



# ANALYST HANDOUT

01.07.2016 – 01.10.2016  
quarterly

## Disclaimer



*Certain information contained in this presentation may include forward-looking statements. Such forward-looking statements are not guarantees of future performance. These statements are based on management's current expectations or beliefs as of the date of this presentation and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The Bank disclaims any intention or obligation to publicly update or revise any forward-looking statements.*

*Basis of calculation: all figures in this presentation are based on IFRS audited financial statements or financial statements reviewed by auditors unless stated otherwise.*

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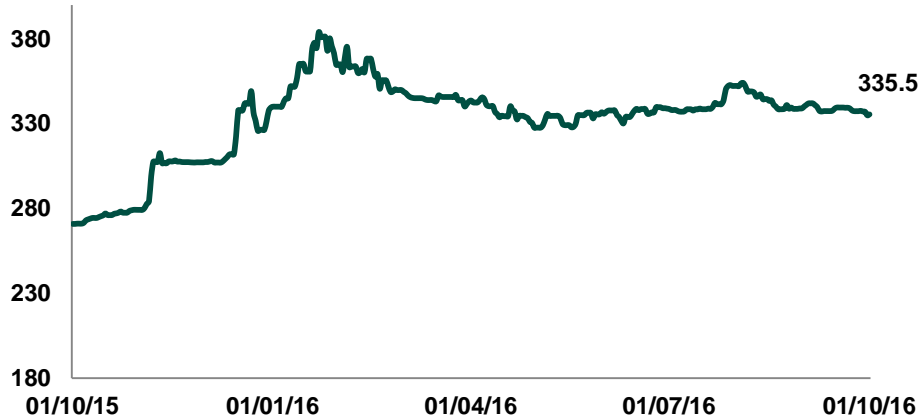


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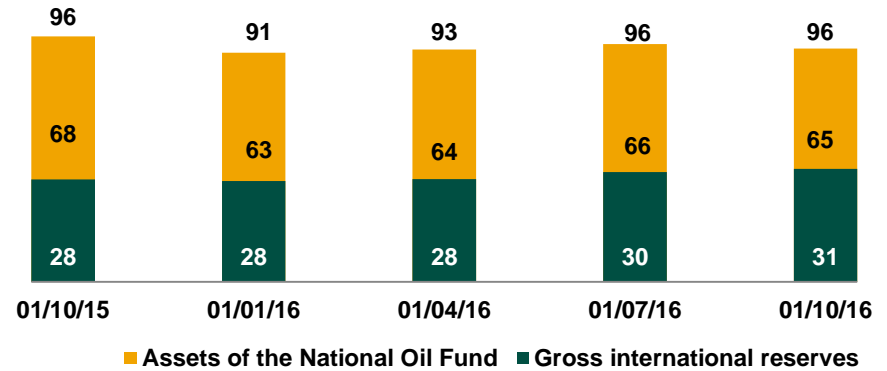
# Macroeconomic Data of Kazakhstan

USD/KZT Exchange Rate

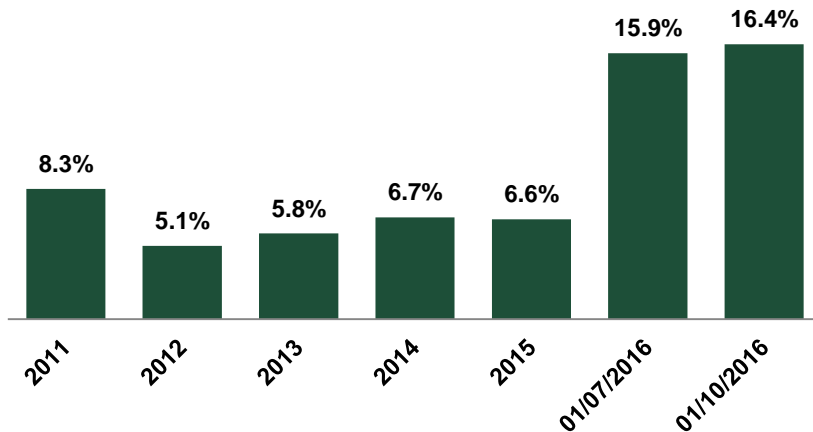


International Reserves

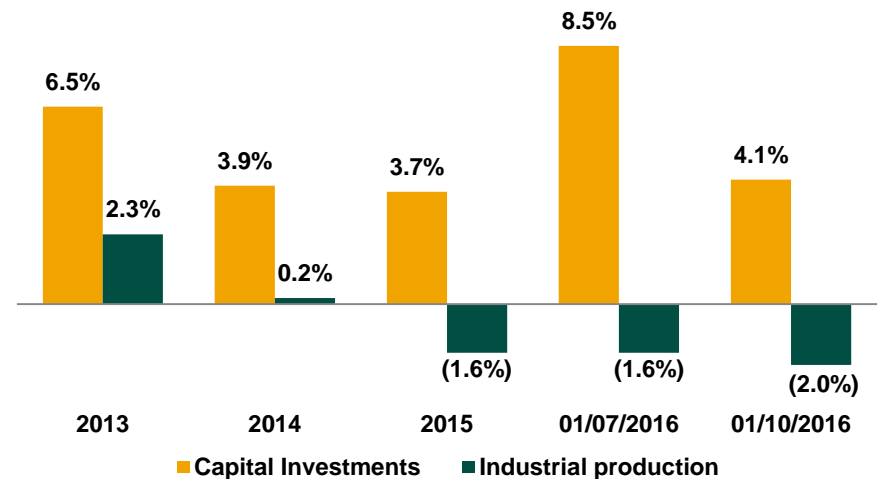
USD bn



Inflation \*



Selected Macroeconomic Indices



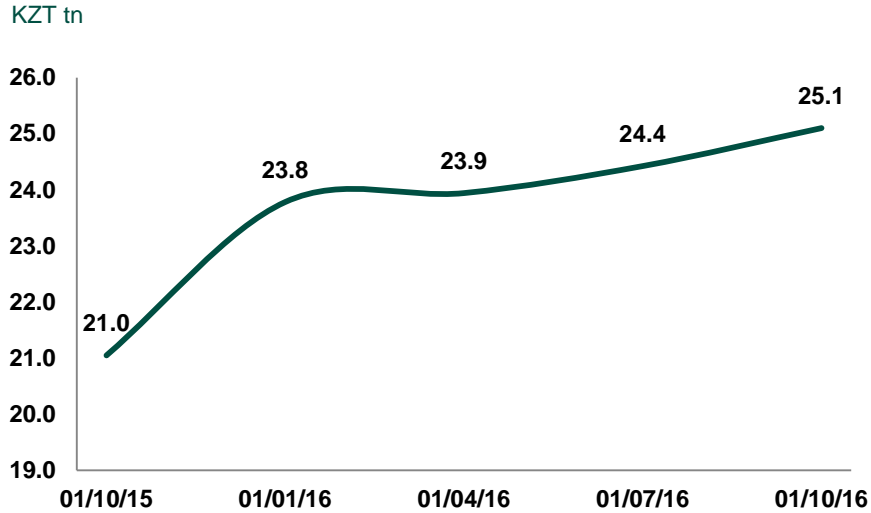
\* year-to-year

Source: National Bank of Kazakhstan

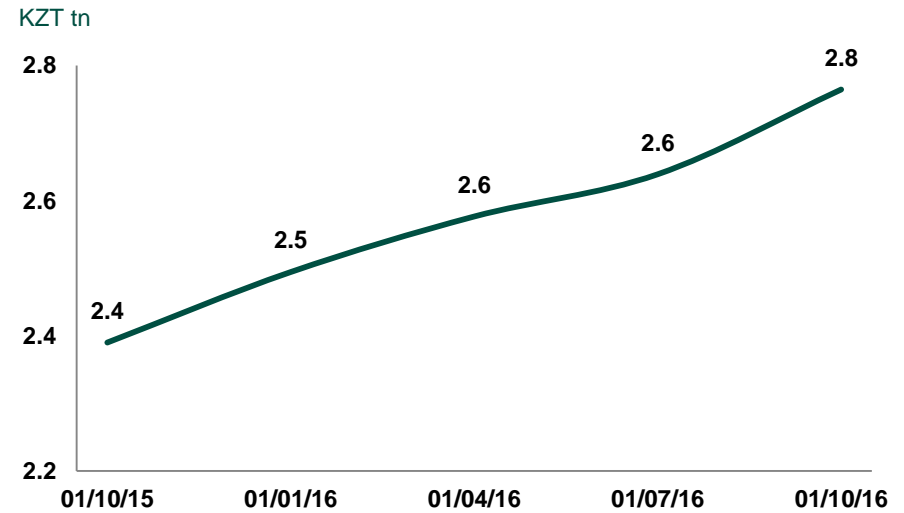
# Banking Sector of Kazakhstan



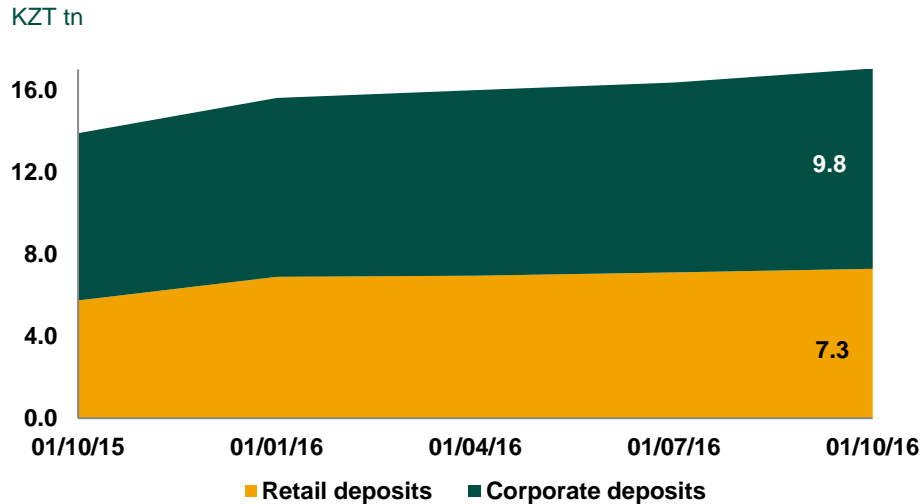
Total Assets



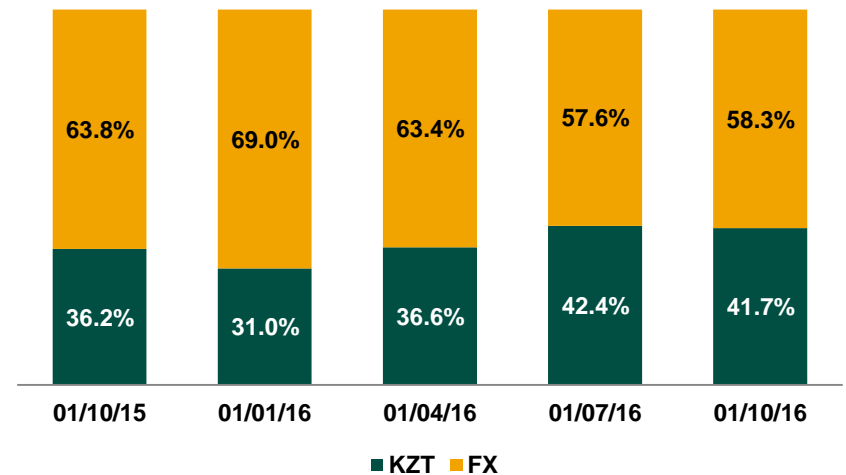
Equity



Total Deposits



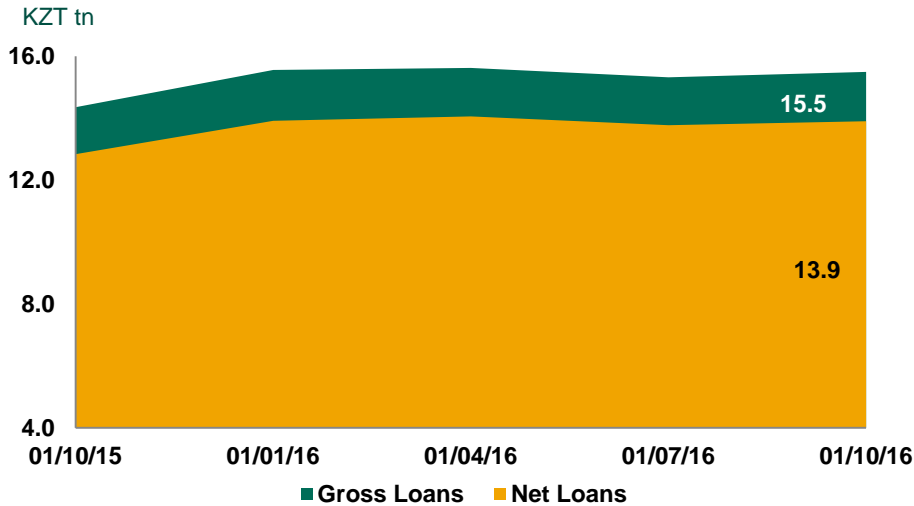
Deposits by Currency



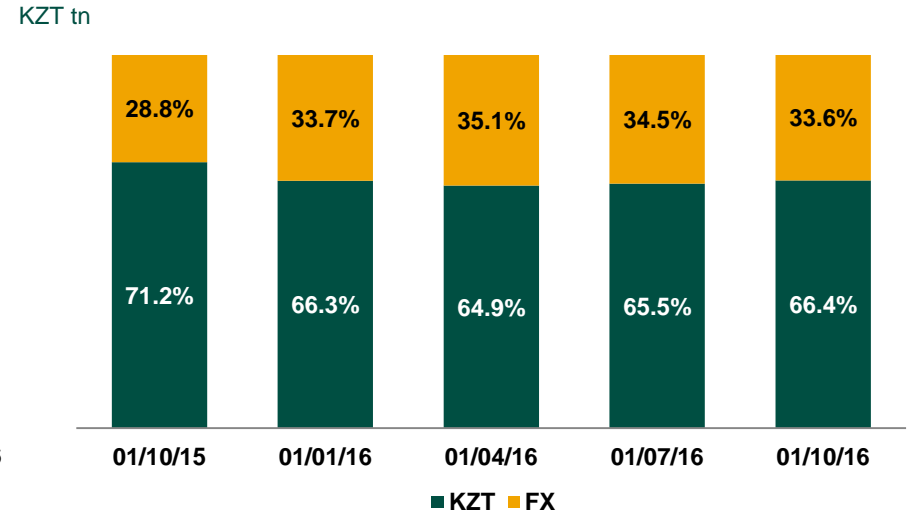
# Banking Sector of Kazakhstan



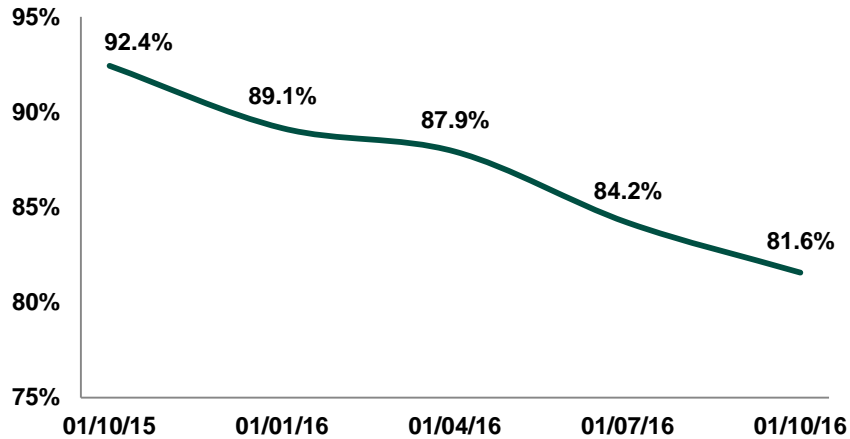
Loan Portfolio



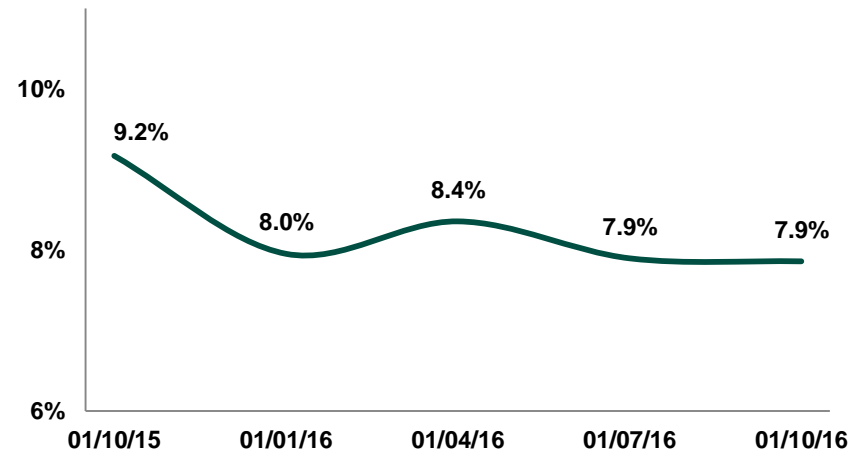
Loans by Currency



Loan to Deposit Ratio



NPLs 90+



# Ratings, 01.10.2016



## Sovereign Credit Ratings of Kazakhstan

### Moody's Investors Service

Country Ceiling: Foreign Currency Debt	Baa3
Country Ceiling: Foreign Currency Bank Deposits	Baa3
Government Bonds	Baa3
Outlook	Negative

### Fitch Ratings

Long Term Issuer Default Rating	BBB
Short Term Issuer Default Rating	F2
Local Currency Long Term Issuer Default Rating	BBB
Country Ceiling	BBB+
Outlook	Stable

### Standard and Poor's

Foreign Long Term	BBB-
Foreign Short Term	A-3
Local Long Term	BBB-
Local Short Term	A-3
Outlook	Stable

## Credit Ratings of Halyk Bank

### Moody's Investors Service

Long Term Bank Deposits Rating	Ba2
Short Term Bank Deposits Rating	Not prime
Outlook	Negative

### Fitch Ratings

Long Term Issuer Default Rating	BB
Short Term Issuer Default Rating	B
Viability Rating	bb
Support Rating	4
Outlook	Stable

### Standard and Poor's

Long Term Rating	BB
Short Term Rating	B
Outlook	Negative

# Industry Ranking – Top 5 Kazakhstan Banks

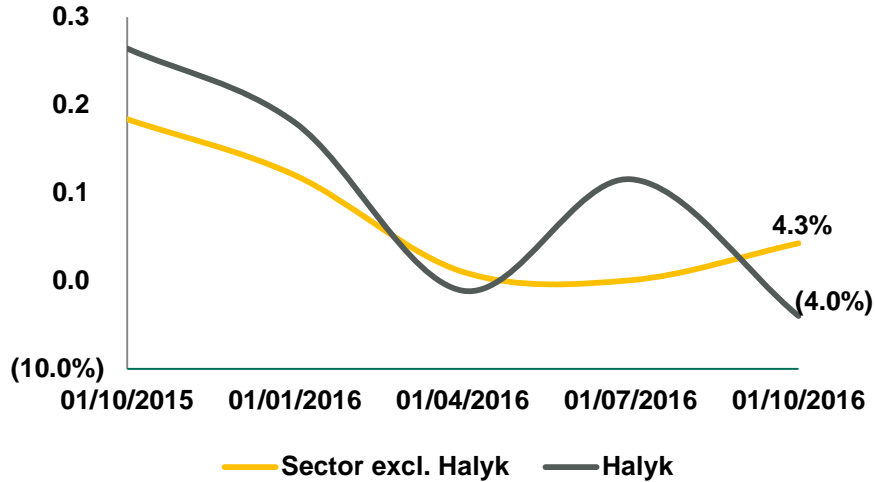


Total Assets, 01.10.2016	Amount, KZT bn	Market share	Total Deposits, 01.10.2016	Amount, KZT bn	Market share	Total Liabilities, 01.10.2016	Amount, KZT bn	Market share
1 JSC KKB	5,046	20.1%	JSC KKB	3,365	19.7%	JSC KKB	4,598	20.6%
2 JSC Halyk Bank	4,295	17.1%	JSC Halyk Bank	2,861	16.8%	JSC Halyk Bank	3,710	16.6%
3 JSC TsesnaBank	2,093	8.3%	JSC TsesnaBank	1,561	9.2%	JSC TsesnaBank	1,930	8.6%
4 JSC SberBank	1,496	6.0%	JSC SberBank	1,038	6.1%	JSC SberBank	1,348	6.0%
5 JSC ATF Bank	1,309	5.2%	JSC ATF Bank	998	5.9%	JSC ATF Bank	1,228	5.5%
Gross Loans, 01.10.2016	Amount, KZT bn	Market share	Total Corporate Deposits, 01.10.2016	Amount, KZT bn	Market share	Equity, 01.10.2016	Amount, KZT bn	Market share
1 JSC KKB	3,812	24.6%	JSC KKB	1,947	19.9%	JSC Halyk Bank	584	21.1%
2 JSC Halyk Bank	2,281	14.7%	JSC Halyk Bank	1,379	14.1%	JSC KKB	447	16.2%
3 JSC TsesnaBank	1,571	10.1%	JSC TsesnaBank	961	9.8%	JSC Fortebank	175	6.3%
4 JSC SberBank	962	6.2%	JSC ATF Bank	618	6.3%	JSC TsesnaBank	163	5.9%
5 JSC BCC	902	5.8%	JSC RBK Bank	615	6.3%	JSC SberBank	148	5.3%
Net Loans, 01.10.2016	Amount, KZT bn	Market share	Total Retail Deposits, 01.10.2016	Amount, KZT bn	Market share	Net Income, 9m 2016	Amount, KZT bn	Market share
JSC KKB	3,274	23.6%	JSC Halyk Bank	1,481	20.4%	JSC Halyk Bank	91	27.9%
JSC Halyk Bank	1,989	14.3%	JSC KKB	1,417	19.5%	JSC KKB	88	27.0%
JSC TsesnaBank	1,457	10.5%	JSC Kaspi Bank	663	9.1%	JSC Citi Bank Kazakhstan	22	6.9%
JSC SberBank	876	6.3%	JSC TsesnaBank	600	8.2%	JSC Zhilstroisberbank Kazakhstan	18	5.6%
JSC BCC	801	5.8%	JSC SberBank	548	7.5%	JSC Kaspi Bank	17	5.4%

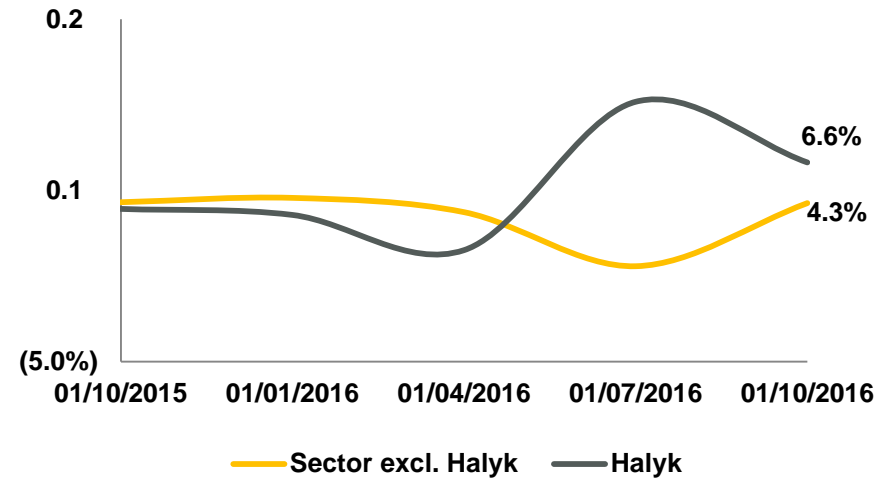


# Halyk Bank vs. Sector

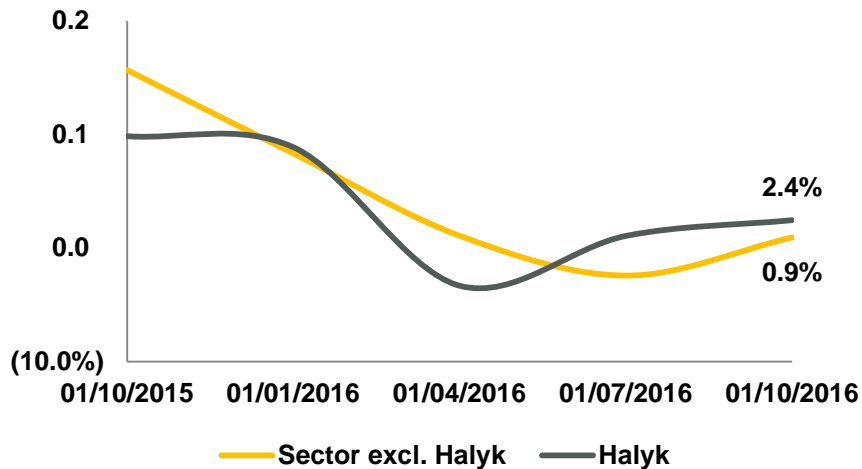
Growth Rate of Total Assets



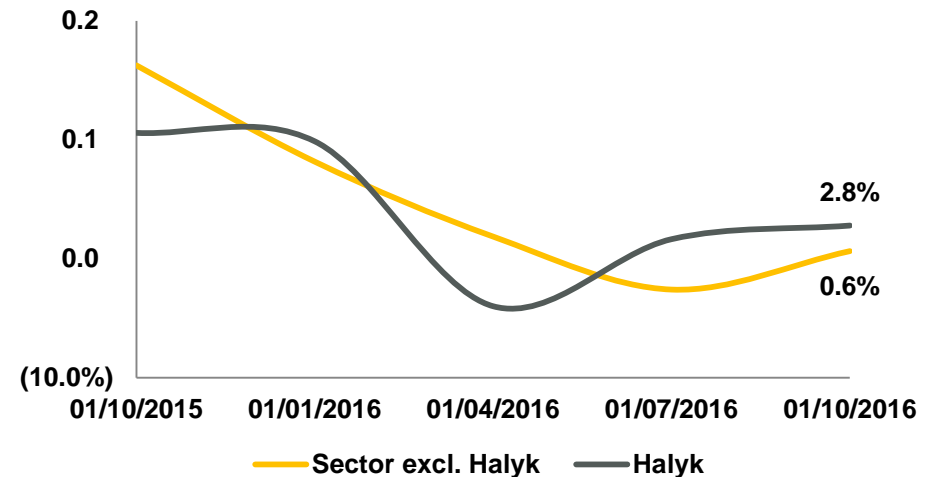
Growth Rate of Equity



Growth Rate of Gross Loans



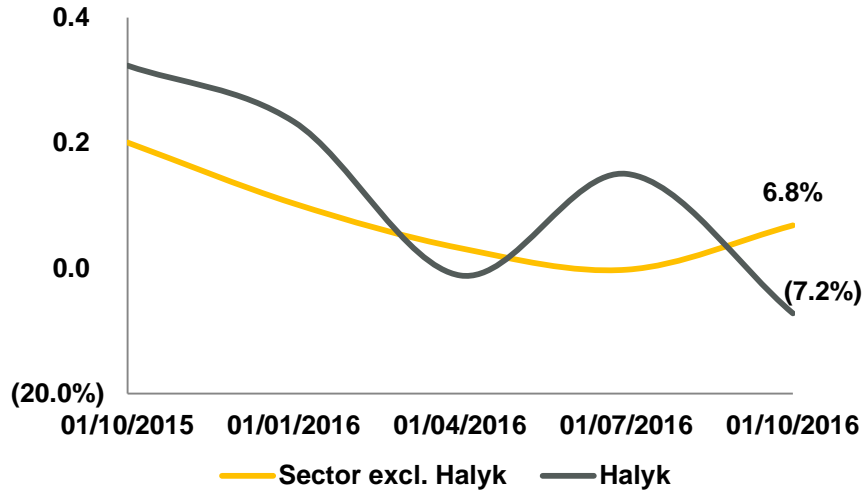
Growth Rate of Net Loans



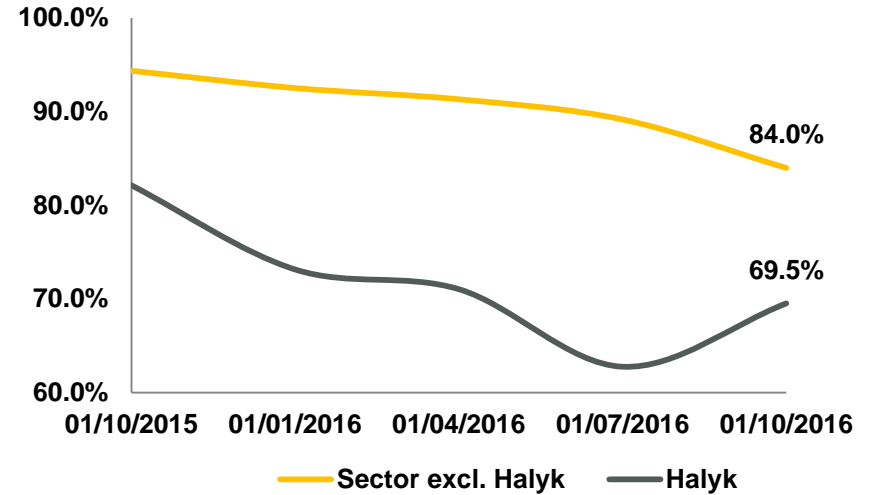


# Halyk Bank vs. Sector

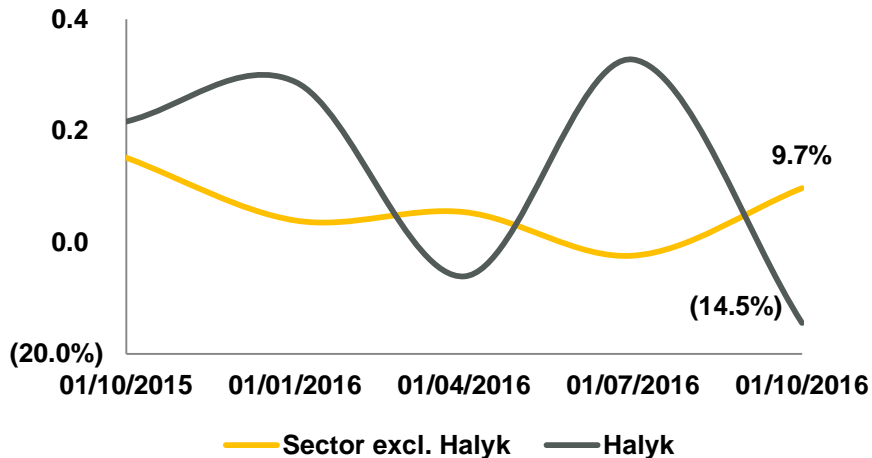
Growth Rate of Total Deposits



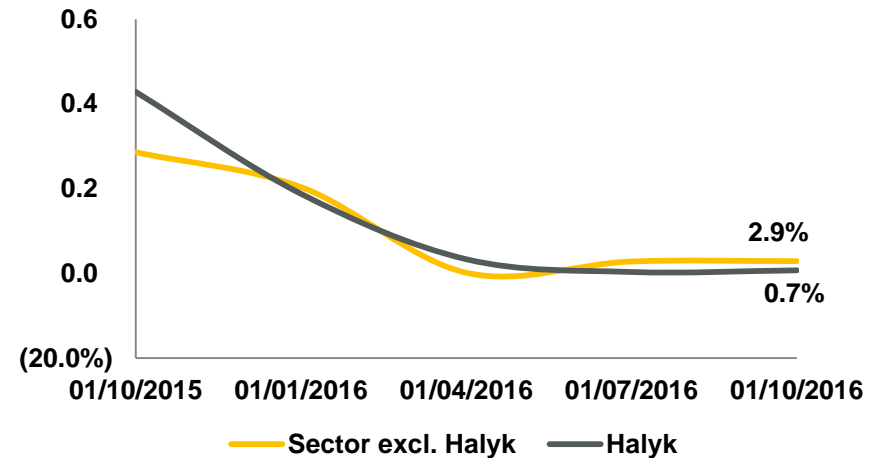
Loan to Deposit Ratio



Growth Rate of Corporate Deposits



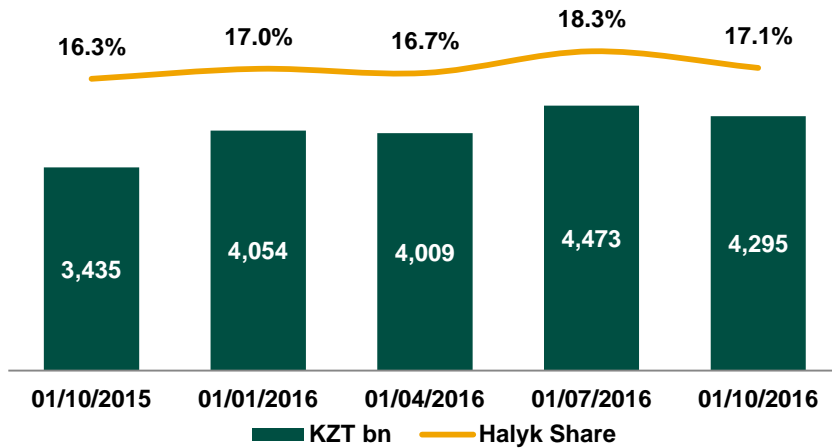
Growth Rate of Retail Deposits



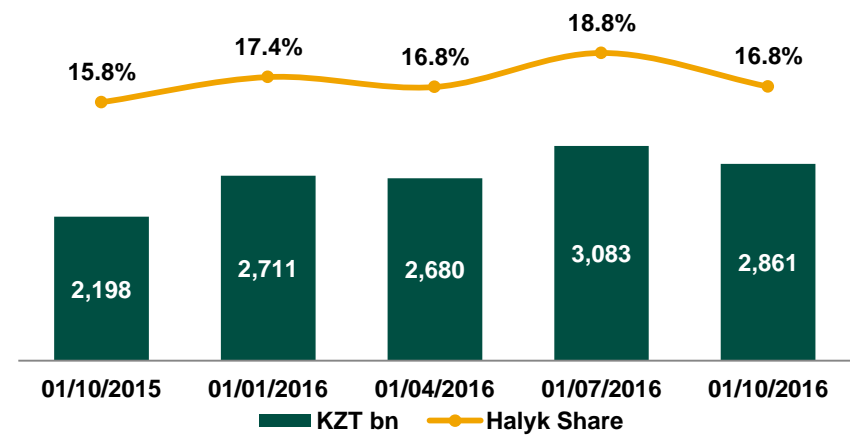
# Market Position of Halyk Bank



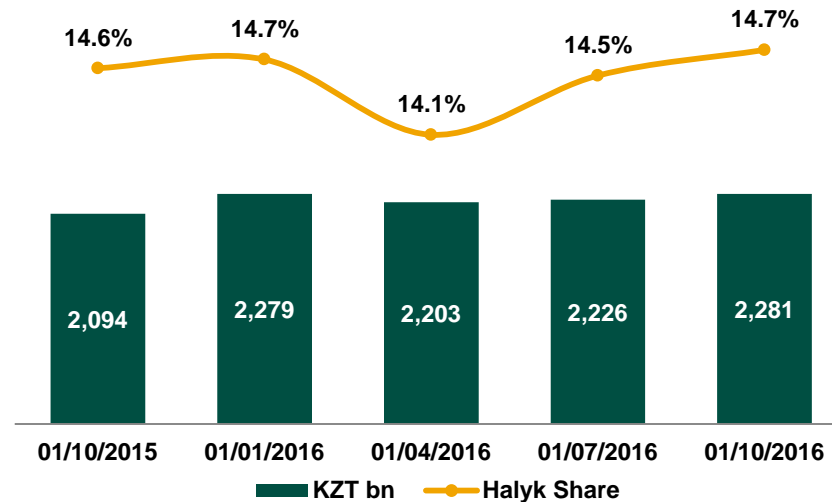
Total Assets



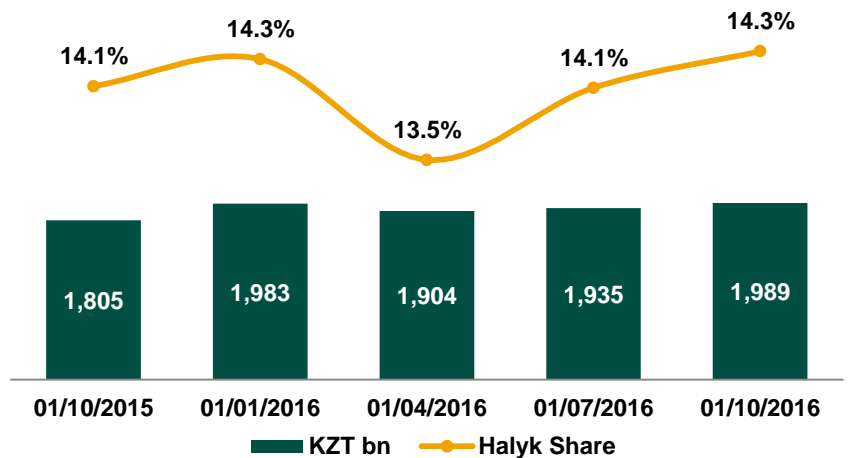
Total Deposits



Gross Loans



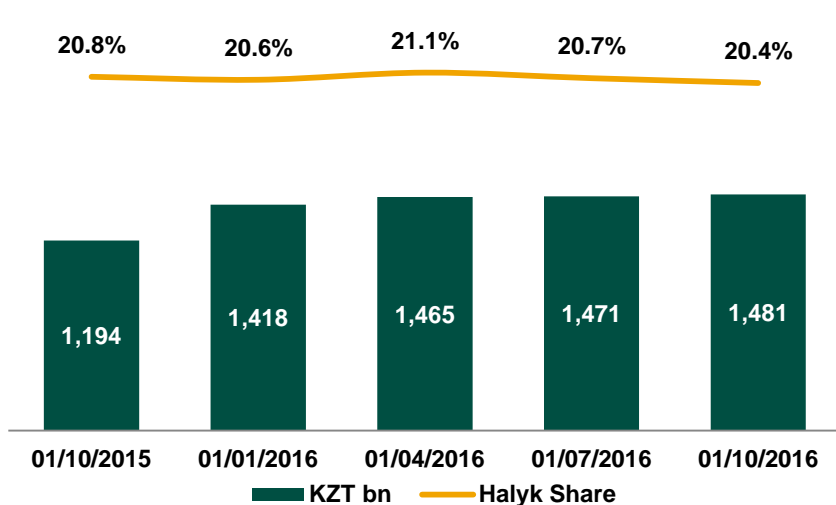
Net Loans



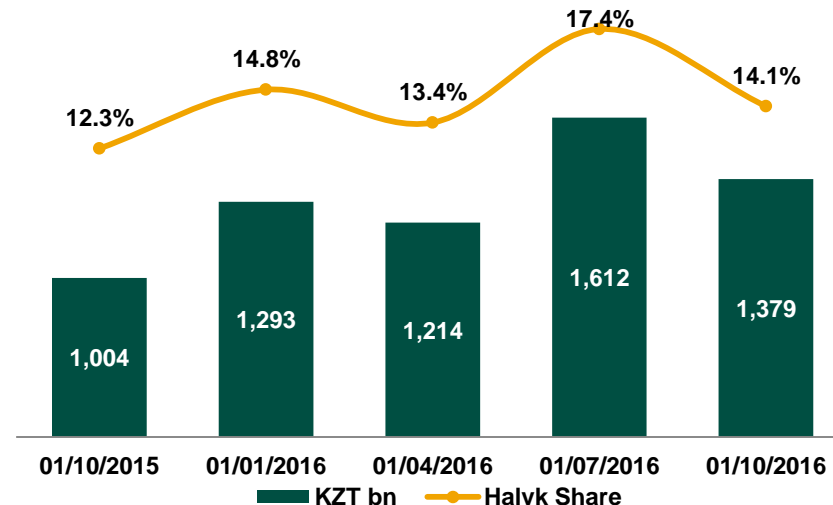


# Market Position of Halyk Bank

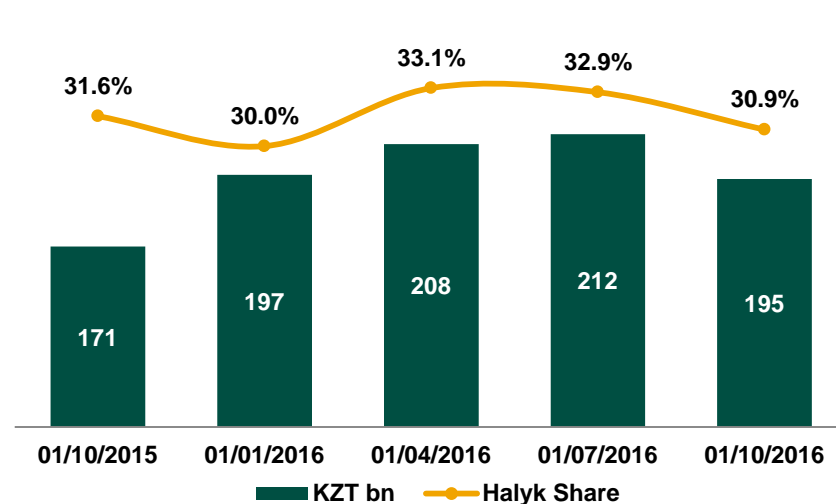
Total Retail Deposits



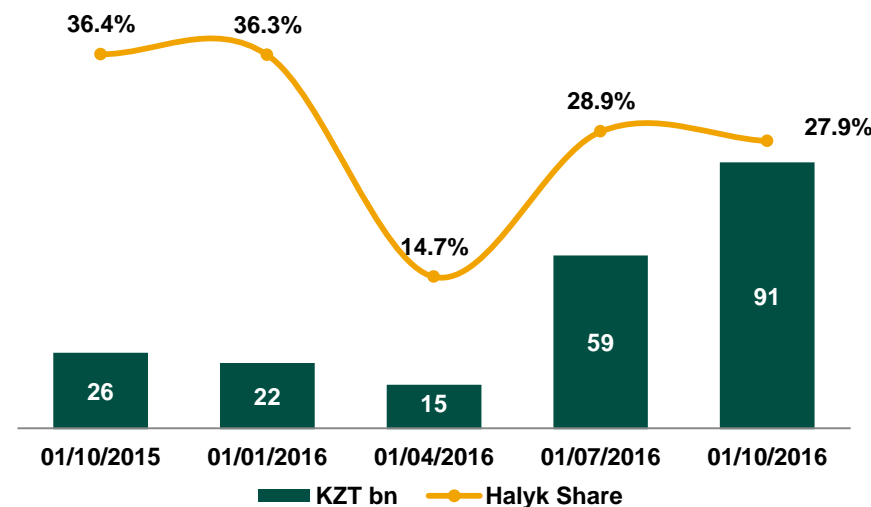
Total Corporate Deposits



Retail Current Accounts



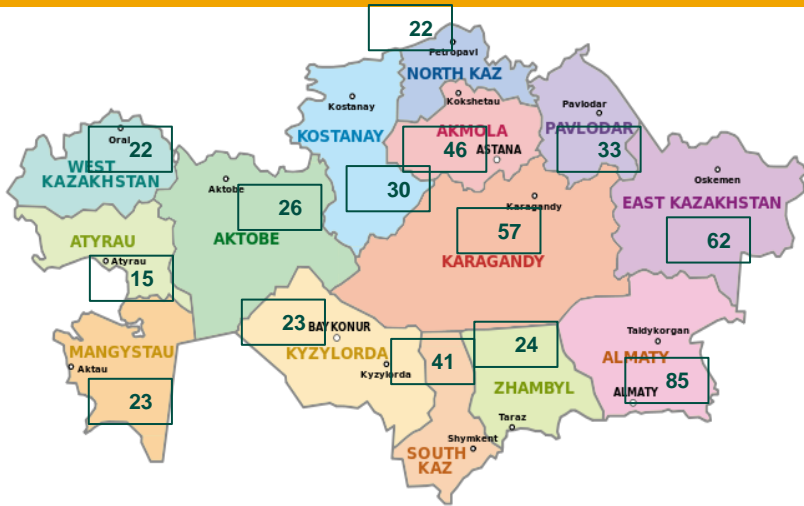
Net Income



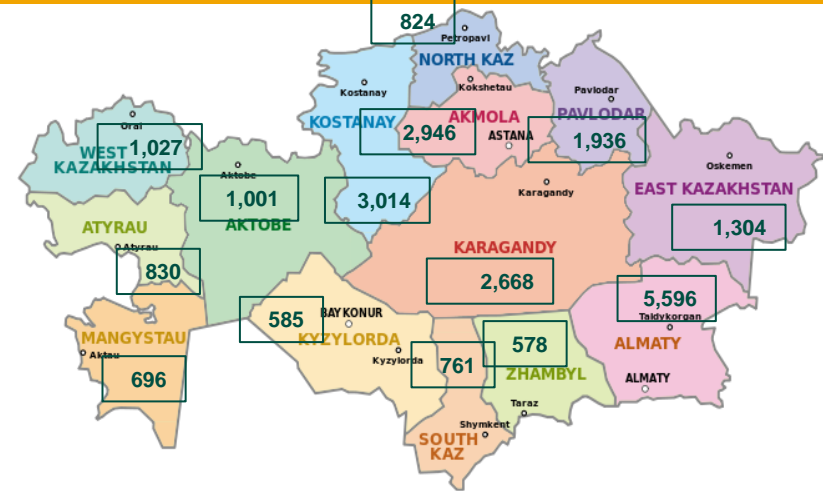


# Market Penetration of Halyk Bank

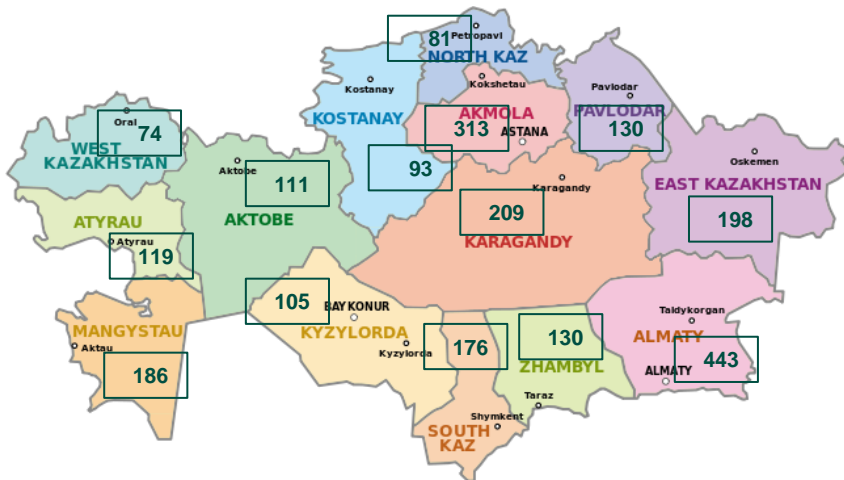
Outlets (total - 509), 01.10.2016



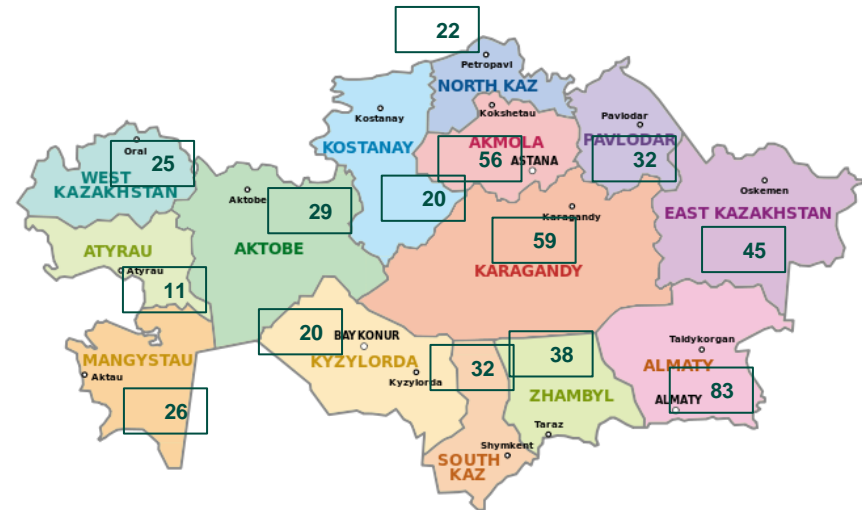
POS-terminals (total - 23,766), 01.10.2016



ATMs (total - 2,368), 01.10.2016



Multikiosks (total - 498), 01.10.2016



# Shareholder Structure of Halyk Bank, 01.10.2016



№	Name	Total number of shares owned	Total shares owned as % of total shares outstanding (on consolidated basis)	Common shares owned (NIN KZ1C33870011)	Common shares owned as % of total shares outstanding (on consolidated basis)	Preferred shares owned (NIN KZ1P33870117, KZ1P33870216)	Preferred shares owned as % of total shares outstanding (on consolidated basis)
1	JSC Holding Group ALMEX	8,086,451,772	73.6%	8,086,451,772	73.6%	-	-
2	JSC Single Accumulative Pension Fund	716,281,746	6.5%	716,281,746	6.5%	-	-
3	Held through GDR program	1,852,276,360	16.8%	1,852,276,360	16.8%	-	-
4	Other	338,624,330	3.1%	338,624,330	3.1%	-	-
<b>5</b>	<b>Total outstanding (on consolidated basis)</b>	<b>10,993,634,208</b>	<b>100.0%</b>	<b>10,993,634,208</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>

# Board of Directors and Management Board



## Board of Directors of Halyk Bank, 01.10.2016

**Alexander Pavlov**

Chairman, Independent Director

**Umut Shayakhmetova**

Chairperson of the Management Board

**Arman Dunayev**

Independent Director

**Franciscus Cornelis Wilhelmus Kuijlaars**

Independent Director

**Christof Ruehl**

Independent Director

**Anvar Saidenov**

Independent Director

**Mazhit Yessenbayev**

JSC Holding Group Almex representative

## Management Board of Halyk Bank, 01.10.2016

**Umut Shayakhmetova**

Chairperson of the Management Board

**Marat Almenov**

Deputy Chairman: Retail Banking

**Aliya Karpykova**

Deputy Chairperson: Finance and Accounting

**Murat Koshenov**

Deputy Chairperson: Corporate Banking

**Aslan Talpakov**

Deputy Chairman: SME Banking

**Askar Smagulov**

Deputy Chairman: Operating Activity and information Technologies

**Aivar Bodanov**

Deputy Chairman: Security and Bad Loan Recovery

**Yertay Salimov**

Deputy Chairman, Operations and Treasury

**Kuat Kussainbekov**

Deputy Chairman, Information Technologies

# Financial Overview of Halyk Bank



## Balance Sheet (KZT mln)

	01/10/2015	01/01/2016	01/04/2016	01/07/2016	01/10/2016
<b>ASSETS</b>	<b>3,792,718</b>	<b>4,454,938</b>	<b>4,387,262</b>	<b>4,898,259</b>	<b>4,705,344</b>
Cash and cash equivalents	1,020,355	1,404,680	1,385,336	1,520,372	1,330,740
Obligatory reserves	56,425	68,389	64,826	76,854	71,642
Financial assets at fair value through profit or loss	123,677	177,070	176,503	484,900	413,208
Amounts due from credit institutions	44,035	44,993	37,951	41,443	32,217
Available-for-sale investment securities	379,026	378,520	340,857	357,168	441,704
Investments held to maturity	-	-	43,031	42,165	-
Precious metals	2,050	2,436	2,850	2,969	3,017
Loans to customers	1,967,181	2,176,069	2,117,483	2,160,638	2,203,326
Property and equipment	80,302	82,462	86,942	92,832	95,728
Assets held for sale	11,442	11,405	11,484	11,603	10,210
Goodwill	4,954	4,954	4,954	4,954	4,954
Intangible assets	8,628	8,659	8,578	8,387	9,046
Insurance assets	27,090	23,857	29,704	31,044	30,465
Other assets	67,553	71,444	76,763	62,930	59,087

## Balance Sheet (USD mln)

	01/10/2015	01/01/2016	01/04/2016	01/07/2016	01/10/2016
<b>ASSETS</b>	<b>14,001</b>	<b>13,102</b>	<b>12,768</b>	<b>14,464</b>	<b>14,027</b>
Cash and cash equivalents	3,767	4,131	4,032	4,489	3,967
Obligatory reserves	208	201	189	227	214
Financial assets at fair value through profit or loss	457	521	514	1,432	1,232
Amounts due from credit institutions	163	132	110	122	96
Available-for-sale investment securities	1,399	1,113	992	1,055	1,317
Investments held to maturity	-	-	125	125	-
Precious metals	8	7	8	9	9
Loans to customers	7,262	6,400	6,162	6,380	6,568
Property and equipment	296	243	253	274	285
Assets held for sale	42	34	33	34	30
Goodwill	18	15	14	15	15
Intangible assets	32	25	25	25	27
Insurance assets	100	70	86	92	91
Other assets	249	210	223	186	176

# Financial Overview of Halyk Bank



## Balance Sheet (KZT mln)

	01/10/2015	01/01/2016	01/04/2016	01/07/2016	01/10/2016
<b>LIABILITIES AND EQUITY</b>	<b>3,792,718</b>	<b>4,454,938</b>	<b>4,387,262</b>	<b>4,898,259</b>	<b>4,705,344</b>
Amounts due to customers	2,489,658	3,043,731	2,971,221	3,437,485	3,171,519
Amounts due to credit institutions	156,067	168,258	144,835	149,981	178,777
Financial liabilities at fair value through profit or loss	7,944	5,593	3,296	450	727
Debt securities issued	528,022	597,525	600,984	593,894	591,050
Provisions	767	982	1,132	956	942
Deferred tax liability	30,214	37,362	36,071	35,651	34,715
Insurance liabilities	53,450	50,983	60,953	62,767	64,880
Other liabilities	20,448	20,576	26,865	29,159	30,354
<b>Total liabilities</b>	<b>3,286,570</b>	<b>3,925,010</b>	<b>3,845,357</b>	<b>4,310,343</b>	<b>4,072,964</b>
Share capital	143,695	143,695	143,695	143,695	143,695
Share premium reserve	2,055	2,039	2,054	1,946	1,916
Treasury shares	(103,174)	(103,175)	(103,196)	(103,142)	(103,121)
Retained earnings and other reserves	463,572	487,369	499,352	545,417	589,890
Non-controlling interest	-	-	-	-	-
<b>Total equity</b>	<b>506,148</b>	<b>529,928</b>	<b>541,905</b>	<b>587,916</b>	<b>632,380</b>

## Balance Sheet (USD mln)

	01/10/2015	01/01/2016	01/04/2016	01/07/2016	01/10/2016
<b>LIABILITIES AND EQUITY</b>	<b>14,001</b>	<b>13,102</b>	<b>12,768</b>	<b>14,464</b>	<b>14,027</b>
Amounts due to customers	9,191	8,952	8,647	10,150	9,454
Amounts due to credit institutions	576	495	421	443	533
Financial liabilities at fair value through profit or loss	29	16	10	1	2
Debt securities issued	1,949	1,757	1,749	1,754	1,762
Provisions	3	3	3	3	3
Deferred tax liability	112	110	105	105	103
Insurance liabilities	197	150	177	185	193
Other liabilities	75	61	78	86	90
<b>Total liabilities</b>	<b>12,132</b>	<b>11,544</b>	<b>11,191</b>	<b>12,728</b>	<b>12,141</b>
Share capital	530	423	418	424	428
Share premium reserve	8	6	6	6	6
Treasury shares	(381)	(303)	(300)	(305)	(307)
Retained earnings and other reserves	1,711	1,433	1,453	1,611	1,758
Non-controlling interest	-	-	-	-	-
<b>Total equity</b>	<b>1,868</b>	<b>1,559</b>	<b>1,577</b>	<b>1,736</b>	<b>1,885</b>

# Financial Overview of Halyk Bank



## Income Statement (KZT mln)

	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016
Interest income	63,302	73,268	73,261	88,401	92,948
Interest expense	(24,455)	(37,300)	(41,961)	(41,722)	(43,003)
<b>Net interest income before impairment charge</b>	<b>38,847</b>	<b>35,968</b>	<b>31,300</b>	<b>46,679</b>	<b>49,945</b>
Impairment charge	(6,916)	(3,576)	(4,504)	(6,194)	(8,314)
<b>Net interest income</b>	<b>31,931</b>	<b>32,392</b>	<b>26,796</b>	<b>40,485</b>	<b>41,631</b>
Fees and commissions income	13,356	14,436	13,456	14,885	15,130
Fees and commissions expense	(2,931)	(3,141)	(3,203)	(3,281)	(2,540)
Net gain from financial assets and liabilities at fair value through profit or loss	107,186	84,871	2,994	(7,573)	(5,428)
Net realized gain from available-for-sale investment securities	375	674	227	798	1,847
Net gain on foreign exchange operations	(91,242)	(73,556)	(443)	8,316	7,333
Insurance underwriting income	6,780	7,629	4,885	7,450	7,607
Other income	3,691	3,376	930	1,831	1,209
<b>OTHER NON-INTEREST INCOME</b>	<b>26,790</b>	<b>22,994</b>	<b>8,593</b>	<b>10,822</b>	<b>12,568</b>
Operating expenses	(17,179)	(22,041)	(17,558)	(16,623)	(17,719)
Recoveries of provisions/(provisions)	(236)	(125)	(110)	150	9
Insurance claims incurred, net of reinsurance	(6,205)	(6,252)	(4,809)	(6,386)	(6,848)
<b>NON-INTEREST EXPENSES</b>	<b>(23,620)</b>	<b>(28,418)</b>	<b>(22,477)</b>	<b>(22,859)</b>	<b>(24,558)</b>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>45,526</b>	<b>38,263</b>	<b>23,165</b>	<b>40,052</b>	<b>42,231</b>
Income tax expense	(8,828)	(9,926)	(4,874)	(5,839)	(5,367)
<b>NET INCOME</b>	<b>36,698</b>	<b>28,337</b>	<b>18,291</b>	<b>34,213</b>	<b>36,864</b>

## Income Statement (USD mln)

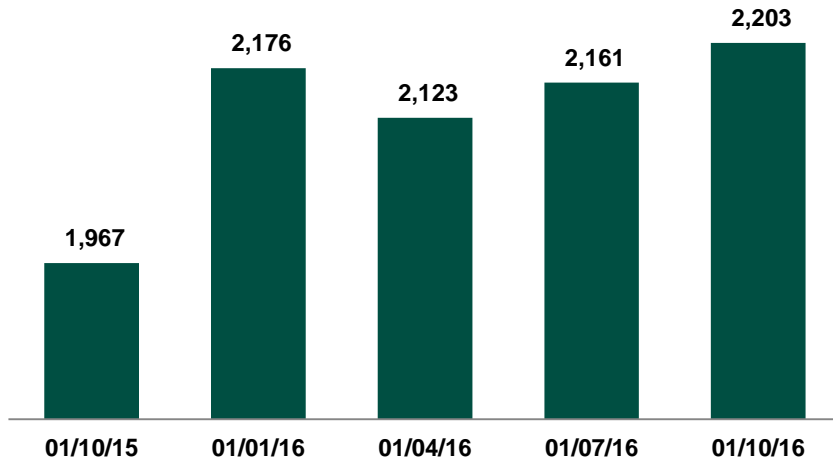
	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016
Interest income	292	244	206	263	272
Interest expense	(113)	(124)	(118)	(124)	(126)
<b>Net interest income before impairment charge</b>	<b>179</b>	<b>120</b>	<b>88</b>	<b>139</b>	<b>146</b>
Impairment charge	(32)	(12)	(13)	(18)	(24)
<b>Net interest income</b>	<b>147</b>	<b>108</b>	<b>75</b>	<b>121</b>	<b>122</b>
Fees and commissions income	62	48	38	44	44
Fees and commissions expense	(14)	(10)	(9)	(10)	(7)
Net gain from financial assets and liabilities at fair value through profit or loss	494	282	8	(23)	(16)
Net realized gain from available-for-sale investment securities	2	2	1	2	5
Net gain on foreign exchange operations	(421)	(245)	(1)	25	21
Insurance underwriting income	31	25	14	22	22
Other income	17	11	3	5	4
<b>OTHER NON-INTEREST INCOME</b>	<b>124</b>	<b>77</b>	<b>24</b>	<b>32</b>	<b>37</b>
Operating expenses	(79)	(73)	(49)	(50)	(52)
Recoveries of provisions/(provisions)	(1.1)	(0.4)	(0.3)	0.4	0.0
Insurance claims incurred, net of reinsurance	(29)	(21)	(14)	(19)	(20)
<b>NON-INTEREST EXPENSES</b>	<b>(109)</b>	<b>(95)</b>	<b>(63)</b>	<b>(68)</b>	<b>(72)</b>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>210</b>	<b>127</b>	<b>65</b>	<b>119</b>	<b>124</b>
Income tax expense	(41)	(33)	(14)	(17)	(16)
<b>NET INCOME</b>	<b>169</b>	<b>94</b>	<b>52</b>	<b>102</b>	<b>108</b>

# Financial Overview of Halyk Bank



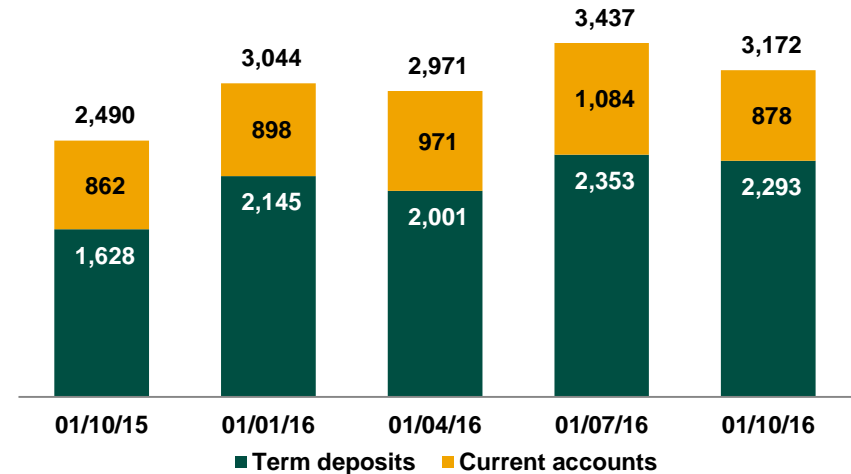
## Net Loans

KZT bn



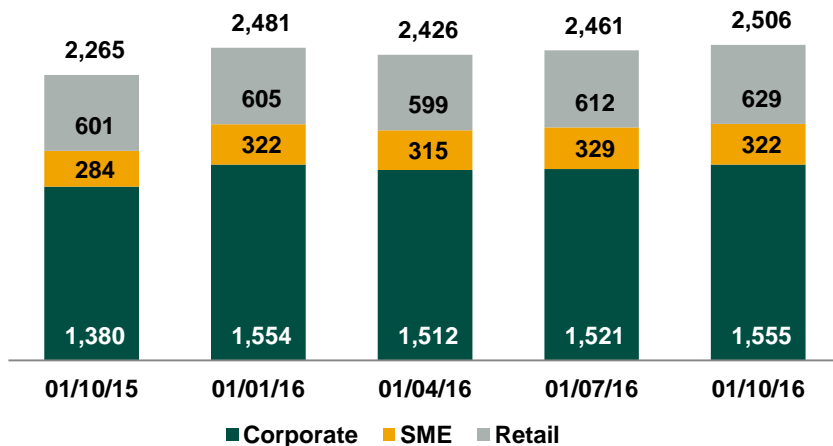
## Deposits by Type

KZT bn



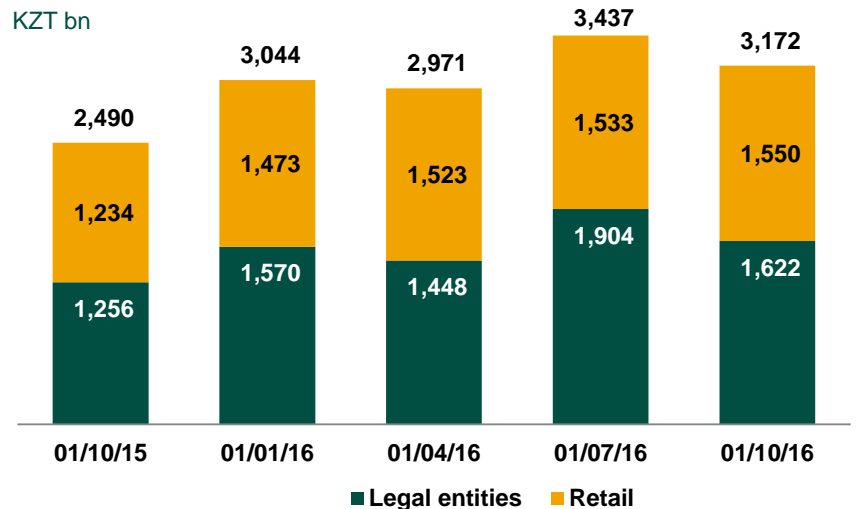
## Breakdown of Gross Loans

KZT bn



## Deposits by Type of Depositors

KZT bn



# Financial Overview of Halyk Bank

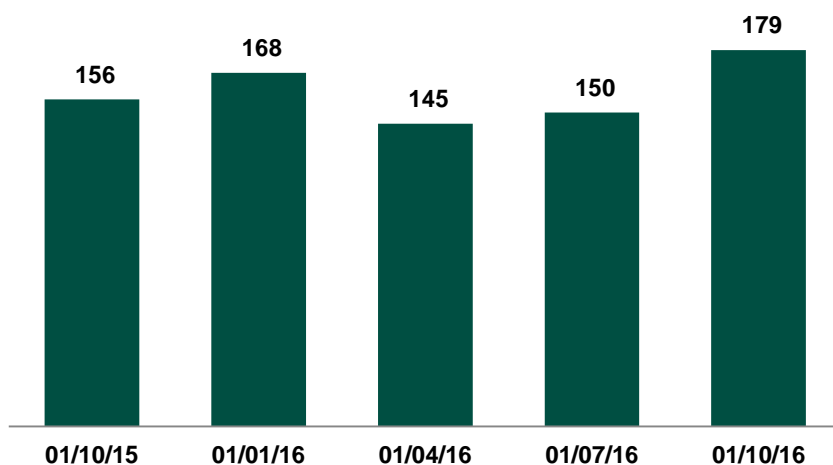


## Bonds Outstanding

ISIN (NIN)	Currency	Issue Date	Maturity Date	Tenor, years	Initial Amount	Outstanding Amount, 01.10.2016	Coupon, 01.10.2016
KZP07Y10C591 (KZ2C00002855)	KZT	18.11.2014	18.11.2024	10	100,000,000,000	100,000,000,000	7.50%
KZP01Y10E855 (KZ2C00003077)	KZT	12.02.2015	12.02.2025	10	131,651,750,000	131,651,750,000	7.50%
XS0298931287 / US40430AAB98	USD	03.05.2007	03.05.2017	10	700,000,000	638,029,000	7.25%
XS0583796973 / US46627JAB08	USD	28.01.2011	28.01.2021	10	500,000,000	500,000,000	7.25%

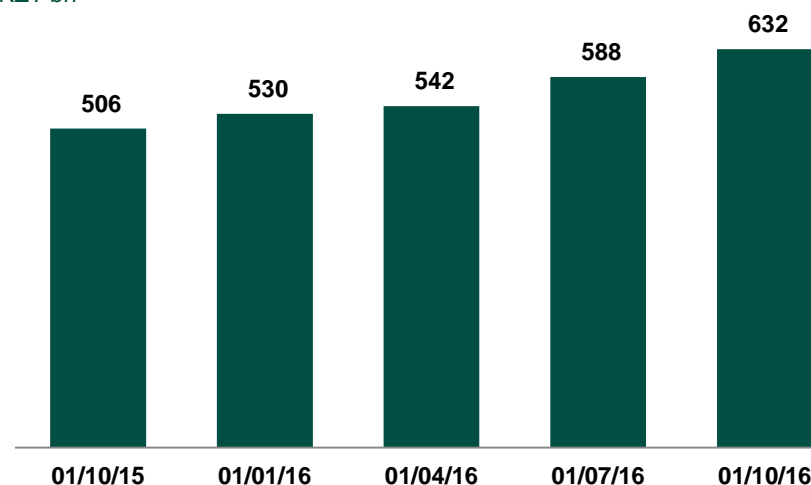
## Amounts Due to Credit Institutions

KZT bn



## Equity

KZT bn

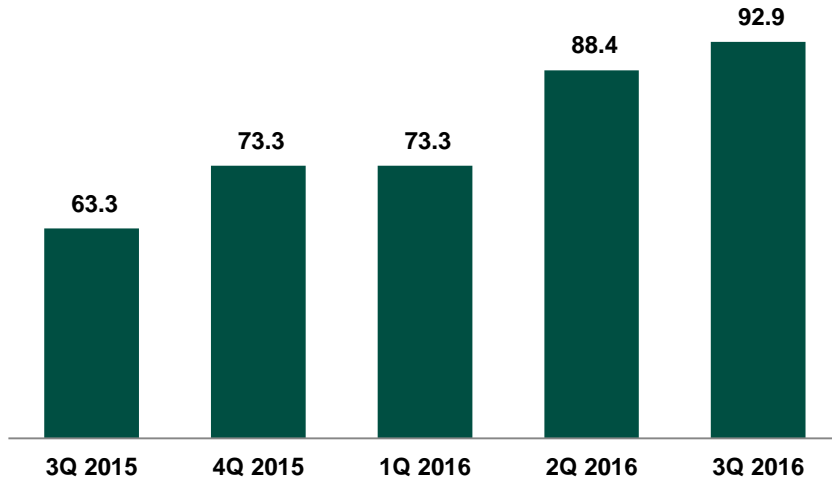


# Financial Overview of Halyk Bank



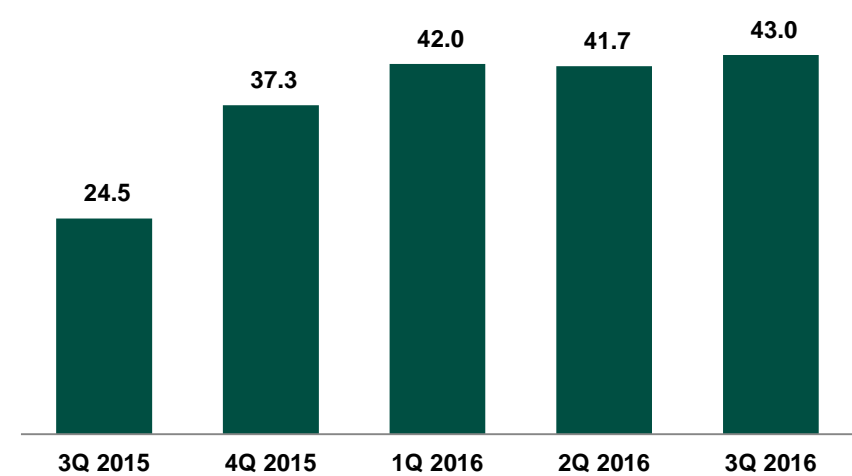
## Interest Income

KZT bn



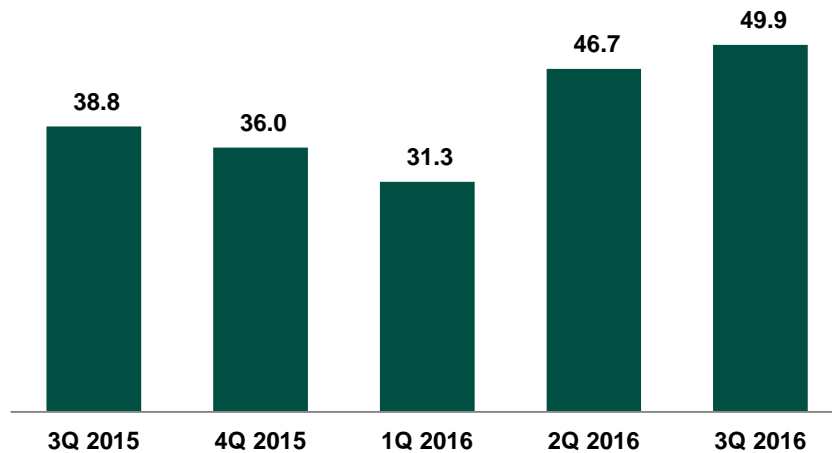
## Interest Expense

KZT bn



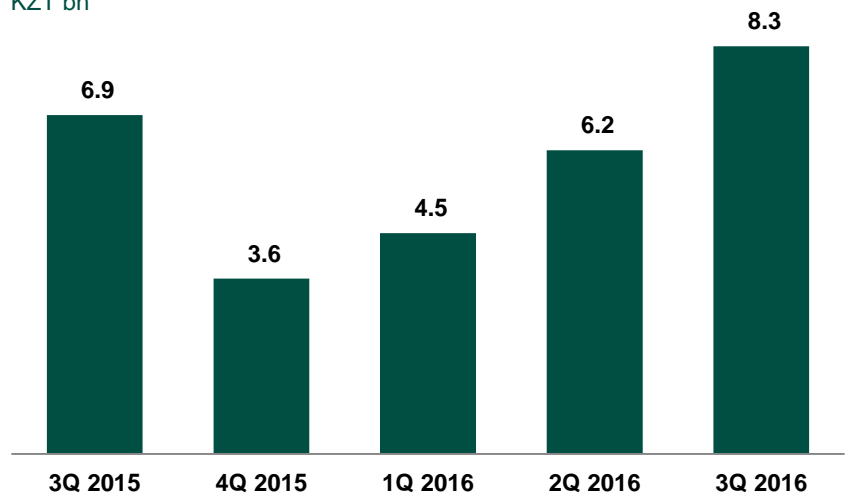
## Net Interest Income before Impairment Charge

KZT bn



## Impairment Charge

KZT bn

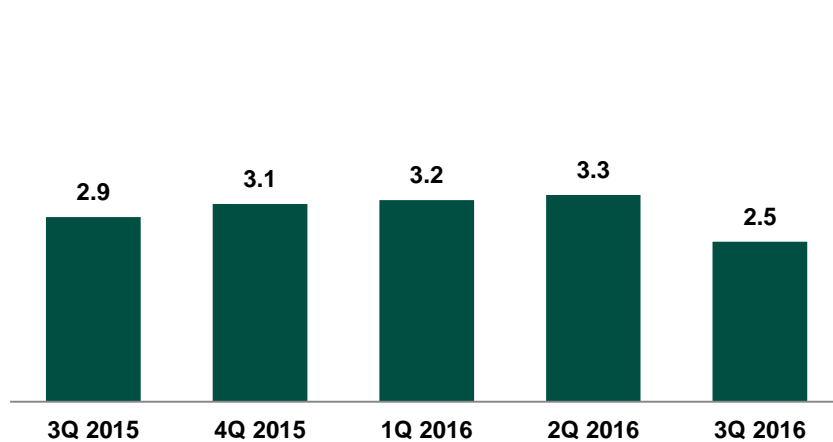


# Financial Overview of Halyk Bank



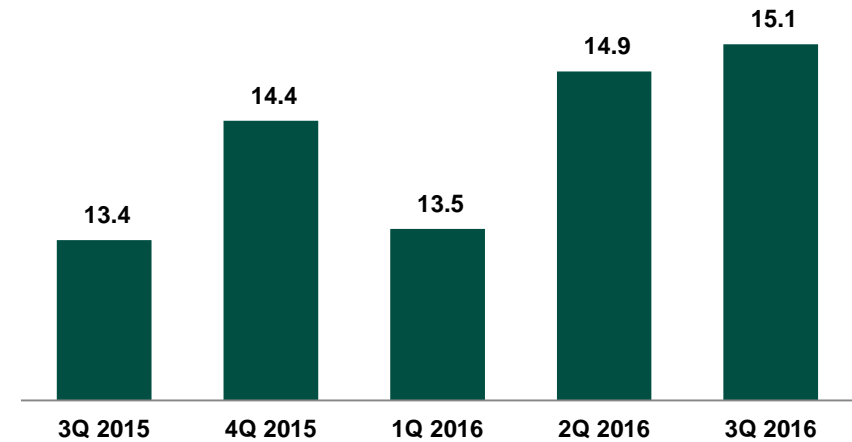
## Fee and Commission Expense

KZT bn



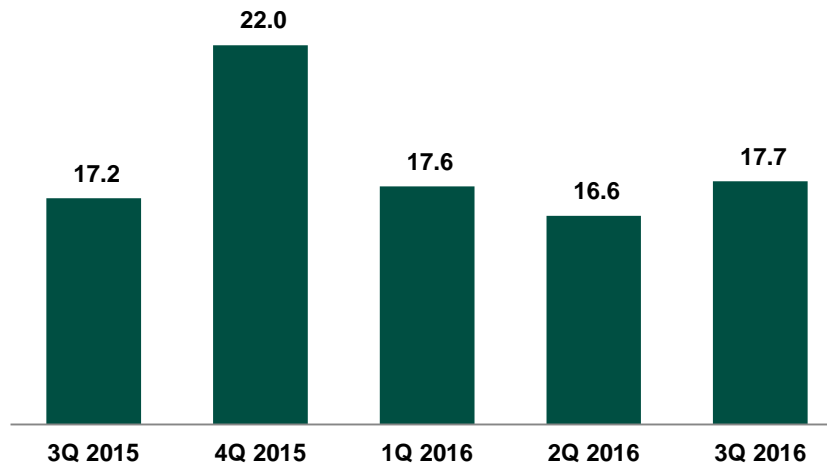
## Fee and Commission Income from Transactional Banking

KZT bn

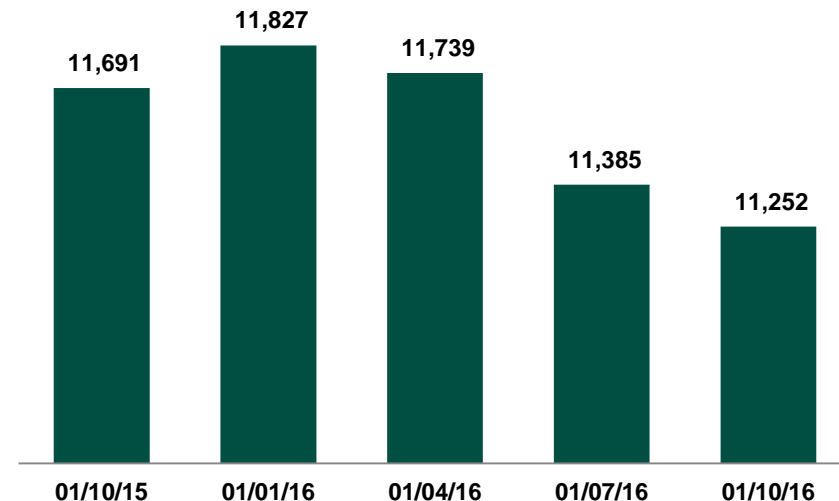


## Operating Expenses

KZT bn



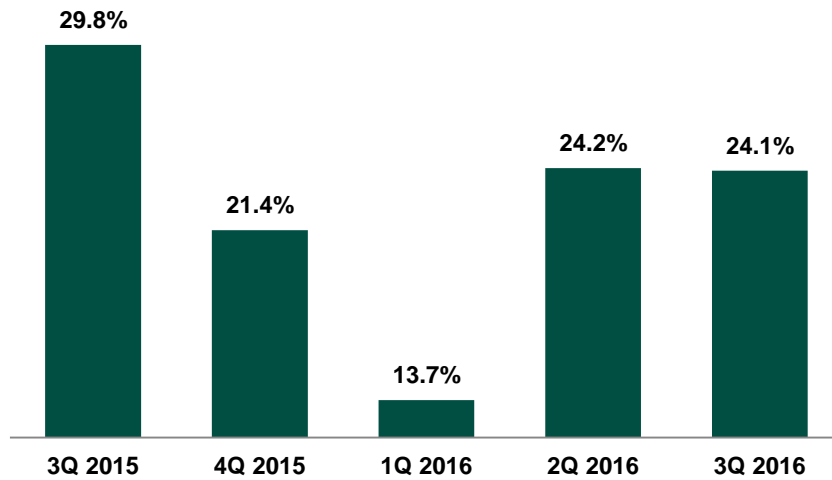
## FTE (Full Time Employees)



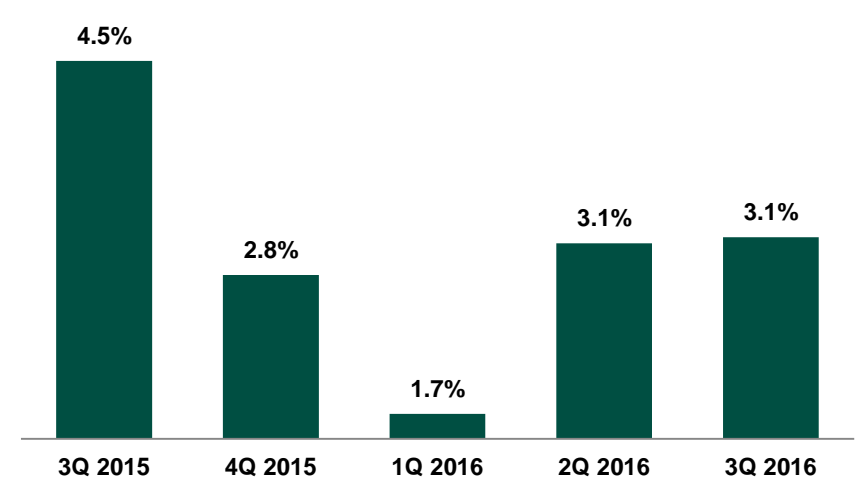
# Financial Overview of Halyk Bank



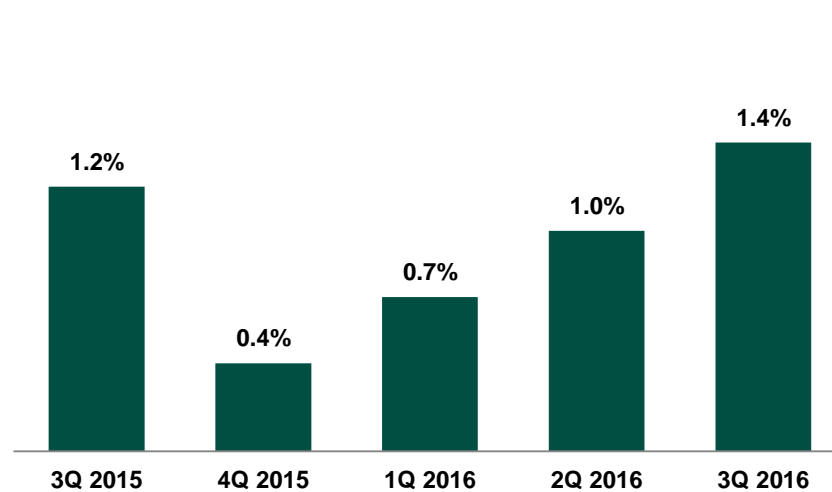
## RoAE <sup>(1)</sup>



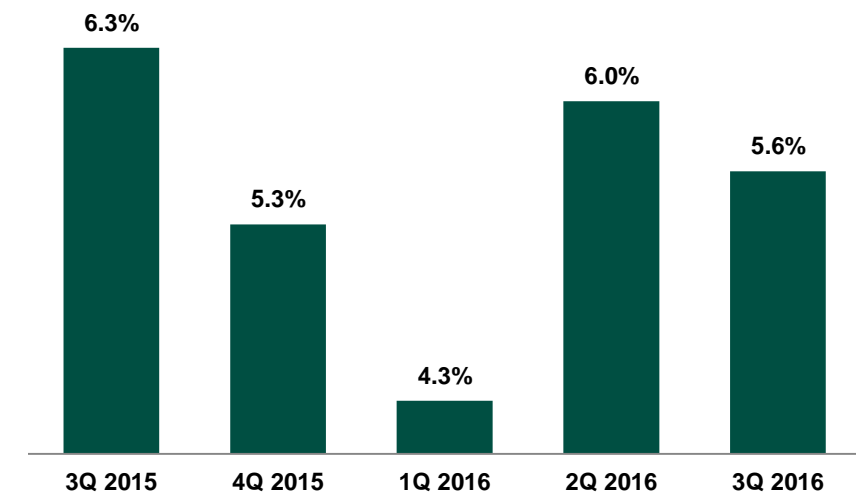
## RoAA <sup>(1)</sup>



## Cost of Risk <sup>(1)</sup>



## NIM <sup>(1)</sup>



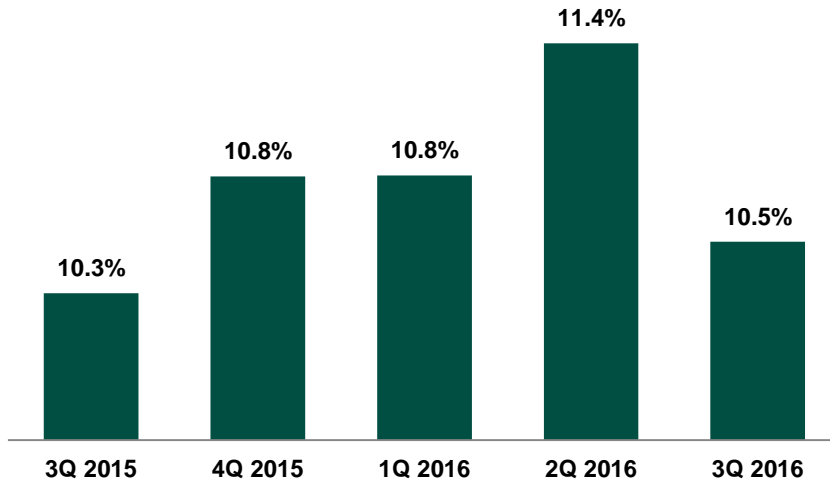
<sup>(1)</sup> annualised

Source: Halyk Bank's Consolidated Financial Statements

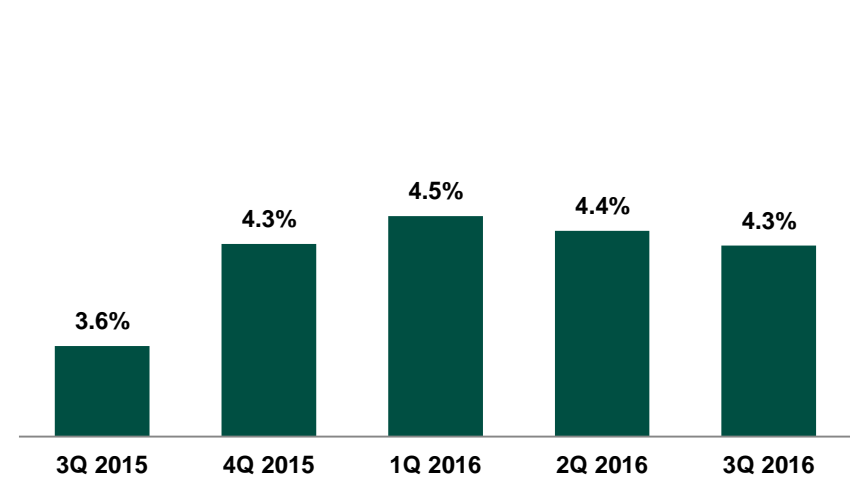
# Financial Overview of Halyk Bank



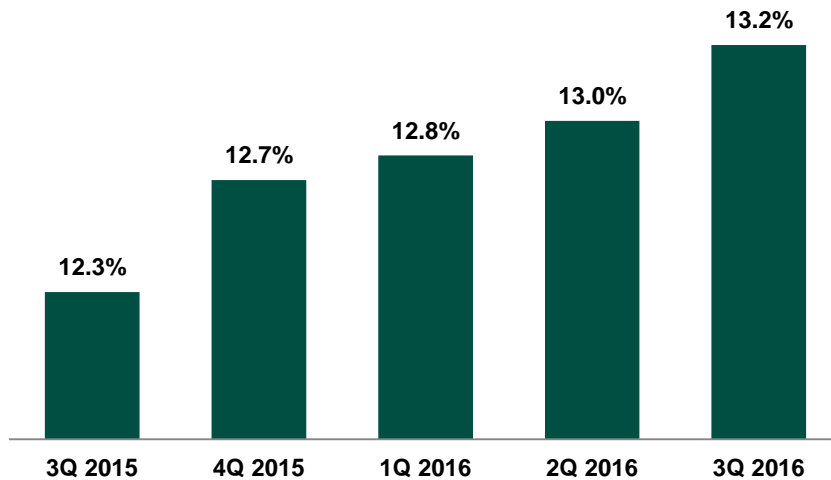
## Average Interest Rates on Interest-Earning Assets <sup>(1)</sup>



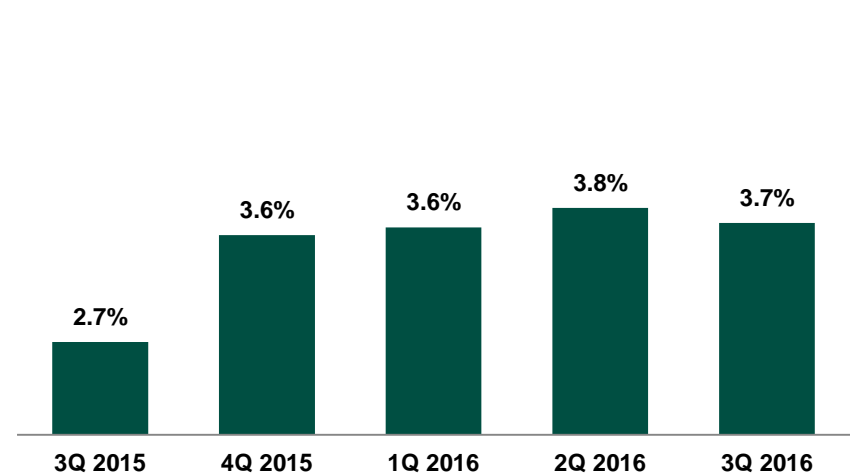
## Average Interest Rates on Interest-Bearing Liabilities <sup>(1)</sup>



## Average Interest Rates on Loans <sup>(1)</sup>



## Average Interest Rates on Deposits <sup>(1)</sup>



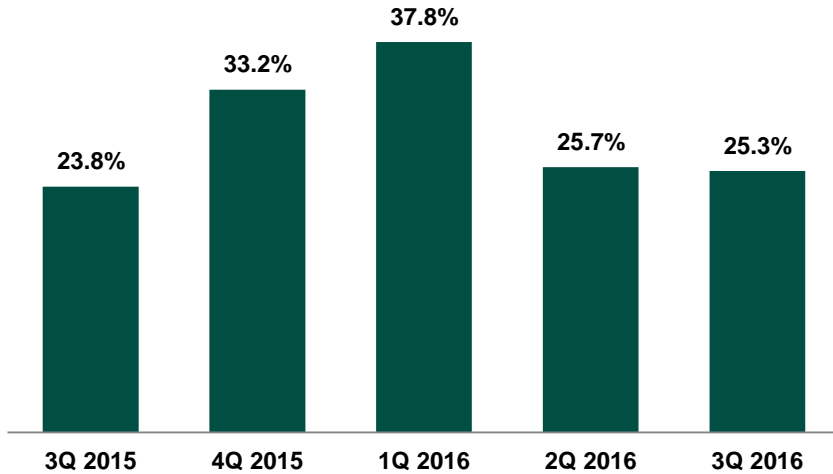
<sup>(1)</sup> annualised

Source: Halyk Bank's Consolidated Financial Statements

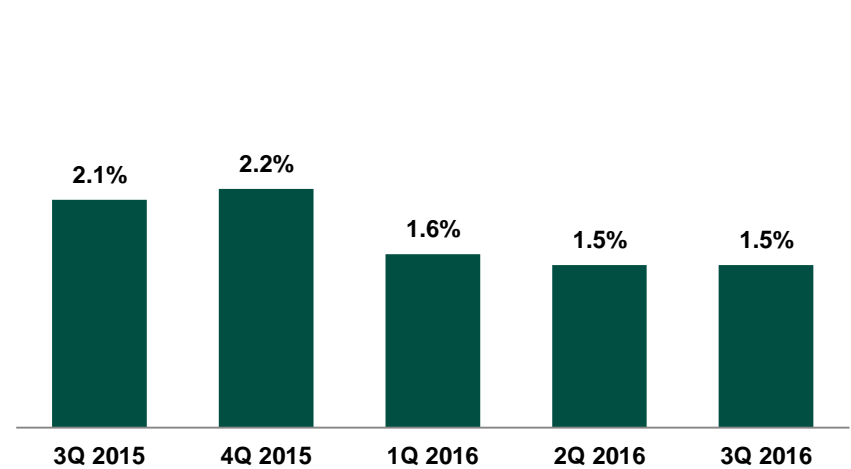
# Financial Overview of Halyk Bank



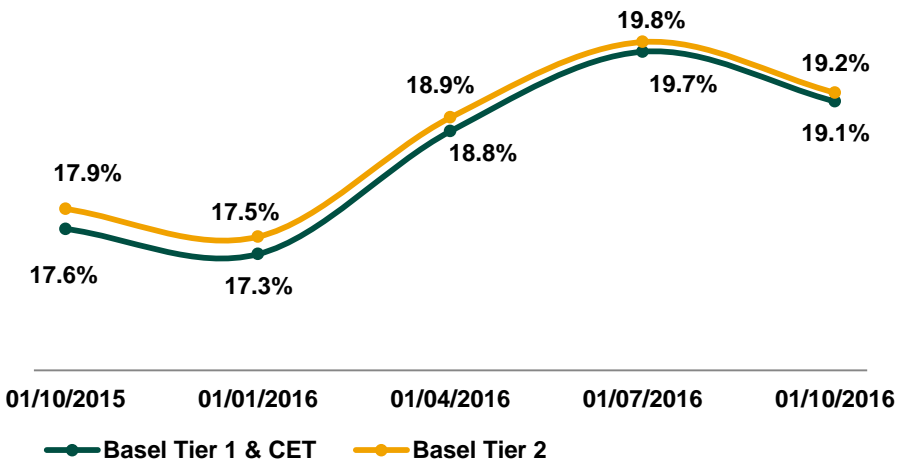
Cost-to-Income



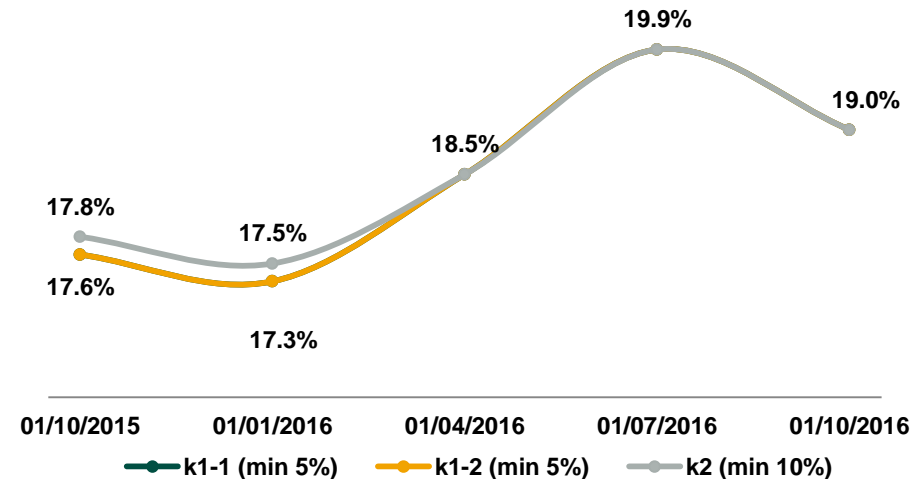
Cost-to-Average Assets <sup>(1)</sup>



Basel Capital Adequacy Ratios



NBK Capital Adequacy Ratios



<sup>(1)</sup> annualised

Source: Halyk Bank's Consolidated Financial Statements, National Bank of Kazakhstan