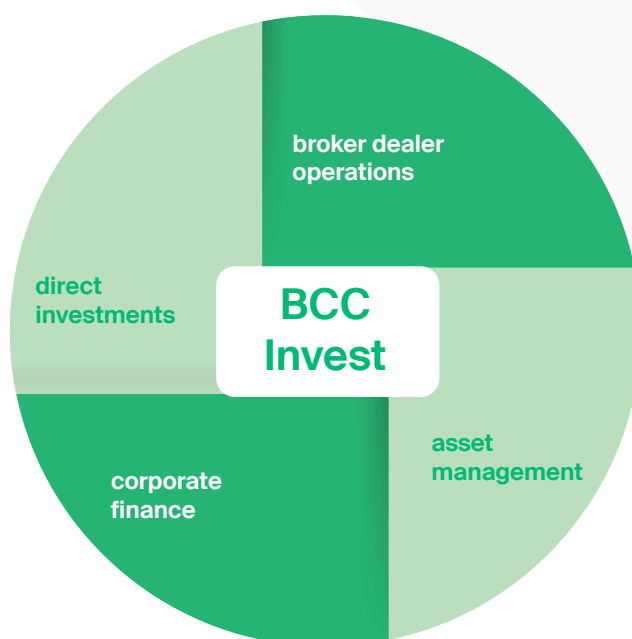
## Innovations

- Implementation and development of the speech analytics system
- Reduction of losses in online channels using digital footprint and transactional data

# Subsidiaries

## JSC BCC INVEST

BCC Invest is an investment company and a subsidiary of JSC Bank CenterCredit, ranked among TOP 3 largest investment companies in Kazakhstan. The Company provides brokerage, corporate financing, and asset management services, including pension asset management. The company provides the following types of services in the securities market:



## Company's Key Achievements in 2023

In 2023, the Company experienced rapid growth having managed to overcome the challenges of previous periods. BCC Invest maintains a confident position in the competitive environment of portfolio managers and brokerage service companies. Thus, the Company achieved excellent results by the end of 2023 in terms of management of mutual funds, having provided for one of these funds, namely CenterCredit – Currency, over 13% profitability denominated in US dollars over a 12-month period, having outperformed its peers. An excellent result can be seen in the growth of the company's own assets under management, which has increased to KZT 59 billion, ranking BCCI the second in the securities market among portfolio managers.

Positive changes are also happening within the Company. In a short period of time, the Company implemented the necessary modifications in its mobile app pursuant to the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan No. 9 dated 3 February 2014 regarding establishing business relations with customers through the use of electronic digital signatures and biometric or dynamic identification means. Positive changes have been made to the account opening process, which allowed to reduce the time required to open an account from 3 business days to just 1 hour. This improvement has led to a significant increase in the number of accounts being opened each month, with the number rising from 40 accounts per month at the beginning of the year to 300 accounts per month in November 2023. The next step is to develop a new mobile app and to deploy a new internal accounting system, while further optimizing processes and accelerating their processing.

Interactions within the Financial Group have also seen significant positive changes. In 2023, JSC Bank CenterCredit and BCC Invest formalized their relationship by entering into the Agreement to provide consulting services and deliver training to the Bank's Retail Block employees in the Company products and services. By the end of 2023, this agreement



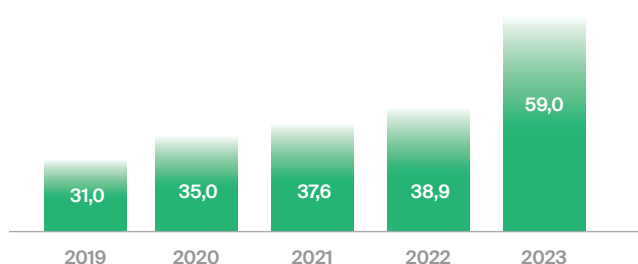
and collaboration with the Bank has yielded positive results, such as increased sales of investment products and a rise in the company's fee and commission income from this channel. Interaction between the Bank's and the Company's employees in the course of working on the KEGOC SPO represents a separate case. As a result, the Financial Group of JSC Bank CenterCredit took the second place in terms of the number of applications among banks and brokers (financial groups). And in the "Largest Number of Applications Collected from Individuals" category, BCCI ranked first (over 40% of the total number of applications).

BCCI is continuously working on creating new products and developing the existing ones. One such example is a unique of subsidized bonds issue jointly with Damu Fund. The uniqueness of this case lies in the introduction of the first stock market program, whereas earlier, this program was available for the banking sector only. And the first issue of these subsidized bonds organized by BCCI was followed by several subsequent issues made by peers, all in accordance with the program and terms developed by the Company.

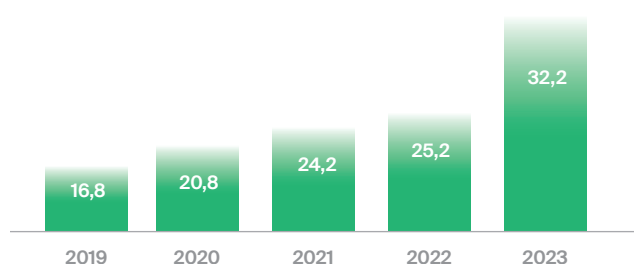
## BCC Invest Financial Highlights at 2023 Year-End:

1. As of 31 December 2023, assets surged by 52%, or by KZT 20 billion, year-on-year, having increased from KZT 38.9 billion to KZT 59 billion. The Company ranked second in terms of assets among investment companies.
2. Since the beginning of the year, the company's equity rose by 28%, or by KZT 6.9 billion, as compared to 31 December 2022, up from KZT 25.2 billion to KZT 32.2 billion.
3. Net income increased from KZT 1 billion to KZT 2.9 billion, showing an almost 2.8-fold increase. The Company ranked third in terms of net income;
4. Interest income increased by 23% or by KZT 783 million in 2023 compared to 2022, up from KZT 3.4 billion to KZT 4.2 billion;
5. Commission income soared by 44% or KZT 600 million year-on-year, from KZT 1.4 billion to KZT 2 billion.

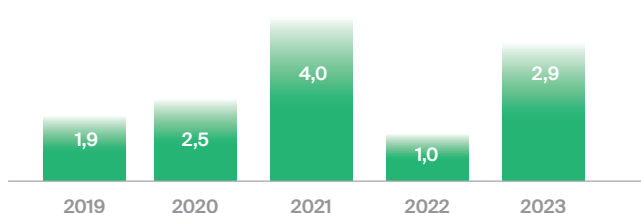
**Assets,**  
KZT billion



**Equity,**  
KZT billion



**Income,**  
KZT billion



## BCC Invest Goals for 2024 are equally ambitious:

1. Increase in assets up to KZT 70 billion;
2. Increase in net profit from KZT 2.9 billion to KZT 5.7 billion (+96%);
3. Introduction of the new AIS (accounting system) and a new mobile app. Launch of the integration project between the IT infrastructures of BCC Invest and the Bank;
4. ROE to reach 16%, CIR – not higher than 50%, NIM – over 6%, average net profit per employee – over KZT 24 million/year;
5. Increase in net fee and commission income to KZT 2.4 billion, including active participation in Air Astana IPO.

# JSC Sinoasia B&R Insurance Company

JSC Sinoasia B&R Insurance Company is an insurance company providing all types of insurance in Central Asia.

In May 2023, Bank CenterCredit acquired a stock of ordinary voting shares of Sinoasia, thereby having increased the Bank's equity interest in the insurance company to over 90% after the acquisition. In August 2023, the Bank exchanged preference shares held by the Bank for ordinary shares of Sinoasia. As a result of this exchange, the Bank's interest in the share capital of the subsidiary increased to 92.45%.



## Types of Activities

### Voluntary Insurance:

- Accident insurance
- Sickness and death insurance
- Legal expenses insurance
- Property damage insurance
- Cargo insurance
- Motor insurance
- Guarantee and surety insurance
- Professional liability insurance
- Title insurance

### Compulsory Insurance:

- Carrier's liability insurance
- Travel insurance
- Civil liability insurance of owners of facilities whose activities are associated with the danger of causing harm
- Environmental insurance

### Reinsurance

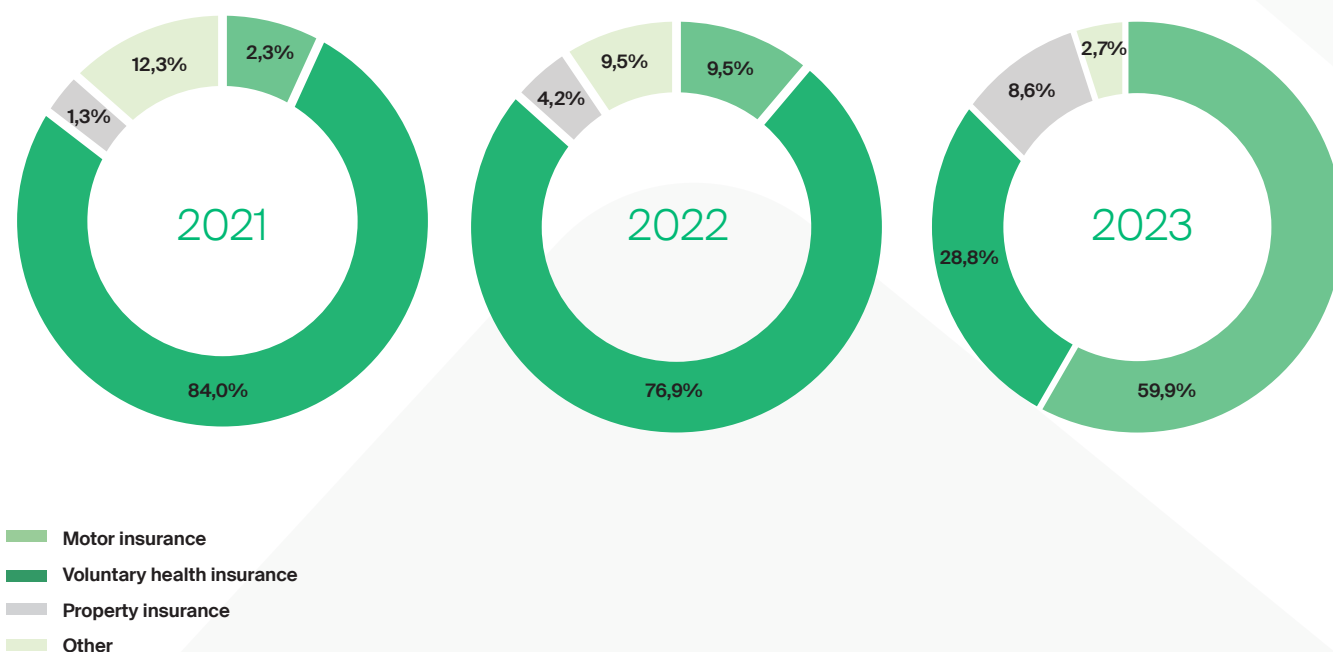
# Company Performance in 2023

At the year-end, the volume of written premiums increased 2.2 times and amounted to KZT 25.9 billion.

During the reporting period, there was a significant increase in the volume of written premiums for Motor Insurance and Property Insurance, driven by sales synergy with bank loan products

## Written premium, KZT million

Product	2021	2022	2023
Motor insurance	137	1 193	15 530
Voluntary health insurance	4 900	9 651	7 473
Property insurance	76	524	2 219
Travel (adults+other)	437	451	467
Insurance against other financial losses	229	606	90
Other	52	131	140
<b>TOTAL</b>	<b>5 831</b>	<b>12 556</b>	<b>25 919</b>



By the end of 2023, the structure of written premiums changed significantly:  
The share of Motor Insurance and Property Insurance increased, the share of medical insurance decreased.

# 2023 Financial Highlights



By the end of 2023, the company's assets increased 2.2 times, reaching **KZT 29.2 billion.**



During the reporting period, there was a significant 2.1-fold increase in the volume of written premiums as compared to 2022.



Equity increased 1.9 times compared to 2022 due to:  
Net profit growth by 2.2 times:  
Additional capitalization in the amount of **KZT 1 billion**



## Indicators, KZT billion

ASSETS	29,2
LIABILITIES	21,1
EQUITY	8,1
WRITTEN PREMIUMS	25,9
Net income from insurance activities	2,4
Investment income	1,97
Net profit	2,4



## Ratios, %

Loss ratio LR	78,2%
Operating expenses per KZT1 of generated income CIR	20,3%
Return on KZT 1 of invested capital ROE	41,6%
Loss ratio LR	12,4%

## 2024 Objectives



Strengthening of leadership positions in VMI in Kazakhstan through the implementation of joint partnership projects and access to international markets.



Maximum offer of the SABR product line as part of cooperation with JSC Bank CenterCredit, development of new programs on joint offer of banking and insurance products.



Expansion of obligatory insurance contracts, projects in partnership with brokers and insurance companies.



Work on joint business projects with partners in property insurance, including brokers.



Obtaining licenses for all types of insurance/reinsurance activities in the non-life insurance sector (except for compulsory civil liability insurance of owners of motor vehicles).

## CenterProject LLP

**CenterProject LLP** is a 100% subsidiary of JSC Bank CenterCredit



### Company Core Business:

- Acquisition and sale of doubtful and bad debts of the Parent Bank.
- Acquisition and sale of immovable and movable property and (or) title to construction in progress assets transferred to the Parent Bank as a result of foreclosure of pledged property under acquired doubtful and bad debts.
- Carrying out activities aimed at construction, completion of construction and (or) commissioning of real estate objects for doubtful and uncollectible assets in the form of land plots and (or) construction in progress assets.
- Acquisition and sale of shares and (or) interests in share capital of legal entities if accepted as collateral (compensation or security) for acquired doubtful and bad debts.
- Leasing of immovable property that has passed into its possession as a result of foreclosure on property pledged as collateral, other security or received as compensation for doubtful or bad debts acquired from the Parent Bank or through another form of temporary paid use of such property.
- Investing idle funds received from debt collection and asset sales in securities to improve asset quality, amortize future losses, and fully meet obligations to the Parent Bank.

# CenterProject LLP Highlights

## Portfolio Structure:

22%	Projects
42%	Assets
27%	Receivables
9%	Investment portfolio

KZT million	01.01.2023	01.01.2024	+/-	%
<b>Total portfolio, including</b>	<b>91 569</b>	<b>100 614</b>	<b>9 045</b>	<b>10%</b>
Projects(less discount)	25 371	22 324	-3 047	-12%
Projects	40 804	36 940	-3 864	-9%
Discount	-15 433	-14 616	817	-5%
Assets	44 951	42 073	-2 878	-6%
Accounts receivable	13 840	26 885	13 045	94%
Investment portfolio	7 407	9 333	1 926	26%
Projects (journal accounting)	35 841	51 671	15 830	44%

## 2023 Accomplishments

- Concluded joint residential complex construction projects – 3 projects totaling KZT 8.1 billion (more than 20 thousand square meters)
- Securities portfolio growth amounted to KZT 3 billion
- Optimization of operating expenses by 25%
- Net interest income surged by 66% year-on-year.

## CenterProject Objectives for 2024

Objective	Plan, th tenge
Improved collection efficiency	7,551,973
Project financing	10,776,109
Project rehabilitation	22,000,000
Debt repayment to the Bank	15,043,258

# Center Leasing LLP

Center Leasing LLP is a 100% Subsidiary of JSC Bank CenterCredit, which has been operating in the leasing market of Kazakhstan since 2002.

## Company's Core Business:

1

### Property management:

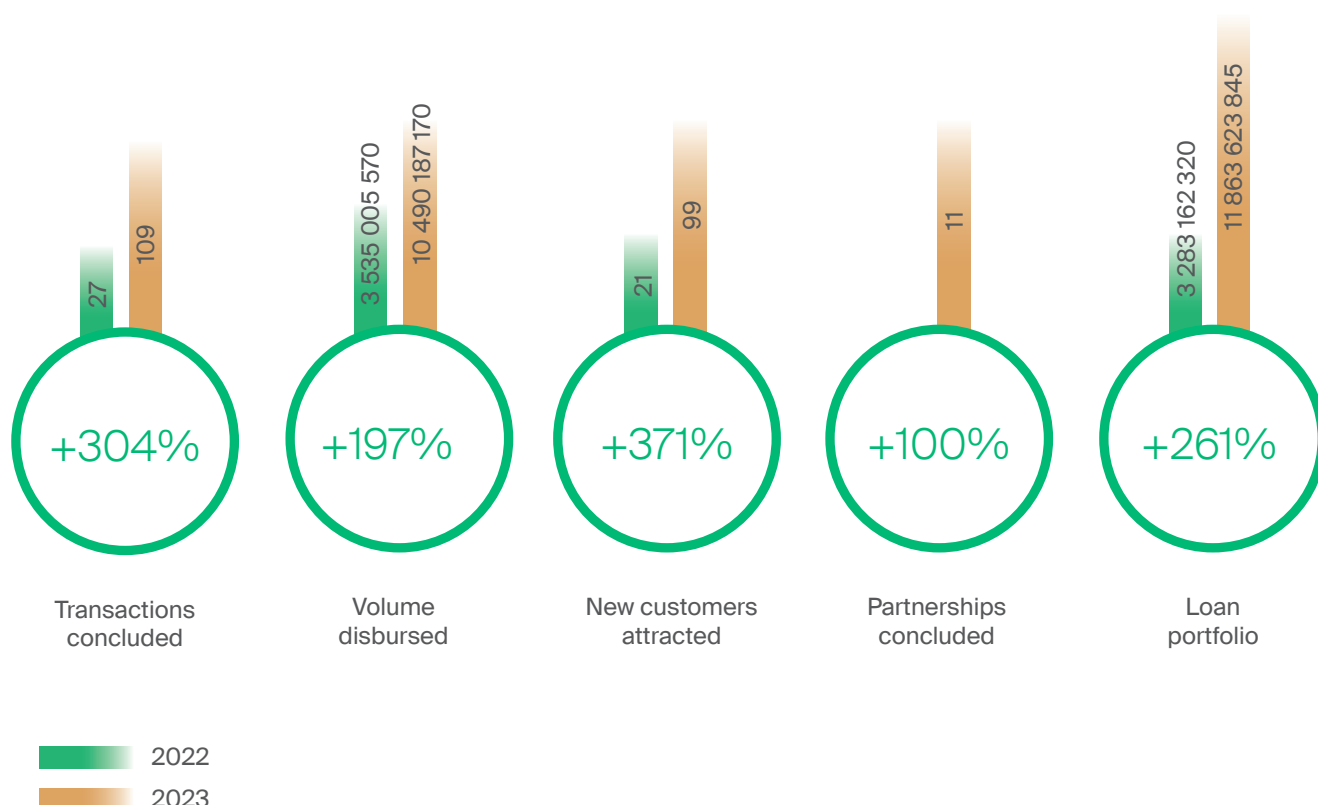
- Real estate lease/sublease
- Control, monitoring, improvement of real estate objects
- Real estate purchase and sale for banking needs

2

### Leasing:

- Attracting and consulting potential customers
- Introduction and development of new sales channels
- Development and implementation of new product solutions
- Focus on brand awareness in the leasing market

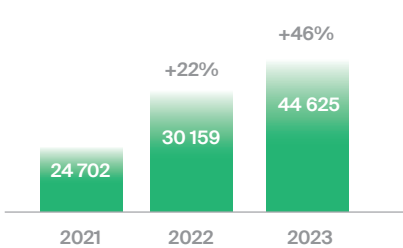
## Center Leasing LLP's Major Results in 2023



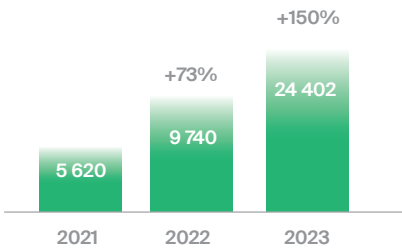


# 2021-2023 Financial Highlights

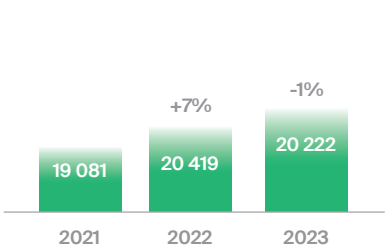
## Assets



## Liabilities



## Equity



As compared to 2022, assets grew by 46%, liabilities surged by 150%, and equity was down by 1%.

## 2023 Performance:

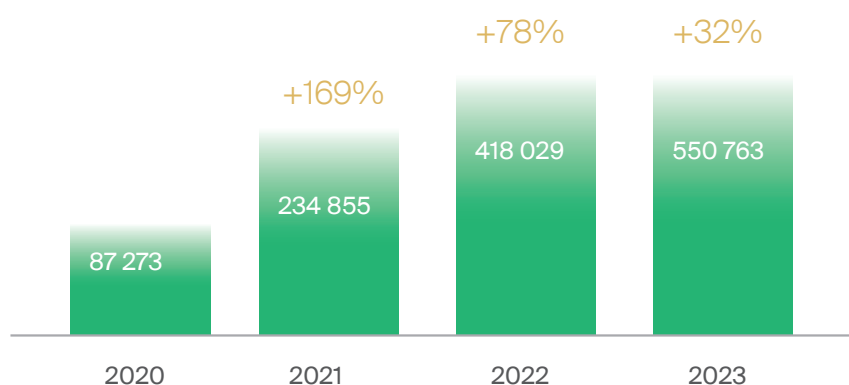
- Increase in payables and receivables driven by active boosting of Leasing portfolio
- Increase in investment property
- Acquisition of intangible assets for the Bank's use
- Purchase of property, plant and equipment for construction of BCC Center

# 2021-2023 Financial Highlights

## 2023 Key Achievements:

- By the end of 2023, the loan portfolio surged to KZT 11,8 billion, an increase of 261% compared to 2022.
- As of the year-end, concluded 109 transactions worth KZT 10.4 billion, demonstrating a 304% increase in terms of number of transactions and 197% increase in terms of total value year-on-year.
- The company attracted 99 new customers, up by 371% as compared to 2022
- In terms of ranking among Kazakhstani leasing companies, BCC Leasing improved its market position, and now ranks 6th.
- A KZT 5 billion Credit Facility Agreement was entered into with JSC Damu for financing leasing transactions.
- Launched a partner network. By the end of 2023, signed up 11 major partners with agent's fees ranging up to 4%.
- Active cooperation with Yandex Taxi : launched a product for taxi companies.
- Released a new product catalog.
- New Income Stream – agent's fees from GPS, Insurance and Partners
- Active marketing initiatives aimed at improving the Awareness: started website development, set up own social media accounts, and published articles.
- Approved the product on return commission from partners, allowing to reduce the interest rate for customers
- Raised the rent for all operating lease customers
- Partial early repayment of the loan taken out for acquisition of BCC Center

## Profit Dynamics, KZT ths



# 2024 Key Objectives

Key Strategic  
Initiatives of Center  
Leasing  
for 2024:

1

**To be ranked among TOP 3 Leasing Companies in Kazakhstan**

- Attraction of new funding sources
- New sales channel development

2

**To develop an expanded product range.**

- Automation and streamlining of leasing processes
- New product development and introduction: Real Estate Leasing, Green Leasing, attraction of foreign manufacturers

3

**To create an extensive partner network**

- Development of partnerships with key partners of Kazakhstan
- Development of partnerships with international distributors, manufacturers

4

**To become one of the most recognized brands in the leasing market**

- Focus on brand awareness in the leasing market

5

**Effective real estate management**

- Transfer of real estate objects into trust management
- Automation and optimization of the Company's business processes

# Independent Auditor's Report

# Independent Auditors' Report

To the Shareholders and Board of Directors of Joint Stock Company  
Bank CenterCredit

## Opinion

We have audited the consolidated financial statements of Joint Stock Company Bank CenterCredit and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the : the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Expected credit losses (ECL) for loans to customers

Please refer to the Notes 3(l), 5 and 18 in the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Loans to customers represent 52.5% of total assets and are stated net of allowance for expected credit losses ('ECL') that is estimated on a regular basis and is sensitive to assumptions used.</p> <p>The Group applies ECL valuation models, which require management to apply professional judgement and to make assumptions related to the following key areas:</p> <ul style="list-style-type: none"> <li>timely identification of significant increase in credit risk and default events related to loans to customers (allocation between stages 1, 2 and 3 in accordance with the IFRS 9);</li> <li>assessment of probability of default (PD) and loss given default (LGD);</li> <li>assessment of expected cash flows forecast for loans classified in stage 3, including key assumptions for timing of collateral sale.</li> </ul> <p>Due to the significant volume of loans to customers and the related estimation uncertainty, this area is a key audit matter.</p>	<p>We analysed the key aspects of the Group's methodology and policies related to ECL estimate for compliance with the requirements of IFRS 9, including involvement of our own specialists in financial risks management.</p> <p>To analyse adequacy of professional judgement and assumptions made by the management in relation to ECL allowance estimate, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>For loans to corporate clients we assessed and tested the design and operating effectiveness of the controls over allocation of loans into Stages.</li> <li>For a sample of loans to corporate clients, for which a potential change in ECL estimate may have a significant impact on the consolidated financial statements we tested whether Stages are correctly assigned by the Group by analysing financial and non-financial information, as well as assumptions and professional judgements, applied by the Group.</li> <li>For a sample of Stage 3 loans to corporate clients, where ECL are assessed individually we critically assessed assumptions used by the Group to forecast future cash flows, including estimated proceeds from realisable collateral and their expected disposal terms based on our understanding and publicly available market information.</li> <li>For loans to individuals we tested the design and operating effectiveness of controls over timely reflection of delinquency events in the underlying systems.</li> <li>For loans to customers, which ECL allowance is assessed collectively, we tested the design of the related PD and LGD models and agree input data to underlying documents on a sample basis. - We assessed general predictive capability of the models used by the Group to assess ECL by comparing the estimates made as at 1 January 2023 with actual results for 2023.</li> </ul> <p>We also assessed whether the consolidated financial statements disclosures appropriately reflect the Group's exposure to credit risk</p>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Group for 2023 but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report of the Group for 2023 year is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

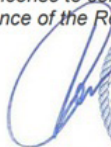

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

The engagement partner on the audit resulting in this independent auditors' report is:

  
  
 Assel Urdabayeva  
 Certified Auditor  
 of the Republic of Kazakhstan  
 Auditor's Qualification Certificate  
 No. МФ-0000096 of 27 August 2012

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

  
  
 Sergey Dementyev  
 General Director of KPMG Audit LLC  
 acting on the basis of the Charter

4 March 2024



# Joint Stock Company Bank Centercredit

## Consolidated Statement Of Profit And Loss For The Year Ended 31 December 2023

(in millions of Kazakhstani tenge, except for earnings per share expressed in tenge)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Interest income calculated using the effective interest rate method		528,744	282,862
Other interest income		3,660	3,029
Interest expense		(274,853)	(150,645)
<b>Net interest income before expected credit loss allowance on interest-bearing assets</b>	<b>6</b>	<b>257,551</b>	<b>135,246</b>
Expected credit loss allowance on loans to customers and banks	7	(43,075)	(41,687)
<b>Net interest income</b>		<b>214,476</b>	<b>93,559</b>
Fee and commission income	8	86,509	48,708
Fee and commission expense	8	(45,134)	(21,933)
		41,375	26,775
Net gain/(loss) on financial instruments at fair value through profit or loss	9	9,270	(6,266)
Net gain on sale and repayment of financial assets measured at fair value through other comprehensive income		882	358
Net foreign exchange gain	10	45,598	56,148
Expected credit loss allowance on other financial assets and due from banks		(2,359)	(1,412)
Charge of provision for credit related commitments	30	(27,534)	(6,577)
Impairment loss on other non-financial assets	20	(756)	(3,122)
Other income/(expenses)	20	2,396	(3,505)
<b>Net non-interest income</b>		<b>68,872</b>	<b>62,399</b>

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Operating income		283,348	155,958
Operating expenses	11	(123,091)	(88,334)
<b>Operating income before income tax</b>		<b>160,257</b>	<b>67,624</b>
Bargain purchase gain	4	-	84,222
<b>Profit before corporate income tax expense</b>		<b>160,257</b>	<b>151,846</b>
Income tax expense	12	(25,011)	(6,717)
<b>Profit for the year</b>		<b>135,246</b>	<b>145,129</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		135,061	145,129
Non-controlling interests		185	-
<b>Earnings per share</b>			
Basic (KZT)	13	730.46	791.34
Diluted (KZT)	13	730.46	790.94

The consolidated financial statements as set out on pages 8 to 94 were approved by Management Board on 4 March 2024 and were signed on its behalf by:



**R.V. Vladimirov**  
President

4 March 2024  
Almaty, Kazakhstan



**A.S. Ovsyannikova**  
Vice President, Member  
of the Management Board

4 March 2024  
Almaty, Kazakhstan



**A.T. Nurgaliyeva**  
Chief Accountant

4 March 2024  
Almaty, Kazakhstan

## Consolidated Statement Of Profit And Loss For The Year Ended 31 December 2023

(in millions of Kazakhstani tenge, except for earnings per share expressed in tenge)

	Year ended 31 December 2023	Year ended 31 December 2022
<b>PROFIT FOR THE YEAR</b>	<b>135,246</b>	<b>145,129</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that are or may be reclassified subsequently to profit or loss:		
Net gain resulting on revaluation of investment securities during the period (net of tax)	9,888	(21,854)
Reclassification adjustment relating to investment securities disposed of during the period (net of tax – KZT nil)	(882)	(358)
Total items that are or may be reclassified subsequently to profit or loss	9,006	(22,212)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>	<b>9,006</b>	<b>(22,212)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>144,252</b>	<b>122,917</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	144,067	122,917
Non-controlling interests	185	-

The consolidated financial statements as set out on pages 8 to 94 were approved by Management Board on 4 March 2024 and were signed on its behalf by:



**R.V. Vladimirov**

President

4 March 2024

Almaty, Kazakhstan



**A.S. Ovsyannikova**

Vice President, Member  
of the Management Board

4 March 2024

Almaty, Kazakhstan



**A.T. Nurgaliyeva**

Chief Accountant

4 March 2024

Almaty, Kazakhstan

## Consolidated Statement Of Financial Position as at 31 December 2023

(in millions of Kazakhstani tenge unless otherwise stated)

### Assets:

	Note	31 December 2023	31 December 2022
<b>Cash and cash equivalents</b>	14	1,353,334	1,135,957
Financial instruments at fair value through profit or loss			
Held by the Group	15	44,988	27,580
Pledged under sale and repurchase agreement	15	10,426	8,388
<b>Investment securities</b>			
Held by the Group	16	615,833	837,101
Pledged under loans from banks	16	74,519	76,318
Due from banks	17	39,483	35,799
Loans to customers and banks	18		
Loans to corporate customers		951,687	731,754
Loans to retail customers		1,977,162	1,277,359
Current income tax assets		15,607	525
Property, plant and equipment and intangible assets	19	69,341	65,753
Other assets	20	138,659	127,432
<b>TOTAL ASSETS</b>		<b>5,291,039</b>	<b>4,323,966</b>

### Liabilities:

	Note	31 December 2023	31 December 2022
Due to banks and financial institutions	21	181,891	158,524
Customer accounts	22		
Due to corporate customers		1,787,543	1,357,726
Due to retail customers		2,234,525	1,915,418
Debt securities issued	23	70,532	96,183
Deferred income tax liabilities	12	11,399	11,620
Subordinated bonds	24	58,587	60,405
Other liabilities	25	527,196	450,239
<b>TOTAL LIABILITIES</b>		<b>4,871,673</b>	<b>4,050,115</b>

### Equity:

	Note	31 December 2023	31 December 2022
<b>Equity attributable to owners of the Parent Bank:</b>			
Share capital	26	64,498	63,676
Fair value reserve for securities		(14,315)	(23,321)
Property revaluation reserve		2,030	2,127
Retained earnings		366,527	231,369
<b>Total equity attributable to owners of the Bank</b>		<b>418,740</b>	<b>273,851</b>
Non-controlling interests		626	-
<b>Total equity</b>		<b>419,366</b>	<b>273,851</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,291,039</b>	<b>4,323,966</b>

Book value per ordinary share (KZT)	13	2,175	1,397
Book value per preference share (KZT)	13	6	232

The consolidated financial statements as set out on pages 8 to 94 were approved by Management Board on 4 March 2024 and were signed on its behalf by:



**R.V. Vladin**

President

4 March 2024

Almaty, Kazakhstan



**A.S. Ovsyannikova**

Vice President, Member  
of the Management Board

4 March 2024

Almaty, Kazakhstan



**A.T. Nurgaliyeva**

Chief Accountant

4 March 2024

Almaty, Kazakhstan

## Consolidated Statement Of Changes in Equity for the Year Ended 31 December 2023

(in millions of Kazakhstani tenge unless otherwise stated)

	Share capital	Fair value reserve	Property revaluation reserve	Retained earnings	Total equity attributable to owners of the Bank	Non-controlling interests	Total equity
Balance at 1 January 2022	63,554	(1,109)	3,455	84,912	150,812	-	150,812
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	145,129	145,129	-	145,129
<b>Other comprehensive income</b>							
Items that are or may be reclassified subsequently to profit or loss: Net change in fair value	-	(22,212)	-	-	(22,212)	-	(22,212)
Total items that are or may be reclassified subsequently to profit or loss	-	(22,212)	-	-	(22,212)	-	(22,212)
Total other comprehensive income	-	(22,212)	-	-	(22,212)	-	(22,212)
<b>Total comprehensive income for the year</b>	-	(22,212)	-	145,129	122,917	-	122,917
<b>Other movements in equity</b>							
Transfer of the amount from revaluation resulting from depreciation and disposal	-	-	(1,328)	1,328	-	-	-
<b>Total other movements in equity</b>	-	-	(1,328)	1,328	-	-	-
<b>Transactions with owners recorded directly in equity</b> Shares issued (Note 26)	122	-	-	-	122	-	122
<b>Total transactions with owners</b>	122	-	-	-	122	-	122
Balance at 31 December 2022	63,676	(23,321)	2,127	231,369	273,851	-	273,851

	Share capital	Fair value reserve	Property revaluation reserve	Retained earnings	Total equity attributable to owners of the Bank	Non-controlling interests	Total equity
Balance at 1 January 2023	63,676	(23,321)	2,127	231,369	273,851	-	273,851
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	135,061	135,061	185	135,246
<b>Other comprehensive income</b>							
Items that are or may be reclassified subsequently to profit or loss: Net change in fair value	-	9,006	-	-	9,006	-	9,006
Total items that are or may be reclassified subsequently to profit or loss	-	9,006	-	-	9,006	-	9,006
Total other comprehensive income	-	9,006	-	-	9,006	-	9,006
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>9,006</b>	<b>-</b>	<b>135,061</b>	<b>144,067</b>	<b>185</b>	<b>144,252</b>
<b>Other movements in equity</b>							
Transfer of the amount from revaluation resulting from depreciation and disposal	-	-	(97)	97	-	-	-
<b>Total other movements in equity</b>	<b>-</b>	<b>-</b>	<b>(97)</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners recorded directly in equity</b>							
Non-controlling interest from acquisition of the subsidiary (Note 4)	-	-	-	-	-	479	479
Decrease in non-controlling interest (Note 1)	-	-	-	-	-	(38)	(38)
Shares issued (Note 26)	822	-	-	-	822	-	822
<b>Total transactions with owners</b>	<b>822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>822</b>	<b>441</b>	<b>1,263</b>
<b>Balance at 31 December 2023</b>	<b>64,498</b>	<b>(14,315)</b>	<b>2,030</b>	<b>366,527</b>	<b>418,740</b>	<b>626</b>	<b>419,366</b>

The consolidated financial statements as set out on pages 8 to 94 were approved by Management Board on 4 March 2024 and were signed on its behalf by:




**R.V. Vladimirov**  
President

4 March 2024  
Almaty, Kazakhstan



**A.S. Ovsyannikova**  
Vice President, Member  
of the Management Board

4 March 2024  
Almaty, Kazakhstan



**A.T. Nurgaliyeva**  
Chief Accountant

4 March 2024  
Almaty, Kazakhstan

## Consolidated Statement Of Cash Flows For The Year Ended 31 December 2023

(in millions of Kazakhstani tenge unless otherwise stated)

	Year ended 31 December 2023	Year ended 31 December 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	499,122	264,329
Interest paid	(265,243)	(136,888)
Services fee and commission received	85,746	49,425
Services fee and commission paid	(44,181)	(20,467)
Net proceeds from/(payments on) derivative instrument transactions	10,238	(5,835)
Net foreign exchange gain	39,905	46,422
Other income/(expenses) receipts/(payments)	2,396	(2,316)
Operating expenses paid	(111,223)	(78,849)
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>216,760</b>	<b>115,821</b>

### Change in operating assets:

Financial instruments measured at fair value through profit or loss	(19,130)	(3,314)
Due from banks	(8,471)	(29,276)
Loans to customers and banks	(915,585)	(469,889)
Other assets	(8,866)	14,113

### Change in operating liabilities

Due to banks and financial institutions	22,590	90,741
Customer accounts	768,065	1,635,698
Other liabilities	20,529	14,039
<b>Cash flows from operating activities before tax</b>	<b>75,892</b>	<b>1,367,933</b>
Income tax paid	(40,226)	(6,886)
<b>Net cash flows from operating activities</b>	<b>35,666</b>	<b>1,361,047</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash and cash equivalents acquired due to business combination	1,758	38,408
Acquisition of subsidiary	(3,982)	(50,000)
Proceeds from repayment and sale of investment securities	3,985,421	2,495,144
Acquisition of investment securities	(3,740,266)	(2,946,158)
Acquisition of property, plant and equipment and intangible assets	(17,193)	(14,943)
Proceeds from sale of property, plant and equipment	726	105
<b>Net cash flows from/(used in) investing activities</b>	<b>226,464</b>	<b>(477,444)</b>



	Year ended 31 December 2023	Year ended 31 December 2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from treasury shares issued, net	822	122
Proceeds from debt securities issued	-	13,879
Repurchase and repayment of debt securities issued	(25,999)	(29,040)
Repayment of subordinated bonds	(3,499)	(5,000)
Repayment of lease liabilities	(519)	(251)
<b>Net cash flows used in financing activities</b>	<b>(29,195)</b>	<b>(20,290)</b>
Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents	(15,558)	11,152
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>217,377</b>	<b>874,465</b>
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<b>1,135,957</b>	<b>261,492</b>
<b>CASH AND CASH EQUIVALENTS, end of the year (Note 14)</b>	<b>1,353,334</b>	<b>1,135,957</b>

The consolidated financial statements as set out on pages 8 to 94 were approved by Management Board on 4 March 2024 and were signed on its behalf by:




**R.V. Vladimirov**

President

4 March 2024

Almaty, Kazakhstan



**A.S. Ovsyannikova**

Vice President, Member  
of the Management Board

4 March 2024

Almaty, Kazakhstan



**A.T. Nurgaliyeva**

Chief Accountant

4 March 2024

Almaty, Kazakhstan

The full version of the consolidated financial statement of JSC Bank CenterCredit is available on the Bank's website, you can find it by clicking on the following link: <https://www.bcc.kz/about/finansovye-rezultaty/>



2023