



**JOINT-STOCK COMPANY
BANK CENTERCREDIT**

Unaudited Consolidated
Interim Condensed Financial Statements
for three months ended 31 March 2024

JOINT-STOCK COMPANY BANK CENTERCREDIT

NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 MARCH 2024

(in millions of Kazakhstani tenge unless otherwise stated)

1. INTRODUCTION

(a) Principal activity

JSC Bank CenterCredit (the “Bank”) is a Joint Stock Company, which has been incorporated and carrying out its operations in the Republic of Kazakhstan since 1988. The Bank is regulated by the legislation of the Republic of Kazakhstan. The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (the “ARDFM”) is a regulatory authority of the Bank. The Bank conducts its business under the license number 1.2.25/195/34, renewed on 3 February 2020.

The Bank’s principal activity consists of commercial banking activities, trading with securities, foreign currencies and derivative instruments, loan origination activities and guarantees.

On 19 January 2024, the Bank was categorised as a systemically important bank as per the Rules of Categorising Financial Organisations as Systemically Important approved by Resolution of the Management Board of the National Bank of the Republic of Kazakhstan No. 240 dated 23 December 2019, and in accordance with the Order of the Governor of the National Bank of the Republic of Kazakhstan No. 17 dated 19 January 2024.

The Bank is a member of the Kazakhstan Deposit Insurance Fund (the “KDIF”).

The registered address is 38, Al Farabi Ave., Almaty, Republic of Kazakhstan.

On 12 October 2023, the Bank obtained a license to carry out regulated activities on the territory of the Astana International Financial Centre (“AIFC”) as a branch of JSC Bank CenterCredit in AIFC. In accordance with this license, the Bank’s branch in AIFC accepts deposits, opens and maintains bank accounts, extends loans, provides monetary services, performs custody activities, dealer activities and brokerage activities.

As at 31 March 2024 and 31 December 2023, the Bank had 21 branches in the Republic of Kazakhstan.

On 23 January 2024, the Management Board of the ARDFM adopted the Resolution “On Granting the Permission to Joint-Stock Company Bank CenterCredit for Establishing a Subsidiary - BCC-HUB Limited Liability Partnership”. On 9 February 2024, the legal entity passed the state registration.

The Bank is a parent company of a banking group (the “Group”), which consists of the following subsidiaries consolidated for the purposes of these consolidated financial statements:

Name	Country of operation	Ownership interest		Activity
		31 March 2024	31 December 2023	
Center Project LLP	Republic of Kazakhstan	100.00%	100.00%	Management of distressed assets
JSC BCC Invest	Republic of Kazakhstan	100.00%	100.00%	Brokerage and dealer activity
Center Leasing LLP	Republic of Kazakhstan	100.00%	100.00%	Finance lease and other types of activity
JSC Sinoasia B&R Insurance Company	Republic of Kazakhstan	92.45%	-	Insurance activity
BCC-HUB LLP	Republic of Kazakhstan	100.00%	-	IT services

As at 31 March 2024 and 31 December 2023, the number of ordinary shares was allocated as follows:

	31 March 2024	31 December 2023
	%	%
B.R. Baiseitov	49.24	49.04
V.S. Lee	11.34	11.29
Other (individually hold less than 5%)	39.42	39.67
	100.00	100.00

The consolidated interim condensed financial statements were authorized for issue by the Management Board of JSC Bank CenterCredit on 14 May 2024.

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1. INTRODUCTION, CONTINUED

(a) Principal activity, continued

Acquisition of JSC Sinoasia B&R Insurance Company

As at 31 December 2022, the Group owned 9.5% of shares of JSC Sinoasia B&R Insurance Company, that were accounted for in 'Investment securities at fair value through other comprehensive income' in the consolidated statement of financial position.

In May 2023, the Group acquired an additional stock of ordinary voting shares of JSC Sinoasia B&R Insurance Company, thereby having increased the Group's equity interest in the insurance company to 90.1% as of the acquisition date. In August 2023, the Bank exchanged 55,000 preference shares held by the Bank for ordinary shares of JSC Sinoasia B&R Insurance Company. As a result of the exchange, the Bank's interest in the share capital of the subsidiary increased to 92.45%. For more information, see *Note 4*.

(b) Kazakhstan business environment

The Group's operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. In addition, the depreciation of the Kazakhstan tenge and volatility in the global price of oil increase the level of uncertainty in the business environment. The recent geopolitical uncertainty around Russia and Ukraine has further elevated levels of economic uncertainty in Kazakhstan.

In February 2022, because of the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict affects not only the economic activity of two countries but the global economy as well. As a result of sanctions, commodity and food prices have risen in many countries around the world, the established links between supply of resources have been disrupted, inflation also affects the prices, and analysts also forecast economic implications for the global industry.

The consolidated interim condensed financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2. BASIS OF PREPARATION

(a) Statement of compliance

The accompanying consolidated interim condensed financial statements are prepared in accordance with the IAS 34 "Interim Financial Reporting". Selected notes have been included in these consolidated interim condensed financial statements to explain significant events and transactions that are relevant to understand changes in the Group's financial position and performance results after the annual reporting period ended 31 December 2023.

These consolidated condensed financial statements do not contain all the information, disclosure of which is required to present a complete annual financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS Standards).

(b) Basis of measurement

The consolidated interim condensed financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and at fair value through other comprehensive income are stated at fair value and buildings and constructions are measured at fair value, which increase is stated in the property revaluation reserve.

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2. BASIS OF PREPARATION, CONTINUED

(c) Functional and presentation currency

The functional currency of the Bank and its subsidiaries is the Kazakhstani tenge (KZT) as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of majority of the Group's transactions and underlying events and circumstances relevant to them.

The KZT is also the presentation currency for the purposes of these consolidated interim condensed financial statements. Financial information presented in KZT is rounded to the nearest million.

(d) Use of estimates and judgements

In preparing these consolidated interim condensed financial statements, management has made judgement, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

The most significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the most recent annual consolidated financial statements, except for the critical judgments and assumptions described in the following notes:

- estimates of fair value of identifiable assets and liabilities of JSC Sinoasia B&R Insurance Company as at the acquisition date – *Note 4*;
- estimates of impairment of loans to customers – *Note 16*;
- estimates of fair value of financial assets and liabilities for disclosure purposes – *Note 30*.

3. MATERIAL ACCOUNTING POLICIES

In preparing these consolidated interim condensed financial statements, the Group has used the material accounting policies applied in the consolidated financial statements for the year ended 31 December 2023.

The below are the effective revised standards and interpretations that are currently applicable to the Group's operations or may become applicable to the Group's operations in the future.

New Standards, Interpretations and Amendments effective from 1 January 2024

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current and Non-Current (Amendments to IAS 1);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

These new standards and interpretations are not expected to have a material effect on the Group's consolidated interim condensed financial statements.

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4. BUSINESS COMBINATION

Acquisition of JSC Sinoasia B&R Insurance Company

On 20 February 2023, the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (the ARDFM) granted permission to JSC Bank CenterCredit to acquire the status of an insurance holding JSC Sinoasia B&R Insurance Company.

The ARDFM Management Board adopted the Resolution No. 6 dated 20 February 2023 "On granting permission to Joint-Stock Company Bank CenterCredit to acquire a subsidiary - JSC Sinoasia B&R Insurance Company" (hereinafter "Sinoasia B&R").

As at 31 December 2022, the Group owned 9.5% of shares of Sinoasia B&R, that were accounted for in 'Investment securities at fair value through other comprehensive income' in the consolidated statement of financial position. In May 2023, the Group acquired an additional stock of ordinary voting shares of Sinoasia B&R, thereby having increased the Group's equity interest in the insurance company to 90.1% as of the acquisition date. In August 2023, the Bank exchanged 55,000 preference shares held by the Bank for ordinary shares of JSC Sinoasia B&R Insurance Company. As a result of the exchange, the Bank's interest in the share capital of the subsidiary increased to 92.45%.

JSC Sinoasia B&R Insurance Company provides services of all classes of insurance.

Acquisition of ordinary voting shares of the insurance company will provide an opportunity to strengthen the synergy of banking and insurance business, expand the product range in the field of property and health insurance, and also increase the business efficiency of both the Bank and Sinoasia B&R through offering the combined products.

Identifiable assets acquired and liabilities assumed

Fair value of the identifiable assets and liabilities acquired, as well as the bargain purchase gain arising from acquisition of Sinoasia B&R on 1 May 2023, amounted to:

<i>Fair value of Sinoasia B&R as at the acquisition date</i>	<i>At 1 May 2023</i>
Assets	
Cash and cash equivalents	1,758
Investments measured at fair value through other comprehensive income	6,052
Reverse repurchase agreements	6,626
Current tax liability	88
Property, plant and equipment and intangible assets	71
Other assets	2,606
Total assets	17,201
Liabilities	
Other liabilities	12,364
Total liabilities	12,364
Net identifiable assets	4,837

Goodwill

Goodwill arising on the acquisition of a controlling block of shares of Sinoasia B&R was measured as follows:

Fair value of investments to acquire 80.6% of the subsidiary's shares	3,982
Fair value of previously owned interest in the subsidiary's capital (9.5%)	1,324
Fair value of a non-controlling interest (9.9%)	479
	5,785
Fair value of net identifiable assets	4,837
Goodwill	948

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4. BUSINESS COMBINATION, CONTINUED

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Investments measured at fair value through other comprehensive income	Quoted market price (unadjusted) in an active market for an identical instruments, valuation techniques based on observable inputs, either directly or indirectly.
Reverse repurchase agreements	Quoted market price (unadjusted) in an active market for an identical instruments, valuation techniques based on observable inputs, either directly or indirectly.

The methods and assumptions used to determine the fair value of the Group's financial instruments at the acquisition date were substantially consistent with the fair value estimation techniques described in *Note 30*.

5. FINANCIAL RISK REVIEW

This note presents information about the Group's exposure to financial risks. For information on the Group's financial risk management framework, see *Note 28* in the consolidated financial statements of the Group for the year ended 31 December 2023.

Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI investment securities as at 31 March 2024 and 31 December 2023. Unless specially indicated, for financial assets, the amounts in the table represent gross carrying amount.

	31 March 2024 (unaudited)			Total
	Stage 1 12-month expected credit losses	Stage 2 Lifetime ECL for assets not credit- impaired	Stage 3 Lifetime ECL for credit-impaired assets	
Cash and cash equivalents				
- rated from AA- to AA+	41,381	-	-	41,381
- rated from A- to A+	99,034	-	-	99,034
- rated from BBB- to BBB+	1,023,958	-	-	1,023,958
- rated from BB- to BB+	370	-	-	370
- rated from B- to B+	20	-	-	20
- not rated	10,920	-	-	10,920
	1,175,683	-	-	1,175,683
Loss allowance	(69)	-	-	(69)
Total cash and cash equivalents (less cash on hand)	1,175,614	-	-	1,175,614

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5. FINANCIAL RISK REVIEW, CONTINUED

Credit quality analysis, continued

	31 March 2024 (unaudited)			Total
	Stage 1 12-month expected credit losses	Stage 2 Lifetime ECL for assets not credit- impaired	Stage 3 Lifetime ECL for credit-impaired assets	
Investment securities measured at amortised cost				
- rated from AA- to AA+	43,858	-	-	43,858
- rated from BBB- to BBB+	103,874	-	-	103,874
- rated from BB- to BB+	5,690	-	-	5,690
- rated from B- to B+	5,325	-	-	5,325
	158,747	-	-	158,747
Loss allowance	(20)	-	-	(20)
Total investment securities measured at amortised cost	158,727	-	-	158,727
Investment securities measured at fair value through other comprehensive income - debt				
- rated from AA- to AA+	65,742	-	-	65,742
- rated from A- to A+	2,763	-	-	2,763
- rated from BBB- to BBB+	589,335	-	-	589,335
- rated from BB- to BB+	37,275	-	-	37,275
- rated from B- to B+	3,375	-	-	3,375
- not rated	-	7,323	-	7,323
	698,490	7,323	-	705,813
Loss allowance	(109)	(22)	-	(131)
Gross carrying amount of investment securities measured at fair value through other comprehensive income - debt	698,381	7,301	-	705,682
Due from banks				
- rated AAA	2	-	-	2
- rated from AA- to AA+	23,417	-	-	23,417
- rated from A- to A+	872	-	-	872
- rated from BBB- to BBB+	9,325	-	-	9,325
- not rated	58,786	-	-	58,786
	92,402	-	-	92,402
Loss allowance	(70)	-	-	(70)
Total due from banks	92,332	-	-	92,332

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NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENT FOR THREE MONTHS ENDED 31 MARCH 2024

(in millions of Kazakhstani tenge unless otherwise stated)

6. FINANCIAL RISK REVIEW, CONTINUED

Credit quality analysis, continued

	31 March 2024 (unaudited)				Total
	Stage 1 12-month expected credit losses	Stage 2 Lifetime ECL for assets not credit- impaired	Stage 3 Lifetime ECL for credit-impaired assets	Originated credit-impaired financial assets (POCI-assets)	
Loans to corporate customers measured at amortised cost					
Not overdue loans	749,286	80,395	55,163	1,050	885,894
Overdue loans:					
- overdue less than 30 days	9,693	238	26	8	9,965
- overdue 31-60 days	-	1,441	1,009	7	2,457
- overdue 61-90 days	-	1,089	2,905	-	3,994
- overdue 91-180 days	-	-	3,329	-	3,329
- overdue more than 180 days	-	-	17,591	139	17,730
	758,979	83,163	80,023	1,204	923,369
Loss allowance	(10,246)	(15,517)	(52,834)	-	(78,597)
Total loans to corporate customers measured at amortised cost	748,733	67,646	27,189	1,204	844,772
Loans to individuals measured at amortised cost					
Not overdue loans	2,068,397	3,570	3,901	480	2,076,348
Overdue loans:					
- overdue less than 30 days	34,415	1,000	941	37	36,393
- overdue 31-60 days	-	8,436	1,167	9	9,612
- overdue 61-90 days	-	4,893	1,057	10	5,960
- overdue 91-180 days	-	-	11,104	14	11,118
- overdue more than 180 days	-	-	30,728	84	30,812
	2,102,812	17,899	48,898	634	2,170,243
Loss allowance	(22,090)	(4,939)	(25,234)	0	(52,263)
Total loans to individuals measured at amortised cost	2,080,722	12,960	23,664	634	2,117,980
Loans to banks					
Loans to banks	24,761	-	-	-	24,761
Loss allowance	(742)	-	-	-	(742)
Total loans to banks	24,019	-	-	-	24,019
Loans under reverse repurchase agreements					
Reverse repurchase agreements, not overdue	23,769	-	-	-	23,769
Loss allowance	-	-	-	-	-
Total loans under reverse repo agreements	23,769	-	-	-	23,769

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5. FINANCIAL RISK REVIEW, CONTINUED

Credit quality analysis, continued

	31 December 2023			Total
	Stage 1 12-month expected credit losses	Stage 2 Lifetime ECL for assets not credit- impaired	Stage 3 Lifetime ECL for credit-impaired assets	
Cash and cash equivalents				
- rated from AA- to AA+	73,453	-	-	73,453
- rated from A- to A+	67,952	-	-	67,952
- rated from BBB- to BBB+	932,950	-	-	932,950
- rated from BB- to BB+	5,157	-	-	5,157
- rated from B- to B+	23	-	-	23
- not rated	62,706	-	-	62,706
	1,142,241	-	-	1,142,241
Loss allowance	(69)	-	-	(69)
Total cash and cash equivalents (less cash on hand)	1,142,172	-	-	1,142,172
Investment securities measured at amortised cost				
- rated from AA- to AA+	56,066	-	-	56,066
- rated from BBB- to BBB+	39,784	-	-	39,784
- rated from BB- to BB+	5,735	-	-	5,735
- rated from B- to B+	5,094	-	-	5,094
	106,679	-	-	106,679
Loss allowance	(20)	-	-	(20)
Total investment securities measured at amortised cost	106,659	-	-	106,659
Investment securities measured at fair value through other comprehensive income - debt				
- rated from AA- to AA+	54,798	-	-	54,798
- rated from A- to A+	2,348	-	-	2,348
- rated from BBB- to BBB+	480,332	-	-	480,332
- rated from BB- to BB+	35,716	-	-	35,716
- rated from B- to B+	3,176	-	-	3,176
- not rated	-	6,273	-	6,273
	576,370	6,273	-	582,643
Loss allowance	(102)	(18)	-	(120)
Gross carrying amount of investment securities measured at fair value through other comprehensive income - debt	576,268	6,255	-	582,523
Due from banks				
- rated from AA- to AA+	23,938	-	-	23,938
- rated from A- to A+	886	-	-	886
- rated from BBB- to BBB+	10,042	-	-	10,042
- not rated	4,662	-	-	4,662
	39,528	-	-	39,528
Loss allowance	(45)	-	-	(45)
Total due from banks	39,483	-	-	39,483

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5. FINANCIAL RISK REVIEW, CONTINUED

Credit quality analysis, continued

	31 December 2023				Total
	Stage 1 12-month expected credit losses	Stage 2 Lifetime ECL for assets not credit- impaired	Stage 3 Lifetime ECL for credit-impaired assets	Originated credit-impaired financial assets (POCI-assets)	
Loans to corporate customers measured at amortised cost					
Not overdue loans	704,603	81,407	50,081	1,607	837,698
Overdue loans:					
- overdue less than 30 days	4,187	44	2,612	78	6,921
- overdue 31-60 days	-	852	144	40	1,036
- overdue 61-90 days	-	904	1,298	-	2,202
- overdue 91-180 days	-	-	2,706	-	2,706
- overdue more than 180 days	-	-	21,701	150	21,851
	708,790	83,207	78,542	1,875	872,414
Loss allowance	(8,273)	(14,132)	(49,546)	-	(71,951)
Total loans to corporate customers measured at amortised cost	700,517	69,075	28,996	1,875	800,463
Loans to individuals measured at amortised cost					
Not overdue loans	1,940,997	3,457	3,000	564	1,948,018
Overdue loans:					
- overdue less than 30 days	20,502	625	619	30	21,776
- overdue 31-60 days	-	6,252	468	12	6,732
- overdue 61-90 days	-	4,238	718	6	4,962
- overdue 91-180 days	-	-	10,220	28	10,248
- overdue more than 180 days	-	-	29,780	116	29,896
	1,961,499	14,572	44,805	756	2,021,632
Loss allowance	(17,333)	(3,262)	(23,745)	(130)	(44,470)
Total loans to individuals measured at amortised cost	1,944,166	11,310	21,060	626	1,977,162
Loans to banks					
Loans to banks	23,068	-	-	-	23,068
Loss allowance	(648)	-	-	-	(648)
Total loans to banks	22,420	-	-	-	22,420
Loans under reverse repurchase agreements					
Reverse repurchase agreements, not overdue	128,804	-	-	-	128,804
Loss allowance	-	-	-	-	-
Total loans under reverse repurchase agreements	128,804	-	-	-	128,804

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NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENT FOR THREE MONTHS ENDED 31 MARCH 2024

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6. NET INTEREST INCOME

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Interest income:		
Interest income on financial assets at amortised cost:		
- interest income on assets not credit-impaired	142,312	96,222
- interest income on credit-impaired assets	1,606	1,252
Interest income on financial assets measured at fair value through other comprehensive income	16,356	17,729
Total interest income	160,274	115,203
Interest income on financial assets at amortised cost comprises:		
Interest on loans to customers and banks	122,782	74,957
Interest on due from banks	1,257	11,785
Interest on investment securities measured at amortised cost	19,879	10,732
Total interest income on financial assets recorded at amortised cost	143,918	97,474
Interest income on financial assets at fair value through profit or loss and investments in net finance lease	1,141	811
Total interest income	161,415	116,014
Interest expense:		
Interest expense on financial liabilities at amortised cost	(83,575)	(64,062)
Total interest expense	(83,575)	(64,062)
Interest expense on financial liabilities at amortised cost:		
Interest on customer accounts	(71,417)	(53,494)
Interest on due to banks and financial institutions	(4,979)	(2,905)
Interest expense on payments to mortgage organisation	(3,090)	(3,136)
Interest on debt securities issued	(2,182)	(2,595)
Interest on subordinated bonds	(1,806)	(1,822)
Lease liabilities	(101)	(110)
Total interest expense on financial liabilities at amortised cost	(83,575)	(64,062)
Net interest income before impairment allowance for financial assets	77,840	51,952

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7. CHARGE OF EXPECTED CREDIT LOSS ALLOWANCE FOR LOANS TO CUSTOMERS AND BANKS

	Corporate loans	Small and medium-sized enterprises	Mortgage loans	Consumer loans	Business development	Car loans	Loans to banks	Total loans to customers and banks
1 January 2023	65,470	7,415	6,769	25,375	6,707	245	104	112,085
Charge/(reversal) of allowance* (unaudited)	845	7,342	3,117	3,920	434	(38)	199	15,819
New financial assets originated or purchased * (unaudited)	1,103	947	25	463	239	-	280	3,057
Effect of unwinding of discount ** (unaudited)	867	95	16	689	62	1	-	1,730
Write-off of assets (unaudited)	(6,393)	(980)	(142)	(11,887)	(910)	-	-	(20,312)
Recovery of assets previously written-off (unaudited)	-	152	71	231	6	92	-	552
Foreign exchange difference (unaudited)	(948)	(245)	(160)	(366)	(106)	(3)	-	(1,828)
31 March 2023 (unaudited)	60,944	14,726	9,696	18,425	6,432	297	583	111,103
1 January 2024	55,074	16,877	9,915	22,693	7,756	4,106	648	117,069
Charge/(reversal) of allowance* (unaudited)	(3,335)	4,913	3,321	3,275	1,717	2,011	(301)	11,601
New financial assets originated or purchased * (unaudited)	2,270	2,315	37	1,349	304	1	406	6,682
Effect of unwinding of discount ** (unaudited)	1,087	444	36	764	209	39	-	2,579
Write-off of assets (unaudited)	-	(549)	(480)	(4,155)	(294)	(137)	-	(5,615)
Recovery of assets previously written-off (unaudited)	70	458	53	344	46	31	-	1,002
Foreign exchange difference (unaudited)	(712)	(315)	(164)	(312)	(125)	(77)	(11)	(1,716)
31 March 2024 (unaudited)	54,454	24,143	12,718	23,958	9,613	5,974	742	131,602

* Provisions recognised during the three months ended 31 March 2024 and 31 March 2023 are presented in the consolidated statement of profit and loss in "Charge of credit loss allowance on loans to customers and banks" line item.

** Unwinding of discount on present value of expected credit losses.

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8. FEE AND COMMISSION INCOME/(EXPENSE)

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Services and commission income received :		
Payment cards	9,809	9,049
Settlements	4,193	3,537
Sale of insurance policies	2,235	2,636
Guarantees issued	1,738	1,050
Securities purchase and sale	1,012	370
Cash operations	869	1,144
Documentary operations	182	77
Custody activities	76	82
Currency conversion	13	25
Trust operations	10	14
Other	234	67
Total services and fee and commission income received	20,371	18,051
Payment cards	(7,938)	(6,435)
Agent services	(1,207)	(984)
Settlements	(653)	(672)
Custody activities	(148)	(99)
Documentary operations	(114)	(36)
Securities purchase and sale	(32)	(36)
Other	(167)	(230)
Total fee and commission income	(10,259)	(8,492)
	10,112	9,559

Commission income that are not integral to the effective interest rate on a financial asset or financial liability, is recognised depending on the type of the service either at the point in time or over time as the Group satisfies its performance obligation under the contract:

- The fees and commission for settlement operations, cash operations, payment card operations, foreign exchange operations is charged for the execution of payment order in accordance with tariffs depending on the type of the transaction and recognised as income at the moment of the transaction execution;
- A commission fee on guarantees and letters of credit issued is paid in advance and is recognised as income over the time of the relevant guarantee or letter of credit.

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

In millions of Kazakhstani tenge	31 March 2024 (unaudited)	31 December 2023
Receivables which are included in 'other assets' (Note 17)	6,686	5,478

9. NET FOREIGN EXCHANGE GAIN

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Dealing operations, net	10,134	9,035
Translation differences, net	163	2,021
	10,297	11,056

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10. OPERATING EXPENSE

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Wages and salaries	21,396	14,979
Taxes other than income tax	3,873	2,267
Depreciation and amortisation	2,874	2,401
Administrative expenses	1,726	1,474
Short-term lease expenses	1,508	1,452
Contributions to Deposit Insurance Fund	1,249	1,145
Telecommunications	772	623
Advertising costs	419	455
Equipment repair and maintenance	523	259
Security and alarming expenses	528	493
Professional services	278	29
Cash collection	244	169
Business travel expenses	105	121
Representation expenses	27	19
Other expenses	495	528
	36,017	26,414

11. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net income for the period attributable to equity holders of the parent by the weighted average number of participating shares outstanding during the period.

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Basic earnings per share		
Net earnings attributable to shareholders of the Bank	44,865	25,041
Less: additional dividends payable upon full distribution of profit to the preferred share holders	(50)	(20)
Net earnings attributable to ordinary shareholders	44,815	25,021
Weighted average number of ordinary shares for purposes of basic earnings per share	185,557,794	184,633,534
Basic earnings per share (in KZT)	241.52	135.52
Diluted earnings per share		
Net earnings attributable to ordinary shareholders	44,815	25,021
Add: additional dividends payable upon full distributions of profit to the preferred shareholders	50	20
Earnings used in calculation of diluted earnings per share	44,865	25,041
Weighted average number of ordinary shares	185,557,794	184,633,534
Shares deemed to be issued:		
Weighted average number of ordinary shares that would be issued for the convertible preference shares	191,285	156,765
Weighted average number of ordinary shares for purposes of diluted earnings per share	185,749,079	184,790,299
Diluted earnings per share (tenge)	241.54	135.51

The Group has calculated the book value of one share per each class of shares in accordance with the methodology for computation of the book value of one share provided by KASE.

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11. EARNINGS PER SHARE, CONTINUED

The book value of one share per each class of shares as at 31 March 2024 and 31 December 2023 is as follows:

Type of shares	31 March 2024 (unaudited)			31 December 2023		
	Outstanding shares (number of shares)	Amount for calculation of book value KZT million	Book value of one share, KZT	Outstanding shares (number of shares)	Amount for calculation of book value KZT million	Book value of one share, KZT
Ordinary shares	185,951,150	457,079	2,458	185,377,060	403,115	2,175
Preference shares	208,784	1	5	164,239	1	6
		<u>457,080</u>			<u>403,116</u>	

The book value of one preference share is calculated as the ratio of the amount of equity attributable to preference shares to the total number of preference shares as at the reporting date. The book value of one ordinary share is calculated as the ratio of the amount of net asset value of the Group for ordinary shares to the total number of ordinary shares as at the reporting date. The net asset value of the Group for ordinary shares is calculated as the total equity net of intangible assets and the amount of equity attributable to preference shares as at reporting date. Outstanding number of ordinary and preference shares is calculated as outstanding shares authorised and issued net of repurchased shares by the Group as at the reporting date.

The management believes that the Group fully complies with the requirement of KASE as at the reporting date.

12. CASH AND CASH EQUIVALENTS

	31 March 2024 (unaudited)	31 December 2023
Cash on hand	140,665	211,162
Nostro accounts with NBRK	58,121	248,784
Nostro accounts with other banks		
- rated from AA- to AA+	41,381	73,453
- rated A- to A+	64,420	52,156
- rated from BBB- to BBB+	3,256	4,075
- rated from BB- to BB+	370	5,157
- rated B- to B+	20	23
- not rated	10,920	16,181
Total gross nostro accounts with other banks	120,367	151,045
Loss allowance	(45)	(58)
Total nostro accounts with other banks	120,322	150,987
Term deposits with NBRK	962,581	680,091
Term deposits with other banks with maturity less than 90 days		
- rated from A- to A+	34,614	15,796
Gross term deposits with other banks with maturity less than 90 days	34,614	15,796
Loss allowance	(24)	(11)
Total term deposits with other banks with maturity less than 90 days	34,590	15,785
Margin protection at KASE and MSE	-	46,525
Total cash and cash equivalents	1,316,279	1,353,334

The credit ratings are presented by reference to the credit ratings of Standard and Poor's credit rating agency or analogues of similar international agencies.

All cash and cash equivalents are allocated into Stage 1 of the credit risk grade.

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12. CASH AND CASH EQUIVALENTS, CONTINUED

As at 31 March 2024, current account balances with other non-rated banks are mainly represented by Russian banks not included in the sanctions list, for the total amount of KZT 3,044 million (unaudited) (31 December 2023: KZT 28,274 million). Ratings of these banks have been withdrawn by the respective agencies. Prior to the withdrawal, the banks were rated from BB+ to BBB according to the scale of international rating agencies. According to the Bank, there are no restrictions for withdrawal of these cash balances from such accounts.

As at 31 March 2024 the Group has accounts with 1 bank (unaudited) (31 December 2023: 1 bank), whose balances exceed 10% of equity. The gross value of these balances as at 31 March 2024 is KZT 1,020,702 million (unaudited) (31 December 2023: KZT 928,875 million).

Minimum reserve requirement

As at 31 March 2024 and 31 December 2023, minimum reserve requirements are calculated in accordance with regulations issued by the NBRK. To meet the minimum reserves requirements the Bank places cash in reserve assets, which are required to be maintained at the level of not less than the average amount of cash on hand denominated in national currency and balance on the current account with the NBRK in the national currency for 4 weeks, calculated as certain minimum level of deposits and current accounts of the customers that are residents and non-residents of the Republic of Kazakhstan, and of other liabilities of the Bank.

As at 31 March 2024, the minimum reserve requirement is KZT 65,559 million (unaudited) (31 December 2023: KZT 65,225 million) and reserve asset was KZT 59,952 million (unaudited) (31 December 2023: KZT 90,253 million).

13. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March 2024, financial assets at fair value through profit or loss comprise trading securities of KZT 57,477 million, and foreign currency swaps of KZT 477 million (unaudited) (31 December 2023: trading securities of KZT 55,352 million; foreign currency swaps of KZT 62 million).

Trading securities comprise:

	Nominal interest rate, %	31 March 2024 (unaudited)	Nominal interest rate, %	31 December 2023
Trading securities				
<i>Debt securities</i>				
Corporate bonds	2.0-22.0	35,573	2.0-22.0	29,848
Government bonds of the Republic of Kazakhstan	3.0-9.0	3,114	5.0-9.0	528
The NBRK discount notes		1,429		4,015
The US Treasury bills		-	3.0-5.4	1,803
<i>Equity securities*</i>				
Shares of the Kazakhstani companies		5,398		4,064
Equity stakes		4,070		3,911
Shares of international companies		2,017		757
		<u>51,601</u>		<u>44,926</u>
Pledged under sale and repurchase agreements				
Corporate bonds	2.75-12.0	5,876	8.5-19.9	9,580
Government bonds of the Republic of Kazakhstan		-	7.7-8.1	846
		<u>5,876</u>		<u>10,426</u>
		<u>57,477</u>		<u>55,352</u>

* Ownership interest in equity securities is below 1%.

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13. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS, CONTINUED

The table below provides analysis of credit quality of debt securities at fair value through profit or loss based on Standard and Poor's ratings or ratings of other international rating agencies as at 31 March 2024:

	Corporate bonds	Government bonds of the Republic of Kazakhstan, the NBRK discount notes	Total (unaudited)
- rated from AA- to AA+	1,011	-	1,011
- rated from A- to A+	451	-	451
- rated from BBB- to BBB+	18,256	4,543	22,799
- rated from BB- to BB+	11,080	-	11,080
- rated from B- to B+	8,298	-	8,298
- not rated	2,353	-	2,353
	41,449	4,543	45,992

The table below provides analysis of credit quality of debt securities at fair value through profit or loss based on Standard and Poor's ratings or ratings of other international rating agencies as at 31 December 2023:

	Corporate bonds	Government bonds of the Republic of Kazakhstan, the NBRK discount notes	US Treasury bills	Total
- rated from AA- to AA+	-	-	1,803	1,803
- rated from A- to A+	569	-	-	569
- rated from BBB- to BBB+	17,635	5,389	-	23,024
- rated from BB- to BB+	12,959	-	-	12,959
- rated from B- to B+	6,430	-	-	6,430
- not rated	1,835	-	-	1,835
	39,428	5,389	1,803	46,620

No financial assets at fair value through profit or loss are past due.

14. INVESTMENT SECURITIES

	31 March 2024 (unaudited)	31 December 2023
Investment securities at fair value through other comprehensive income	707,980	583,693
Investment financial assets at amortised cost	158,727	106,659
Total investment securities	866,707	690,352

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14. INVESTMENT SECURITIES, CONTINUED

Investment securities at fair value through other comprehensive income

	Nominal interest rate, %	31 March 2024 (unaudited)	Nominal interest rate, %	31 December 2023
<i>Debt securities</i>				
Government bonds of the Republic of Kazakhstan	0.0-16.98	374,331	0-18.70	406,383
Corporate bonds	0.70-22.00	107,741	0.7-22.00	103,440
The US Treasury bills	0.25-2.88	40,703	0.1-2.88	29,834
<i>Equity securities</i>				
Shares of the Kazakhstani companies		2,298		1,170
		525,073		540,827
Pledged under sale and repurchase agreements and loans from banks				
Government bonds of the Republic of Kazakhstan	3.87-16.63	159,766	7.1-10.5	19,396
The US Treasury bills	1.25-2.23	23,272	1.25-2.23	23,590
		183,038		42,986
Allowance for expected credit losses		(131)		(120)
		707,980		583,693

Investment securities issued by Russian issuers are allocated to Stage 2 of the credit risk grading.

Investment securities at amortised cost

	Nominal interest rate, %	31 March 2024 (unaudited)	Nominal interest rate, %	31 December 2023
<i>Debt securities</i>				
Government bonds of the Republic of Kazakhstan	0.60-8.45	18,624	0.60-8.45	36,025
The US Treasury bills	0.25-2.23	13,765	0.12-2.23	25,637
Corporate bonds	2.00-20.00	13,657	2.00-20.00	13,484
		46,046		75,146
Pledged under sale and repurchase agreements and loans from banks				
Government bonds of the Republic of Kazakhstan	3.88-5.13	82,608	8.44-8.45	1,104
The US Treasury bills	1.25-2.23	30,093	1.25-2.23	30,429
		112,701		31,533
Allowance for expected credit losses		(20)		(20)
		158,727		106,659

15. DUE FROM BANKS

	31 March 2024 (unaudited)	31 December 2023
Due from banks comprise:		
- a contingent deposit with the NBRK	9,325	5,344
- rated AAA	2	-
- rated from AA- to AA+	23,417	23,938
- rated from A- to A+	872	886
- rated from BBB- to BBB+	-	4,698
- not rated	58,786	4,662
Due from banks before allowance for expected credit losses	92,402	39,528
Allowance for expected credit losses	(70)	(45)
Total due from banks	92,332	39,483

The credit ratings are presented by reference to the credit ratings of Standard & Poor's rating agency or analogues of similar international rating agencies. As at 31 March 2024 and 31 December 2023, a total of due from banks are classified into Stage 1 of the credit risk grading.

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15. DUE FROM BANKS, CONTINUED

As at 31 March 2024, a conditional deposit with the NBRK comprises funds of KZT 7,066 million (unaudited) (31 December 2023: KZT 144 million) received from Development Bank of Kazakhstan JSC ("DBK JSC"), and KZT 2,259 million (unaudited) (31 December 2023: KZT 5,200 million) received from DAMU Entrepreneurship Development Fund JSC ("EDF DAMU JSC") in accordance with the terms and conditions of loan agreements with DBK JSC and EDF DAMU JSC.

Due from banks and other financial institutions, not rated

As at 31 March 2024, deposit balances held with other banks, that are not rated, comprise security deposits and margin protection at KASE, for a total of KZT 35,800 million (unaudited) (31 December 2023: KZT 4,604 million).

Concentration of accounts and deposits with banks

As at 31 March 2024 (unaudited) and 31 December 2023, the Group has no banks whose balances exceed 10% of equity.

16. LOANS TO CUSTOMERS AND BANKS

	31 March 2024 (unaudited)	31 December 2023
Loans to customers	3,042,654	2,847,566
Accrued interest	50,958	46,480
	3,093,612	2,894,046
Less credit loss allowance	(130,860)	(116,421)
Total loans to customers	2,962,752	2,777,625
Loans to banks	24,603	22,972
Accrued interest	158	96
Less credit loss allowance	(742)	(648)
Total loans to banks	24,019	22,420
Loans under reverse repurchase agreements	23,769	128,804
Total loans to customers and banks	3,010,540	2,928,849

Movements in the credit loss allowance for loans to customers and banks for three months ended 31 March 2024 and 2023 are disclosed in *Note 7*.

	Gross amount (unaudited)	Loss allowance (unaudited)	Carrying amount (unaudited)
Loans to corporate customers			
Corporate loans	573,681	(54,454)	519,227
Small and medium-sized enterprises	349,688	(24,143)	325,545
Loans to individuals			
Mortgage loans (including mortgage loans under the '7-20-25' programme and the Baspana Hit programme)	982,604	(12,718)	969,886
Consumer loans	488,798	(23,958)	464,840
Business development	272,097	(9,613)	262,484
Auto loans	426,744	(5,974)	420,770
	3,093,612	(130,860)	2,962,752

The following table provides information by types of loan products as at 31 March 2024:

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16. LOANS TO CUSTOMERS AND BANKS, CONTINUED

The following table provides information by types of loan products as at 31 December 2023:

	<u>Gross amount</u>	<u>Loss allowance</u>	<u>Carrying amount</u>
Loans to corporate customers			
Corporate loans	531,362	(55,074)	476,288
Small and medium-sized enterprises	341,052	(16,877)	324,175
Loans to individuals			
Mortgage loans (including mortgage loans under the '7-20-25' programme and the Baspana Hit programme)	917,983	(9,915)	908,068
Consumer loans	456,162	(22,693)	433,469
Business development	252,445	(7,756)	244,689
Auto loans	395,042	(4,106)	390,936
	<u>2,894,046</u>	<u>(116,421)</u>	<u>2,777,625</u>

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16. LOANS TO CUSTOMERS AND BANKS, CONTINUED

(a) Credit quality of corporate loans, loans to small and medium-sized enterprises and loans to individuals

The following table provides information on the credit quality of loans to customers as at 31 March 2024:

	Corporate loans (unaudited)	Small and medium-sized enterprises (unaudited)	Mortgage loans (unaudited)	Consumer loans (unaudited)	Business development (unaudited)	Auto loans (unaudited)	Total (unaudited)
Loans to customers							
Not overdue loans	570,070	315,824	963,262	449,480	250,231	413,375	2,962,242
Overdue loans:							
- overdue less than 30 days	631	9,334	10,459	12,682	6,198	7,054	46,358
- overdue 31-60 days	155	2,302	1,995	3,709	1,814	2,094	12,069
- overdue 61-90 days	2,112	1,884	1,111	2,343	1,494	1,010	9,954
- overdue 91-180 days	20	3,308	1,520	4,361	3,723	1,515	14,447
- overdue more than 180 days	693	17,036	4,257	16,223	8,637	1,696	48,542
Total loans to customers before loss allowance for expected credit losses	573,681	349,688	982,604	488,798	272,097	426,744	3,093,612
Allowance for expected credit losses	(54,454)	(24,143)	(12,718)	(23,958)	(9,613)	(5,974)	(130,860)
Total loans to customers, net of allowance for expected credit losses	519,227	325,545	969,886	464,840	262,484	420,770	2,962,752

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16. LOANS TO CUSTOMERS AND BANKS, CONTINUED

(a) Credit quality of corporate loans, loans to small and medium-sized enterprises and loans to individuals, continued

The following table provides information on the credit quality of loans to customers as at 31 December 2023:

	Corporate loans	Small and medium-sized enterprises	Mortgage loans	Consumer loans	Business development	Auto loans	Total
Loans to customers							
Not overdue loans	521,971	315,727	904,258	421,664	234,349	387,747	2,785,716
Overdue loans:							
- overdue less than 30 days	2,494	4,427	5,767	7,854	4,274	3,881	28,697
- overdue 31-60 days	31	1,005	1,393	2,292	2,226	821	7,768
- overdue 61-90 days	-	2,202	949	1,956	1,493	564	7,164
- overdue 91-180 days	768	1,938	1,503	5,421	2,314	1,010	12,954
- overdue more than 180 days	6,098	15,753	4,113	16,975	7,789	1,019	51,747
Total loans to customers before loss allowance for expected credit losses	531,362	341,052	917,983	456,162	252,445	395,042	2,894,046
Allowance for expected credit losses	(55,074)	(16,877)	(9,915)	(22,693)	(7,756)	(4,106)	(116,421)
Total loans to customers, net of allowance for expected credit losses	476,288	324,175	908,068	433,469	244,689	390,936	2,777,625

(b) Analysis of movements in the loss allowance for expected credit losses

Key assumptions and judgements for estimating loss allowance for expected credit losses

As at 31 March 2024, management made the following key assumptions to estimate impairment allowance for loans to corporate customers classified into Stage 3 of credit risk grading:

- estimate by management of expected operating cash flows for a number of borrowers, whose operating activities have not ceased;
- estimate by management of a value of collateral as at the date of sale and timing of anticipated receipts: a delay of 36 - 60 months in obtaining proceeds from the foreclosure of collateral;
- for some borrowers recorded in Stage 3 the potential investors and partners are expected to be attracted to increase the operating cash flows sufficient to repay a debt to the Group.

Loans recorded as Stage 3 were included in the Action Plan (the "Plan") based on results of AQR, which includes measures aimed at rehabilitating borrowers, repaying loans with proceeds from sale of collateral and collecting loans under the court decision. In accordance with the Plan, the Group expects that debts of the borrowers from the agreed list will be repaid within five years. Under the Plan, the Group provides the Plan Progress reports to the regulator on a quarterly basis.

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16. LOANS TO CUSTOMERS AND BANKS, CONTINUED

Loans to banks

	31 March 2024	31 December 2023
- rated from BB- to BB+	23,788	21,060
- not rated (commercial banks of the Republic of Kazakhstan and the Republic of Tajikistan)	973	2,008
	24,761	23,068
Less: loss allowance	(742)	(648)
	24,019	22,420

Loans to banks are categorised into Stage 1 of the credit risk grading.

(b) Loan portfolio analysis

As at 31 March 2024, the Group has no borrowers or groups of related borrowers (unaudited), whose loan balances exceed 10% of equity (31 December 2023: 1 borrower). The gross value of these balances as at 31 December 2023 is KZT 45,497 million.

Industry and geographical analysis of the loan portfolio

Loans were issued primarily to customers located within the Republic of Kazakhstan who operate in the following economic sectors.

	31 March 2024 (unaudited)	31 December 2023
Individuals	2,170,243	2,021,632
Trade	207,444	168,952
Rent of real estate	90,211	91,383
Energy	85,921	81,132
Transport and telecommunications	57,407	58,082
Manufacturing	56,309	51,216
Oil and gas industry	50,933	48,169
Industrial construction	47,611	43,902
Metallurgy	39,219	39,613
Mining and refining the precious metals	38,233	39,474
Transportation and equipment maintenance services	31,070	37,535
Food industry	31,518	32,284
Housing construction	31,750	32,220
Financial services	31,486	29,219
Agriculture	15,379	21,743
Machinery manufacturing	6,183	5,738
Other	102,695	91,752
Total	3,093,612	2,894,046
Allowance for expected credit losses	(130,860)	(116,421)
	2,962,752	2,777,625

The fair value of assets received as collateral and the carrying amount of reverse repurchase agreements as at 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
Government bonds of the Republic of Kazakhstan	15,741	15,000	88,392	83,417
Corporate bonds	8,028	7,627	40,412	38,649
	23,769	22,627	128,804	122,066

(c) Loan maturities

The maturity of the Bank's loan portfolio as at the reporting date is presented in Note 25, which shows the remaining period from the reporting date to the contractual maturity of the loans. Due to the short-term nature of the loans issued by the Group, it is likely that part of the loans will be extended at maturity. Accordingly, the effective maturity of the loan portfolio may be significantly longer than the contractually agreed term.

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17. OTHER ASSETS

	31 March 2024 (unaudited)	31 December 2023
Other financial assets		
Other receivables	19,086	12,645
Mutual settlements with international payment system (VISA International, Mastercard)	8,063	7,289
Accrued commission	6,686	5,478
Receivables from sale of own assets	4,714	6,412
Western Union and other wireless transfers	1,321	896
	39,870	32,720
Allowance for expected credit losses	(3,267)	(2,894)
	36,603	29,826
Current other non-financial assets		
Repossessed collateral	47,484	49,160
Receivables under joint arrangements	20,049	20,049
Advances paid	13,240	18,063
Taxes receivable other than income tax	7,427	2,040
Inventories	459	474
Other assets	948	7
	89,607	89,793
Non-current other financial assets		
Investment property	18,025	15,253
Receivables under joint arrangements	8,155	8,155
Other assets	-	230
	115,787	113,431
Loss allowance	(4,158)	(4,598)
	111,629	108,833
	148,232	138,659

Other receivables

As at 31 March 2024 and 31 December 2023, other receivables comprise restricted cash of KZT 4,213 million under the financial guarantee contract entered into by the Bank and amounts due from banking counterparties of KZT 14,873 million and KZT 8,432 million, respectively.

Receivables under joint arrangements

In May 2020, the Group entered into joint arrangements with the construction company RAMS Kazakhstan LLP, to sell land plots intended for construction of a multi-purpose housing estate worth KZT 20,049 million. Under the contract, payments for land plots will be cashless and made through transfer into the ownership of the Group of a part of residential and non-residential premises of the housing estate. Non-cash consideration was measured at fair value as of the sale date. On 13 December 2023, an acceptance act for new-build facilities commissioned by RAMS Kazakhstan LLP was signed. The Group is planning to record these facilities on the Group's balance sheet by the end of the first half of the year 2024.

During 2023, the Group entered into a joint arrangement with construction companies to sell land plots intended for construction of a multifamily apartment complex with built-in premises and a parking space worth KZT 3,025 million, KZT 3,130 million and KZT 2,000 million, respectively. Under the contract, payments for land plots will be cashless and made through transfer into the ownership of the Group of a part of residential and non-residential premises of the multifamily apartment complex. Non-cash consideration was measured at fair value as of the sale date.

As at 31 March 2024, other financial assets of KZT 33,392 million were classified into Stage 1 of the credit risk grading (unaudited) (31 December 2023: KZT 26,860 million), and financial assets of KZT 1,650 million were classified into Stage 2 of the credit risk grading (unaudited) (31 December 2023: KZT 777 million), and of KZT 4,828 million are classified into Stage 3 of the credit risk grading (unaudited) (31 December 2023: KZT 5,083 million).

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18. DUE TO BANKS AND FINANCIAL INSTITUTIONS

	Nominal interest rate, %	31 March 2024 (unaudited)	Nominal interest rate, %	31 December 2023
Long-term loans due to banks and financial institutions	1.00-12.00	86,309	1.00-12.00	82,138
Loans due to international credit organisations	12.15-16.33	37,834	13.45-17.66	39,782
Correspondent accounts of banks		34,988		47,678
Other loans		10		10
Accrued interest expense		2,375		1,907
		161,516		171,515
Loans under repurchase agreements	13.51-14.25	225,088	14.75-15.75	10,376
		386,604		181,891

Long-term loans due to banks and financial institutions

Long-term loans due to banks and financial institutions comprise long-term loans from EDF DAMU JSC, DBK JSC, Industrial Development Fund JSC (“IDF JSC”) in the amount of KZT 44,108 million at 1.0%-12.0% p.a., maturing in 2024-2035; of KZT 20,131 million at 1.0%-2.0% p.a., maturing in 2034-2037; of KZT 22,070 million at 1.0% p.a., maturing in 2052, respectively (31 December 2023; of KZT 41,306 million, of KZT 10,901 million, of KZT 27,500 million, respectively, and a loan from Agrarian Credit Corporation JSC (“ACC JSC”) in the amount of KZT 2,431 million at 1.5% p.a., maturing in 2024).

During three months ended 31 March 2024 and 2023, the Group has been repaying principal and interest according to the repayment schedules.

During three months ended 31 March 2024, the Group received long-term loans of KZT 3,441 million from EDF DAMU JSC; loans bear interest rates of 3%-12.0% p.a. and mature in 2026-2029. Loans received were intended to further extend loans to end borrowers.

Loans from EDF DAMU JSC are secured by debt securities of KZT 6,012 million.

Loans received from DBK JSC are intended to further provide financing to large enterprises (“LEs”) operating in the processing industry, and to further provide loans to individuals, buyers of cars manufactured in Kazakhstan.

As at 31 March 2024, loans received from IDF JSC are secured by debt securities of KZT 15,281 million (31 December 2023: KZT 20,500 million) (Note 14).

During three months ended 31 March 2024, the Group fully repaid loans due to JSC ACC.

Loans under the Preferential Lending Programme for small and medium-sized enterprises (the “Programme”)

Loans from EDF DAMU JSC were received in accordance with the Government programme aimed at financing small and medium-sized enterprises (“SME”) operating in specific industries (“the Programme”). Under the loan agreement between DAMU EDF JSC and the Group, the Group extends loans to SME borrowers, eligible to participate in the Programme, at the interest rate with margin of 4% and with maturity not exceeding 10 years. The Group’s obligation to repay the loan payable to DAMU EDF JSC is not contingent on collectibility of loans extended to the SME borrowers. The Group is obligated to pay a 15% penalty on the amounts that were not extended to the SME borrowers within 3-9 months since the proceeds from borrowed funds from DAMU EDF JSC have been received.

The Group’s management believes that no other financial instruments similar to loans received from EDF DAMU JSC, DBK JSC, IDF JSC and ACC JSC, bearing the interest rates of 1.0% - 12.0% p.a., exist in the market, and due to the specific nature of activities of LSE and SME clients and individuals under the auto loan preferential programme, this product represents a separate market. Therefore, loans received from EDF DAMU JSC, DBK JSC, IDF JSC and ACC JSC, bearing the interest rates of 1.0%- 12.0% p.a., represent the orderly transactions on the separate market and as such, transactions have been recorded at fair value at the recognition date.

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18. DUE TO BANKS AND FINANCIAL INSTITUTIONS, CONTINUED

Loans due to international credit organisations

Loans due to international credit organisations comprise loans from European Bank for Reconstruction and Development JSC (“EBRD”), bearing interest rates at 14.7% -17.66% p.a. and maturing in 2024-2026.

Loans received international credit institution are secured by debt securities for a total of KZT 53,365 million (31 December 2023: KZT 54,019 million) (Note 14).

The Bank is obligated to comply with financial covenants related to ‘due to banks and financial institutions’ mentioned above. These covenants include the established ratios, including debt-to-equity ratios and other coefficients used for financial performance ratios. As at 31 March 2024 and 31 December 2023, the Group was in compliance with these covenants.

Loans under repurchase agreements

As at 31 March 2024 and 31 December 2023, loans due to banks and financial institutions included loans received under repurchase agreements of KZT 225,088 million (unaudited) and KZT 10,376 million that were repaid in April and in January 2024, respectively. The fair value of assets pledged under repurchase agreements amounted to KZT 226,957 million (unaudited) and KZT 10,426 million as at 31 March 2024 and 31 December 2023, respectively (Note 13 and 14).

Correspondent accounts of banks

As at 31 March 2024, deposits received from other banks included correspondent accounts received from foreign banks for a total of KZT 32,562 million and Kazakh second-tier banks for a total of KZT 2,426 million (unaudited) (31 December 2023: deposits received from other banks included correspondent accounts received from foreign banks for a total of KZT 45,776 million and Kazakh second-tier banks for a total of KZT 1,902 million).

19. CUSTOMER ACCOUNTS

	31 March 2024 (unaudited)	31 December 2023
Customer accounts		
- Retail	2,242,519	2,234,525
- Corporate	1,814,540	1,787,543
	<u>4,057,059</u>	<u>4,022,068</u>
	31 марта 2024 года	31 декабря 2023 года
Term deposits	2,927,168	2,772,328
Call deposits	1,107,451	1,228,812
	<u>4,034,619</u>	<u>4,001,140</u>
Accrued interest	22,440	20,928
	<u>4,057,059</u>	<u>4,022,068</u>

As at 31 March 2024, the Bank maintained customer deposit balances of KZT 124,280 million (unaudited) that serve as collateral for loans and unrecognised credit instruments granted by the Group (31 December 2023: KZT 116,540 million).

As at 31 March 2024, the Group has 3 customers (unaudited) (31 December 2023: 2 customers), whose balances exceed 10% of equity. The gross value of these balances as at 31 March 2024 is KZT 180,814 million (unaudited) (31 December 2023: KZT 111,451 million).

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20. DEBT SECURITIES ISSUED

	Currency	Issue date	Maturity date	Interest rate, %	31 March 2024 (unaudited)	Interest rate, %	31 December 2023
Bonds issued in Kazakhstan		05/02/2018-	27/12/2025-				
	KZT	09/11/2021	09/11/2028	10.75-12.00	69,992	10.75-12.00	69,827
	USD	22/01/2024	22/04/2024	0.0	3,284	-	-
					<u>73,276</u>		<u>69,827</u>
Accrued interest					<u>2,093</u>		<u>705</u>
					<u>75,369</u>		<u>70,532</u>

Coupons on debt securities issued are repayable semi-annually; principal is repayable at maturity.

21. SUBORDINATED BONDS

	Currency	Issue date	Maturity date	Interest rate, %	31 March 2024 (unaudited)	Interest rate, %	31 December 2023
Fixed rate		27/11/2009 -	27/11/2024 -				
	KZT	03/11/2017	03/11/2032	4.00-11.00	58,023	4.00-11.00	57,574
					<u>58,023</u>		<u>57,574</u>
Accrued interest					<u>2,365</u>		<u>1,013</u>
					<u>60,388</u>		<u>58,587</u>

Coupons on subordinated bonds are repayable semi-annually; principal is repayable at maturity.

Participation in the Programme of Strengthening Financial Stability of Banking Sector in the Republic of Kazakhstan

In accordance with its Resolution No.191 dated 10 October 2017, the NBRK approved the Bank's participation in the Programme of Strengthening Financial Stability of Banking Sector of the Republic of Kazakhstan (the "Programme").

In accordance with the terms of the Programme, the Bank received cash from the NBRK's subsidiary – Kazakhstan Sustainability Fund JSC – by means of issue of registered coupon subordinated bonds of the Bank (the "Bonds") convertible into the Bank's ordinary shares on the terms provided for in the Bond Issue Prospectus.

The Bank is subject to restrictions (covenants) in its activities valid for 5 years from the Bonds' issue date; breach of any of each will result in exercising by the Bonds' holders of their right of Bonds being converted to the Bank's ordinary shares:

- the Bank undertakes to comply with capital adequacy ratios set by the authorised body for the second-tier banks of the Republic of Kazakhstan;
- the Bank undertakes not to commit action intended to withdraw the Bank's assets; at that, summary of activities to be considered the withdrawal of assets is set out in the Bond Issue Prospectus.

Within the framework of the Bank's participation in the Programme, on 3 November 2017, the Bank placed Bonds at Kazakhstan Stock Exchange in the amount of KZT 60,000 million, with a 15-year maturity and coupon rate of 4.00% per annum. Unwinding of discount of Bonds when using the market interest rate of 15%, which was recognised as income in the consolidated statement of profit or loss at initial recognition of Bonds, is KZT 34,993 million. As at 31 March 2024, the carrying amount of Bonds is KZT 29,965 million (unaudited) (31 December 2023: KZT 28,944 million).

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21. SUBORDINATED BONDS, CONTINUED

Reconciliation of movements of liabilities to cash flows arising from financing activities (unaudited)

	Liabilities		
	Debt securities issued	Subordinated bonds	Total
Balance at 1 January 2024	70,532	58,587	129,119
Changes from financing cash flows			
Issue of debt securities	3,293	-	3,293
Total changes from financing cash flows	3,293	-	3,293
Other changes	37	-	37
Interest expense	2,182	1,806	3,988
Interest paid	(675)	(5)	(680)
Balance at 31 March 2024 (unaudited)	75,369	60,388	135,757

	Liabilities		
	Debt securities issued	Subordinated bonds	Total
Balance at 1 January 2023	96,183	60,405	156,588
Changes from financing cash flows			
Repayment of debt securities issued	(21,853)	-	(21,853)
Total changes from financing cash flows	(21,853)	-	(21,853)
Interest expense	2,595	1,822	4,417
Interest paid	(1,227)	(1,114)	(2,341)
Balance at 31 March 2023 (unaudited)	75,698	61,113	136,811

22. OTHER LIABILITIES

	31 March 2024 (unaudited)	31 December 2023
Other financial liabilities:		
Liability from continuing involvement	420,601	424,544
Settlements on other liabilities	33,117	31,658
Insurance contract provisions	23,940	19,255
Liabilities under guarantees issued*	6,082	35,679
Provisions for guarantees and letters of credit	3,829	3,854
Lease liability	3,226	2,892
Accrued fee and commission expense	1,827	2,033
Accrued administrative and operating expenses	3,189	1,755
	495,811	521,670
Current other non-financial liabilities:		
Taxes payable other than income tax	6,123	4,738
Other non-financial liabilities	1,325	788
Total other liabilities	503,259	527,196

* As at 31 December 2023, liabilities under guarantees issued included liabilities of KZT 31,204 million under the guarantee issued to one counterparty. The liability arose due to the occurrence of a guaranteed event. During three months ended 31 March 2024, the Group paid KZT 27,481 million of liabilities under the guarantee of this counterparty.

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23. SHARE CAPITAL

As at 31 March 2024, the Bank's share capital comprises the following (unaudited):

	Authorised share capital	Unissued share capital	Repurchased share capital from shareholders	Total share capital
Ordinary shares (number of shares)	1,211,140,611	(1,023,111,576)	(2,077,885)	185,951,150
Preference shares (number of shares)	39,249,255	-	(39,040,471)	208,784

As at 31 March 2024, the Bank's share capital comprised (unaudited):

	Authorised and issued share capital	Placement of authorised ordinary shares	Repurchased shares	Total
Ordinary shares	64,497	-	(160)	64,337
Preference shares	1	-	-	1
	64,498	-	(160)	64,338

As at 31 December 2023, the Bank's share capital comprises the following:

	Authorised share capital	Unissued share capital	Repurchased share capital from shareholder	Repurchased share capital from shareholder
Ordinary shares (number of shares)	1,211,140,611	(1,023,111,576)	(2,651,975)	185,377,060
Preference shares (number of shares)	39,249,255	-	(39,085,016)	164,239

As at 31 December 2023, the Bank's share capital comprised:

	Authorised and issued share capital	Placement of authorised ordinary shares	Issued/ (repurchased) shares	Total
Ordinary shares	63,519	-	978	64,497
Preference shares	35	-	(34)	1
	63,554	-	944	64,498

24. SEGMENT REPORTING

The segment information below is presented on the basis used by the Group's chief operating decision maker to evaluate performance, in accordance with IFRS 8 and in accordance with the segment reporting presented in the consolidated interim condensed financial statements for three months ended 31 March 2024 and 2023.

The majority of the Group's assets are located in the Republic of Kazakhstan and the Group generates income from operations conducted within the Republic of Kazakhstan.

Major customers

For three months ended 31 March 2024 and 2023, the reporting segments have no corporate and retail customers, whose income from transactions individually exceed 10% of the total income of the Group (unaudited).

Information about operating segments is presented below.

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24. SEGMENT REPORTING, CONTINUED

	Retail banking (unaudited)	Corporate banking (unaudited)	Investing activities (unaudited)	Insurance activities (unaudited)	For three months ended 31 March 2024 (unaudited)
Interest income calculated using the effective interest method	90,744	32,038	37,492	-	160,274
Other interest income	-	-	1,141	-	1,141
Interest expense	(44,861)	(29,747)	(8,967)	-	(83,575)
Charge of credit loss allowance for interest-bearing assets	(12,015)	(6,268)	-	-	(18,283)
Net non-interest income	2,829	23,786	3,322	630	30,567
Operating expenses	(14,666)	(7,916)	(13,183)	(252)	(36,017)
Profit before income tax	22,031	11,893	19,805	378	54,107
Segment assets*	2,118,474	2,400,420	1,016,993	25,915	5,561,802
Segment liabilities*	2,251,425	2,282,681	522,361	26,212	5,082,679
Other segment items					
Depreciation/amortisation expense on property and equipment, and intangible assets	(1,170)	(632)	(1,052)	(20)	(2,874)
Loans to customers and banks	2,117,980	892,560	-	-	3,010,540
Customer accounts	2,242,519	1,814,540	-	-	4,057,059
Financial guarantees and credit related commitments	87,370	217,832			305,202

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	Retail banking (unaudited)	Corporate banking (unaudited)	Investing activities (unaudited)	For three months ended 31 March 2023 (unaudited)
Interest income calculated using the effective interest method	48,402	36,202	30,599	115,203
Other interest income	-	-	811	811
Interest expense	(31,584)	(28,061)	(4,417)	(64,062)
Charge of credit loss allowance for interest-bearing assets	(10,237)	(8,639)	-	(18,876)
Net non-interest income	4,288	14,328	2,924	21,540
Operating expenses	(4,479)	(7,466)	(14,469)	(26,414)
Profit before income tax	6,390	6,364	15,448	28,202
Segment assets*	1,382,107	2,061,507	976,538	4,420,152
Segment liabilities*	1,942,246	1,951,879	214,483	4,108,608
Other segment items				
Depreciation/amortisation expense on property and equipment, and intangible assets	(407)	(679)	(1,315)	(2,401)
Loans to customers and banks	1,381,608	791,662	-	2,173,270
Customer accounts	1,936,850	1,410,045	-	3,346,895
Financial guarantees and credit related commitments	90,147	179,347	-	269,494

* net of current and deferred income tax. Income tax expense is not allocated.

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25. RISK MANAGEMENT POLICY

Management of risk is fundamental to the Group's business of banking and is an essential element of the Group's operations. The major (significant) risks faced by the Group are those related to market risk, credit risk, liquidity risk and operating risk, legal risk and reputational risk.

Структура управления рисками

The Board of Directors has overall responsibility for risk identification and oversight. However, there are also separate independent bodies responsible for risk management and control. The Group's risk management structure has not changed significantly in three months ended 31 March 2024.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rates risk and other price risks.

Currency risk

The Group's exposure to foreign currency exchange rate risk as at 31 March 2024 (unaudited) is presented in the table below:

	KZT	USD USD 1.00 = KZT 446.78	EUR EUR 1.00 = KZT 481.81	Other currency	31 March 2024 Total
Financial assets:					
Cash and cash equivalents	563,269	586,261	123,222	43,527	1,316,279
Financial instruments at FVTPL	40,089	17,388	-	-	57,477
Investment financial assets at FVOCI	474,493	195,015	38,472	-	707,980
Investment financial assets at amortised cost	7,352	142,283	9,092	-	158,727
Due from banks	9,383	60,033	-	22,916	92,332
Loans to customers and banks	2,753,018	241,073	15,969	480	3,010,540
Other financial assets	32,741	3,161	269	432	36,603
Total financial assets	3,880,345	1,245,214	187,024	67,355	5,379,938
Financial liabilities:					
Due to banks and financial institutions	356,438	23,630	994	5,542	386,604
Customer accounts	2,646,617	1,128,918	199,486	82,038	4,057,059
Debt securities issued	72,086	3,283	-	-	75,369
Subordinated bonds	60,388	-	-	-	60,388
Other financial liabilities	484,867	8,000	1,972	972	495,811
Total financial liabilities	3,620,396	1,163,831	202,452	88,552	5,075,231
Open position	259,949	81,383	(15,428)	(21,197)	
The effect of derivatives held for risk management	53,470	(67,664)	-	14,520	
Net position	313,419	13,719	(15,428)	(6,677)	

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25. RISK MANAGEMENT POLICY, CONTINUED

(a) Market risk, continued

(ii) Currency risk

The Group's exposure to foreign currency exchange rate risk as at 31 December 2023 is presented in the table below:

	KZT	USD USD 1.00 = KZT 454.56	EUR EUR 1.00 = KZT 502.24	Other currency	31 December 2023 Total
Financial assets:					
Cash and cash equivalents	456,898	635,212	173,751	87,473	1,353,334
Financial instruments at FVTPL	41,494	13,858	-	-	55,352
Investment financial assets at FVOCI	420,043	134,099	29,551	-	583,693
Investment financial assets at amortised cost	6,188	91,076	9,395	-	106,659
Due from banks	10,099	29,372	-	12	39,483
Loans to customers and banks	2,698,830	213,446	15,991	582	2,928,849
Other financial assets	25,032	4,047	747	-	29,826
Total financial assets	3,658,584	1,121,110	229,435	88,067	5,097,196
Financial liabilities:					
Due to banks and financial institutions	136,932	37,538	4,244	3,177	181,891
Customer accounts	2,650,504	1,063,077	223,784	84,703	4,022,068
Debt securities issued	70,532	-	-	-	70,532
Subordinated bonds	58,587	-	-	-	58,587
Other financial liabilities	489,304	29,552	1,151	1,663	521,670
Total financial liabilities	3,405,859	1,130,167	229,179	89,543	4,854,748
Open position	252,725	(9,057)	256	(1,476)	
The effect of derivatives held for risk management	(4,541)	4,546	-	-	
Net position	248,184	(4,511)	256	(1,476)	

A weakening of the KZT, as indicated below, against the following currencies at 31 March 2024 and 31 December 2023, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is on net of tax basis and is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	31 March 2024 (unaudited)	31 December 2023
20% appreciation of USD against KZT	2,195	(722)
20% appreciation of EUR against KZT	(2,468)	41
20% appreciation of other currencies against KZT	(1,068)	(236)

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25. RISK MANAGEMENT POLICY, CONTINUED

(b) Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation.

The maximum exposure to credit risk from financial assets at the reporting date is as follows.

	31 March 2024 (unaudited)	31 December 2023
ASSETS		
Cash and cash equivalents	1,175,614	1,142,172
Financial instruments at FVTPL	45,992	46,620
Investment financial assets at FVOCI - debt financial instruments	705,682	582,523
Investment financial assets at amortised cost	158,727	106,659
Due from banks	92,332	39,483
Loans to customers and banks	3,010,540	2,928,849
Other financial assets	36,603	29,826
Total maximum exposure	5,225,490	4,876,132

For the analysis of collateral held against loans to customers and concentration of credit risk in respect of loans to customers, see *Note 16*.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in *Note 27*.

The Bank calculates and monitors, on the ongoing basis, the mandatory norm of the maximum risk per one borrower or group of related borrowers, which regulates the Bank's credit risk with regard to a single borrower or group of related borrowers and determines the maximum ratio of the total liabilities of a borrower (borrowers included in the group of related borrowers) to the Bank to the Bank's equity. As at 31 March 2024 and 31 December 2023 the maximum allowable value of k-3 norm established by NBRK was 25%. The value of k-3 norm calculated by the Bank as at 31 March 2024 (unaudited) and 31 December 2023 was in compliance with the statutory norm.

As at 31 March 2024 (unaudited) and 31 December 2023 the Group did not have debtors or groups of connected debtors, where credit risk exposure exceeded 10% maximum credit risk exposure.

(c) Liquidity risk

The following tables show analysis of financial assets and liabilities grouped according to the principle of period remaining from the balance sheet date till maturity date, except for the financial assets through profit or loss and investment financial assets at fair value through other comprehensive income that have been classified as "on demand and less than 1 month" as they may be realised, as necessary, at any time.

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25. RISK MANAGEMENT POLICY, CONTINUED

(c) Liquidity risk, continued

31 March 2024 (unaudited)	Weighted average effective interest rate	On demand and up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Financial assets							
Cash and cash equivalents	9.03%	916,653	80,518	-	-	-	997,171
Financial instruments at FVTPL	9.99%	45,992	-	-	-	-	45,992
Investment financial assets at FVOCI	7.96%	705,682	-	-	-	-	705,682
Investment financial assets at amortised cost	4.08%	624	15,646	29,048	112,371	1,038	158,727
Loans to customers and banks	18.50%	459,609	128,289	415,291	1,112,699	894,652	3,010,540
Total interest-bearing assets		2,128,560	224,453	444,339	1,225,070	895,690	4,918,112
Cash and cash equivalents		319,108	-	-	-	-	319,108
Financial instruments at FVTPL		11,485	-	-	-	-	11,485
Investment financial assets at FVOCI		2,298	-	-	-	-	2,298
Due from banks		32,695	-	-	-	59,637	92,332
Other financial assets		36,603	-	-	-	-	36,603
Total financial assets		2,530,749	224,453	444,339	1,225,070	955,327	5,379,938
Financial liabilities							
Due to banks and financial institutions	6.54%	226,779	438	3,193	53,059	68,147	351,616
Customer accounts	10.50%	427,041	667,236	1,419,519	337,422	14,317	2,865,535
Debt securities issued	12.42%	3,492	1,701	183	69,993	-	75,369
Subordinated bonds	7.35%	-	1,382	8,308	21,713	28,985	60,388
Other financial liabilities	3.07%	16,518	2,924	13,627	84,591	302,941	420,601
Total interest-bearing liabilities		673,830	673,681	1,444,830	566,778	414,390	3,773,509
Due to banks and financial institutions		34,988	-	-	-	-	34,988
Amounts due to customers		1,136,871	582	15,847	34,720	3,504	1,191,524
Other financial liabilities		75,210	-	-	-	-	75,210
Total financial liabilities		1,920,899	674,263	1,460,677	601,498	417,894	5,075,231
Liquidity gap		609,850	(449,810)	(1,016,338)	623,572	537,433	
Interest sensitivity gap		1,454,730	(449,228)	(1,000,491)	658,292	481,300	
Cumulative interest sensitivity gap		1,454,730	1,005,502	5,011	663,303	1,144,603	
Cumulative interest sensitivity gap as a percentage of total financial assets		29.58%	20.44%	0.10%	13.49%	23.27%	

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25. RISK MANAGEMENT POLICY, CONTINUED

(c) Liquidity risk, continued

31 December 2023	Weighted average effective interest rate	On demand and up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Financial assets							
Cash and cash equivalents	10.45%	695,876	-	-	-	-	695,876
Financial instruments at FVTPL	17.04%	46,620	-	-	-	-	46,620
Investment financial assets at FVOCI	13.01%	582,523	-	-	-	-	582,523
Investment financial assets at amortised cost	4.61%	11,531	14,306	23,397	56,391	1,034	106,659
Loans to customers and banks	18.26%	540,695	138,974	376,642	1,027,131	845,407	2,928,849
Total interest-bearing assets		1,877,245	153,280	400,039	1,083,522	846,441	4,360,527
Cash and cash equivalents		657,458	-	-	-	-	657,458
Financial instruments at FVTPL		8,732	-	-	-	-	8,732
Investment financial assets at FVOCI		1,170	-	-	-	-	1,170
Due from banks		32,194	7,289	-	-	-	39,483
Other financial assets		25,613	-	4,213	-	-	29,826
Total financial assets		2,602,412	160,569	404,252	1,083,522	846,441	5,097,196
Financial liabilities							
Due to banks and financial institutions	7.25%	23,214	1,671	12,378	41,636	55,314	134,213
Customer accounts	10.99%	788,840	459,156	1,513,911	403,117	16,530	3,181,554
Debt securities issued	12.40%	-	484	221	69,827	-	70,532
Subordinated bonds	12.82%	-	560	7,824	21,639	28,564	58,587
Other financial liabilities	3.07%	3,101	2,996	13,966	86,833	317,648	424,544
Total interest-bearing liabilities		815,155	464,867	1,548,300	623,052	418,056	3,869,430
Due to banks and financial institutions		47,678	-	-	-	-	47,678
Customer accounts		787,275	2,402	14,733	33,407	2,697	840,514
Other financial liabilities		97,126	-	-	-	-	97,126
Total financial liabilities		1,747,234	467,269	1,563,033	656,459	420,753	4,854,748
Liquidity gap		855,178	(306,700)	(1,158,781)	427,063	425,688	
Interest sensitivity gap		1,062,090	(311,587)	(1,148,261)	460,470	428,385	
Cumulative interest sensitivity gap		1,062,090	750,503	(397,758)	62,712	491,097	
Cumulative interest sensitivity gap as a percentage of total financial assets		23.99%	17.21%	(9.12%)	1.44%	11.26%	

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25. RISK MANAGEMENT POLICY, CONTINUED

(c) Liquidity risk, continued

In accordance with Kazakhstan legislation, depositors can withdraw their term deposits at any time, losing in most of the cases the accrued interest. These deposits are classified in accordance with their stated maturity dates.

However, management believes that in spite of this early withdrawal option and the fact that a substantial portion of customer accounts are on demand, diversification of these customer accounts and deposits by number and type of depositors, and the past experience of the Group indicates that these customer accounts provide a long-term and stable source of funding.

Management expects that the cash flows from certain financial assets and liabilities will be different from their contractual terms either because management has the discretionary ability to manage the cash flows or because past experience indicates that cash flows will differ from contractual terms.

26. CAPITAL MANAGEMENT

NBRK sets and monitors capital requirements for the Bank as a whole.

The Bank defines as capital those items defined by statutory regulation as capital for credit institutions:

- Tier 1 capital is a total of basic and additional capital. Basic capital comprises paid-in ordinary share capital, share premium, current and prior periods' retained earnings and reserves created thereof, less treasury share capital, intangible assets including goodwill, and current and prior periods losses, deferred tax asset net of deferred tax liability, excluding deferred tax assets recognised in relation to deductible temporary differences, other revaluation reserves, gains from sales related to asset securitisation transactions, gains or losses from revaluation of financial liabilities at fair value related to change in own credit risk, regulatory adjustments to be deducted from the additional capital, but due to insufficient levels of it deducted from basic capital, and investments in financial instruments of investees consolidated in the Group with certain limitations. Additional capital comprises of perpetual contracts and paid-in preference share capital less adjustments for the Bank's investment in its own perpetual financial instruments, treasury preference shares, investments in financial instruments of investees not consolidated in the Group with certain limitations and regulatory adjustments to be deducted from the tier 2 capital, but due to insufficient levels of it deducted from additional capital.
- Tier 2 capital comprises subordinated debt in KZT less investments in subordinated debt of financial institutions the Bank holds 10% and more shares in.

Total capital is the sum of tier 1 and tier 2 capital.

There is a set of different limitations and classification criteria applied to the above listed total capital elements.

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26. CAPITAL MANAGEMENT, CONTINUED

In accordance with the current regulations set by the NBRK, the Bank has to maintain total capital adequacy within the following coefficients:

- a ratio of basic capital to the sum of credit risk-weighted assets and contingent liabilities, market risk-weighted assets and contingent assets and liabilities, and quantified operational risk (k1);
- a ratio of tier 1 capital to the sum of credit risk-weighted assets and contingent liabilities, market risk-weighted assets and contingent assets and liabilities, and quantified operational risk (k1-2);
- a ratio of total capital to the sum of credit risk-weighted assets and contingent liabilities, market risk-weighted assets and contingent assets and liabilities, and quantified operational risk (k2).

As at 31 March 2024, the Bank complied with all prudential capital ratios k1, k1-2 and k2, and the actual ratios were 0.151, 0.151 and 0.173, respectively (unaudited) (31 December 2023: k1 –0.154, k1-2 –0.154 and k2 –0.181).

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26. CAPITAL MANAGEMENT, CONTINUED

The following table shows the composition of the capital position as at 31 March 2024 (unaudited) and 31 December 2023 calculated in accordance with the requirements established by the resolution of Board of National Bank of the Republic of Kazakhstan of 13 September 2018, No. 170 “On establishment of normative values and techniques of calculations of prudential standard rates and other regulations, obligatory to observance, and limits of the size of the capital of bank for the certain date and Rules of calculation and limits of the open foreign exchange position of bank” with amendments and additions.

	31 March 2024 (unaudited)	31 December 2023
Tier 1 capital		
Basic capital:	447,444	397,183
Share capital	65,648	65,648
Statutory retained earnings of prior years	356,431	225,818
Retained earnings of current period	41,718	130,613
Reserves formed from statutory retained earnings of prior years	4,981	4,981
Revaluation surplus for buildings	-	-
Revaluation reserve for investment securities	(4,326)	(13,883)
Statutory adjustments:		
Intangible assets	(17,008)	(15,994)
Total basic capital	447,444	397,183
Additional capital:		
Paid-in preference share capital not satisfying basic capital requirements	11,775	11,775
Bank's treasury preference shares	(11,686)	(11,686)
Tier 1 capital	447,533	397,272
Tier 2 capital		
Subordinated debt	66,537	67,626
Total tier 2 capital	66,537	67,626
Total capital	514,070	464,898
Positive difference between regulatory impairment provisions and IFRS impairment provisions	-	-
Risk-weighted assets, contingent liabilities and derivative financial instruments and operational risk		
Credit risk-weighted assets	2,597,582	2,301,707
Credit risk-weighted contingent liabilities	162,799	118,365
Market risk-weighted assets, contingent assets and liabilities	49,863	51,599
Operational risk	159,035	103,165
Risk-weighted assets, contingent liabilities and derivative financial instruments and operational risk	2,969,279	2,574,836
k1	0.151	0.154
k1-2	0.151	0.154
k2	0.173	0.181

27. CREDIT RELATED COMMITMENTS

The Group has outstanding credit related commitments to extend loans. These credit related commitments take the form of approved loans and credit card limits and overdraft facilities.

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years.

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27. CREDIT RELATED COMMITMENTS, CONTINUED

The Group applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans to customers.

The contractual amounts of credit related commitments are set out in the following table by category. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if the counterparties failed completely to perform as contracted.

As at 31 March 2024 and 31 December 2023, the nominal values or contractual values and risk-weighted amounts are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Nominal value	Risk-weighted value*	Nominal value	Risk-weighted value
Guarantees issued and other similar liabilities	207,540	171,105	193,598	134,799
Credit card commitments	87,370	17,474	92,921	18,584
Letters of credit and other contingent liabilities related to other transaction	10,292	2,058	16,978	3,396
	305,202	190,637	303,497	156,779

*guarantees issued and other similar liabilities are stated net of cash collateral in the amount of KZT 36,435 million (31 December 2023: KZT 58,799 million); credit cards and letters of credit liabilities of 20% of the nominal value.

Management expects that loans and liabilities under credit facilities will be financed as required at the expense of the amounts received from repayment of the current loan portfolio according to the payment schedules.

As at 31 March 2024, the guarantees issued in the amount of KZT 205,811 million and credit card commitments in the amount of KZT 86,693 million are classified as Stage 1 of credit risk gradings (unaudited) (31 December 2023: KZT 161,298 million and KZT 92,263 million), KZT 27 million and KZT 133 million are classified as Stage 2 of credit risk gradings (unaudited) (31 December 2023: KZT 33 million and KZT 144 million, respectively) and KZT 1,702 million and KZT 544 million are classified as Stage 3 of credit risk gradings, respectively (unaudited) (31 December 2023: KZT 32,267 million and KZT 544 million, respectively).

The following table shows the guarantees issued and other similar liabilities secured by different types of collaterals and not the fair value of the collateral itself:

	31 March	31 December
	2024 (unaudited)	2023
Cash	36,435	58,799
Real estate	44,051	50,537
Corporate guarantees	51,537	17,829
Unsecured	24,662	16,415
Movable property	608	988
Goods in turnover	1,327	554
Other	48,920	48,476
Total	207,540	193,598

The following table shows the letters of credit issued and other contingent liabilities secured by different types of collaterals and not the fair value of the collateral itself:

	31 March	31 December
	2024 (unaudited)	2023
Cash	3,596	10,128
Other	6,696	6,850
Total	10,292	16,978

These commitments do not necessarily represent future cash requirements, as these credit related commitments may expire or terminate without being funded.

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28. CUSTODIAN SERVICES

The Group provides custodian services to individuals, trusts, retirement benefit plans and other institutions, whereby it accounts and holds assets or make settlements on the customers' transactions with different financial instruments at the direction of the customer. The Group receives fee income for providing these services. Assets received under custodian management are not assets of the Group and are not recognised in the consolidated interim condensed statement of financial position. The Group is not exposed to any credit risk related to such activities, as it does not guarantee these investments.

Fiduciary assets are categorised as follows based on their nominal value:

	31 March 2024 (unaudited)	31 December 2023
Securities	404,501	406,714
Investments in buildings, machinery, equipment, transport and other property	6,261	6,261
Unit investment funds	25	25
Bank deposits	-	47
Total fiduciary assets	410,787	413,047

The Group keeps accounting and prepares reporting for assets and investment funds, asset management and other legal entities and transactions with assets and makes reconciliation with the management company with regard to the assets being served, in accordance with the requirements of the legislation of the Republic of Kazakhstan and NBRK rules.

29. CONTINGENCIES

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its premises and equipment, business interruption, or third-party liability in respect of property or environmental damage arising from accidents on its property or related to operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

(b) Litigation

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the financial conditions or the results of future operations.

(c) Taxation contingencies in Kazakhstan

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, in particular recognition of income, expenses and other items of the financial statements under IFRS. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Kazakhstan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated interim condensed financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

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30. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS

(a) Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2024 (unaudited):

	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Amortised cost	Total carrying amount	Total carrying amount
Cash and cash equivalents	-	-	1,316,279	1,316,279	1,316,279
Financial instruments at FVTPL	57,954	-	-	57,954	57,954
Investment financial assets at FVOCI	-	707,980	-	707,980	707,980
Investment financial assets at amortised cost	-	-	158,727	158,727	159,243
Due from banks	-	-	92,332	92,332	92,332
Loans to customers and banks	-	-	3,010,540	3,010,540	2,956,852
Other financial assets	-	-	36,603	36,603	36,603
	57,954	707,980	4,614,481	5,380,415	5,327,243
Due to banks and financial institutions	-	-	386,604	386,604	386,604
Customer accounts	-	-	4,057,059	4,057,059	3,927,035
Debt securities issued	-	-	75,369	75,369	75,159
Subordinated bonds	-	-	60,388	60,388	55,135
Other financial liabilities	-	-	495,811	495,811	495,811
	-	-	5,075,231	5,075,231	4,939,744

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30. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS, CONTINUED

(a) Accounting classifications and fair values, continued

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2023:

	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	1,353,334	1,353,334	1,353,334
Financial instruments at FVTPL	55,414	-	-	55,414	55,414
Investment financial assets at FVOCI	-	583,693	-	583,693	583,693
Investment financial assets at amortised cost	-	-	106,659	106,659	104,760
Due from banks	-	-	39,483	39,483	39,483
Loans to customers and banks	-	-	2,928,849	2,928,849	2,911,512
Other financial assets	-	-	29,826	29,826	29,826
	55,414	583,693	4,458,151	5,097,258	5,078,022
Due to banks and financial institutions	-	-	181,891	181,891	181,891
Customer accounts	-	-	4,022,068	4,022,068	4,019,165
Debt securities issued	-	-	70,532	70,532	65,859
Subordinated bonds	-	-	58,587	58,587	57,386
Other financial liabilities	-	-	521,670	521,670	521,670
	-	-	4,854,748	4,854,748	4,845,971

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

However, given the uncertainties and the use of subjective judgement, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

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30. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS, CONTINUED

(a) Accounting classifications and fair values, continued

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market-observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices and foreign currency exchange rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives such as interest rate swaps.

For more complex instruments, the Group uses proprietary valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include certain loans and securities for which there is no active market.

The following assumptions are used by management to estimate the fair values of financial instruments:

- discount rates of 6.96%-17.65% p.a. and 16.16%-23.80% p.a. (unaudited) are used for discounting future cash flows from USD- and KZT-denominated loans to corporate customers and loans to retail customers, respectively (31 December 2023: 6.87%-21.11% p.a. and 20.55%-28.35% p.a.);
- discount rates of 7.0% to 14.64% p.a. (unaudited) are used for discounting future cash flows from mortgage loans issued under the '7-20-25' programme (31 December 2023: 7.0% to 14.64% p.a.). The Bank applies nominal interest rates to discount future cash flows making the assumption that this government programme represents a separate market segment;
- discount rates of 2.7%-13.6% p.a. and 0.9%-13.8% p.a. (unaudited) are used to calculate expected future cash flows from KZT- and USD-denominated current accounts and deposits of corporate and retail customers, respectively (31 December 2023: 2.6%-14.6% and 0.9%-13.7%);
- quoted market prices are used for determination of fair value of debt securities issued.

The estimates of fair value are intended to approximate the amount for which a financial instrument can be exchanged between knowledgeable, willing parties in an arm's length transaction. However, given the uncertainties and the use of subjective judgement, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

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30. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS, CONTINUED

(b) Fair value hierarchy

The Group measures fair values for financial instruments recorded on the consolidated interim condensed statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument;
- Level 2: valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for identical or similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;
- Level 3: valuation techniques using unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

The table below analyses financial instruments measured at fair value at 31 March 2024 (unaudited), by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments at FVTPL – debt securities	3,622	42,370	-	45,992
Non-derivative financial instruments at FVTPL – equity securities	2,605	8,880	-	11,485
Investment financial assets at FVOCI - debt financial instruments	70,668	627,713	7,301	705,682
Investment financial assets at FVOCI - equity financial instruments	905	1,393	-	2,298
	77,800	680,356	7,301	765,457

The table below analyses financial instruments measured at fair value at 31 December 2023, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments at FVTPL – debt securities	4,239	42,381	-	46,620
Non-derivative financial instruments at FVTPL – equity securities	2,049	6,683	-	8,732
Investment financial assets at FVOCI - debt financial instruments	58,417	517,851	6,255	582,523
Investment financial assets at FVOCI - equity financial instruments	1,170	-	-	1,170
	65,875	566,915	6,255	639,045

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30. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS, CONTINUED

(b) Fair value hierarchy, continued

The following table shows a reconciliation for three months ended 31 March 2024 and 2023 for fair value measurements into Level 3 of the fair value hierarchy:

	2024	2023
Balance at 1 January	6,255	12,285
Net interest income (unaudited)	25	154
Interest received (unaudited)	(103)	-
Net gain/(expenses) on change in fair value (unaudited)	1,124	(2,382)
Balance at 31 March (unaudited)	7,301	10,057

The table below sets out information about significant unobservable inputs used at year end in the measuring fair value of net assets categorised as Level 3 in the fair value hierarchy as at 31 March 2024, together with a sensitivity analysis for shifts in these inputs which the Bank considers were reasonably possible at the reporting date, assuming all other variables remain unchanged.

	Fair value of financial assets		Significant unobservable inputs	Sensitivity analysis of fair value to unobservable inputs	
	KZT mln	Valuation technique		Reasonable shift	
31 March 2024 (unaudited)	6,255	Cash price method of securities database	Bid-ask spreads	+/-10.0%	626

Unobservable valuation differences on initial recognition

In many cases all significant inputs into the valuation techniques are wholly observable, for example by reference to information from similar transactions in the currency market. In cases where all inputs are not observable, for example because there are no observable trades in a similar risk at the reporting date, the Group uses valuation techniques that rely on unobservable inputs – e.g. volatilities of certain underlying, expectations of termination periods. When fair value at initial recognition is not evidenced by a quoted price in an active market or based on a valuation technique that uses data only from observable markets, any difference between the fair value at initial recognition and the transaction price is not recognised in profit or loss immediately, but is deferred.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

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(in millions of Kazakhstani tenge unless otherwise stated)

30. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS, CONTINUED

(b) Fair value hierarchy, continued

Unobservable valuation differences on initial recognition, continued

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 March 2024 (unaudited):

	Level 2	Level 3	Total fair values	Total carrying amount
Assets				
Cash and cash equivalents	1,316,279	-	1,316,279	1,316,279
Investment financial assets at amortised cost	159,243	-	159,243	158,727
Due from banks	92,332	-	92,332	92,332
Loans to customers and banks	2,906,815	50,037	2,956,852	3,010,540
Other financial assets	36,603	-	36,603	36,603
Liabilities				
Due to banks and financial institutions	386,604	-	386,604	386,604
Customer accounts	3,927,035	-	3,927,035	4,057,059
Debt securities issued	75,159	-	75,159	75,369
Subordinated bonds	55,135	-	55,135	60,388
Other financial liabilities	495,811	-	495,811	495,811

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2023:

	Level 2	Level 3	Total fair values	Total carrying amount
Assets				
Cash and cash equivalents	1,353,334	-	1,353,334	1,353,334
Investment financial assets at amortised cost	104,760	-	104,760	106,659
Due from banks	39,483	-	39,483	39,483
Loans to customers and banks	2,868,885	42,627	2,911,512	2,928,849
Other financial assets	29,826	-	29,826	29,826
Liabilities				
Due to banks and financial institutions	181,891	-	181,891	181,891
Customer accounts	4,019,165	-	4,019,165	4,022,068
Debt securities issued	65,859	-	65,859	70,532
Subordinated bonds	57,386	-	57,386	58,587
Other financial liabilities	521,670	-	521,670	521,670

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31. RELATED PARTY TRANSACTIONS

Mr B.R. Baiseitov is an ultimate controlling party of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and related parties are disclosed below:

	31 March 2024 (unaudited)		31 December 2023	
	Related party transactions	Average nominal interest rate	Related party transactions	Average nominal interest rate
Loans to customers and banks, gross	29,944		25,353	
- key management personnel of the Group				
- in KZT	106	18.28%	97	10.36%
- close relatives of key management personnel				
- in KZT	25	18.25%	25	18.25%
- entities under common control				
- in USD	23,644	5.00%	24,055	5.00%
- in KZT	1,169	19.00%	1,176	19.00%
Provision for losses on loans to customers and banks	(18,576)		(18,764)	
- entities under common control	(18,576)		(18,764)	
Customer accounts			6,684	
- key management personnel of the Group				
- in KZT	417	14.50%	298	14.06%
- in USD	1,238	0.75%	748	0.79%
- in other currencies	102	0.10%	80	0.10%
- close relatives of key management personnel				
- in KZT	3,223	14.45%	3,004	14.00%
- in USD	772	0.75%	368	1.5%
- in other currencies	13	0.1%	14	-
- other				
- in KZT	330	13.5%	298	14.37%
- in USD	1,868	1.50%	1,855	0.75%
- in other currencies	16	-	19	0.10%

Secured and unsecured loans and guarantees are issued to key management personnel and other related parties in the ordinary course of business. These loans are issued mostly on the same terms, including interest rates, that are used in other similar transactions with the persons of similar status or, if applicable, with other companies and employees. The transactions did not involve more than the normal risk of repayment or present other unfavourable features.

Amounts deposited by the Group's key management personnel and other related parties earn interest at the same rates as those offered to the market or on the same terms and conditions applicable to other employees within the Group.

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31. RELATED PARTY TRANSACTIONS, CONTINUED

Included in the consolidated interim condensed statement of profit or loss for three months ended 31 March 2024 and 2023 are the following amounts, which arose due to transactions with related parties:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Interest income	69	674
- key management personnel of the Group	3	-
- close relatives of key management personnel	1	1
- entities under common control	65	673
Interest expense	(148)	(199)
- key management personnel of the Group	(14)	(17)
- close relatives of key management personnel	(115)	(121)
- other	(19)	(61)
Expected credit loss allowance on loans to customers and banks	(134)	(3,541)
- entities under common control	(134)	(3,541)
Operating expenses	(389)	(248)
- key management personnel of the Group	(306)	(213)
- subsidiary	(83)	(35)