

JOINT STOCK COMPANY BANK CENTERCREDIT

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)

(in Kazakhstani Tenge and in millions, except for earnings per share which is in tenge)

	For nine months ended 30 September 2017 (unaudited)	For nine months ended 30 September 2016* (unaudited)
Interest income	85,684	71,775
Interest expense	(47,371)	(51,171)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS	38,313	20,604
Provision for impairment losses on interest bearing assets	(28,980)	(11,665)
NET INTEREST INCOME	9,333	8,939
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(608)	(302)
Net realized gain on investments available-for-sale	1,009	995
Net gain/(loss) on foreign exchange operations	5,019	4,185
Fee and commission income	16,020	14,683
Fee and commission expense	(1,909)	(1,717)
(Provision)/recovery of provision for impairment losses on other transactions	540	(3,826)
Other (expense)/income	132	255
NET NON-INTEREST INCOME	20,203	14,273
OPERATING INCOME	29,536	23,212
OPERATING EXPENSES	(20,798)	(21,726)
OPERATING (LOSS)/PROFIT BEFORE INCOME TAX	8,738	(1,486)
Income tax expense	(375)	(986)
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS DISCONTINUED OPERATIONS	8,363	500
Profit for the period from discontinued operations	-	1,968
NET (LOSS)/PROFIT	8,363	2,468
Attributable to:		
Owners of the parent	8,306	2,422
Non-controlling interest	57	46
(LOSS)/EARNINGS PER SHARE		
Basic and diluted (KZT)	41.55	(4.52)

On behalf of the Management Board



Khussainov G.A.
Chairman of the Management Board

13 November 2017
Almaty



Assylbek Ye. A.
Managing Director

13 November 2017
Almaty



Nurgaliyeva A.T.
Chief Accountant

13 November 2017
Almaty

Selected explanatory notes on pages 8-43 form an integral part of this interim condensed consolidated financial information.

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED) (in Kazakhstani Tenge and in millions)

	For nine months ended 30 September 2017 (unaudited)	For nine months ended 30 September 2016 (unaudited)
NET (LOSS)/PROFIT	8,363	2,468
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Gain resulting on revaluation of property	90	-
Exchange differences on translating foreign operations (net of tax – KZT nil)	-	250
Net (loss)/gain resulting on revaluation of available-for-sale investments during the period (net of tax – KZT nil)	2,364	2,272
Reclassification adjustment relating to investments available-for-sale disposed of in the period (net of tax – KZT nil)	(1,009)	(995)
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER INCOME TAX	1,445	1,527
TOTAL COMPREHENSIVE (LOSS)/INCOME	9,808	3,995
Attributable to:		
Owners of the parent	9,751	3,949
Non-controlling interest	57	46
TOTAL COMPREHENSIVE (LOSS)/INCOME	9,808	3,995

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017 (UNAUDITED) (in Kazakhstani Tenge and in millions)

	30 September 2017 (unaudited)	31 December 2016
ASSETS		
Cash and cash equivalents	244,899	246,044
Obligatory reserves	12,313	12,743
Financial assets at fair value through profit or loss	34,472	54,492
Investments available-for-sale	80,920	106,139
Investments held-to-maturity	20,504	34,191
Due from banks	6,465	6,834
Loans to customers and banks	814,167	818,742
Current income tax assets	12	71
Property, equipment and intangible assets	39,855	38,950
Other assets	68,441	44,045
TOTAL ASSETS	1,322,048	1,362,251
LIABILITIES AND EQUITY		
LIABILITIES:		
Due to banks and financial institutions	98,222	109,649
Customer and banks accounts	1,005,164	1,053,902
Debt securities issued	15,164	24,809
Deferred income tax liabilities	2,217	2,381
Subordinated bonds	50,634	53,333
Other liabilities	41,414	18,912
TOTAL LIABILITIES	1,212,815	1,262,986
EQUITY:		
Equity attributable to owners of the parent:		
Share capital	69,789	69,789
Investments available-for-sale fair value reserve	(584)	(1,939)
Property revaluation reserve	4,519	4,625
Retained earnings	34,991	26,387
Total equity attributable to owners of the parent	108,715	98,862
Non-controlling interest	518	403
Total equity	109,233	99,265
TOTAL LIABILITIES AND EQUITY	1,322,048	1,362,251
Book value per ordinary share (KZT)	575	522
Book value per preference share (KZT)	300	300


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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)

(in Kazakhstani Tenge and in millions)

	Share capital	Investments available-for-sale fair value reserve	Foreign currency translation reserve	Property revaluation	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
31 December 2015	69,741	(2,742)	(250)	-	19,078	85,827	353	86,180
Net profit/(loss)	-	-	-	-	2,422	2,422	46	2,468
Net change in fair value of investments available-for-sale	-	1,277	-	-	-	1,277	-	1,277
Exchange differences on translating foreign operations	-	-	250	-	-	250	-	250
Disposal of subsidiary	-	-	-	-	1,998	1,998	-	1,998
Repurchase of treasury shares, net	46	-	-	-	-	46	-	46
30 September 2016 (unaudited)	69,787	(1,465)	-	-	23,498	91,820	399	92,219
31 December 2016	69,789	(1,939)	-	4,625	26,387	98,862	403	99,265
Net profit/(loss)	-	-	-	-	8,306	8,306	57	8,363
Other comprehensive income	-	-	-	(106)	90	(16)	-	(16)
Net change in fair value of investments available-for-sale	-	1,355	-	-	-	1,355	-	1,355
Changes when closing subsidiary	-	-	-	-	208	208	58	266
Repurchase of treasury shares	-	-	-	-	-	-	-	-
30 September 2017 (unaudited)	69,789	(584)	-	4,519	34,991	108,715	518	109,233

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED) (in Kazakhstani Tenge and in millions)

	For nine months ended 30 September 2017 (unaudited)	For nine months ended 30 September 2016 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received	67,816	65,960
Interest paid	(48,569)	(51,164)
Fee and commission received	14,517	14,321
Fee and commission paid	(1,437)	(796)
Other (expense)/income (paid)/received	132	256
Operating expenses paid	914	(20,945)
Cash inflow from operating activities before changes in operating assets and liabilities	33,373	7,632
Changes in operating assets and liabilities:		
Obligatory reserves	429	3,639
Financial assets at fair value through profit or loss	19,537	24,484
Due from banks	394	(76)
Loans to customers and banks	(2,468)	75,255
Other assets	(22,354)	(18,654)
Due to banks and financial institutions	(11,050)	(82,706)
Customer and banks accounts	(47,471)	(51,946)
Other liabilities	2,253	427
Cash outflow from operating activities before taxation	(27,357)	(41,945)
Income tax paid	(480)	(904)
Net cash outflow from operating activities	(27,837)	(42,849)
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds on maturity and sale of investments available-for-sale	681,729	198,801
Purchase of investments available-for-sale	(658,595)	(175,895)
Proceeds on maturity of investments held-to-maturity	9,880	3,632
Purchase of investments held-to-maturity	9,202	(24,046)
Disposal of subsidiary	-	1,952
Purchase of property, equipment and intangible assets	(2,862)	(297)
Proceeds on sale of property and equipment	24	2,350
Net cash (outflow)/inflow from investing activities	39,378	6,497

JOINT STOCK COMPANY BANK CENTERCREDIT

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED) (CONTINUED)

(in Kazakhstani Tenge and in millions)

	For nine months ended 30 September 2017 (unaudited)	For nine months ended 30 September 2016 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Inflow from increase of share capital in the form of ordinary and preference shares		
Sale/(purchase) of treasury shares, net	264	45
Proceeds from debt securities issued	188	-
Repurchase and repayment of debt securities issued	(10,000)	-
Repayment of debt securities		(1,794)
Repayment of subordinated bonds issued	(3,000)	(4,000)
Net cash outflow from financing activities	(12,548)	(5,749)
<i>Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents</i>	(138)	(1,232)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,145)	(43,333)
CASH AND CASH EQUIVALENTS, beginning of the period	246,044	242,123
CASH AND CASH EQUIVALENTS, end of the period	244,899	198,790

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