



**CENTERCREDIT**



ANNUAL REPORT **2014**



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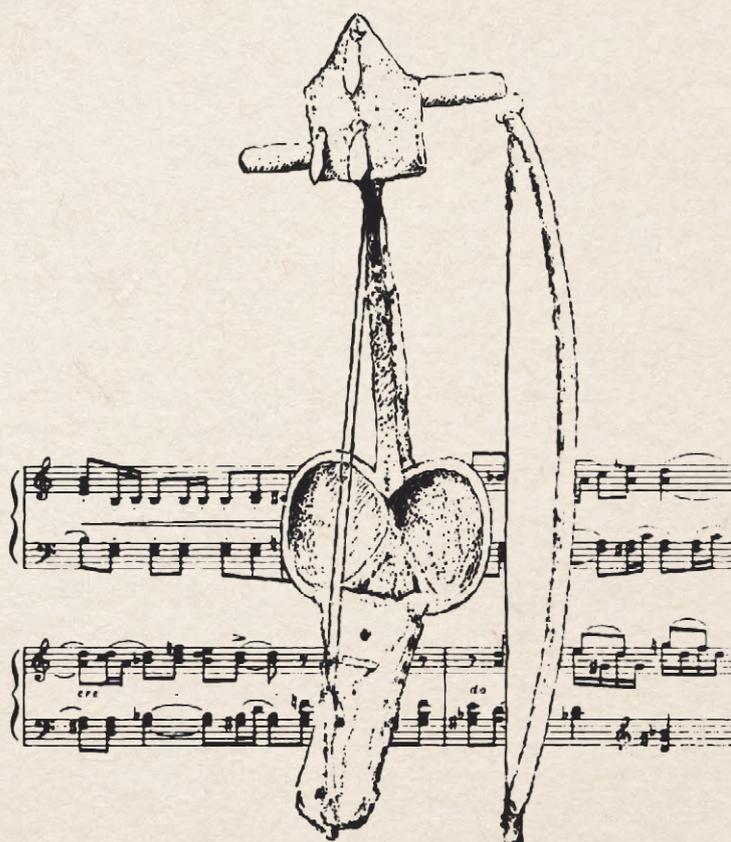
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## A Word from the Chairman of the Board of Directors





**Dear Stockholders,**

Bank CenterCredit JSC (BCC) took consistent steps in the reporting year to further stabilize its activities, steadily grow its business, reduce costs, develop its structure and its personnel and begin a transition to a new automated banking system.

While the growth rate of Kazakhstan's economy slowed, BCC's assets grew by 2.6% and reached 1.101 trillion tenge. Its loan portfolio in the reporting period grew by 3.4% and reached 918 billion tenge. Retail credit share is 38%. In the past year BCC increased the amount of loans issued to individuals by 5.5%.

BCC has been paying particular attention to the issue of NPLs (outstanding debts older than 90 days) and was able to reduce them from 16.3% to 12.6%. In doing so, BCC satisfied the legal requirements of the National Bank of the Republic of Kazakhstan.

Improvement of BCC structure and the elimination (and transformation) of unprofitable departments, as well as the reduction of expensive funds helped to tangibly decrease costs and improve efficiency.

In the midst of a challenging economic situation, BCC was consistently successful in meeting its strategic goals, including technical modernization. In 2014 BCC carried out a significant amount of work to prepare for the implementation of the modern Colvir automatic banking system.

BCC found ways to increase salaries, implemented a personnel evaluation system and worked on identifying key highly efficient and talented employees.

These measures were undertaken with the full support of our strategic partner — Kookmin Bank.

In 2015 BCC will focus on further consolidating these results, boosting the business and improving loan quality.

Sincerely,

**B. R. Bayseitov**

Chairman of the Board of Directors  
Bank CenterCredit Joint Stock Company



## Board of Directors

as of 17 March 2014

### Board of Directors of Bank CenterCredit Joint Stock Company:

- |   |   |   |  |
|---|---|---|--|
| 1 | <b>Bakhitbek Rimbekovich Bayseitov</b><br>Chairman of the Board of Directors of Bank CenterCredit Joint Stock Company | 4 | <b>Dzhumageldy Rahishevich Amankulov</b><br>Member of the Board of Directors |
| 2 | <b>Vladislav Sedinovich Li</b><br>Chairman of the Executive Board of Bank CenterCredit Joint Stock Company            | 5 | <b>Oh Ki Kwon</b><br>Independent Director                                    |
| 3 | <b>Sang-Kweon Jeoung</b><br>Member of the Board of Directors  | 6 | <b>Frans Jozef Claes Werner</b><br>Independent Director                      |
|   |   | 7 | <b>Nurtai Shaikhievich Irkegulov</b><br>Corporate Secretary                  |





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# Executive Board

as of 8 September 2014

## Executive Board of Bank CenterCredit Joint Stock Company:

1 | **Vladislav Sedinovich Li**  
Chairman of the Executive Board

4 | **Jong Hwan Han**  
Managing Director

2 | **Jinhwan Yang**  
Managing Director

5 | **Moo Gil Shim**  
Managing Director

3 | **Maksat Kabikenovich Alzhanov**  
Managing Director

6 | **Bulan Adilhanovich Adilkhanov**  
Managing Director





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## Department Heads

in 2014

**Asan Bulatovich Buranbayev**  
Managing Director

**Larisa Petrovna Zdonovich**  
Planning and Finance Department, Director

**Galina Donnerovna Von**  
Human Resources Department, Director

**Aizhan Toleugaziyevna Nurgaliyeva**  
Accounting and Reporting Department,  
Chief Accountant

**Tatyana Valeryevna Popova**  
Bank Card Department, Director

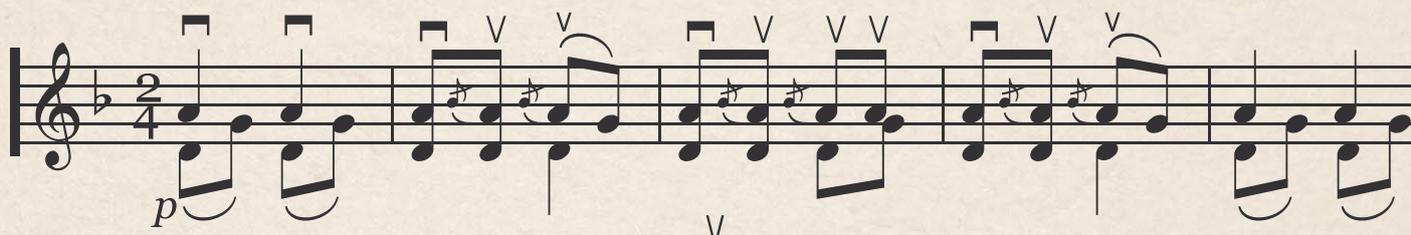
**Lyudmila Fedorovna Butyrina**  
Department of Records and Operations Support

**Rizvangul Saidullayevna Vahidova**  
Retail Business Department, Director

**Sergey Ivanovich Dorozhkin**  
Administrative Department, Director

**Timur Raufovich Gabasov**  
Treasury Department, Director

**Bakhytzhan Bakhadiruly Tastanbekov**  
Security Department, Director



**Timur Maksutovich Umarov**  
Risk Management Department, Director

**Timur Amanovich Akylov**  
IT Department, Director

**Erzhan Asylbekuly Asylbek**  
Credit Risks Department, Director

**Kulyash Izmagzamkyzy  
Shayakhmetova**  
Business Process Department, Director

**Bekezhan Iskandarovich Zhakeev**  
Legal Department, Director

**Malik Khairzhanovich Nugmanov**  
Compliance Office, Chief Compliance  
Controller

**Erlan Amirbekuly Ermakhanov**  
Corporate Lending Department, Director

**Rakish Shakhmuratovna Musina**  
Chief Auditor

**Murat Meirkhanuly Abishev**  
Retail Lending Department, Director

2014

ANNUAL REPORT



# Dombra

1

This popular instrument has a rich history. It has been the faithful companion of *aqyns* and *zhıraus* (poets and singers) through the years. Its music has entertained both *khans* (rulers) and ordinary people. A wise *biy* (judge elected by the people) would often play the *dombra* before announcing a verdict. Thousands of *kuis* (instrumental musical compositions) have been written for it. The *dombra* incorporates the wisdom, suffering and aspirations of the Kazakh people's ancestors and is still popular today among the Kazakhs. In the hands of an experienced musician, this sensitive instrument can express the entire spectrum of human emotion. The body of the *dombra* is always made of wood. In the past, the strings were made of sheep or goat intestines. Today they are made of fishing line. There are many variants of this instrument, but the two basic kinds are the *kalak dombra* (the dust pan *dombra*), a flat instrument used for accompaniment, and the *kozy kuirik dombra* (the lamb tail *dombra*), which is rounded like a teardrop and used for playing *kuis*.



## Corporate Governance

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The annual meeting of BCC stockholders was held on 25 April 2014 with the following agenda:

1. 2013 report by the BCC Executive Board
2. Approval of the 2013 BCC consolidated and non-consolidated annual financial report
3. Approval of BCC's net income distribution for 2013
4. Approval of an audit firm for 2014-2016
5. Early termination of Counting Committee members. Review of the number and terms of the committee members. Election of new members

The results of the correspondence meeting of BCC stockholders were summarized in March. Mr. Sang-Kweon Jeoung, representing Kookmin Bank Co. LTD, was appointed to the BCC Board of Directors.

The Board of Directors met regularly. It had four face-to-face meetings in which the following issues were reviewed: preliminary approval of the 2013 consolidated and non-consolidated financial report; approval of the marketing plan; convening the annual meeting of stockholders; fulfillment of the budget for the first half of 2013; monitoring of the fulfillment of strategic goals; 2015 budget approval; implementation of the requirements of "Rules of Establishment of a Risk Management System and Internal Controls for Commercial Banks", which was approved as Resolution #29 by the Board of the National Bank of the Republic of Kazakhstan on 26 February 2014; and proposals relating to the development of subsidiary bank BCC – Moscow LLC.

The Board of Directors signed 8 minutes by means of conference calls and approved 246 resolutions through absentee voting.

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In the reporting year the BCC Executive Board (hereinafter referred to as Board) held 93 meetings. Of these, 59 were devoted to management accounting. The Board made 912 decisions related to banking procedures, approval of the resolutions of committees and boards, business development issues, etc.

In accordance with the principles set out by corporate governance, the Board of Directors established four committees: the Audit Committee, the Finances and Risk Committee, the Appointments and Social Issues Committee, and the Credit Committee.

In 2014 the Audit Committee of the Board of Directors (hereinafter referred to as the Audit Committee) held 6 meetings, reviewed 20 issues including: 7 issues related to the results of audits and follow-up on identified nonconformance; 10 issues related to the improvement of the BCC internal audit process; 3 issues related to reports by BCC departments on the results of their activities.

The following changes were made to the composition of the Audit Committee: the early termination of Mr. Suh Ki Youl, member of the Audit Committee, and the inclusion of Mr. Sang-Kweon Jeoung to the Audit Committee.

In accordance with the requirements of “Rules of Establishment of a Risk Management System and Internal Controls for Commercial Banks”, which was approved as Resolution #29 by the Board of the National Bank of the Republic of Kazakhstan on 26 February 2014, the BCC Board of Directors established the Finance and Risks Committee on the basis of the pre-existing Committee for Asset and Liability Management (CALM) and the Board of Directors’ Committee for Risk Management of BCC and its subsidiaries.

The main functions of the Finance and Risks Committee are the review of key issues, the preparation of recommendations to the Board of Directors in relation to the management of assets and liabilities, and improvement of BCC’s risk management system.

In 2014 as a whole, the Committee for Asset and Liability Management and the Finance and Risks Committee held 12 scheduled and 10 extraordinary sessions, making 200 decisions. This resulted in a reduction of interest costs associated with liabilities toward the client. Measures were taken to improve the terms and attractiveness of the bank’s credit and deposit products. The decisions made



were directed at strengthening the bank's financial position and improving the structure of BCC's assets and liabilities.

In 2014 the Board of Directors' Committee on Appointments and Social Issues held two sessions and considered three issues related to the personnel and social policies of BCC.

In 2014 the Board of Directors' Credit Committee held 78 sessions at head offices, considering 1,322 issues related to credit activity, providing guarantees and participation in state programs.

In 2014 the Executive Board had the following Committees: the Credit Management Committee (Subordinate Credit Management Committee), the Risk Management Committee (Subordinate Risk Management Committee), the Investment Committee, the Business Development Committee, the Committee for Managing Information Technologies, and the HR Committee.

The Credit Management Committee held 46 sessions and considered 444 issues including: change of financing terms – 84; pledged securities – 75; other issues – 285.

The Committee reviewed monitoring reports from regional centers of credit analysis and from credit management centers. It gave approval for the issuance of loans, changes of financing terms, pledging of securities, etc.

The Subordinate Credit Management Committee held 96 sessions and considered 2,280 issues, including: change of financing terms – 483; pledged securities – 1196; other issues – 601.

In 2014 the Risk Management Committee held 11 sessions and considered 39 issues.

The Investment Committee held 43 sessions (including 3 extraordinary sessions) and considered more than 200 issues related to the investment activities of BCC and its subsidiaries.



Changes were made to the collegial bodies of BCC in accordance with the requirements of “Rules of Establishment of a Risk Management System and Internal Controls for Commercial Banks”, which was approved as Resolution #29 by the Board of the National Bank of the Republic of Kazakhstan on 26 February 2014. These changes resulted in the establishment of the Subordinate Risk Management Committee and elimination of both the Committee for Risk Management and the Investment Committee for BCC and its subsidiaries.

In 2014 the Subordinate Risk Management Committee held one session and considered four issues.

In 2014 the Business Development Committee held 14 sessions and considered 37 issues. The most significant decisions and approvals were related to the following issues: new procedure for car loans; the mobile POS-terminals project; a pilot project for online applications; cooperation with the Golden Crown international money transfer system and its implementation with BCC; and the high yield cards promotion project (diversification of the bank’s card portfolio).

Other business development projects included: the “Champion’s Week” marketing campaign for individual depositors; a marketing campaign for the issuance of Visa Classic payment cards for individual entrepreneurs; the “2014 Tourist Calendar for BCC Clients” marketing campaign for the issuance and activation of Visa Gold payment cards; the “Autumn with BCC” campaign for corporate clients.

In 2014 the IT Management Committee held 9 sessions in person and 4 correspondence meetings, reviewing 41 issues related to process automation projects.

During the reporting period the HR Committee held 40 sessions and considered 111 issues related to HR management, including remuneration and reward, incentives and disciplinary activities, talent pool, etc.

In the area of corporate governance, BCC is guided by the Corporate Governance Code approved at the BCC stockholders’ meeting (minutes dated 26 May 2006, clause 5.1) with subsequent amendments and additions approved at the BCC stockholders’ meetings held on 30 April 2009 and 26 April 2013.



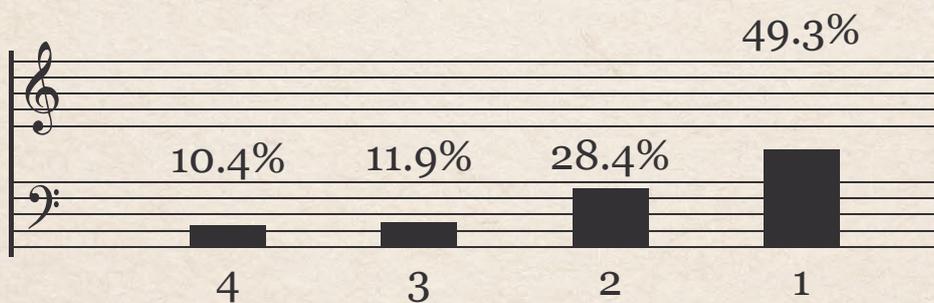
## Stockholders and Bank Capital

As of 1 January 2015 the number of ordinary shares was 162,456,800; the number of preferred shares was 39,249,255; the charter capital paid was 69.751 billion tenge.

Stockholders holding 5% of stocks or more are:

Kookmin Bank Co Ltd.	41.93%;
B.R. Bayseitov	25.6%;
IFC	10%.

As of 1 January 2015 the Own Capital of the Bank was 142.203 billion tenge.



### Own capital structure, KZT, billion tenge

1. Charter capital	69.751
2. Subordinated debt	40.227
3. Reserves and retained profit	16.895
4. Perpetual financial instruments	14.742



# KOZY KUIRYK DOMBRA

The dombra is a two-stringed plucked instrument



## Kurmangazy

A noted composer, Kurmangazy used the *tokpe* performance style, which is marked by flowing, dynamic, fast-paced music.



## Tattimbet

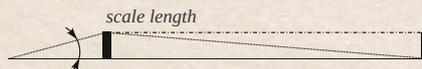
The music of Tattimbet represents the *shertpe* style, featuring a rhythmic performance technique and the occasional use of plucking.

## SHANAK

The hollow wooden body of the instrument serving as the main sound resonator

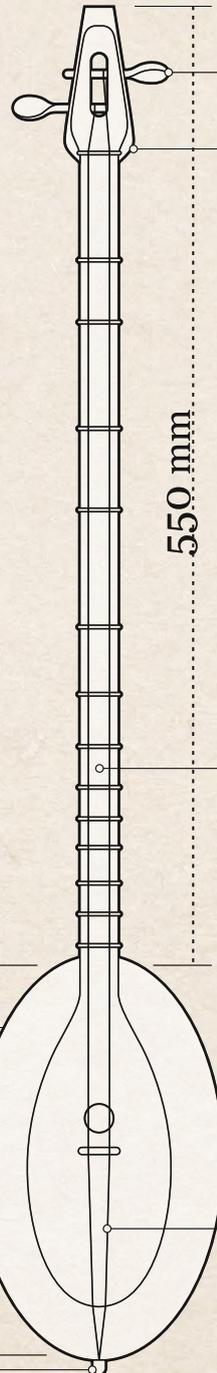
## TIEK

Regulates scale length and the angle of the strings' slope



## TUIME

Permanent support for the strings



## KULAKTARY

Tuners

## BASY

Edge of the neck



The instrument has various designs

550 mm

## MOIYN (Fretboard)

A hollow neck provides strong resonance

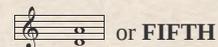
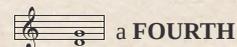
250 mm

## TWO STRINGS

Traditionally made of sheep or goat intestines

Ø 0.6-0.7 mm

Usually tuned



apart

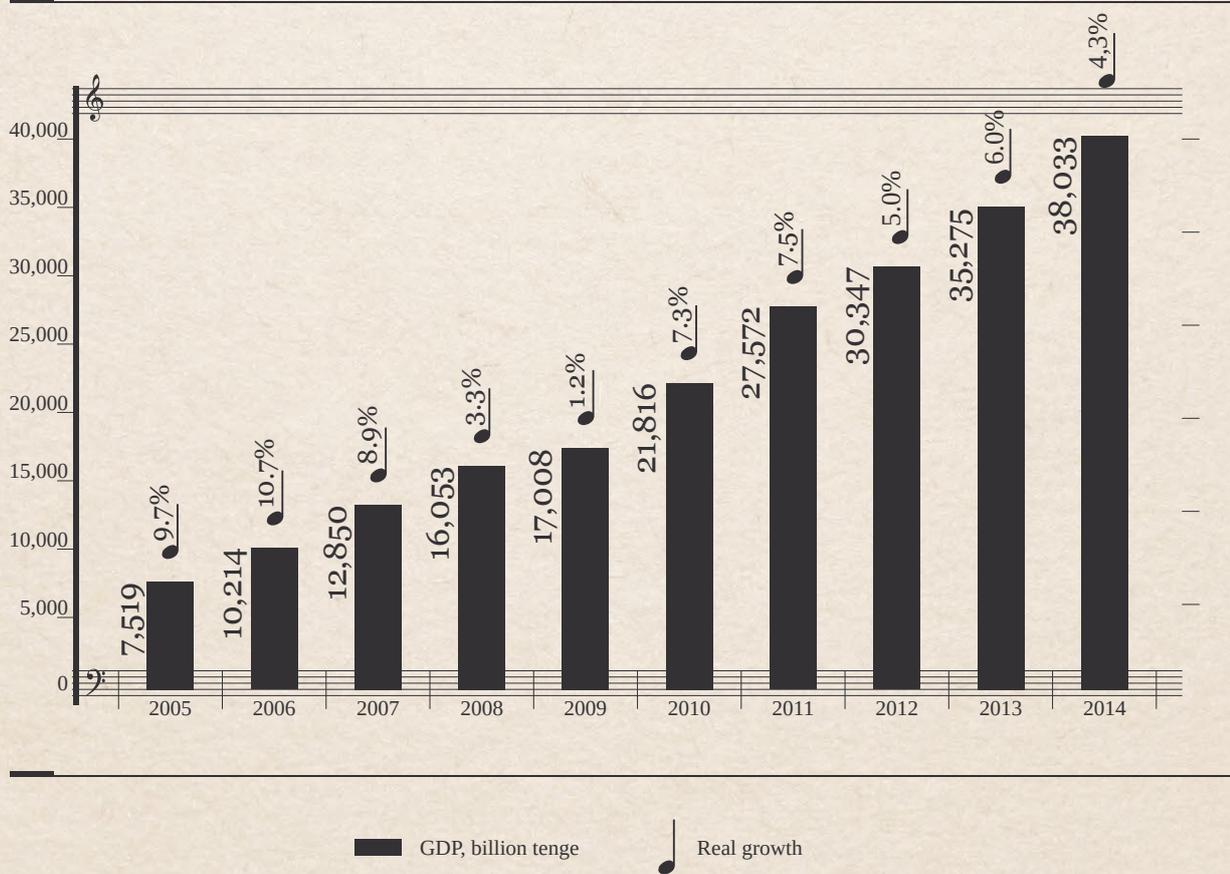


# Survey of Economic Development and the Banking Sector in the Republic of Kazakhstan in 2014

## Macroeconomic Survey

In 2014 the economic growth in Kazakhstan experienced some slow down. According to preliminary data, the real GDP growth in 2014 was 4.3%, against 6% in 2013, and below the forecasted level. A decrease in the growth rate of industrial production was partly compensated by the positive dynamic of development in the service sector. According to results of the last year, the nominal GDP reached 38.033 trillion tenge.

## GDP of the Republic of Kazakhstan





As in 2013, the main contributor to economic growth was the service sector. According to preliminary 2014 data, an intensive growth rate was observed in such industries as trade (15.7%) and production and construction (5.3%). Some economic slowdown was observed in transport and communication (1.7%) and agriculture (0.9%). In 2014 the production of goods was at 37.9% and services was 55.5% in the structure of Kazakhstan's GDP.

Inflation in the same period did not exceed the forecasted parameters. Annual inflation in 2014 was 7.4% compared to 4.8% in 2013. Increased inflation in 2014 was due to the following factors:

- ✘ In the first half of 2014 there was a correction of the exchange rate (in February). This caused imported goods to be more expensive. Seasonal factors were also involved.
- ✘ In the second half of 2014 inflation was due to the increase in prices of gasoline and diesel fuel in the domestic market in August, as well as the growth of prices for the services of natural monopolies. The National Bank of the Republic of Kazakhstan will continue to take measures to keep inflation within the target range of 6-8%.

The average nominal salary per employee in 2014 grew by 10.9%. In 2013 that increase was 7.5%. The unemployment level dropped slightly from 5.2% in 2013 to 5% in 2014.

According to preliminary 2014 data, the volume of industrial output was 18.493 trillion tenge — an increase of 3.7%. In the industrial sector, production in the mining industry grew by 5.1%, which is 15 times greater than the growth rate in the processing industry (0.3%).

According to the current data, in 2014 the volume of gross output of products (services) in agriculture was 2.510 trillion tenge, which is a 5.2% increase over 2013.

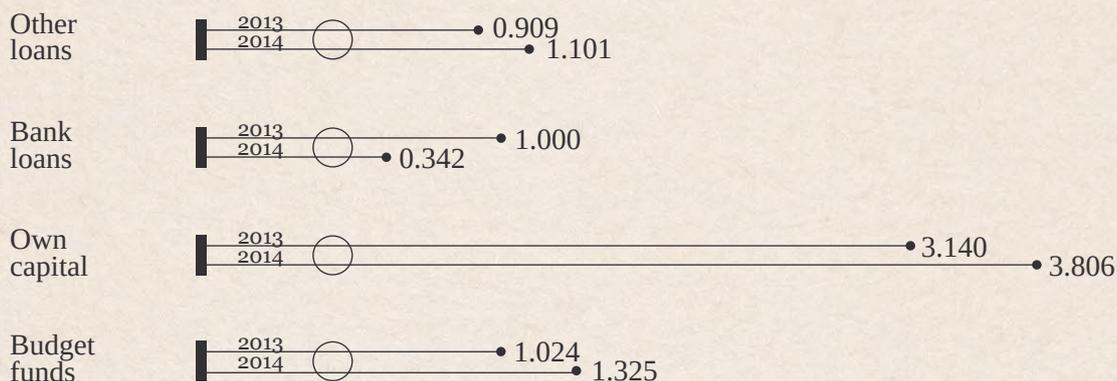
2014 showed growth in the construction industry. The volume of construction works grew by 8.7%, reaching 2.653 trillion tenge.

In 2014 there was an increase in the rate of investment in fixed assets. In general, the level of investments into the economy last year was 6.575 trillion tenge. This is an increase of 8.3% from the previous year. Companies' own capital continues to be the main source of investment financing. The volume of investments during January–December 2014 was 3.806 trillion tenge (relative share – 57.9%).



## Investments into fixed capital (trillion tenge)

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For January–December 2014 the volume of retail trade was 6.021 trillion tenge and grew by 19.6% compared with the same period in 2013. This indicator shows the solvency of the population as well as consumer sentiment.

The volume of wholesale trade in the reporting period was 16.358 trillion tenge and grew by 16% in comparison with January–December 2013.

According to preliminary data for 2014 the foreign trade turnover of the Republic of Kazakhstan was 119.5 billion US dollars. This is a decrease of 10.5% compared to 2013. In January–December 2014 exports totaled 78.2 billion US dollars, which is a decrease of 7.6% from 2013. Imports totaled 41.2 billion US dollars, a decrease of 15.6% compared to 2013.

According to the 2014 Customs Union results, the foreign trade between the Republic of Kazakhstan and other countries of the Customs Union was 19.7 billion US dollars — 20.1% less than in 2013. This includes exports of 5.2 billion US dollars (a decrease of 12.2%) and imports of 14.5 billion US dollars (a decrease of 22.6%).

Exports of domestic products to the Russian Federation in 2014 stood at 5.2 billion US dollars (11.9% less than in 2013), and imports were 13.7 billion US dollars (a decrease of 23.6%).

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Exports to the Republic of Belarus in 2014 were 29.2 million US dollars (49.9% less than in 2013). Imports were 727.6 million US dollars (an increase of 4.2%).

In 2014 Kazakhstan improved its position in the innovation rankings; however, its indicators dropped in the prosperity rankings.

In the “Doing Business” ranking by the World Bank and the International Finance Corporation (IFC) Kazakhstan dropped one place from last year to 77th place. The country made progress in the areas of property registration, international trade, contracts enforcement and insolvency management. However, there was decline in such criteria as business registration, obtaining construction permits, connection to the power grid, availability of loans, minority shareholder protection and taxation.

The international rating agency Standard & Poor’s revised its rating outlook of Kazakhstan’s economy, changing it from “stable” to “negative” due to the sharp decline in world oil prices, which have fallen by more than 50% since mid-2014. The agency has also downgraded the sovereign credit ratings of the country’s foreign and local currency from BBB+ to BBB with a negative outlook.

In the “Global Prosperity Index – 2014” by the Legatum International Research Institute, Kazakhstan worsened its position in eight categories and ranked 55th among 122 countries. This ranking considers such factors as the standard of living for the population, education and health care conditions, personal freedom level, security, business opportunities, government, and social capital. Kazakhstan’s lowest results were in the area of public administration efficiency where the nation ranked 106th. The highest ranking (35th) was in the area of social capital.

In the Global Innovation Index, published by the INSEAD European Business School, Cornell University and the American Association of World Intellectual Property, Kazakhstan ranked 79th among 142 countries. Kazakhstan ranked 69th in spending on innovation, 101st in innovative achievements and 126th in innovation efficiency. In the areas of knowledge and technology the country ranked 82nd and in the area of creativity, 106th. According to these indicators the country is lagging behind its partners in the Eurasian Economic Union. Russia ranked 49th and Belarus was 58th. However Kazakhstan is the leader among the nations of Central Asia.

# Kobyz

2

The kobyz is one of the most popular Kazakh national musical instruments. From ancient times Kazakh *baksys* (shamans or mediums) used this instrument to communicate with *aruakhs* (the spirits of ancestors). It was believed that a musical instrument retained the soul of the tree from which it was made and that this soul would sing when someone drew a bow across its strings. The kobyz is made of a solid piece of wood. Each string consists of 30-60 horse hairs. The sound of the instrument is controlled by changing the tension on the strings.



**CENTERCREDIT**





## Banking Sector

### Assets

Cumulative assets of the banking sector of the Republic of Kazakhstan in 2014 grew by 18% and reached 18.239 trillion tenge, compared to 15.462 trillion tenge in 2013.

	2011	2012	2013	2014
GDP, trillion tenge	27.572	30.347	35.275	38.033
Assets, trillion tenge	12.818	13.880	15.462	18.239
Assets to GDP, %	● 46.5	45.7	43.8	48.0
Loans to GDP, %	● 38.0	38.4	37.8	37.3
Capital to GDP, %	4.7	6.6	5.9	6.2
Deposits to GDP, %	28.3	28.1	27.9	29.8

From 2011 the ratio of cumulative assets of the banks to GDP has declined. However, in 2014 this ratio grew, reaching 48%.

In 2014 loans by second-tier banks grew by 836 billion tenge (6.3%) and reached 14.184 trillion tenge.

Among all sectors of the economy, the biggest loan recipients were trade (20%), industry (11.3%), construction (9.4%), and agriculture (4%).

In the total portfolio of banks at the end of 2014, loans for which there was an arrears on principal and



accrued interest decreased by 677 billion tenge. Their share in the loan portfolio was 27.7%. This included loans with payments overdue by 90 days as of 1 January 2015, which decreased by 818 billion tenge. Their share of total loans was 23.5%. Provisions formed in the loan portfolio in accordance with IFRS decreased by 1.074 trillion tenge, or 23.1%.

## Liabilities

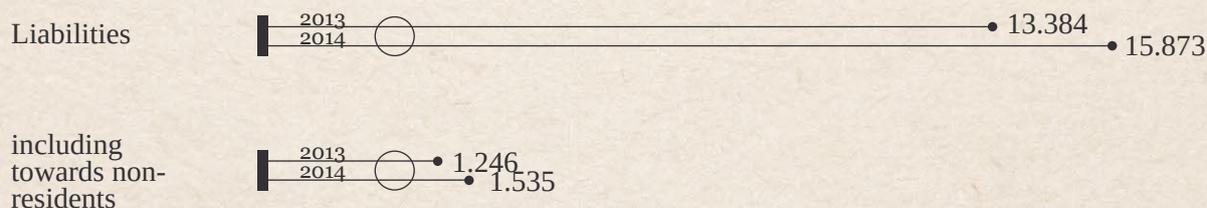
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In 2014 the cumulative liabilities of second tier banks of the Republic of Kazakhstan increased by 2.489 trillion tenge or by 18.6%. In the liability structure, deposits by corporate entities increased by 17.2% and deposits by individuals increased by 12.5%.

As of 1 January 2015 the cumulative liabilities of commercial banks were 15.873 trillion tenge. Liabilities towards non-residents increased by 23.2% and reached 1.535 trillion tenge.

## Liabilities of second tier banks of the Republic of Kazakhstan (trillion tenge)

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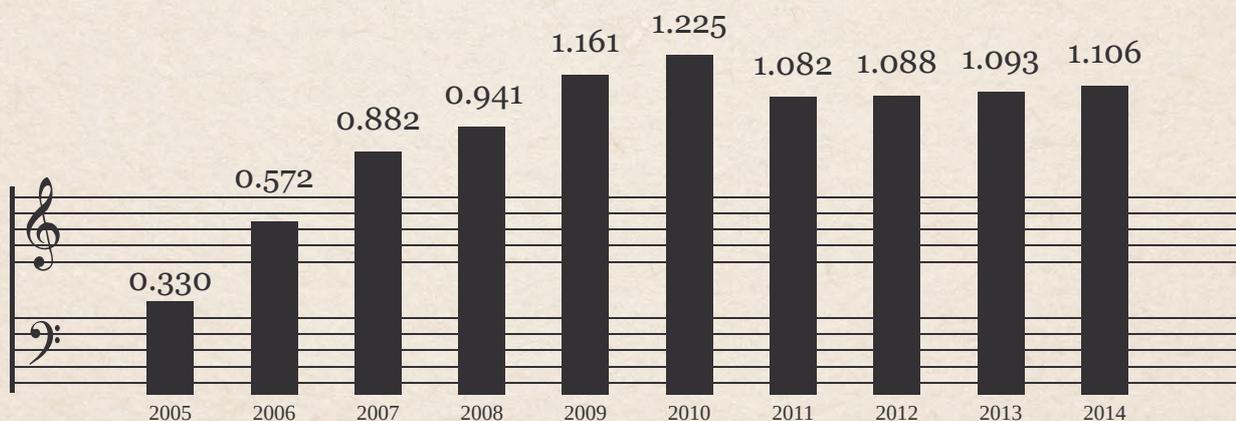


## 2014 Survey of Bank CenterCredit Activity

### Assets

In 2014 the assets of the Banking group increased by 1.2% and reached 1.106 trillion tenge, according to the Bank's consolidated financial reporting. BCC assets increased by 2.6% and reached 1.101 trillion tenge. BCC's share of assets in the cumulative assets of the banking system of Kazakhstan was 6% , a decrease of 0.9% from the previous year. At the end of 2014 BCC was ranked sixth in volume of assets.

### Assets of the Banking group (trillion tenge)



In the reporting period, BCC's loan portfolio was 918 billion tenge, an increase of 3.4%. According to 2014 results, retail lending comprised a significant share (38%) of the loan portfolio. BCC increased the volume of loans to individuals from the previous year by 5.5%. In 2014 lending to large business decreased by 7.2%. Its share of the total loan portfolio of BCC was 32%. Loans to small and medium business comprised about 30% of the BCC loan portfolio.



# KOBYZ

The most ancient stringed instrument played with a bow in the world

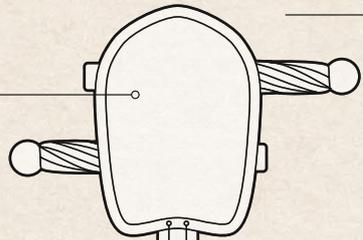


The "primogenitor" of the modern violin



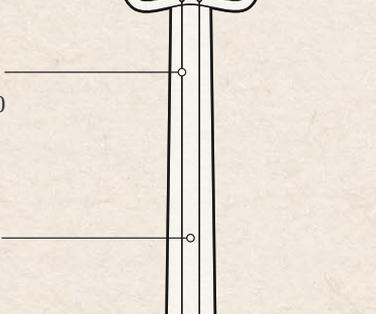
From ancient times Kazakh baksys (shamans or mediums) used this instrument for various rituals

**BAS**  
Head



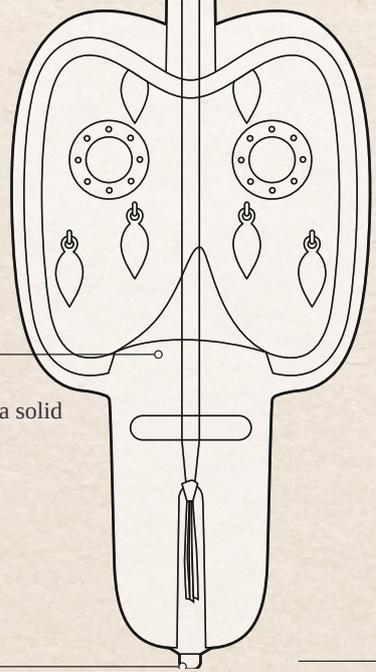
**STRINGS**  
From a bunch of 30-60 untwisted horse hair

**MOIYN**  
Neck



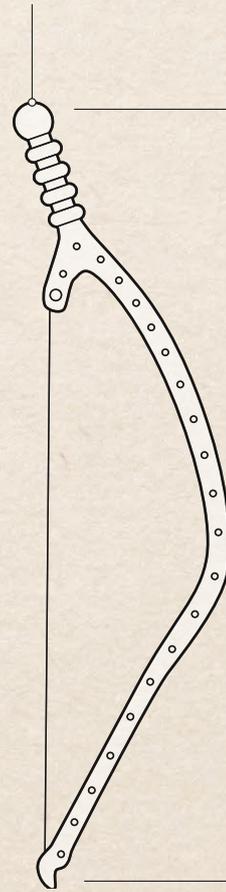
Its sound is filled with overtones

**SHANAK**  
THE BODY of the instrument is made of a solid piece of wood



880 mm

**BOW**

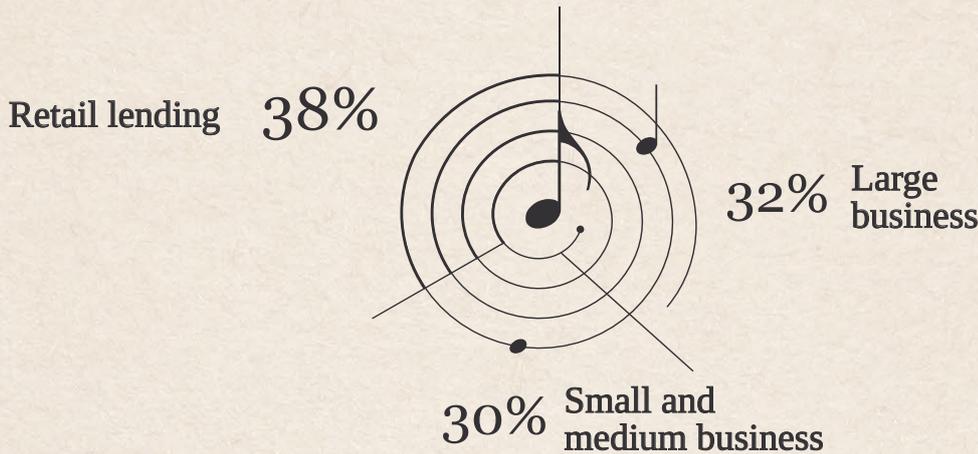


560 mm

**TUIME**



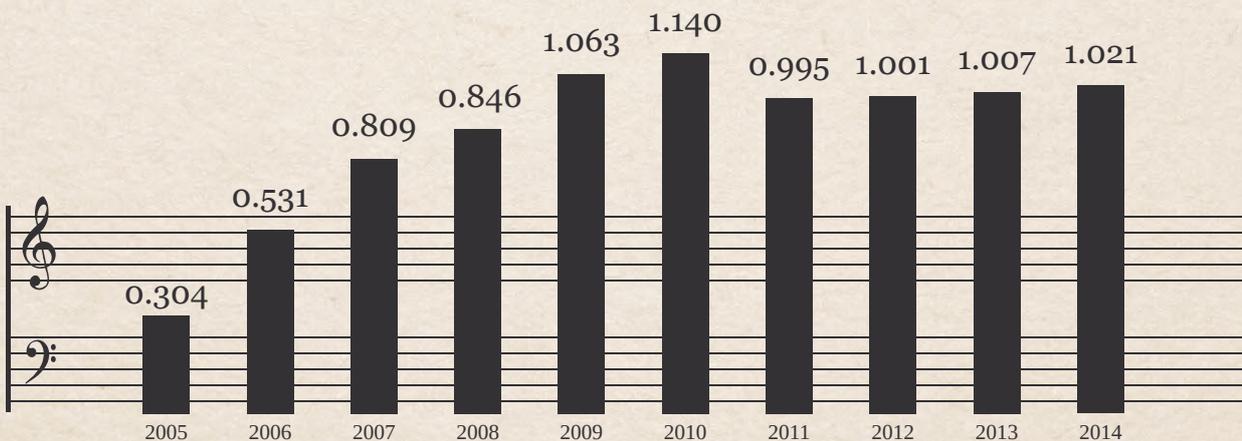
Structure of the BCC loan portfolio as of 1 January 2015



Liabilities

In 2014 the cumulative liabilities of the Banking group grew by 1.4% and reached 1.021 trillion tenge, according to consolidated financial reporting. BCC liabilities increased by 2.6% and reached 1.013 trillion tenge.

Liabilities of the Banking group (trillion tenge)





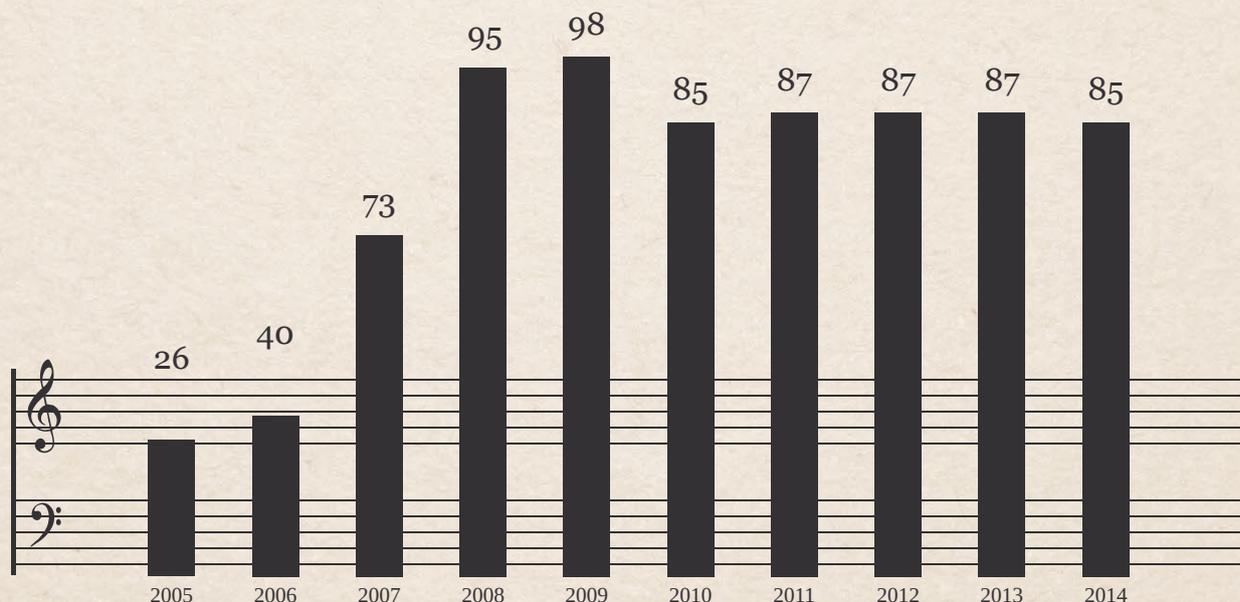
In 2014 deposits by individuals (including current and card accounts) decreased by 1.8% to 334 billion tenge within the context of the Bank's liabilities. BCC's share in the market of deposits by individuals decreased from 8.6% to 7.5%. For the last two years BCC has been ranked fourth in this market segment.

In 2014 BCC deposits by corporate entities (including current and card accounts) decreased by 3.5% to 429 billion tenge.

## Capital

Consolidated financial reporting showed that in 2014 the Banking group's capital decreased by 1.6% and was at 85 billion tenge as of 1 January 2015. Capital for BCC grew by 3.2% and reached 88 billion tenge.

### Capital of the Banking group (billion tenge)



3

# Adyrna

This multi-stringed plucked instrument has a history that spans centuries. The powerful sounds of the *adyrna* once echoed across the steppes during military campaigns or hunting, resembling the ringing voice of a deer. The *adyrna*'s hollow wooden body is covered with leather. Its strings are made from the hair or tendons of a camel. The instrument has survived to the present day in this original state. To play it, a musician plucks the strings as with a harp, which the *adyrna* resembles in appearance.





## Profitability

In 2014 BCC profitability ratios were: ROA – 0.34 %, ROE – 4.28 %. This compares to average ratios of the banking system: ROA – 1.70 %, ROE – 12.86 %.

	01.01.2011	01.01.2012	01.01.2013	01.01.2014	01.01.2015
ROA BCC	-2.48%	0.28%	0.04%	0.17%	0.38%
ROA Second tier banks ●	12.04%	0.28%	-1.49%	1.78%	1.70%
ROE BCC ●	-35.53%	3.96%	0.49%	2.13%	4.78%
ROE Second tier banks	843.25%	2.62%	-12.05%	12.79%	12.86%

## Loan Portfolio Information

As of 1 January 2015 the Bank's loan portfolio was 972 billion tenge. Compared to the beginning of 2014, the portfolio shrank by 0.1% or by 935 million tenge. This was the result of measures taken by the Bank to reduce the level of non-performing loans (NPL). As of 1 January 2015 compared to 1 January 2014 the NPL level decreased by 38.1 billion tenge and reached 150.5 billion tenge (15.5%).

As of 1 January 2015 Bank CenterCredit JSC reserves were 918 billion tenge.

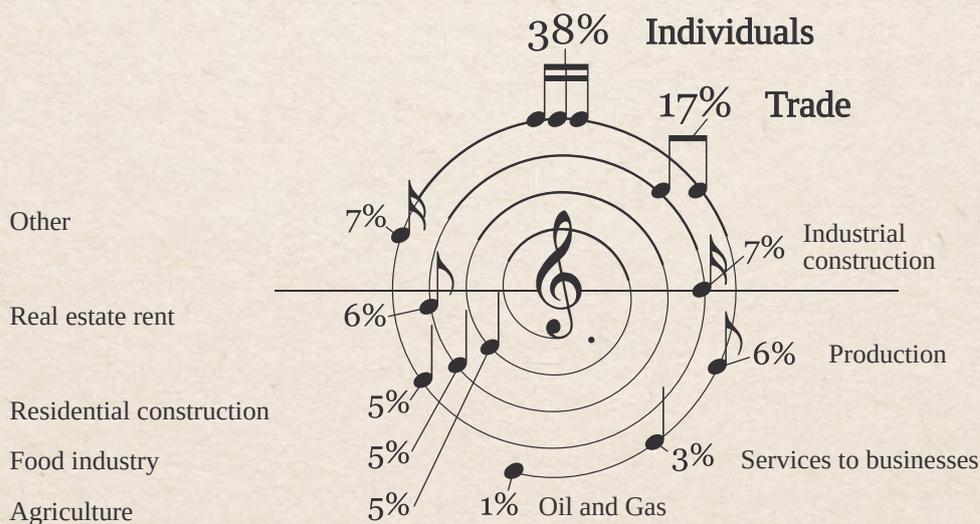
### Loan portfolio of the Bank (billion tenge)



Recognizing different sectors of the economy, the Bank holds to a principle of diversification in order to prevent negative impact by any single sector on the Bank's activity.

The highest ratio of Bank CenterCredit JSC loan funds belongs to individuals (38%), trade (17%) and other economic sectors.

### Structure of BCC's Loan Portfolio



✘ all statistical data provided in accordance with IFRS standards.



# Lending under the State Programs of Innovation



BCC is actively involved in almost every state program for development of entrepreneurship. In 2014 the Bank was recognized as “the best bank in subsidizing credits in 2014 through the 2012-2020 Program for development of single industry cities” (as shown in the illustration below). Also BCC was the leader in the number of agreements of guarantee signed through the Damu Entrepreneurship Development Fund JSC under the program Road Map of Business 2020.



In 2014 BCC successfully spent the funds from the National Fund of the Republic of Kazakhstan provided to support the small to medium range enterprises involved in the processing industry in the amount of 8 billion tenge. The Bank attracted additional funds in the amount of 6 billion tenge under similar programs. In December 2014 the Bank obtained two tranches from the Asian Development Bank in the amount of 11 billion tenge for financing small to medium sized businesses. It also signed an agreement with the European Bank of Reconstruction and Development for a total amount of 10 billion tenge.

BCC supported 23 agricultural enterprises and enhanced loans totaling more than 21.5 billion tenge.

In support of competitive enterprises, the government subsidized interest rates through the “Program of Post-Crisis Recovery (recovery of competitive enterprises).” The outstanding balance of loans granted through the above program is 55.5 billion tenge.

Throughout 2014 BCC issued loans totaling more than 57.7 billion tenge under various government programs.



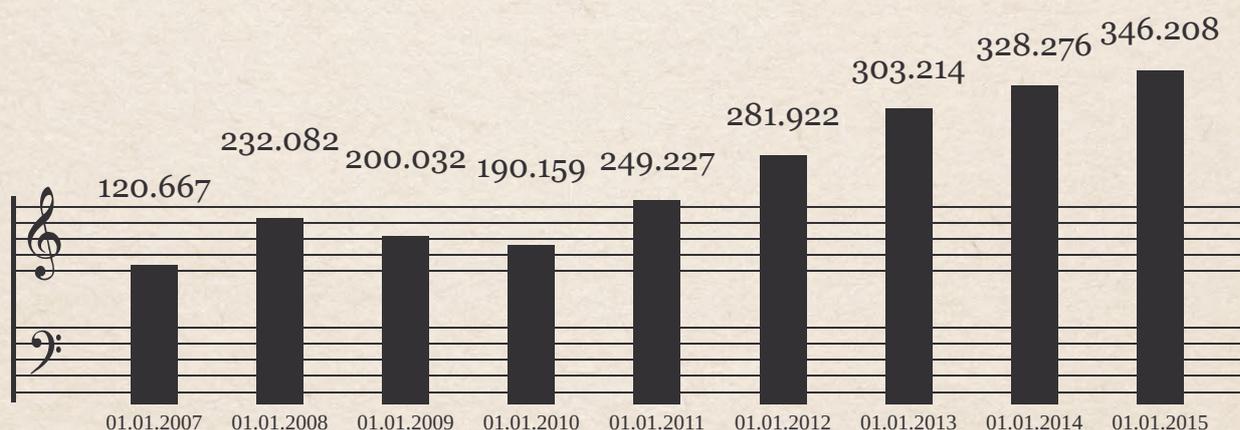
## Retail Banking

Since 2011 there have been two ways of lending to individuals:

- ✘ Retail credit products
- ✘ Credit products for individual entrepreneurs

As of 1 January 2015 retail banking had 86,078 outstanding loans totaling 346.208 billion tenge. The loan portfolio grew by 5.5% compared to 2013.

### Dynamics of loan portfolio (billion tenge)



In 2014 the bank issued 21,214 loans totaling 126.129 billion tenge. These included:

- ✘ Mortgages – 4,859 loans for 36.181 billion tenge;
- ✘ Consumer loans – 10,457 loans for 52.481 billion tenge;
- ✘ Unsecured loans – 1,923 loans for 747 million tenge;
- ✘ Car loans – 1,124 loans for 3.741 billion tenge.



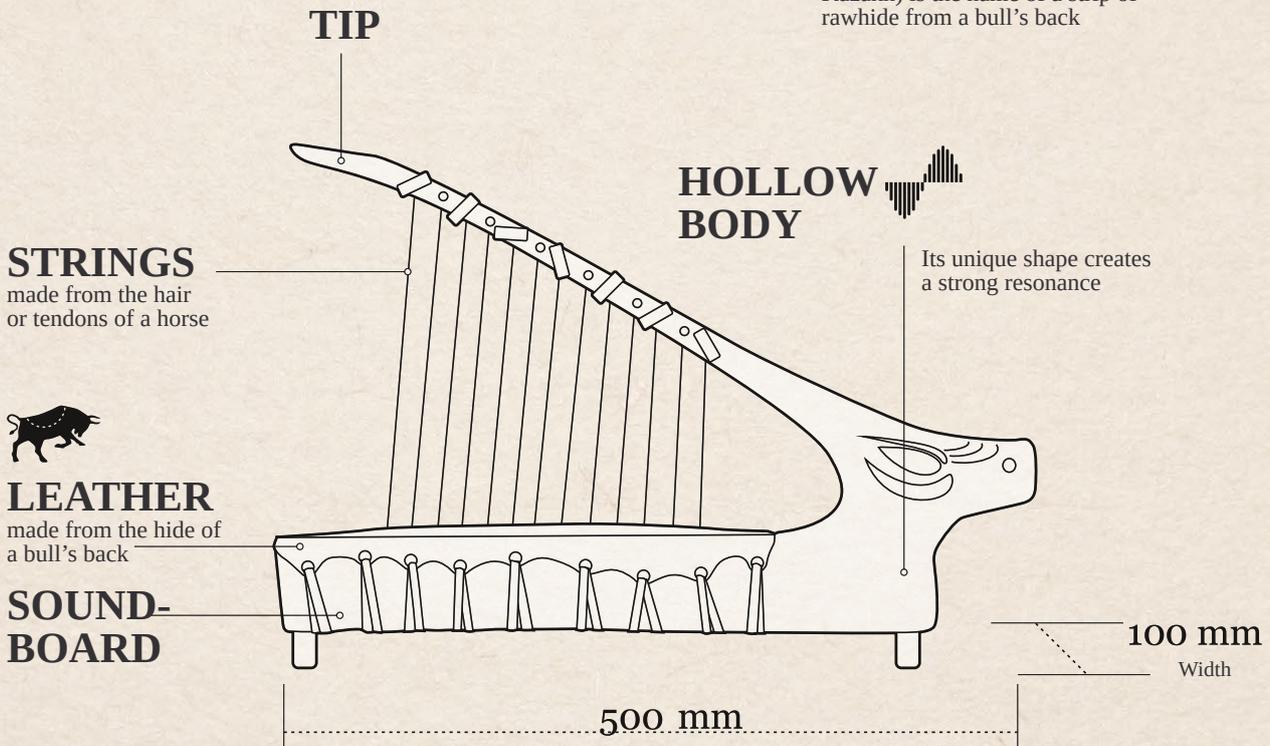
# ADYRNA

This ancient Kazakh many-stringed plucked musical instrument externally resembles a harp or a bow



*This multi-stringed plucked instrument has a history that spans centuries. An instrument found by the archeologist Rudenko in Kazakhstan in the 1940s was later handed over to the Hermitage museum*

Adyrna (meaning “bowstring” in Kazakh) is the name of a strip of rawhide from a bull’s back



Sometimes an adyrna is shaped like a horned animal (such as a deer or a goat)



## Corporate Lending

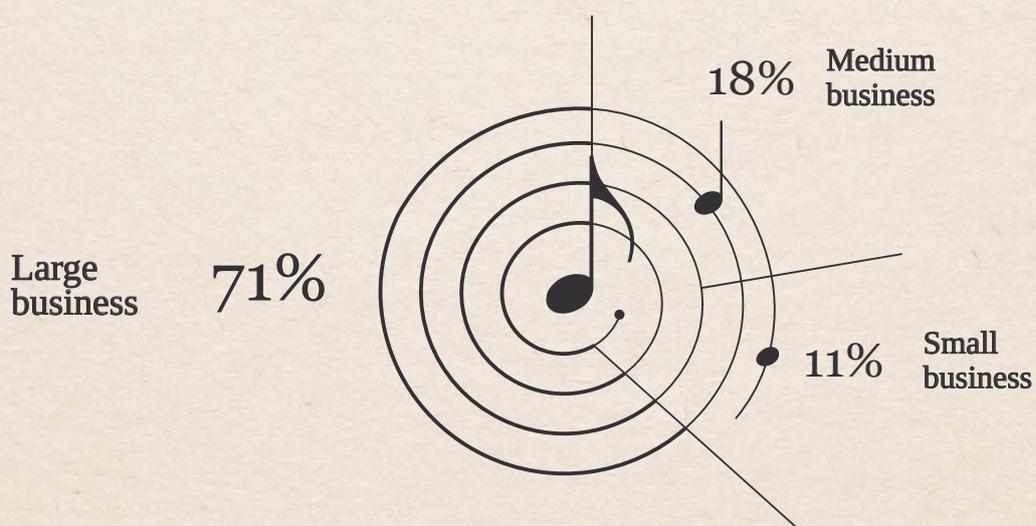
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In 2014 the bank issued 10,902 loans totaling 446.696 billion tenge, including:

- ✘ Large business – 3,704 loans for 318.616 billion tenge;
- ✘ Medium business – 3,136 loans for 78.887 billion tenge;
- ✘ Small (micro) business – 4,062 loans for 49.193 billion tenge.

### Loans to corporate entities

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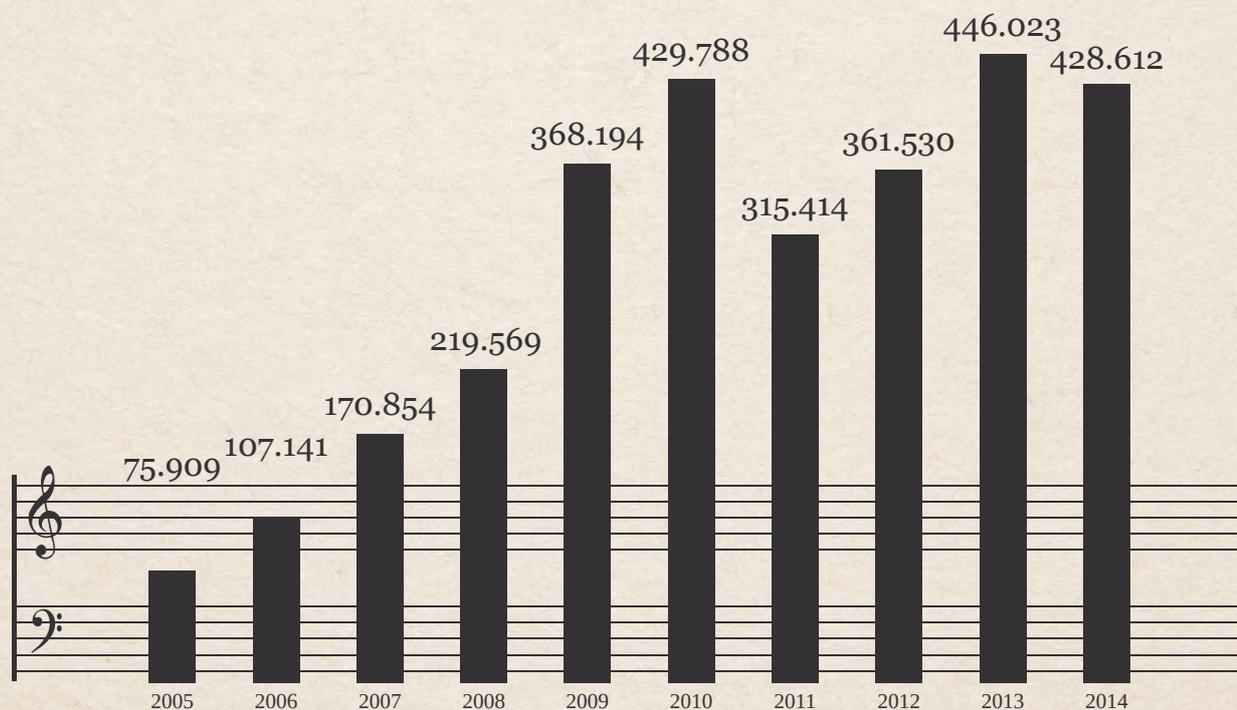


## Deposits

BCC is ranked fifth in the volume of deposits by corporate entities among second-tier banks in the country.

BCC's share of the corporate entity deposit market was 6.2% as of the end of 2014.

### Deposits by corporate entities, billion tenge



## International Relations

BCC positions itself as a bank that is developing at a stable and steady pace. This allows the bank to strengthen its position in the international financial market from year to year. BCC's international business strategy aims to develop and strengthen cooperation with foreign financial institutions, as well as to expand its range of services and products in the field of trade and project financing, trade finance transactions, international borrowing, etc. During the reporting period, the Bank continued its interaction with international financial development institutions, including European Bank for Reconstruction and Development (EBRD), FMO (Netherlands), DEG (Germany), International Finance Corporation (IFC), Asian Development Bank (ADB) and OPIC (USA). Long term cooperation with international organizations is evidence of BCC's financial stability, transparency in its business and the reliability of its clients and partners. During 2014 BCC successfully paid off several of its liabilities. As of 31 December 2014, the total balance of borrowed funds from the aforesaid institutions was 37.6 million US dollars. BCC has long-term correspondent relations with financial institutions of the CIS, Kazakhstan and abroad. This is a large contributor to the expansion of the geography of trade and financial operations by our clients.

The stability of development, steady financial conditions and credibility of BCC were acknowledged by international rating agencies. As of 31 December 2014, BCC had the following credit ratings: Fitch: B, Moody's: B2 and S&P: B+.

### Bank ratings as of 31 December 2014

Fitch Ratings	Moody's Investor Service	Standard&Poor's
Long-term rating: B	Long-term rating: B2	Long-term rating: B+
Short-term rating: B	Short-term rating: NP	Short-term rating: B
Support rating: 5	Financial stability rating: E +	Kazakhstan national scale rating:
Stability rating: b	Long-term rating by national scale:	kzBBB
National rating:	B1.kz	
BB+ (kaz)		
Prognosis: stable	Prognosis: stable	Prognosis: stable



# Zhetigen

4

According to legend, the *zhetigen* was made by a grief-stricken father who lost his seven sons during a famine. After each death the old man would stretch a string across a piece of wood and play one of the melodies that are now called *The Seven Kuis of the Zhetigen*. Even today, the gentle and melodious sounds of the instrument can remind one of the loss that occurred in those ancient times. An *assyk* (the carpal bone of a sheep) is placed under each string in order to change the tuning.





## Operations in Stock and Interbank Markets

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In 2014 BCC obtained state registration for three issues of bonds without security for 60 billion tenge under the BCC second bond program. These bonds were included in the “Debt securities” sector under the category “Other debt securities” of the official list of Kazakhstan Stock Exchange JSC. During 2014 BCC placed new issues totaling 25 billion tenge through specialized trades at Kazakhstan Stock Exchange JSC.

Also in 2014 the bank redeemed a second issue of mortgage bonds and a first issue of nominal coupon bonds under the BCC second bond program. Repayment was made at the nominal value of the outstanding bonds, with simultaneous payment of the last coupon payment in the amount of 4.2 billion tenge according to the terms of the issue prospectus.

BCC is a primary dealer for the purchase of short-term notes of the National Bank of the Republic of Kazakhstan and of the treasury bonds of the Ministry of Finance of the Republic of Kazakhstan. The bank provides brokerage services for the sale of government securities at Kazakhstan Stock Exchange JSC.

In 2014 BCC was one of the market leaders in repo transactions. BCC operates in both domestic and foreign markets with government and non-government securities.

BCC maintains a leading position in the Kazakhstan foreign exchange market, being one of the most active market makers in interbank trading of the USD/Kazakhstan Tenge currency pair. Particular attention is given to the improvement of forms of cooperation with corporate clients, technology development and the improvement of service quality for foreign exchange transactions in domestic and foreign markets.



# ZHETIGEN

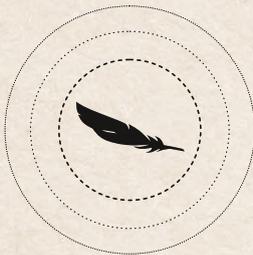
An ancient multi-stringed plucked instrument

## UPPER PART OF THE BODY

The zhetigen is made from a hollowed out piece of solid wood

## STRINGS

made of horse hair



*gentle, light melodious sound*

Related instruments:

*Gusli*

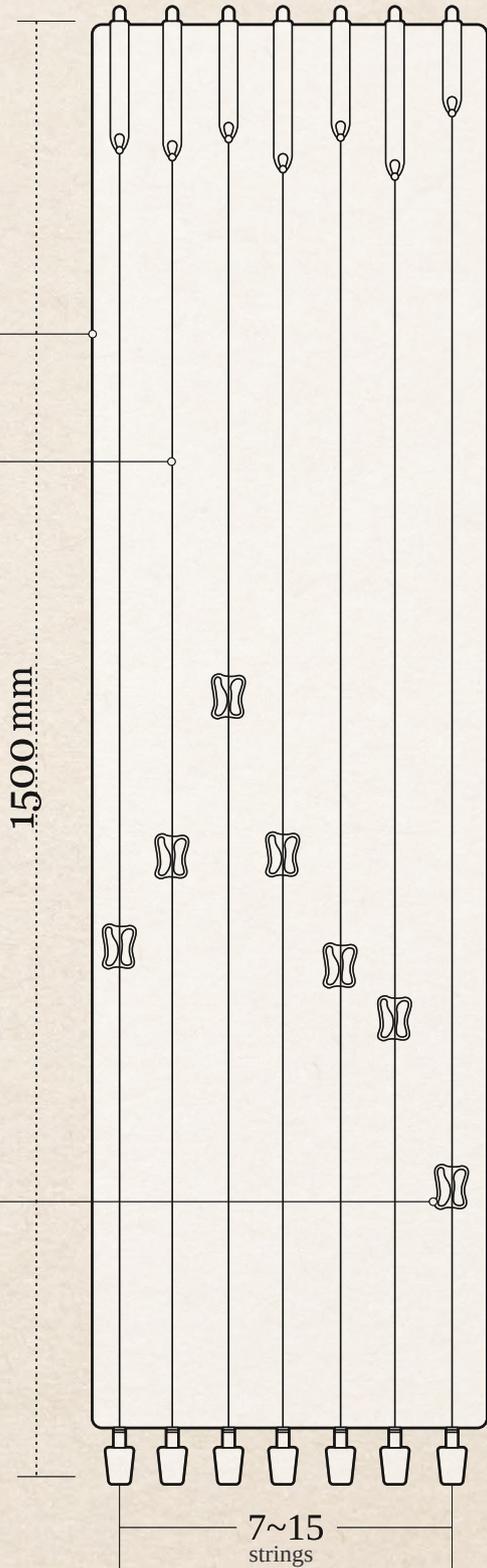
*Harp*



## ASYKS

Asyks are moved closer to each other to raise the pitch. Separating them lowers the pitch

Weight: **4.5 kg**





## Custodial Activity

In the framework of custodial activity, the Bank provides services in stock-taking and keeping its clients' assets.

### BCC custodian client assets:

Clients	2013	2014
Investment funds	6,082	390,797
Corporate entities	183,525	201,219
Corporate entities. Representative service for bondholders	29,500	18,000
<b>TOTAL:</b>	<b>219,107</b>	<b>610,016</b>

## International Money Transfer System

### Western Union

BCC is the first official representative of Western Union in Central Asia. It has provided services in international money transfers to individuals since 1998.



In addition to money transfer between individuals through the Western Union system, BCC receives payments through Quick Pay (payments from individuals to corporate entities connected to Western Union) and Quick Cash (payments from corporate entities to individuals). As of 31 December 2014 the BCC agent network includes 1,883 service outlets. Thirteen Kazakhstan banks serve as BCC agents, including Alliance Bank, ATF Bank, Temirbank, Tsesna Bank, Eurasian bank, Sberbank, VTB Bank (Kazakhstan), DeltaBank, Astana-Finance Bank, PNB Kazakhstan (Dana Bank), Capital Bank, KassaNova Bank and Bank RBK.

## Contact

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BCC has operated the Contact money transfer system since July 2001. This system allows individuals to make money transfers in US dollars, euro and Russian rubles to the CIS and abroad without opening a bank account. In some countries the Contact system allows wiring money without listing a recipient address. The system allows transfers by depositing funds into a bank account and to a mobile wallet.

The system has provided services since 2010 to corporate entities, operators and service providers who have agreements with the Contact system, allowing them to receive payments from individuals without having to open an account.



5

# Sazgen

The name of this ancient folk musical instrument, which can be translated as “melodic strings”, speaks for itself. The *sazgen* has unique acoustic features and, in terms of its sound, lies somewhere between the *kobyz* and the *narkobyz*. The body of the *sazgen* is made of wood and soft, thin, dry leather. Its strings are made from horse-tail. With the rich energy inherent to these materials, the *sazgen* was considered a sacred instrument on the steppes.



## Quick Transfers

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The Quick Transfers system was developed by BCC. It has functioned successfully since July 2000, allowing individuals to make money transfers throughout Kazakhstan without opening a bank account. The system is unique in that it allows for instant delivery of the transfer through the use of Internet technology and the BCC corporate network. The current transfer record is two seconds.

In 2014 individuals in Kazakhstan made more than 49,000 transfers totaling more than 3.6 billion tenge using the Quick Transfers system.

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## Quick Earnings

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This service allows for the quick collection of payments throughout the whole territory of the Republic of Kazakhstan by companies connected to the system. A company is able to see operational information about incoming payments in real time. In 2013 BCC expanded self-service channels to receive payments through Quick Earnings. In particular, a function was implemented which allowed for payments for the services of legal entities to be made through StarBanking and through terminals by depositing cash or transferring cash from accounts. Currently more than 2,320 corporate entities are using Quick Earnings in all regions of the Republic of Kazakhstan. In 2014 more than 3.3 million payments totaling more than 107 billion tenge were made to corporate entities using Quick Earnings.

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## Inquiry and Communication Services and Phone Banking

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**Call Center** (*sales and consultations on banking products*), main line +7 (727) 244 30 00:

- In 2014 the center processed 5,654,929 / 4,958,074 (hereinafter figures for 2013 are shown after the slanted line for comparison) client requests, comments and complaints regarding the quality of banking services from individuals, entrepreneurs and corporate entities. These inquiries were received through phone, e-mail and web-based communications (up 12.3%), including 1,235,639 / 1,260,908 by phone (a decrease of 2.0%) at a 76:20 / 74:20 service level (SL) (note: 76% of customers who phoned were connected to BCC Call Center operators within 20 seconds). Failure to connect occurred on 6.2% / 8.4% (a 2.2% decrease) of all calls. The speed of response by Call Center operators was 11 / 12 seconds on average (note: callers entered into dialogue with a free Call Center operator in 11 seconds on average of their telephone connection).

**Auto Call Center** (*Group, outgoing auto calls to clients, automatic telephone directory service, automatic redials from external telephone subscribers to internal telephones of the BCC financial group, round-the-clock continuous service*), main line +7 (727) 244 3 244:

- In 2014 the Auto Call Center conducted 1,206 / 1,200 campaigns using automatic group calls to bank clients. In total there were 314,006 / 278,871 attempted calls (growth of 11.2%) with positive results (the call reached the client) averaging 65% / 69% (a 4% decrease).

- In 2014 the round-the-clock automatic bank helpdesk processed 166,817 / 101,688 client inquiries (growth of 39.0%).

- In 2014 the BCC Automatic Telephone Center (ATC) received 1,205,521 / 874,082 external calls to BCC Financial Group internal phone numbers (growth of 27.5%).

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**Contact Center** (*individual and mass correspondence with clients by e-mail/web/fax*). Client inquiries were received through the following channels on the external BCC site [www.bcc.kz](http://www.bcc.kz) : Feedback, Online consultations, WhatsApp Center BCC, Complaints and proposals and through the dedicated e-mail addresses [hotline@bcc.kz](mailto:hotline@bcc.kz) (banking consultations, internet applications for BCC products), [Info@bcc.kz](mailto:Info@bcc.kz) (general purpose address), [cardservice@bcc.kz](mailto:cardservice@bcc.kz) (for correspondence with the BCC payment card holders), [ib@centercredit.kz](mailto:ib@centercredit.kz) (correspondence with the BCC Internet product users, including Internet banking system, StarBanking, and APS Barcode), [retail\\_credit@bcc.kz](mailto:retail_credit@bcc.kz) (for correspondence with the credit card holders and other borrowers, both individuals and individual entrepreneurs).

- Throughout the year there were 316 / 312 e-mail campaigns sending mass, personal and corporate e-mail letters, in standardized formats, on various subjects to certain categories of clients. The total number of letters sent was 2,108,309 / 1,710,456 (an increase of 18.9%).

In-house templates of letters were used in documentary correspondence (using up to 100 different templates in Kazakh, Russian and English).

There were 1,002 / 973 official queries received from bank clients regarding BCC service quality (including complaints, proposals for improving bank services and letters of gratitude) directed to the BCC branch network — an increase of 2.3%.



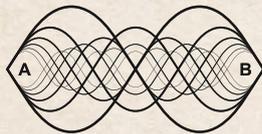
# SAZGEN

“Saz” – melody, music  
“Gen” – strings

This instrument has a unique, melodious sound somewhere between a qobyz and a narqobyz

? *It is one of the most mysterious and understudied musical instruments*

**STRINGS**  
Special horse hair

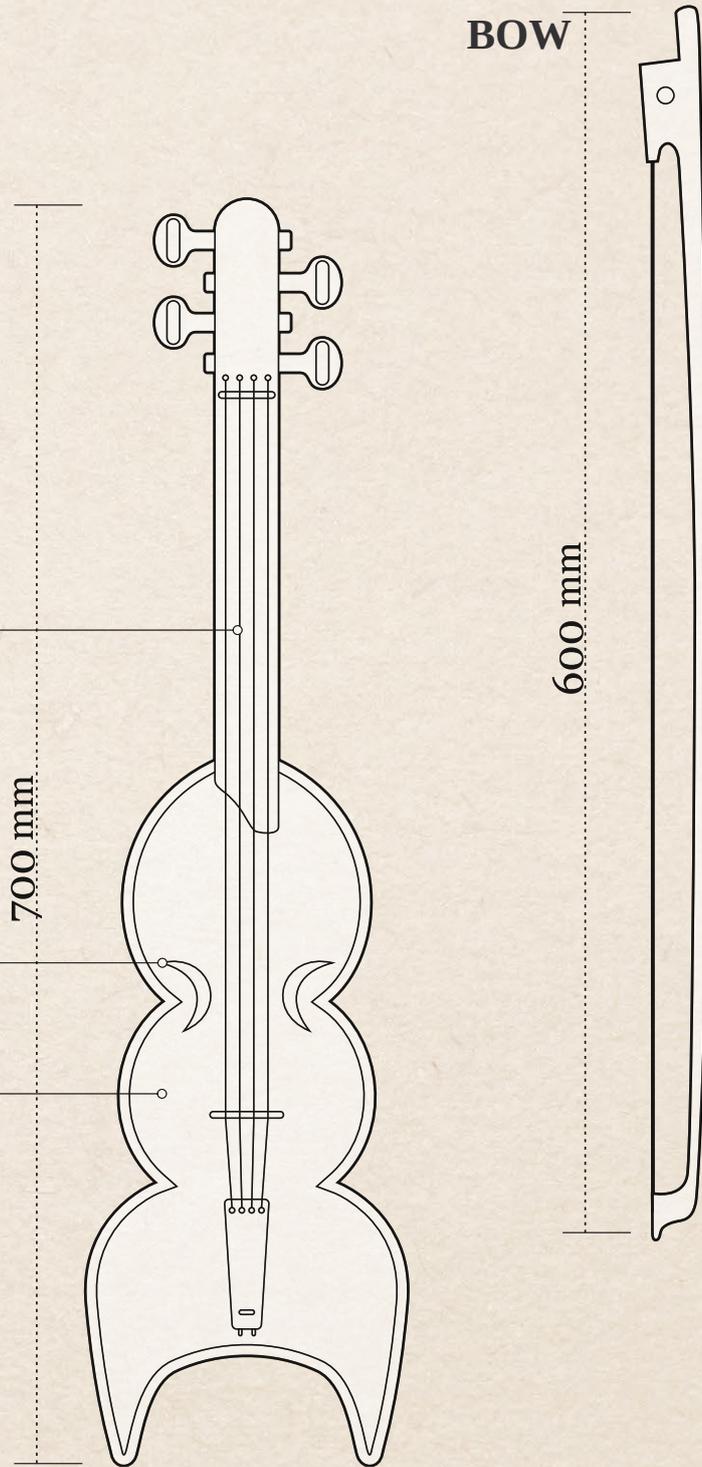


Resonating holes

**BODY**  
made of wood and thin, dry animal skin

It is said that the “energy” of the materials plays an enormous role in the instrument’s sound

! *If the wrong materials are selected there will be no reverberation*





## Bank Cards and Remote Banking Systems

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In 2014 the number of BCC payment cards in circulation exceeded 1 million. BCC ranked third in Kazakhstan in market share of cards in circulation. The number of cards issued during the year exceeded 250,000.

The total volume of card transactions increased by 9.2% and reached 430 billion tenge. The volume of transactions by the merchant network increased by 31% and totaled 7.9 billion tenge.

The Bank launched a new product — Visa Infinite — Visa’s most prestigious premium card. It offers the highest level of service to clients and includes unique privileges and services throughout the world.

The network of information and payment terminals grew by 30 units and now includes every region of Kazakhstan.

A self-service zone was opened at Financial Service Center #33 in Almaty. This provides clients with a round-the-clock self-service option using BCC channels. The self-service zone has a modern design, reflecting BCC’s corporate style and maintaining the image of a high-tech bank.

The Bank provides the option of connecting to the merchant network of BCC POS-terminals that had been purchased by the merchants. A project was launched providing the option of connecting to the network of POS-terminals functioning as cash registers.

The Bank offered a new AutoPay service to Kcell, Activ and Vegaline subscribers. When a subscriber’s phone balance reaches 100 tenge it automatically uses the subscriber’s BCC payment card to refill the cell phone balance.

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The Bank introduced a beta version of Internet banking called SIB Light (Lite version) and SIB Mobile (for mobile devices). It also introduced a new feature aimed at improving security: any payment to the bank now requires an OTP code confirmation.

The number of StarBanking clients increased by 146% last year. The system has a new option for previewing e-receipts and sending them to an e-mail address. Now the client can log into the system using a digital signature. When a client signs in or changes their login information the system sends a message with a confirmation code to a client's mobile phone for verification purposes. The system offers a new option of transferring money to third parties using a digital signature and OTP terminal. One may set personal limits for transfer amounts at BCC's offices.

The growth of non-cash payments and remote service channels has reduced the burden on the teller network. The number of transactions by individuals at cash windows decreased by 1.4%.

For 2015 BCC has set the following objectives: further development of premium card options; expansion of the functionality of remote service channels; launching support for mobile POS-terminals; integration with Visa Direct AP payment gateway, making possible money transfers to Visa cards issued by other banks through StarBanking; placement of a self-service zone in Astana; and installation of new equipment, including 38 ATMs and 20 information-payment terminals.



6

# Keruish

This many-stringed plucked musical instrument is made of wood and leather. It owes its name to its appearance – *keruish* means “stretcher” or “sling” in Kazakh. Nomads used this instrument mostly at home. Its sound might accompany the process of spinning. Although the keruish is not used today, it could certainly enrich and beautify the sound of any orchestra.



## Personnel

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Pursuant to this strategy, in 2014 the Bank continued its policy of identifying and encouraging efficient, talented and key BCC employees. In 2014 BCC recognized 20 employees for their efficiency, 121 for their talent and 963 as “key employees”.

These steps helped reduce BCC staff turnover in general, as confirmed by a BCC personnel loyalty survey. The 2014 loyalty level remained at the same level as that of 2013.

In order to stimulate the decision-making role on HR issues in regional centers, the Executive Board approved “Regulations on the Human Resource Management for the Regional Committee of Bank CenterCredit JSC”.

In 2014, a total of 3,713 employees received training. The Headquarter Training Center provided sales and client oriented service trainings for regional specialists and managers. Thirty-one programs were implemented for training 513 employees in client oriented service, sales and effective communication.

A four-week training at Kookmin Bank in Seoul, Korea, was given to 23 employees from headquarters and branch offices on transferring technology and business processes from BCC’s strategic partner.

The average age of BCC employees is 35. As of 1 January 2015, the total number of staff is 3,973 including 1,837 at corporate headquarters and 2,136 in the branch network. Of the total staff, 53.8% are in branches offices and 46.2% are at headquarters.



## Information Technology

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In order to ensure uninterrupted and high level customer service, the Bank implemented a project to switch BCC regional buildings to ground circuits and replaced the structured cable system in the Aktau and Jezkazgan branches.

The IT group implemented the following projects in 2014 to increase sales of some key banking products and processes:

- ✘ BCC is able to quickly consider applications for the purchase of cars in showrooms throughout the Republic of Kazakhstan through the implementation of the “Car loans” project;
- ✘ VIP clients were offered the premium Visa Infinite credit card;
- ✘ A program called “Credit cards for good faith borrowers” was implemented to boost sales in branches;
- ✘ Thirty new self-service information and payment terminals were put into operation;
- ✘ Payment order processing was centralized, in order to speed up customer service by account managers through a project called “United Processing Center”.

The IT group provided support for implementing the following projects related to the development of remote client service channels:

- ✘ A new SMS center was launched for distributing notifications to clients in order to reduce the cost of SMS services;
- ✘ Control procedures were improved for high risk payments by Internet banking clients;
- ✘ Payment processing times were reduced at branch offices by improving the accuracy of the risk analysis of non-cash payments by the Internet banking clients;
- ✘ MCI Client software was introduced, allowing for automatic centralized updates of ATM/IPT applications at branch offices;



- ✘ A pilot Mobile Banking project was initiated for corporate entities and individual entrepreneurs;
- ✘ Transfers to third parties through StarBanking were implemented, providing support for EDS and dynamic identification as well as improved functionality and stability of the system;
- ✘ StarBanking remote services and Internet banking were optimized through the system releases, based on customer feedback.

The following projects were implemented for compliance with current legislation:

- ✘ The reserves accrual calculation method was amended;
- ✘ Regulatory reports were developed and introduced by the Accounting and Reporting Department based on the United Corporate Database;
- ✘ Pursuant to an agreement between the governments of the Republic of Kazakhstan and the USA with respect to control over the bank accounts of US taxpayers, several amendments were made to the automated banking information system;
- ✘ Basic policies and documents were developed to comply with Resolution #29 of the Executive Board of the National Bank of the Republic of Kazakhstan.

The IT group implemented the following security improvement projects during 2014:

- ✘ Alternative anti-virus software was installed on workstations, as well as on ATMs and payment terminals;
- ✘ ATMs were equipped with anti-skimming devices;
- ✘ Traffic and PIN code settings at POS terminals were encrypted;
- ✘ A centralized transition from Windows XP to Windows 7 was implemented.

In order to improve existing processes:

- ✘ The Help Desk system introduced a standard request form in order to improve the execution quality of internal user requests;
- ✘ Client oriented business processes were segmented into sub-processes and operations in order to clearly define the boundaries of the processes and sub-processes and their respective owners. This was necessary in order to reflect all possible steps in the business processes of the new banking



software as well as for planning future software development and matching process steps in current and future software.

The BCC data processing center was brought up to date. Power supply system capacity was increased from 200 kW to 400 kW. Cooling capacity increased from 145 kW to 325 kW. The lifetime of the main data processing center was extended to at least 2019.

The following steps were taken in 2014 based on the IT Strategy Implementation Plan and the 2013 Strategic Resolution to transition to industrial banking software, which will allow for new products and services to be quickly implemented in the future with a high security level for client operations:

- ✘ A project was launched to develop the automated banking IT system;
- ✘ The development stage of core banking continued;
- ✘ Improvements were made and implemented to EKHD;
- ✘ The Bank worked on implementing SSO single entry technology for Reuse modules and on integrating administration of Reuse modules with the Colvir administration system;
- ✘ Basic equipment for the new system was procured.

765 million tenge was invested for IT infrastructure upgrades in 2014.



# KERUISH

Multi-stringed plucked instrument

From the Kazakh word “keru” – to stretch, to pull apart

\*\*\*  
In the 1960-1990s it was used in the “Otyrar sazy” orchestra



It is a wooden resonator

**STRINGS**

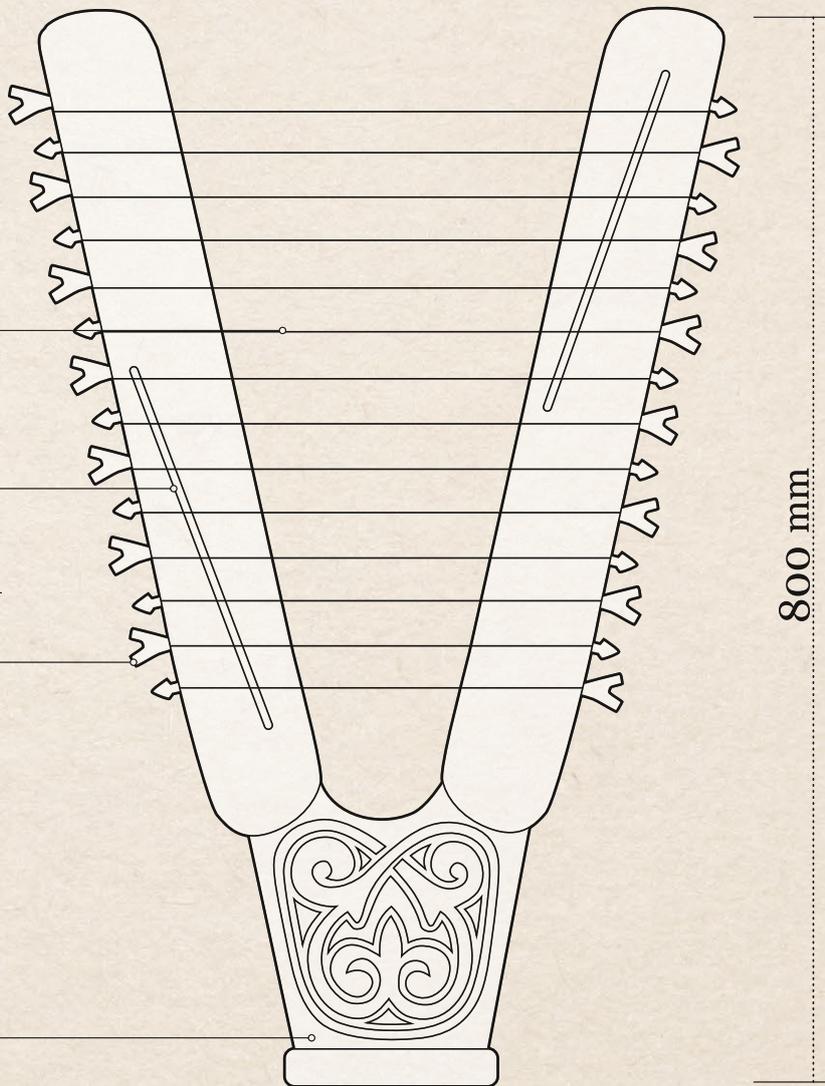
**FRETS**



**TUNING PEGS**

**BODY**

A solid piece of wood



## Bank Sales Network

As of 1 January 2015 the BCC bank sales network consisted of 20 branches and 118 units.



BCC has branches in all oblast centers and large cities of the Republic of Kazakhstan. Altogether the branches and their subdivisions are located in 38 communities throughout Kazakhstan. The subdivisions of BCC, irrespective of their type, provide a full range of banking services: payment processing, lending activities, deposits, current accounts, money transfers, payment cards, guarantees, safe deposit boxes and others.

### The subdivisions of BCC branches are as follows:

✘	Operational Divisions	20
✘	VIP Center	1
✘	Financial Services Centers (FSC)	28
✘	Retail Service Centers (RSC)	26
✘	Cash Settlement Offices (CSO)	43



## BCC Invest JSC

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2014 was a difficult year for Kazakhstan's stock market and its professional members. The beginning of the year was marked by devaluation of the tenge by almost 20%. In addition, the economic crisis in the Russian Federation created growing expectations of further devaluation by the population and market participants. These expectations were dominating the financial market by the end of the year. As a result, the entire financial sector, and Kazakhstan's stock market in particular, experienced a shortage of local currency, resulting in a significant decrease of the market value of financial instruments.

In these difficult conditions BCC Invest JSC managed not only to maintain its leading position in the market, but also to significantly improve it. For example, BCC Invest JSC ranks first in the activity ranking of KASE repo sector. In other sectors it also managed to climb several steps and move into leadership positions. At end of year, the assets and equity of BCC Invest JSC increased significantly due to the addition of the Capital Pension Fund. A balanced approach to the management and control of the currency structure resulted in the average portfolio of BCC Invest JSC yielding above the market average. Commission income exceeded the previous year's by 20%. Annual growth of the customer base exceeded 24%.

BCC Invest JSC is a professional participant of the securities market of the Republic of Kazakhstan and possesses all licenses and permits required by legislation. BCC Invest JSC is a wholly owned subsidiary of BCC.

### 2014 financial results of BCC Invest JSC were as follows:

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- ✘ Net profit was 288.695 million tenge.
  - ✘ Equity tripled to 6.591687 billion tenge.
-



The Interval Mutual Investment Fund (UIF) “CenterCredit – Reasonable Balance” (hereinafter, “the Fund”) continues to rank first in the size of assets among retail mutual funds. It is consistently among the top three in profitability. The Fund ended 2014 with 6.7% profitability, highest among balanced strategy (stocks and bonds) funds. The yield since the founding of the Fund is 9.5%. The final results were adversely affected by the negative revaluation in the fourth quarter due to the shock of liquidity in the market. However, this should have a positive impact on the Fund’s future profitability due to the lower base effect.

The structure of the Fund’s assets includes fixed income instruments (bonds, 50-70%), equity instruments (shares and depository receipts of up to 30%) as well as money market instruments (repos and deposits) and precious metals (ETF gold).

As part of the second wave of the “National IPO” project, BCC Invest JSC actively participated in a series of lectures around the country to promote both the program and BCC Invest’s services. BCC Invest employees held more than 80 presentations and lectures in seven cities and at the largest enterprises of the Republic of Kazakhstan in cooperation with the Nur Otan Party. The national company KEGOK was the second participant of National IPO. More than 50,000 retail investors bought its shares. Due to the difficult economic situation in the country at the time of placement, the shares showed a negative return. However, we believe that these stocks have good growth potential in the medium term, as financial results for 2014 exceeded all market expectations. In the future, financial results are expected to improve because KEGOK has been given approval for increasing its tariffs.



## BCC – Moscow LLC

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BCC-Moscow LLC is a subsidiary company of BCC, founded in December 2007 and registered in the city of Moscow, the Russian Federation.

BCC-Moscow is a credit organization, providing different types of service to its corporate and retail clients within Russia. In the course of its work BCC-Moscow has built a team of qualified personnel, developing and implementing products for small and medium enterprises and retail businesses.

Given the situation in the Russian market associated with the devaluation of the Russian ruble and the political tensions caused by the Ukrainian crisis, during 2014 BCC – Moscow LLC followed a conservative and balanced strategy aimed at improving risk management, corporate governance, and organizational structure for meeting the needs of its customers, individuals and corporate entities in the most efficient way.



## BCC SAMC LLP

---

BCC – Stress Assets Management Company (SAMC) LLP was founded as a subsidiary on 21 August 2013.

### **The company was established with the purpose of:**

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- 1) Improving large business under state programs;
- 2) Improving assets and bad loans acquired from the parent bank.

### **The main activities of BCC – SAMC LLP are:**

---

- 1) Acquisition of bad debts of the parent bank;
- 2) Acquisition of real estate and/or property rights for construction in progress that have fallen into the ownership of the parent bank, as well as the implementation of activities aimed at the construction, completion and/or commissioning of real estate for doubtful and bad assets in the form of land and/or construction in progress;
- 3) Acquisition and management of shares and/or holdings in the authorized capital of corporate entities pledged to the parent bank and BCC – SAMC LLP.



# Monochord

7

Al-Farabi, the great scientist of the East, was sure that “the bow was the source of all stringed instruments”. The monochord is a simple one-stringed instrument – a type of wooden resonator. It can be played with an ordinary bow. This type of instrument is present not only in the history of the Kazakhs, but also among the Japanese, Estonians, Serbians and Udmurts. In the course of time the number of the strings on this instrument probably increased. This “bow” can “shoot” only a beautiful melody.



## Independent Auditors' Report

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To the shareholders and to the Board of Directors of the joint stock company, Bank CenterCredit:

We have conducted an audit of the enclosed consolidated financial statement of the joint stock company, Bank CenterCredit, and its subsidiary companies. This audit includes a consolidated report on the financial situation as of 31 December 2014, a consolidated report on profits and losses, a consolidated report on other total income, a consolidated report on changes in capital and a consolidated report on the movement of cash for the year ended on this day, as well as remarks consisting of basic regulations of accounting policies and other explanatory information.

### Responsibility of Management

Management bears responsibility for the compilation and fidelity of the consolidated financial statement in accordance with International Accounting Standards, and also for internal monitoring systems which management considers necessary for compiling a consolidated financial statement without material misstatements due to illegal acts or errors.

### Responsibility of Auditors

Our responsibility is to express an opinion about the fidelity of this consolidated financial statement on the basis of our audit. We have conducted this audit according to International Auditing Standards. These standards require compliance with ethical norms and also planning and conducting the audit in such a way that there is reasonable confidence that the consolidated financial statement has no material misstatements. The audit includes procedures that are necessary for obtaining auditing evidence in regard to numbers and comments in financial statements. The choice of procedures depends on the professional judgment of the auditor, including a risk assessment of material misstatements in the consolidated financial statement due

---



to illegal acts or errors. In the process of this risk assessment the auditor reviews the system of internal control for compilation and the fidelity of the consolidated financial statement in order to develop audit procedures which fit the circumstances, but not for the purpose of expressing an opinion about the system of internal control. The audit also includes an appropriate assessment of accounting policies used and the validity of accounting valuations made by Management, as well as an assessment of the presentation of the consolidated financial statement on the whole.

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

### Opinion

In our opinion, this consolidated financial statement authentically, and in all major aspects, reflects the financial condition of the joint stock company, Bank CenterCredit, and its subsidiaries as of 31 December 2014, and also the results of their activities and movement of cash in the year, ended on this day, according to International Accounting Standards.

DELOITTE, LLP

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



Andrew Weekes  
Engagement Partner, Certified Accountant  
Public Practice Certificate 78586,  
Australia

Nurlan Bekenov  
Qualified Auditor  
of the Republic of Kazakhstan  
Certificate of Competence №0082,  
Dated 13 June 1994,  
General Director  
Deloitte LLP



16 February 2015  
Almaty



## Consolidated Report On Profit And Loss

for the year ended on 31 December 2014

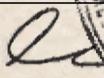
(in millions of Kazakhstan tenge, except earnings/(loss) per share which is expressed in tenge)

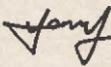
	Notes	Year ended on 31 December 2014	Year ended on 31 December 2013
Interest income	4, 27	93,254	85,269
Interest expenses	4, 27	(46,846)	(49,610)
NET PERCENTAGE PROFIT BEFORE ALLOWANCE FOR RESERVES FOR DEVALUATION OF ASSETS, SUBJECT TO INTEREST		46,408	35,659
Reserve formation under depreciation of assets, subject to interest	5	(43,470)	(27,779)
NET INTEREST INCOME		2,938	7,880
Net (loss)/ income from operations with financial assets and obligations, reflected by fair value through profits or losses	6	(386)	13
Net realized loss from disposal and depreciation of investments, available for sale		60	(3)
Net profit from operations with foreign currency	7	6,169	4,491
Income from services and commissions received	8	21,848	22,524
Expenses from services and commissions paid	8	(1,862)	(1,886)

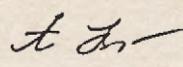


	Notes	Year ended on 31 December 2014	Year ended on 31 December 2013
Reserve formation under depreciation from other operations	5	94	(1,256)
Other types of income/(loss)		49	(123)
<b>NET NON-INTEREST INCOME</b>		25,972	23,760
<b>OPERATING INCOME</b>		28,910	31,640
<b>OPERATING EXPENSES</b>	9, 27	(26,142)	(29,345)
<b>OPERATING PROFIT BEFORE TAXES</b>		2,768	2,295
Profit tax expense	10	(1,801)	(1,982)
<b>NET PROFIT</b>		967	313
Related to:			
Parent Bank shareholders		980	(31)
Minority ownership shares		(13)	344
		967	313
<b>(LOSS)/PROFIT PER SHARE</b>			
Basic (tenge)	11	4.86	(0.19)
Diluted (tenge)	11	4.86	(0.15)

On behalf of the Executive Board:

  
V.S. Lee  
Executive Board Chairman  
16 February 2015  
Almaty

  
Jinhwan Yang  
Managing Director  
16 February 2015  
Almaty

  
A.T. Nurgaliyeva  
Chief Accountant  
16 February 2015  
Almaty



# Consolidated Statement of Other Cumulative Income

for the year ended on 31 December 2014

(in millions of Kazakhstan tenge)

	Year ended on 31 December 2014	Year ended on 31 December 2013
Net profit	967	313
<b>OTHER CUMULATIVE (LOSS)/INCOME</b>		
Articles which can be subsequently reclassified to profit or loss		
Difference in exchange rate originated during recalculation of foreign operations	(327)	(299)
Net change of fair value of investments, available for sale	(920)	(293)
(Profit)/loss moved to the statement of profit and loss from sale of investments available for sale	(60)	3
<b>OTHER CUMULATIVE PROFIT, LESS PROFIT TAX</b>	<b>(1,307)</b>	<b>(589)</b>
<b>TOTAL CUMULATIVE LOSS</b>	<b>(340)</b>	<b>(276)</b>
Related to:		
Parent Bank shareholders	(327)	(620)
Minority ownership shares	(13)	344
<b>TOTAL CUMULATIVE LOSS</b>	<b>(340)</b>	<b>(276)</b>

On behalf of the Executive Board:

V.S. Lee  
Executive Board Chairman

16 February 2015  
Almaty

Jinwan Yang  
Managing Director

16 February 2015  
Almaty

A.T. Nurgaliyeva  
Chief Accountant

16 February 2015  
Almaty



# MONOCHORD BOW

Many-stringed plucked instrument

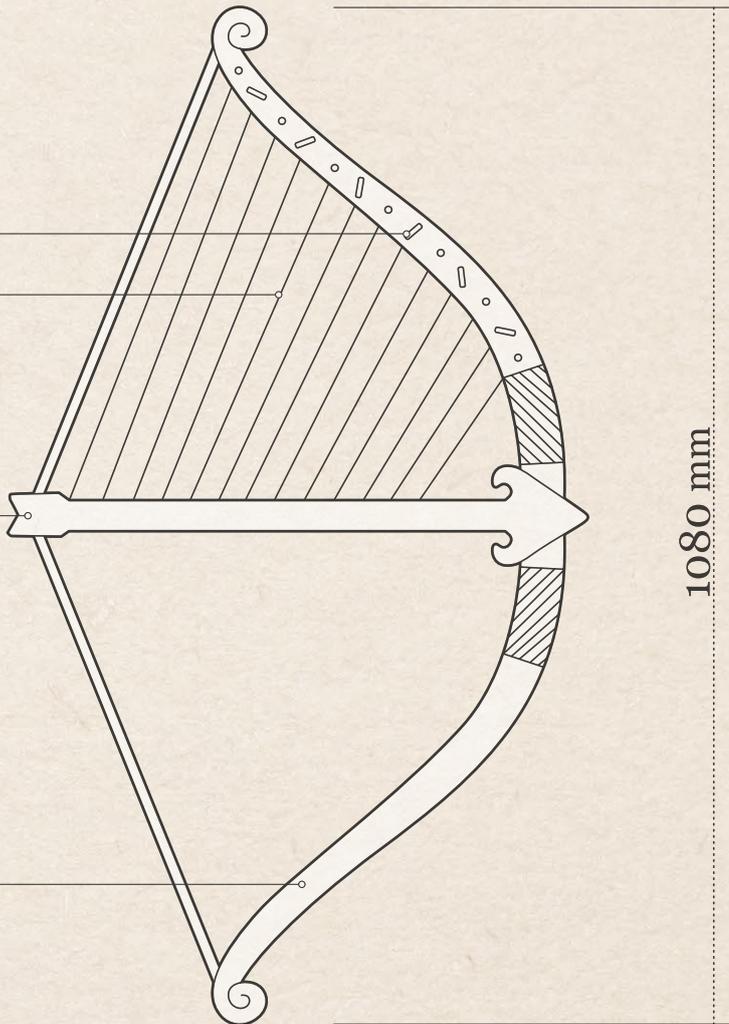
**TUNING PEGS**  
**STRINGS**

Wooden   
**RESONATOR**

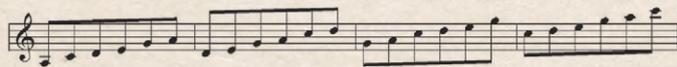


Monochord instruments have been known since ancient times. Monochords were the main tool for musical education until the Baroque Epoch.

Arch-shaped  
**HANDLE**



## PENTATONIC SCALE



This instrument is characterized by its pentatonic sound that is common in the musical cultures of the Japanese, Chinese, Serbian and Udmurt people. The pentatonic scale is the basis of modern pop-music.

## Al-Farabi said:

*“All musical instruments originated from the bow”*



The monochord bow gave birth to all stringed instruments



# Consolidated Report of Financial Situation

as of 31 December 2014

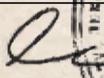
(in millions of Kazakhstan tenge)

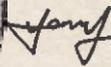
	Notes	Year ended on 31 December 2014	Year ended on 31 December 2013
<b>ASSETS:</b>			
Cash and cash equivalents	12, 27	112,628	141,511
Mandatory reserves	12	17,321	16,645
Financial assets reflected by fair value through profits and losses	13	24,297	27,253
Investments available for sale	14	53,576	53,931
Investments retained until redemption	15	9,644	15,846
Funds in banks	16	8,348	3,994
Loans granted to clients and banks	17, 27	829,402	783,895
Claims for current tax on profits		1,181	1,436
Claims for deferred tax on profits	10	-	1,132
Other assets	18	17,738	22,685
Fixed assets and intangible assets	19	32,160	25,154
<b>TOTAL ASSET</b>		<b>1,106,295</b>	<b>1,093,482</b>

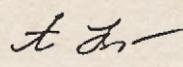


	Notes	Year ended on 31 December 2014	Year ended on 31 December 2013
<b>OBLIGATIONS AND CAPITAL</b>			
<b>OBLIGATIONS:</b>			
Means and loans of banks and financial organizations	20	117,880	89,436
Means of clients and banks	21, 27	808,296	806,553
Issued debt securities	22	30,862	49,045
Deferred income tax liabilities	10	236	-
Other obligations	23	9,530	8,544
Junior bonds	24	54,012	53,034
Total obligations		1,020,816	1,006,612
<b>CAPITAL:</b>			
<b>Capital related to shareholders of the parent Bank:</b>			
Charter capital	25	69,791	69,826
Fund for revaluation of investments available for sale		(1,238)	(258)
Fund of exchange rate differences		(652)	(325)
Retained profit		17,162	16,077
Total capital, related to shareholders of the parent Bank		85,063	85,320
Minority ownership shares		416	1,550
Total capital		85,479	86,870
TOTAL OBLIGATIONS AND CAPITAL		1,106,295	1,093,482
Balance cost of one ordinary share (tenge)	11	444	452
Balance cost of one privileged share (tenge)	11	300	300

On behalf of the Executive Board:

  
V.S. Lee  
Executive Board Chairman  
16 February 2015  
Almaty

  
Jinhwan Yang  
Managing Director  
16 February 2015  
Almaty

  
A.T. Nurgaliyeva  
Chief Accountant  
16 February 2015  
Almaty



# Consolidated Report on Changes in Ownership Capital

for the year ended on 31 December 2014

(in millions of Kazakhstan tenge)

	Charter capital	Fund for revaluation of investments available for sale	Fund of exchange rate differences	Special reserve	Retained profit	Total capital, related to shareholders of the parent Bank	Minority ownership shares	Total capital
31 December 2012	69,798	32	(26)	3,723	12,385	85,912	1,206	87,118
Net (loss)/profit	-	-	-	-	(31)	(31)	344	313
Other yearly cumulative loss after income tax	-	(290)	(299)	-	-	(589)	-	(589)
Transfer to special reserve	-	-	-	(3,723)	3,723	-	-	-
Issuance of own shares (note 25)	28	-	-	-	-	28	-	28
31 December 2013	69,826	(258)	(325)	-	16,077	85,320	1,550	86,870
Net (loss)/profit	-	-	-	-	980	980	(13)	967
Other yearly cumulative loss after income tax	-	(980)	(327)	-	-	(1,307)	-	(1,307)
Issuance of own shares (note 25)	(35)	-	-	-	-	(35)	-	(35)
Dividends from subsidiaries	-	-	-	-	-	-	(351)	(351)
Profit from purchase of Capital Pension Fund JSC shares	-	-	-	-	105	105	-	105
Reduction of minority share after purchase of Capital Pension Fund JSC shares	-	-	-	-	-	-	(770)	(770)
31 December 2014	69,791	(1,238)	(652)	-	17,162	85,063	416	85,479

On behalf of the Executive Board:

V.S. Lee  
Executive Board Chairman

16 February 2015  
Almaty

Jianwan Yang  
Managing Director

16 February 2015  
Almaty

A.T. Nurgaliyeva  
Chief Accountant

16 February 2015  
Almaty



# Consolidated Report on Cash Flow

for the year ended on 31 December 2014

(in millions of Kazakhstan tenge)

	Year ended on 31 December 2014	Year ended on 31 December 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Interest income received	105,344	64,819
Interest expense	(49,230)	(48,899)
Income received by services and commissions received	22,470	20,099
Expenses paid from services and commissions paid	(1,901)	(1,738)
Other income / (expense) received / (paid)	204	(49)
Operating expenses paid	(25,229)	(24,570)
Inflow of cash from operating activities until change of operating assets and obligations	51,658	9,662
Change of operating assets and obligations		
Mandatory reserves	(676)	(1,570)
Financial assets, reflected by fair value through profits or losses	2,556	(2,002)

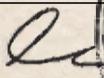


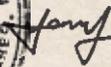
	Year ended on 31 December 2014	Year ended on 31 December 2013
Funds in banks	(4,383)	(1,941)
Loans granted to clients and banks	(108,046)	2,100
Other assets	(2,930)	(11,827)
Funds and loans of banks and financial organizations	26,770	(16,510)
Funds of clients and banks	4,867	14,965
Other obligations	2,157	2,567
Outflow of cash from operating activity before taxes	(28,027)	(4,556)
Tax on profit, paid	(178)	(366)
Net outflow of cash from operating activity	(28,205)	(4,922)
<b>CASH FLOW FROM INVESTMENT ACTIVITY:</b>		
Revenues from selling investments available for sale	22,806	27,211
Purchasing investments available for sale	(23,206)	(23,797)
Revenues from redemption of investments retained until redemption	5,282	14,105
Purchasing investments retained until redemption	-	(3,682)
Purchasing fixed assets and intangible assets	(1,928)	(5,660)
Revenues from selling fixed assets	119	235

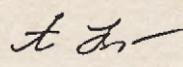


	Year ended on 31 December 2014	Year ended on 31 December 2013
Net inflow of cash from investment activity	3,073	8,412
<b>CASH FLOW FROM FINANCIAL ACTIVITY:</b>		
(Repurchase of own shares) / Revenue from sale of repurchased own shares (note 25)	(35)	28
Dividends from subsidiaries	(351)	-
Purchase of minority share	(722)	-
Redemption of debt securities	(41,953)	(18,910)
Revenue from issuance of debt securities	25,000	2,447
Revenues from issuance of junior bonds	910	18,305
Net (outflow)/inflow of cash from financial activity	(17,151)	1,870
Impact of foreign currency rate change on cash and its equivalents	13,400	2,097
<b>NET (DECREASE)/INCREASE OF CASH AND ITS EQUIVALENTS</b>	<b>(28,883)</b>	<b>7,457</b>
CASH AND ITS EQUIVALENTS, as of beginning of year (note 12)	141,511	134,054
CASH AND ITS EQUIVALENTS, as of end of year (note 12)	112,628	141,511

On behalf of the Executive Board:

  
V.S. Lee  
Executive Board Chairman  
16 February 2015  
Almaty

  
Jinhwan Yang  
Managing Director  
16 February 2015  
Almaty

  
A.T. Nurgaliyeva  
Chief Accountant  
16 February 2015  
Almaty



# Saz Surnai

8

Melodies performed on this ancient wind instrument are sweet, melodic and strikingly beautiful. When it is in skilled hands, this instrument — which at first glance looks like a clay egg — easily conveys the joyful singing of birds or the dreary howl of the wind. Its gentle warble has become one of the symbols of indigenous Kazakh arts. In ancient times melodies of the *saz surnai* would accompany games and youthful festivities. Today it is actively used by folklore-ethnographic ensembles, thanks to its resonance with other national instruments.



## Key Events for Bank CenterCredit in 2014

---

January

Signed a bank loan agreement with Kazakhstan Development Bank for 8 billion tenge for funding large businesses.

February

Signed a second bank loan agreement with Kazakhstan Development Bank for 3 billion tenge for funding large businesses.

March

Issued the Bank's 1,000,000th payment card.

April

General BCC stockholders' meeting. Approved the 2013 Executive Board Report, the 2013 Consolidated Annual Financial Report, and 2013 Net Profit Distribution.

Signed a credit agreement with Damu Entrepreneurship Development Fund JSC to receive funds from the National Fund of the Republic of Kazakhstan, in the amount of 8 billion tenge, for financing small and medium businesses in the processing industry. Signed a credit agreement with Damu Entrepreneurship Development Fund JSC under the "Damu Ondiris-2" program for supporting small and medium businesses in the processing industry.

July

Foreign Accounts Tax Control Act was enacted. Additional procedures were introduced for clients to identify US taxpayers.

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**August**

The Consumer Loans Without Commission campaign began for individuals and individual entrepreneurs. The Contact system lowered tariffs for money transfer abroad in US dollars, euros, and the Russian ruble.

**September**

BCC celebrated its 26th anniversary. BCC launched the campaign “Conditional Deposits for Money Legalization” in view of the enactment of the law “On amnesty of citizens of the Republic of Kazakhstan, repatriates and persons who have a residence permit in the Republic of Kazakhstan in connection with the legalization of property”.

**October**

A final agreement was reached on a second tranche from the Asian Development Bank for 11.1 billion tenge for 5 years of funding for small and medium businesses.

**November**

Release of Visa Infinite premium class cards. Money transfer to third party became available through the StarBanking system.

**December**

Signed a bank loan agreement with Kazakhstan Development Bank for raising funds from the National Fund of the Republic of Kazakhstan in the amount of 3 billion tenge for funding large business in the processing industry. Signed a credit agreement with EBRD for 10 billion tenge against the guarantee of Damu Entrepreneurship Development Fund JSC for 5 years of funding for small and medium businesses. Also signed a credit agreement with Damu Entrepreneurship Development Fund JSC to receive funds from the National Fund of the Republic of Kazakhstan in the amount of 3 billion tenge for financing small and medium businesses in the processing industry.



## Risk Management

---

BCC developed an effective Risk Management System that meets all requirements of both existing legislation and generally accepted international practice. The strategic goals of the system are based on the timely identification of risks, quality assessment of all factors, and comprehensively addressing risks to minimize their impact.

The Risk Management System is multi-leveled and embraces every BCC unit. The functioning committees of BCC's Board of Directors and Executive Board consider, approve and endorse all key issues related to risk management.

BCC has a unified risk management methodology base which embraces all strategic aspects of BCC activity (in the form of policies), response measures, risk assessment and monitoring (in the form of rules, regulations, instruction and methods of risk management and assessment). Also BCC successfully works to limit risk and identify risk appetite.

The ongoing improvement of existing models of risk management is a primary initiative for BCC's development. The key event in 2014 in the improvement of the Risk Management System was the separation of the Risk Management Department into a separate group, and the inclusion of the team leader into BCC's Executive Board. This reflects the understanding by management of the significance of risk management for BCC.

In order to avoid negative impact by crisis factors and to respond in a timely manner to any possible events, BCC has developed drills for the most critical stress events. Departments practice their response to crises. BCC then performs a comprehensive assessment of these drills and makes necessary adjustments to the processes and internal documentation. The system of key risk indicators, designed to identify risks to BCC in a timely manner, is consistently being improved.

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## **Key risks inherent to BCC are:**

### **Credit Risk**

---

Credit Committees and BCC's Executive Board manage credit risks and monitor them within established limits. Managers of the Risk Management and Credit Risk departments consider and approve recommendations on credit processes (including limits for borrowers, additional agreements with the loan agreement, etc.) before the Credit Committee takes any action. The Head of the Credit Department or branch credit departments perform risk management on a daily basis. BCC introduced a scoring system that is used in retail and small business lending for quantitative assessment of future solvency for both new and existing clients. To evaluate credit risk assessment for corporate borrowers, BCC applies an internal rating model based on the principles and methodologies used by the international rating agencies.

### **Liquidity Risk**

---

The main objective of liquidity management is to ensure the continued availability of liquidity sufficient for the timely fulfillment of obligations both in normal and stressed conditions, without incurring losses or risking BCC's reputation as a stable partner.

BCC manages this risk through the analysis of asset and liability maturity and through money market transactions for current liquidity support and cash flow optimization. In addition, the Bank calculates an optimal balance sheet structure and limits on liquidity ratios according to the gap position, and monitors the liquidity indices. In 2014 BCC introduced a system of daily monitoring internal and market indices for liquidity risk for the purpose of early warning.

### **Market risk**

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BCC manages market risk through position management, allowing the Group to minimize losses from significant fluctuations of exchange rates of national and foreign currencies. Also the Bank calculates limits on open currency positions, arbitrage positions and loss limits (Stop-loss / Stop-out).

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BCC applies periodic estimation of potential losses that could arise from adverse changes in market conditions and establishes appropriate stop-loss limits.

## **Operational risk**

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BCC identifies, measures, monitors and controls operational risk in order to ensure capital adequacy to cover it.

BCC collects and analyzes operational risk events in the internal and external environment, carries out a systematic analysis of BCC's products and services for necessary control, and uses a system of key risk indicators developed by the Bank. On a regular basis, BCC self-evaluates for operational risk the processes of products and services.



# SAZ SYRNAI

An ancient wind instrument

Alternative names:

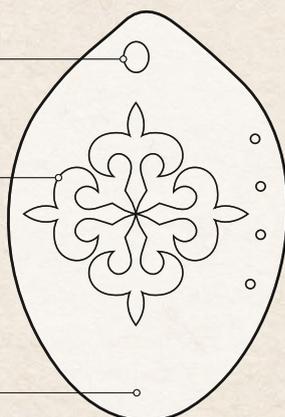
“*saz*” – clay  
“*syrnai*” – a wind instrument

 **TASTUYK** – Stone Chicken

 **USKIRIK** – Ringing Frost

## MOUTHPIECE

*Sazsyrnai was often covered with glaze, symbols and ornaments*



**4-6 holes**

## BODY

made of clay



A sazsyrnai was found during excavations of the city of Otrar in 1971



Clear, light sound



## Social Responsibility and Environmental Protection

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BCC complies with the requirements of basic environmental protection principles and current legislation.

BCC's basic environmental protection principles include:

- ✘ The priority of human life and health, the preservation and restoration of the environment for life, labor and leisure of the population;
- ✘ Avoidance of potential harm to the environment directly by any financial transactions of the Bank.

When financing a project BCC pays special attention to its environmental aspects and supports environmentally oriented projects.

According to BCC's Credit Policy, financing of any project that is harmful to the environment is prohibited.

BCC takes appropriate measures to avoid situations that might have negative legal or financial consequences or implications for BCC's reputation related to environmental issues. When considering a project, BCC also performs a separate comprehensive examination for compliance with the basic principles of BCC's Environmental Protection Agency. The lending process involves monitoring borrowers and ensuring the appropriate use of the loan in accordance with basic environmental protection principles.

Current procedures are being implemented according to BCC's environmental protection policies. The main objective is compliance with BCC's basic environmental protection principles, as well as compliance

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with the requirements of such international financial institutions as EBRD, IFC, DEG, and FMO in regards to environmental protection. This includes:

- ✘ Establishment of a permanent working group responsible for implementing BCC's environmental protection procedures and monitoring implementation of environmental protection requirements by clients;
  - ✘ Reducing the negative impact of BCC activities on the environment by incorporating customer liabilities into loan agreements, including articles requiring them to not violate the basic environmental protection requirements of the legislation of the Republic of Kazakhstan;
  - ✘ Development of an action plan for each project to more effectively project assessments in terms of compliance with environmental protection requirements and control over its execution;
  - ✘ Improvement of environmental protection through cooperation with clients as well as with the international financial institutions to improve and modify projects which might have a negative impact on the environment.
- 

## BCC Key Targets and Goals For 2015

1. Business expansion at an acceptable risk level
  2. Improvement of the quality of the Bank's loan portfolio
  3. Stabilization and growth of the Bank's resource base
  4. Development of remote service channels
  5. Participation in State Development Programs
  6. IT strategy
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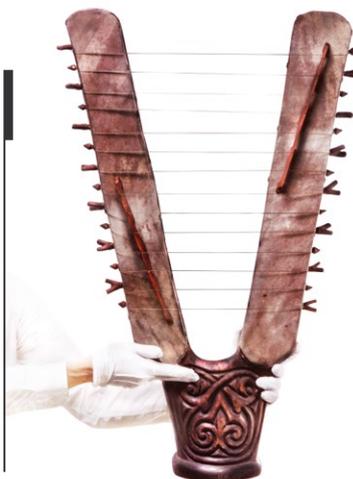


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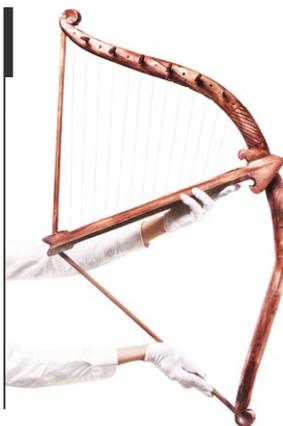
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