



ANALYST HANDOUT

01.10.2017 – 01.01.2018
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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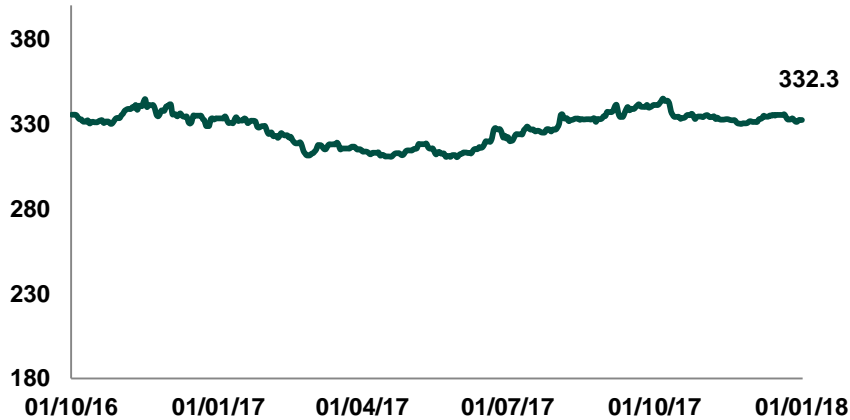


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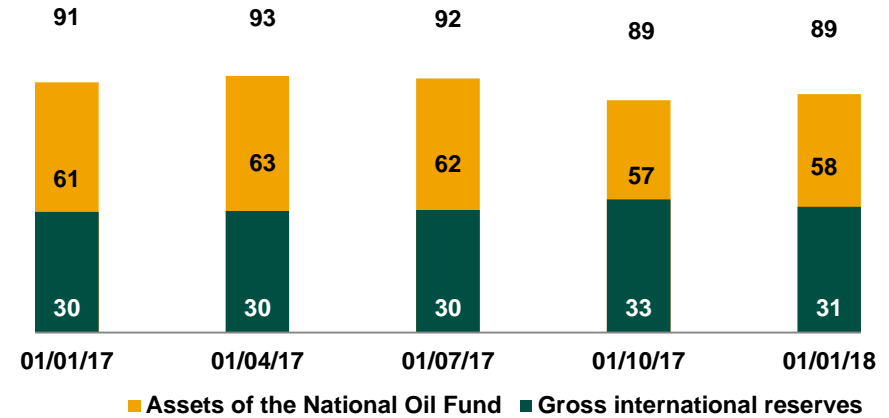
Macroeconomic Data of Kazakhstan

USD/KZT Exchange Rate

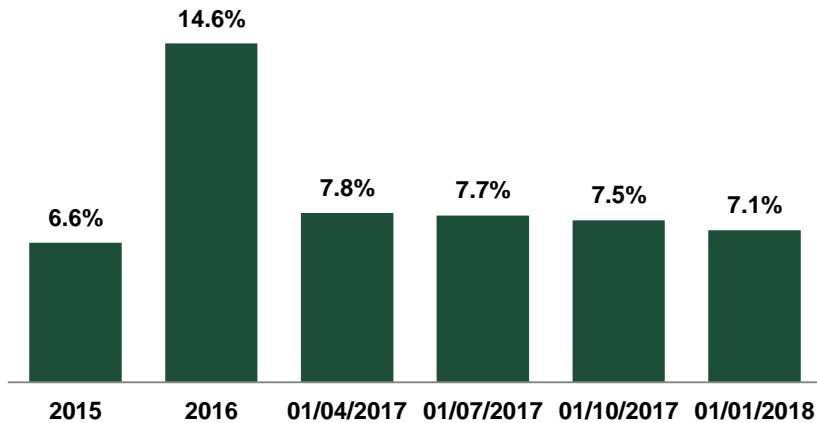


International Reserves

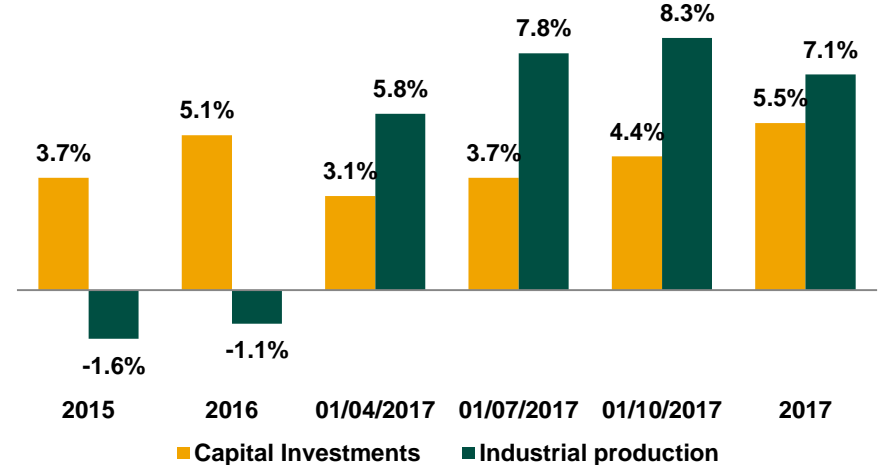
USD bn



Inflation *



Selected Macroeconomic Indices



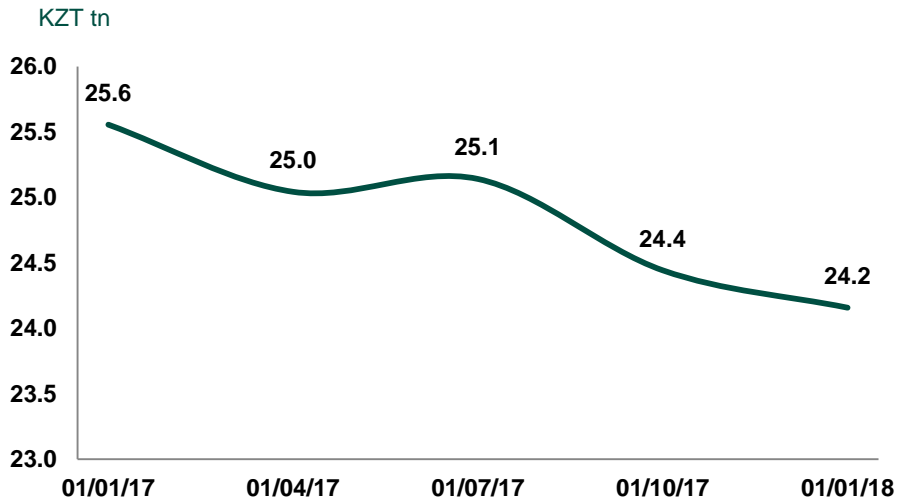
* year-to-year

Source: National Bank of Kazakhstan

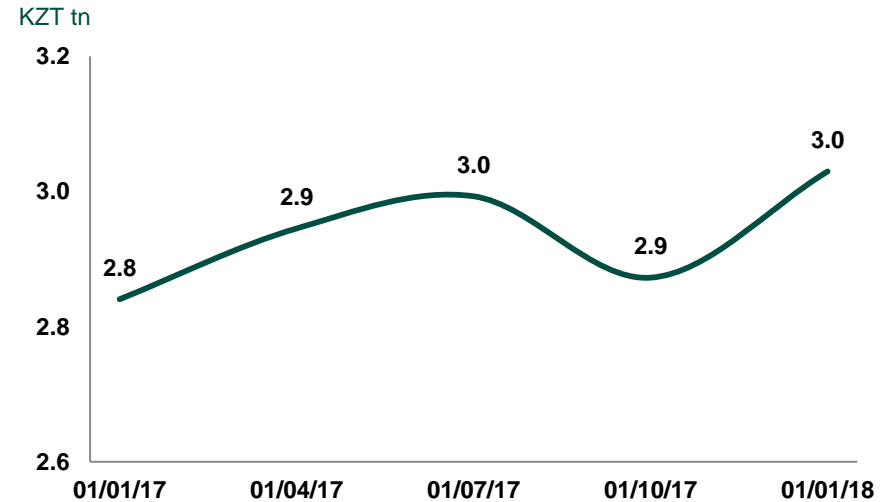
Banking Sector of Kazakhstan



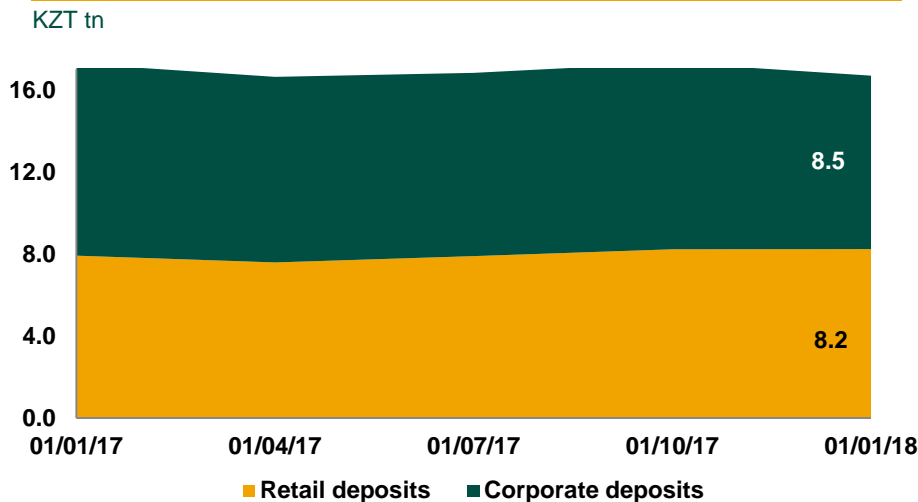
Total Assets



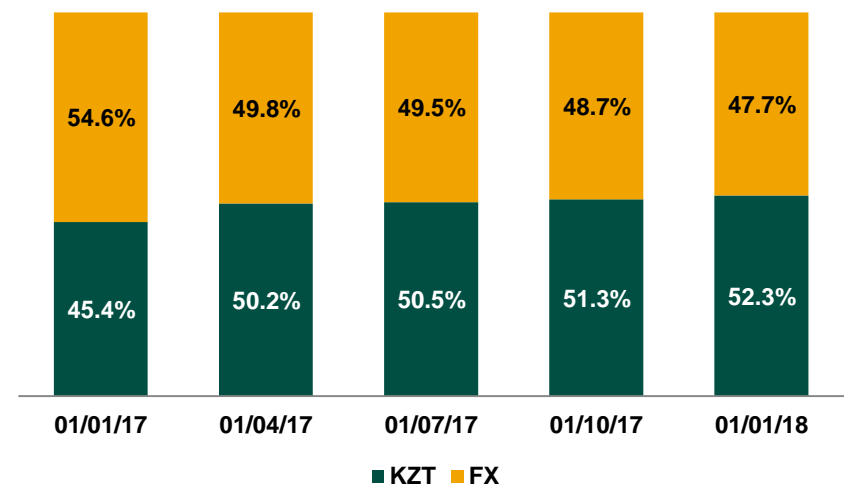
Equity



Total Deposits



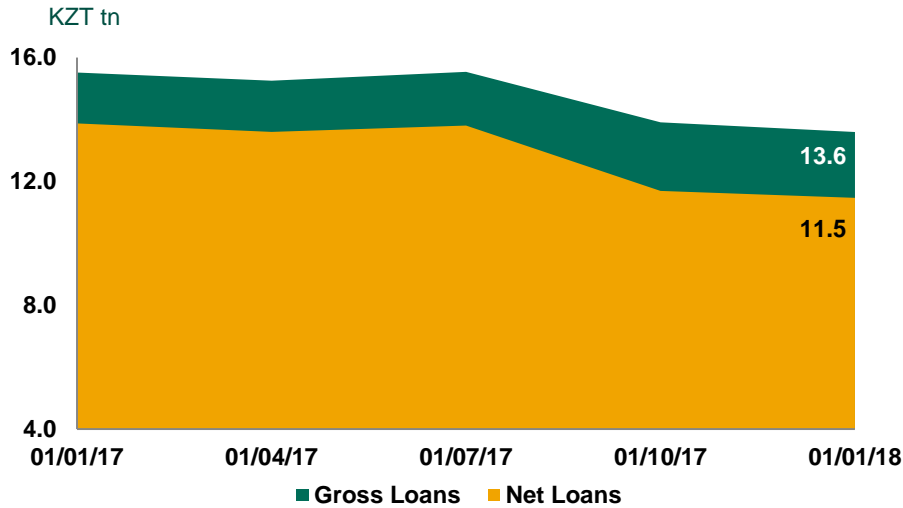
Deposits by Currency



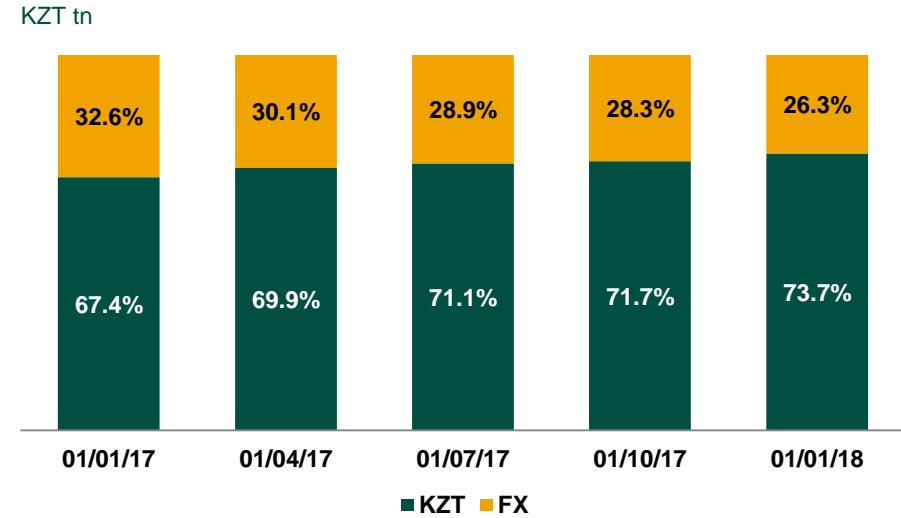


Banking Sector of Kazakhstan

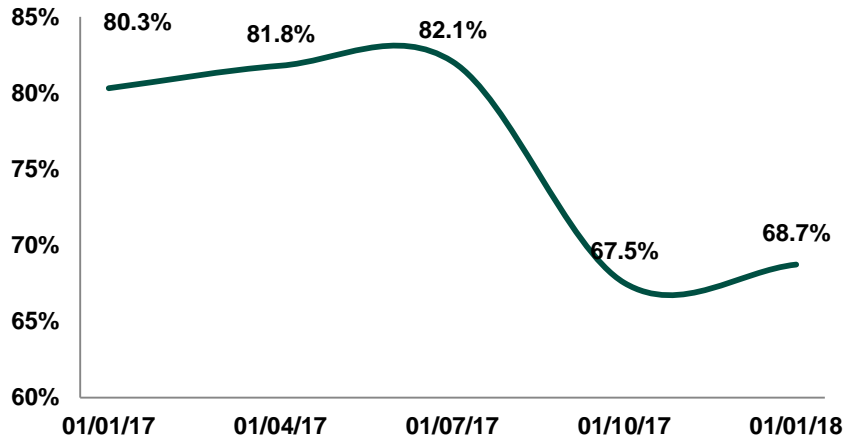
Loan Portfolio



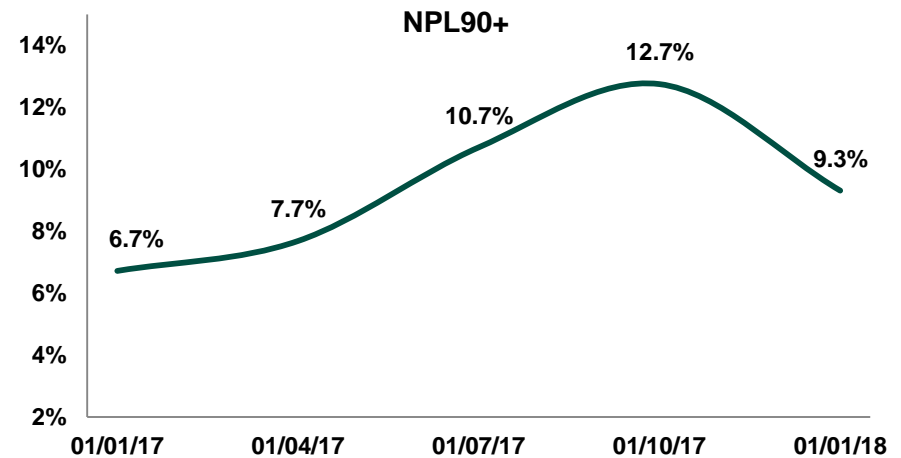
Loans by Currency



Loan to Deposit Ratio



NPLs 90+



Ratings, 01.01.2018



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	Stable

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	Ba1
Short Term Bank Deposits Rating	Not prime
Outlook	Stable

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, 01.01.2018	Amount, KZT bn	Market share	Total Deposits, 01.01.2018	Amount, KZT bn	Market share	Total Liabilities, 01.01.2018	Amount, KZT bn	Market share
1 Halyk Bank+KKB	8,514	35.2%	Halyk Bank+KKB	6,113	37.3%	Halyk Bank+KKB	7,446	35.2%
2 TsesnaBank	2,154	8.9%	TsesnaBank	1,560	9.5%	TsesnaBank	1,940	9.2%
3 SberBank	1,747	7.2%	SberBank	1,241	7.6%	SberBank	1,581	7.5%
4 ForteBank	1,505	6.2%	ForteBank	995	6.1%	ForteBank	1,312	6.2%
5 Kaspi Bank	1,470	6.1%	Kaspi Bank	970	5.9%	Kaspi Bank	1,311	6.2%
Gross loans, 01.01.2018	Amount, KZT bn	Market share	Total Corporate Deposits, 01.01.2018	Amount, KZT bn	Market share	Equity, 01.01.2018	Amount, KZT bn	Market share
1 Halyk Bank+KKB	4,251	31.3%	Halyk Bank+KKB	3,080	37.7%	Halyk Bank+KKB	1,068	35.3%
2 TsesnaBank	1,704	12.5%	TsesnaBank	868	10.6%	TsesnaBank	214	7.1%
3 SberBank	1,154	8.5%	SberBank	541	6.6%	ForteBank	193	6.4%
4 Kaspi Bank	940	6.9%	ForteBank	535	6.6%	SberBank	167	5.5%
5 BCC	922	6.8%	ATF Bank	445	5.4%	Kaspi Bank	159	5.2%
Net loans, 01.01.2018	Amount, KZT bn	Market share	Total Retail Deposits, 01.01.2018	Amount, KZT bn	Market share	Net Income, 12M 2017*	Amount, KZT bn	Market share
1 Halyk Bank+KKB	3,124	27.2%	Halyk Bank+KKB	3,033	36.9%	Halyk Bank	154	32.2%
2 TsesnaBank	1,540	13.4%	Kaspi Bank	868	10.5%	Kaspi Bank	73	15.3%
3 SberBank	999	8.7%	SberBank	700	8.5%	TsesnaBank	47	9.9%
4 Kaspi Bank	850	7.4%	TsesnaBank	692	8.4%	BCC	30	6.3%
5 BCC	808	7.1%	ZhilStroiSberBank	525	6.4%	Citi Bank	26	5.4%

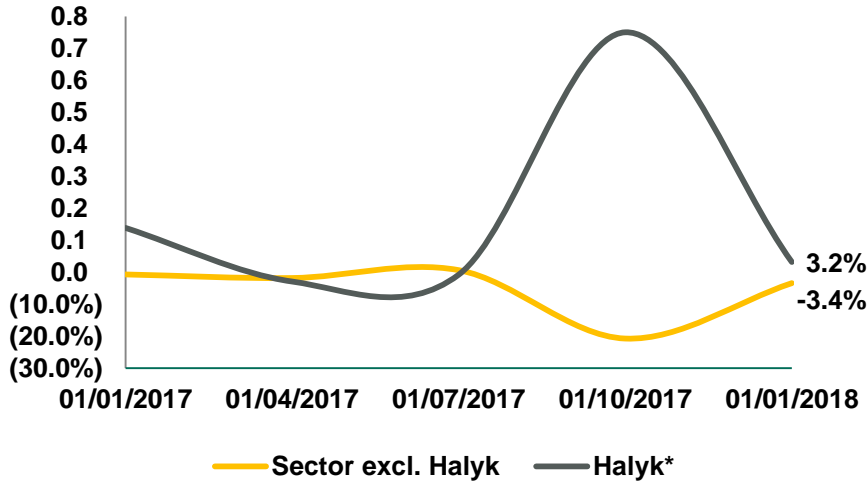
Source: National Bank of Kazakhstan, unconsolidated, KAS

* excl. banks with negative income

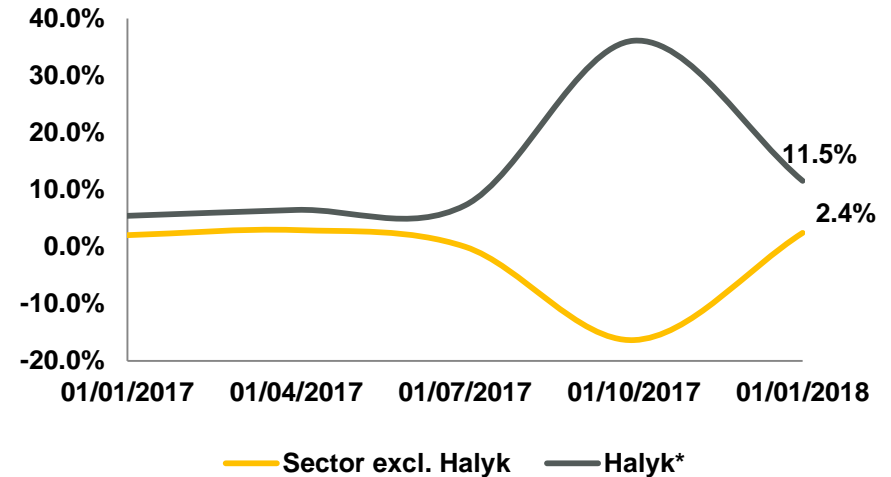


Halyk Bank+KKB vs. Sector

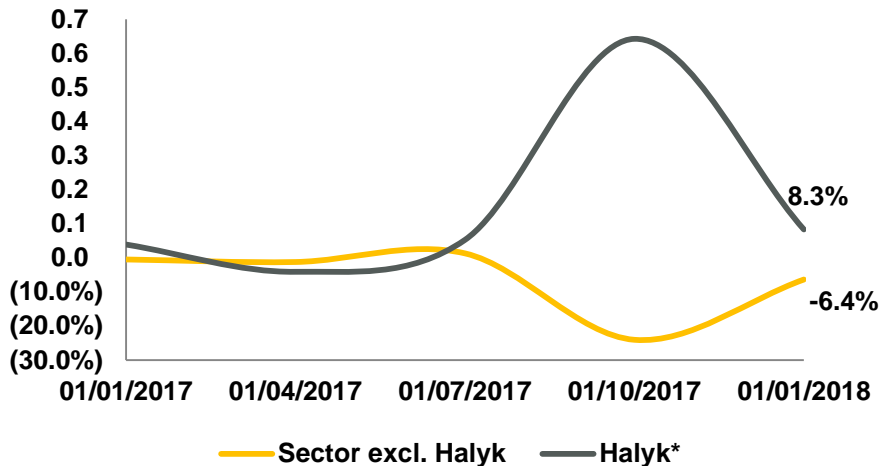
Growth Rate of Total Assets



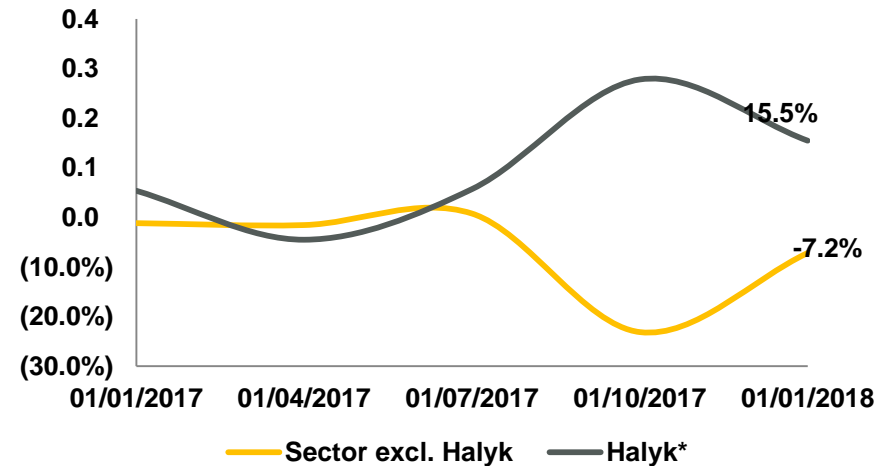
Growth Rate of Equity



Growth Rate of Gross Loans



Growth Rate of Net Loans



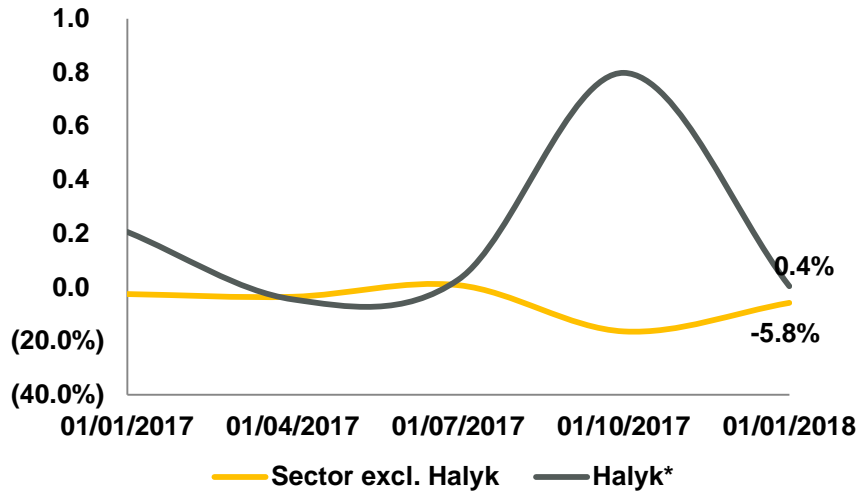
Source: National Bank of Kazakhstan, unconsolidated, KAS

* starting from 01.10.2017 Halyk Bank + KKB

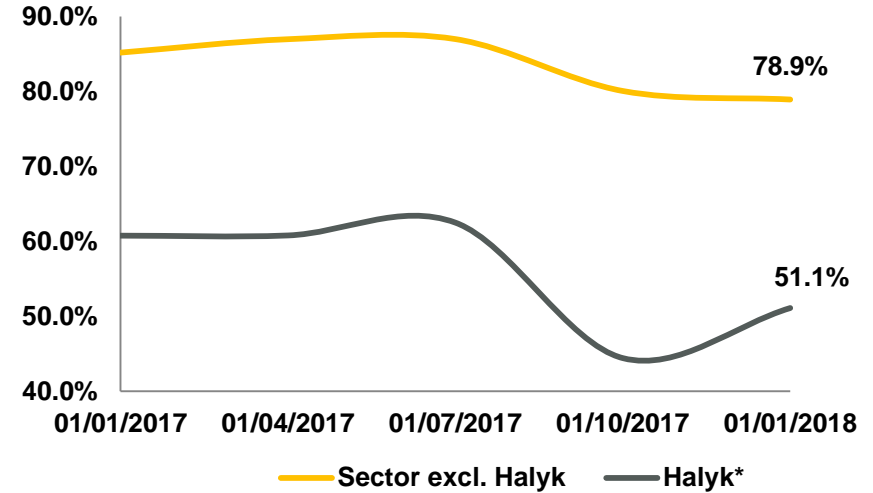


Halyk Bank+KKB vs. Sector

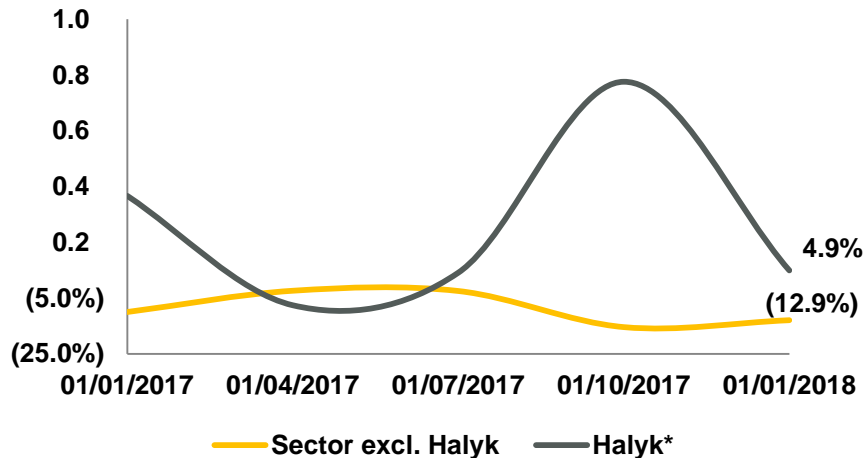
Growth Rate of Total Deposits



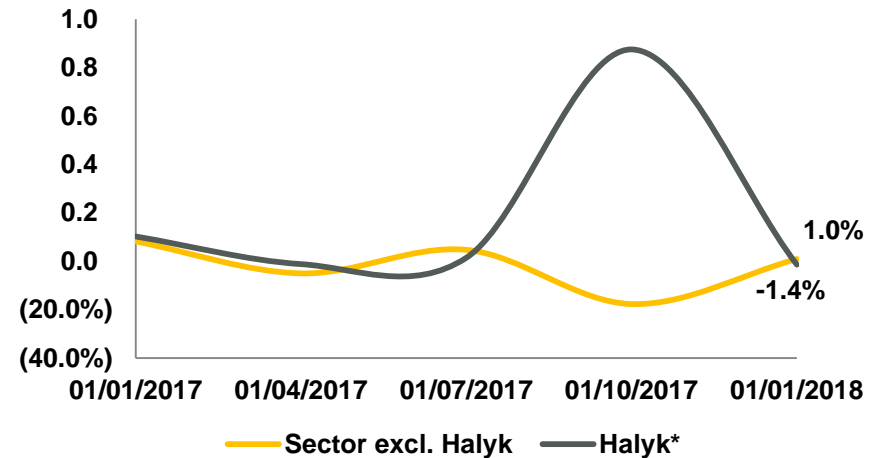
Loan to Deposit Ratio



Growth Rate of Corporate Deposits



Growth Rate of Retail Deposits



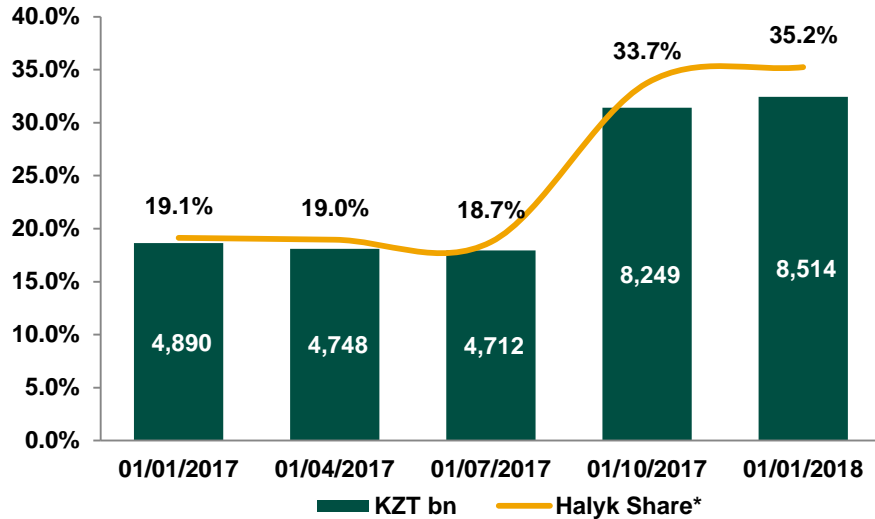
Source: National Bank of Kazakhstan, unconsolidated, KAS

* starting from 01.10.2017 Halyk Bank + KKB

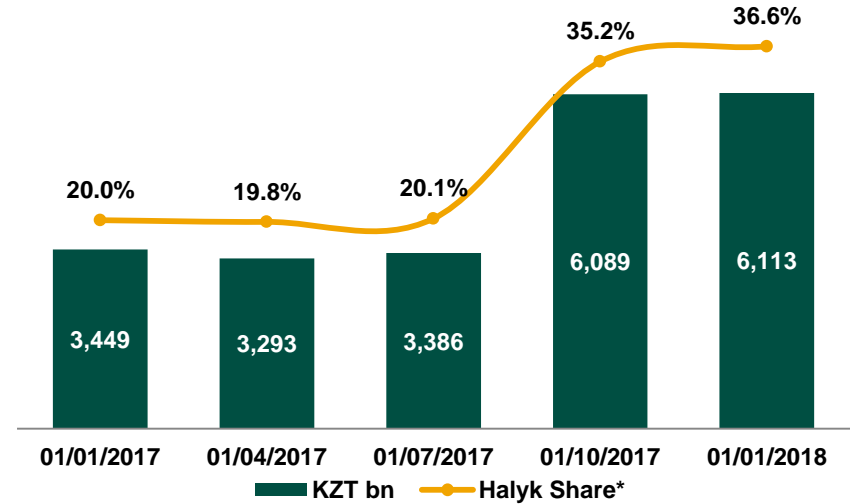


Market Position of Halyk Bank+KKB

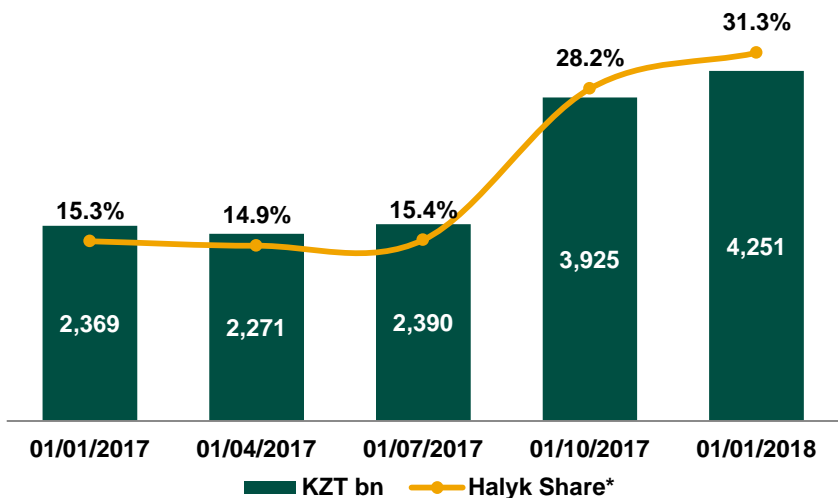
Total Assets



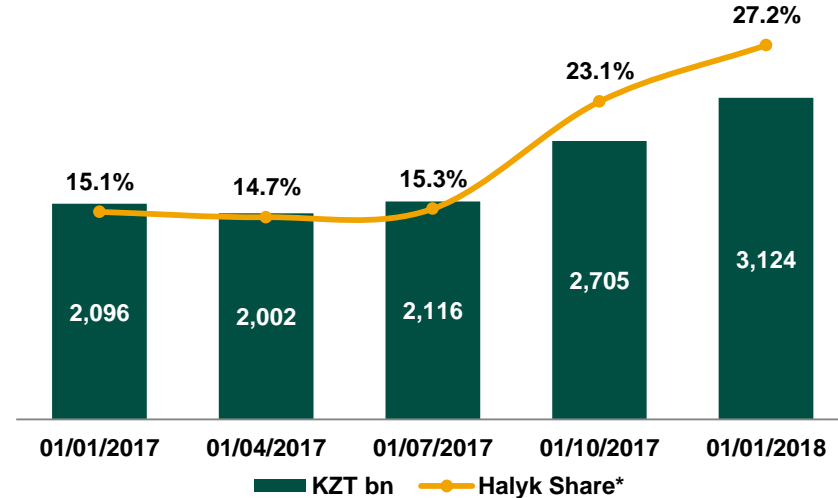
Total Deposits



Gross Loans



Net Loans



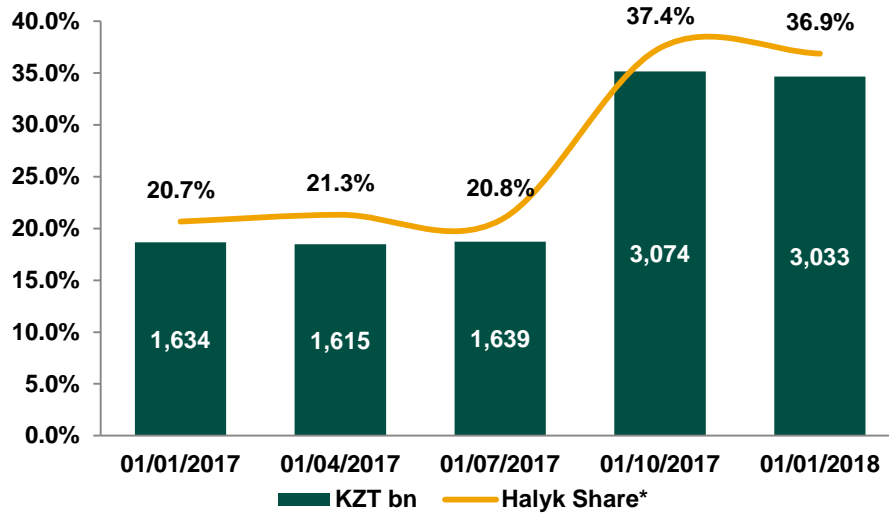
Source: National Bank of Kazakhstan, unconsolidated, KAS

* starting from 01.10.2017 Halyk Bank + KKB

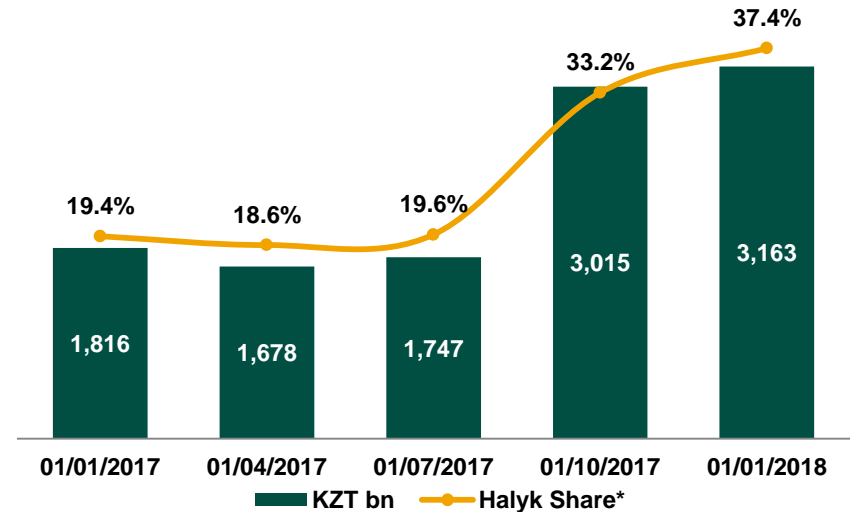


Market Position of Halyk Bank+KKB

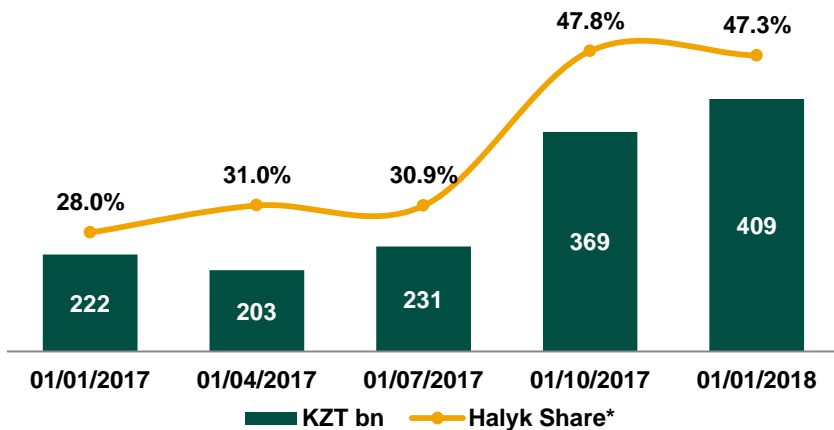
Total Retail Deposits



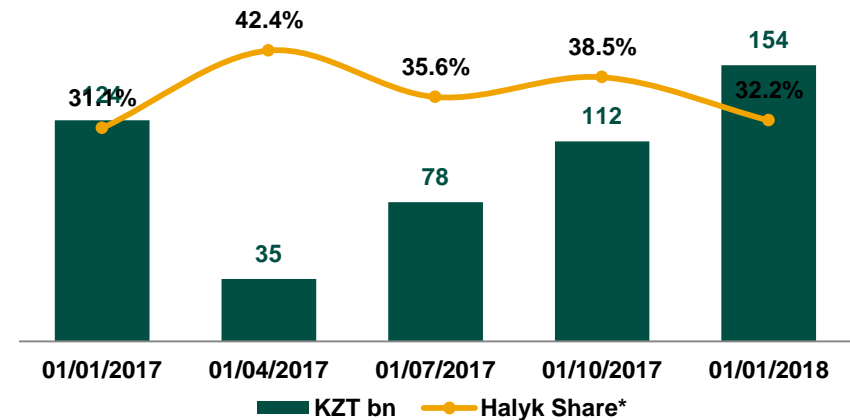
Total Corporate Deposits



Retail Current Accounts



Net Income ⁽¹⁾



Source: National Bank of Kazakhstan, unconsolidated, KAS

* starting from 01.10.2017 Halyk Bank + KKB

⁽¹⁾ Halyk Bank only

Key Financial Indicators (continued)



	Halyk Bank + KKB		Halyk Bank only		
	31-Dec-2017	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16
Number of branches and outlets	699	719	504	506	509
Number of ATMs	4,594	4,599	2,367	2,368	2,364
Number of POS-terminals	74,602	72,747	23,455	23,657	23,937
Information and transaction terminals (multiservice kiosks)	360	397	408	431	461
Payment terminals	1,151	1,082	576	577	577
Clients of internet banking, <i>individuals</i>	2,960,989	2,688,324	1,045,138	980,854	918,210
Clients of internet banking, <i>legal entities</i>	93,384	81,603	16,170	15,824	15,065
SMS banking clients	2,895,291	2,861,603	1,912,326	1,811,636	1,746,655
Telebanking clients	196,756	179,613	163,018	155,510	147,487
Payment card holders	8,734,594	8,590,537	5,619,107	5,508,576	5,461,886
Payroll project clients (legal entities)	43,873	44,631	22,996	23,165	23,001

	4Q 2017	3Q 2017	2Q 2017 ⁽²⁾	1Q 2017 ⁽²⁾	4Q 2016 ⁽²⁾
Cost-to-income ⁽¹⁾	33.5%	26.4%	29.4%	27.1%	30.5%
Return on average common shareholders' equity (RoAE)	18.0%	28.6%	22.1%	22.4%	23.1%
Return on average assets (RoAA)	1.8%	2.9%	3.1%	3.0%	3.0%
Net interest margin	4.9%	4.8%	5.7%	5.2%	5.3%
Operating expenses / average total assets	2.1%	1.4%	1.7%	1.5%	1.9%

⁽¹⁾ operating expense / operating income (net interest income before impairment charge, net fees and commissions, other non-interest income, less insurance claims incurred, net of reinsurance, and expenses for insurance reserves), on consolidated IFRS basis.

⁽²⁾ financial indicators (cost-to-income, RoAE, RoAA, NIM, Cost / Average Assets Ratio) are calculated taking into account Altyn Bank.

Shareholder Structure of Halyk Bank, 01.01.2018



No	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	Unified Accumulative Pension Fund Joint Stock Company	716,281,746	6.5%	716,281,746	6.5%	-	-
3	GDR holders	1,852,781,840	16.8%	1,852,781,840	16.8%	-	-
4	Other	339,160,070	3.1%	339,160,070	3.1%	-	-
5	Total outstanding (on consolidated basis)	10,994,675,428	100.0%	10,994,675,428	100.0%	-	-

[Board of Directors and Management Board]



Board of Directors of Halyk Bank, 01.01.2018

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, 01.01.2018

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

Yertay Salimov

Deputy Chairman, Operations and Treasury

Kuat Kussainbekov

Deputy Chairman, Information Technologies

Financial Overview of Halyk Bank



Balance Sheet (KZT mln)

	01/01/2017	01/04/2017	01/07/2017	01/10/2017	01/01/2018
ASSETS	5,348,483	5,201,147	5,275,683	8,674,584	8,857,781
Cash and cash equivalents	1,774,519	1,490,194	1,202,427	1,616,411	1,780,548
Obligatory reserves	76,122	72,429	66,127	110,521	111,039
Financial assets at fair value through profit or loss	328,737	96,110	100,911	297,121	144,976
Amounts due from credit institutions	35,542	38,774	35,154	77,056	87,736
Available-for-sale investment securities	599,624	1,069,305	998,421	2,476,176	2,565,425
Precious metals	1,684	1,713	1,888	5,091	5,111
Loans to customers	2,319,583	2,219,541	2,195,024	3,123,070	3,251,102
Property and equipment	94,897	94,309	89,964	138,848	137,684
Assets held for sale	10,297	11,048	476,932	581,208	552,405
Goodwill	4,954	4,954	3,085	3,085	3,085
Intangible assets	9,179	8,828	5,925	9,031	8,251
Insurance assets	28,354	27,538	27,320	44,660	40,162
Other assets	64,991	66,404	72,505	192,306	170,257

Balance Sheet (USD mln)

	01/01/2017	01/04/2017	01/07/2017	01/10/2017	01/01/2018
ASSETS	16,048	16,578	16,370	25,424	26,654
Cash and cash equivalents	5,324	4,750	3,731	4,738	5,358
Obligatory reserves	228	231	205	324	334
Financial assets at fair value through profit or loss	986	306	313	871	436
Amounts due from credit institutions	107	124	109	226	264
Available-for-sale investment securities	1,799	3,408	3,098	7,257	7,720
Precious metals	5	5	6	15	15
Loans to customers	6,960	7,075	6,811	9,153	9,783
Property and equipment	285	301	279	407	414
Assets held for sale	31	35	1,480	1,703	1,662
Goodwill	15	16	10	9	9
Intangible assets	28	28	18	26	25
Insurance assets	85	88	85	131	121
Other assets	195	212	225	564	512

Financial Overview of Halyk Bank



Balance Sheet (KZT mln)

	01/01/2017	01/04/2017	01/07/2017	01/10/2017	01/01/2018
LIABILITIES AND EQUITY	5,348,483	5,201,147	5,275,683	8,674,584	8,857,781
Amounts due to customers	3,820,662	3,617,073	3,481,523	6,076,281	6,131,750
Amounts due to credit institutions	162,134	186,694	132,015	154,892	255,151
Financial liabilities at fair value through profit or loss	2,841	5,935	4,178	5,575	5,831
Debt securities issued	584,933	564,453	383,602	988,774	962,396
Provisions	987	723	182	17,449	16,098
Deferred tax liability	23,181	19,443	20,839	22,564	8,789
Insurance liabilities	64,374	69,492	71,273	143,154	139,543
Other liabilities	23,778	27,661	17,199	66,313	69,139
Liabilities directly associated with assets classified as held for sale			410,091	372,899	334,627
Total liabilities	4,682,890	4,491,474	4,520,902	7,847,901	7,923,324
Share capital	143,695	143,695	143,695	143,695	143,695
Share premium reserve	1,911	1,900	1,886	1,863	1,839
Treasury shares	(103,121)	(103,068)	(103,041)	(106,176)	(104,234)
Retained earnings and other reserves	623,108	667,146	712,241	786,677	820,716
Non-controlling interest	-	-	-	624	72,441
Total equity	665,593	709,673	754,781	826,683	934,457

Balance Sheet (USD mln)

	01/01/2017	01/04/2017	01/07/2017	01/10/2017	01/01/2018
LIABILITIES AND EQUITY	16,048	16,578	16,370	25,424	26,654
Amounts due to customers	11,463	11,529	10,803	17,809	18,451
Amounts due to credit institutions	486	595	410	454	768
Financial liabilities at fair value through profit or loss	9	19	13	16	18
Debt securities issued	1,755	1,799	1,190	2,898	2,896
Provisions	3	2	1	51	48
Deferred tax liability	70	62	65	66	26
Insurance liabilities	193	222	221	420	420
Other liabilities	71	88	53	194	208
Liabilities directly associated with assets classified as held for sale	-	-	1,273	1,093	1,007
Total liabilities	14,050	14,316	14,028	23,002	23,842
Share capital	431	458	446	421	432
Share premium reserve	6	6	6	5	6
Treasury shares	(309)	(329)	(320)	(311)	(314)
Retained earnings and other reserves	1,870	2,126	2,210	2,306	2,470
Non-controlling interest	-	-	-	2	218
Total equity	1,997	2,262	2,342	2,423	2,812

Financial Overview of Halyk Bank

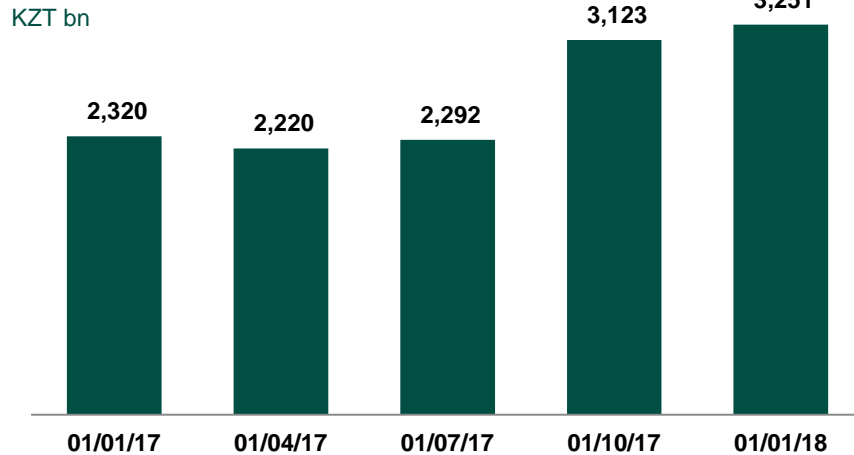


Income Statement (KZT mln)						Income Statement (USD mln)					
	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017		4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017
Interest income	94,520	96,208	94,241	154,347	167,276	Interest income	282	298	299	465	500
Interest expense	(44,355)	(46,299)	(42,310)	(86,314)	(85,569)	Interest expense	(132)	(144)	(134)	(260)	(256)
Net interest income before impairment charge	50,165	49,909	51,931	68,033	81,707	Net interest income before impairment charge	150	155	165	205	244
Impairment charge	(6,668)	(4,855)	(5,868)	(13,322)	(43,149)	Impairment charge	(20)	(15)	(19)	(40)	(129)
Net interest income	43,497	45,054	46,063	54,711	38,558	Net interest income	130	140	146	165	115
Fees and commissions income	15,874	14,751	15,602	28,893	28,760	Fees and commissions income	47	46	50	87	86
Fees and commissions expense	(3,067)	(3,160)	(3,167)	(9,922)	(10,703)	Fees and commissions expense	(9)	(10)	(10)	(30)	(32)
Net gain from financial assets and liabilities at fair value through profit or loss	(3,655)	(11,493)	4,234	67,018	(28,114)	Net gain from financial assets and liabilities at fair value through profit or loss	(11)	(36)	13	202	(84)
Net realized gain from available-for-sale investment securities	2,234	222	2	609	237	Net realized gain from available-for-sale investment securities	7	1	0	2	1
Net gain on foreign exchange operations	7,417	15,133	(1,162)	(61,699)	43,216	Net gain on foreign exchange operations	22	47	(4)	(186)	129
Insurance underwriting income	8,129	8,948	11,337	16,143	18,680	Insurance underwriting income	24	28	36	49	56
Other income	2,521	889	1,377	7,174	14,179	Other income	8	3	4	22	42
OTHER NON-INTEREST INCOME	16,646	13,699	15,788	29,245	48,198	OTHER NON-INTEREST INCOME	50	42	50	88	144
Operating expenses	(23,059)	(18,821)	(20,790)	(27,870)	(46,216)	Operating expenses	(69)	(58)	(66)	(84)	(138)
Recoveries of provisions/(provisions)	(71)	243	97	151	1,275	Recoveries of provisions/(provisions)	(0.2)	1	0.3	0	4
Insurance claims incurred, net of reinsurance	(6,756)	(8,309)	(10,774)	(13,785)	(15,747)	Insurance claims incurred, net of reinsurance	(20)	(26)	(34)	(41)	(47)
NON-INTEREST EXPENSES	(29,886)	(26,887)	(31,467)	(41,504)	(60,688)	NON-INTEREST EXPENSES	(89)	(83)	(100)	(125)	(181)
INCOME BEFORE INCOME TAX EXPENSE	43,064	43,457	42,819	61,423	44,125	INCOME BEFORE INCOME TAX EXPENSE	129	135	136	185	132
Income tax expense	(5,653)	(4,975)	(5,069)	(7,524)	(8,167)	Income tax expense	(17)	(15)	(16)	(23)	(24)
NET PROFIT FROM CONTINUING OPERATIONS	37,411	38,482	37,750	53,899	35,958	NET PROFIT FROM CONTINUING OPERATIONS	112	119	120	162	108
Minority interest in net income				(50)	(51)	Minority interest in net income				(0)	(0)
Net Profit from continuing operations				53,849	35,907	Net Profit from continuing operations				162	107
NET PROFIT FROM DISCONTINUED OPERATIONS	-	-	2,650	2,590	2,134	NET PROFIT FROM DISCONTINUED OPERATIONS	-	-	8	8	6
NET INCOME	37,411	38,482	40,400	56,439	38,041	NET INCOME	112	119	128	170	114

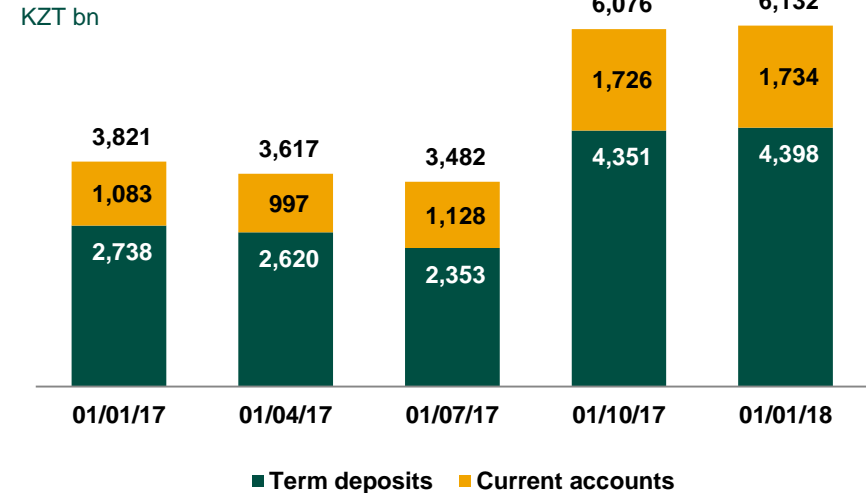
Financial Overview of Halyk Bank



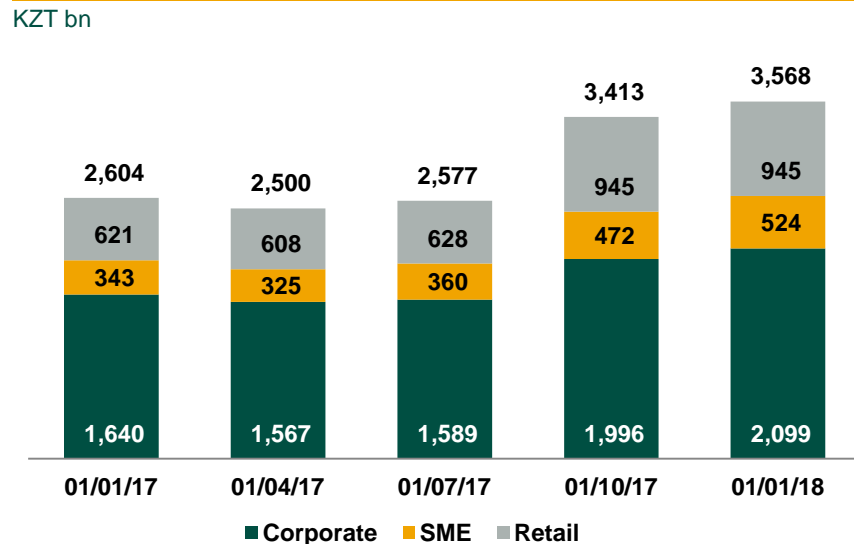
Net Loans



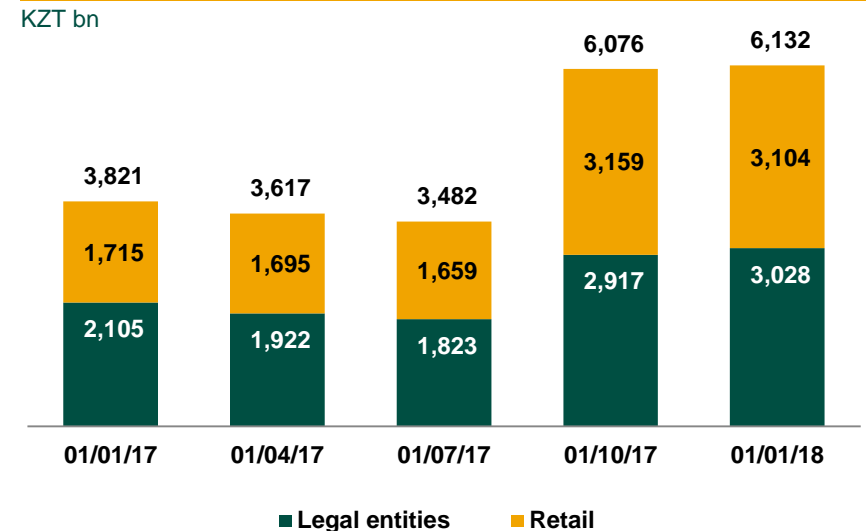
Deposits by Type



Breakdown of Gross Loans



Deposits by Type of Depositors



Financial Overview of Halyk Bank

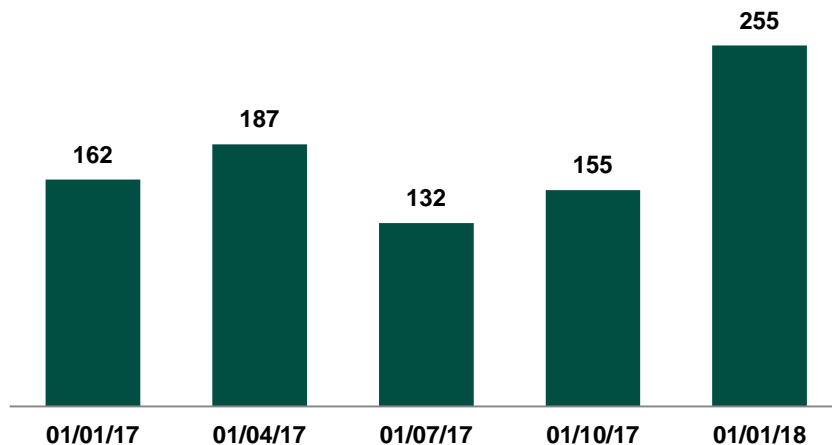


Bonds Outstanding

ISIN (NIN)	Currency	Issue Date	Maturity Date	Tenor, years	Initial Amount	Outstanding Amount, 01.01.2018	Coupon, 01.01.2018
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%
XS0583796973 / US46627JAB08	USD	28.01.2011	28.01.2021	10	500,000,000	500,000,000	7.25%
XS0867478124/ XS0867573890	USD	21.12.2012	21.12.2022	10	750,000,000	748,012,457	5.5%
KZP02Y10C725 (KZ2C00000792)	KZT	10.11.2008	10.11.2018	10	10,000,000,000	10,000,000,000	7.5%
KZP03Y10C723 (KZ2C00000800)	KZT	23.04.2009	23.04.2019	10	10,000,000,000	3,529,900,000	7.8%
KZP02Y05D707 (KZ2C00002863)	KZT	12.11.2014	12.11.2019	4	60,000,000,000	59,889,163,000	8.4%
KZP03Y07D701 (KZ2C00003069)	KZT	14.01.2015	14.01.2022	7	100,000,000,000	94,176,511,000	8.75%
KZP01Y10F076 (KZ2C00003457)	KZT	21.10.2015	21.10.2025	10	200,000,000,000	101,143,563,000	9.5%
XS0625516157/ US48668AAA79	USD	11.05.2011	11.05.2018	7	300,000,000	300,000,000	8.5%
XS0234398245	USD	09.11.2005	09.11.2049	termless	100,000,000	100,000,000	7.5%

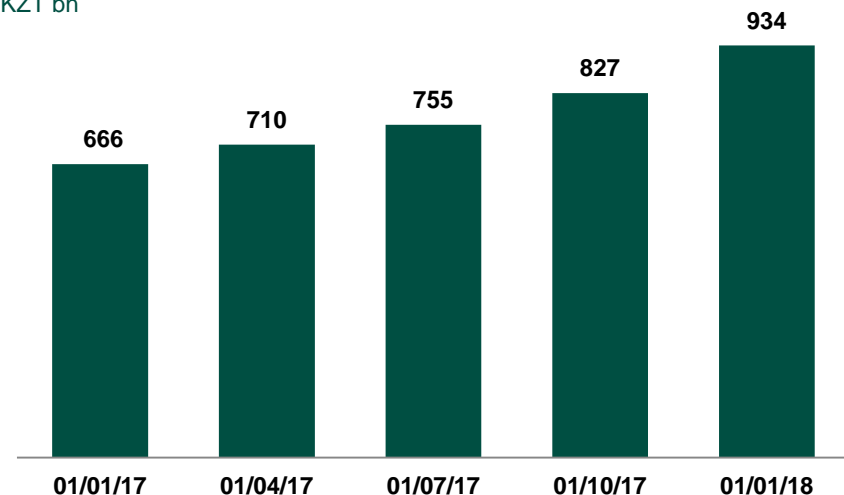
Amounts Due to Credit Institutions

KZT bn



Equity

KZT bn

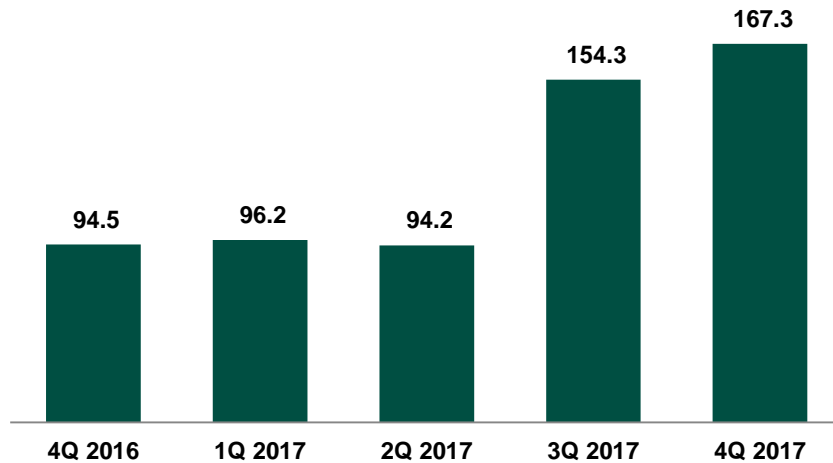


Financial Overview of Halyk Bank



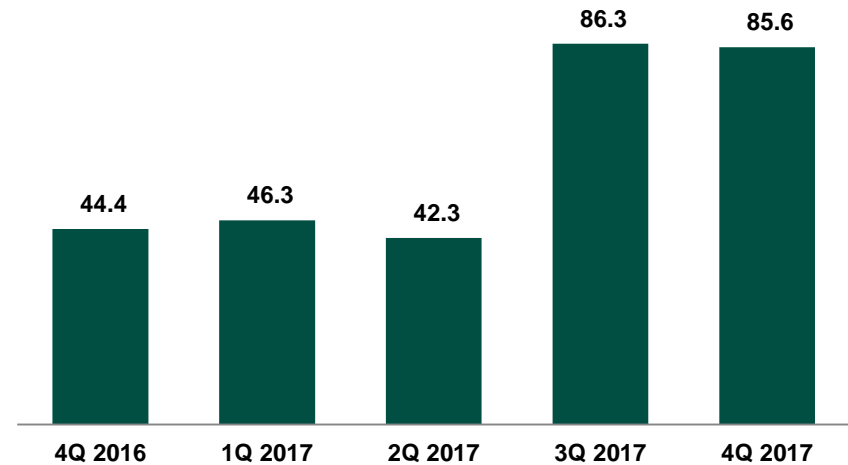
Interest Income

KZT bn



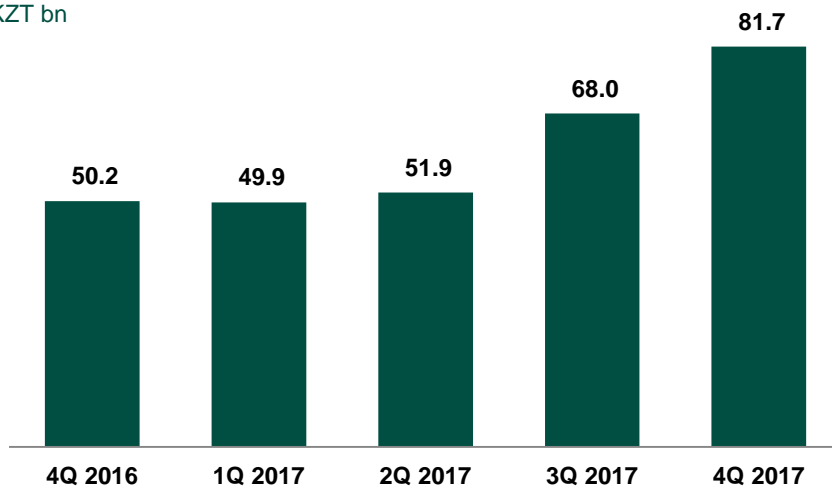
Interest Expense

KZT bn



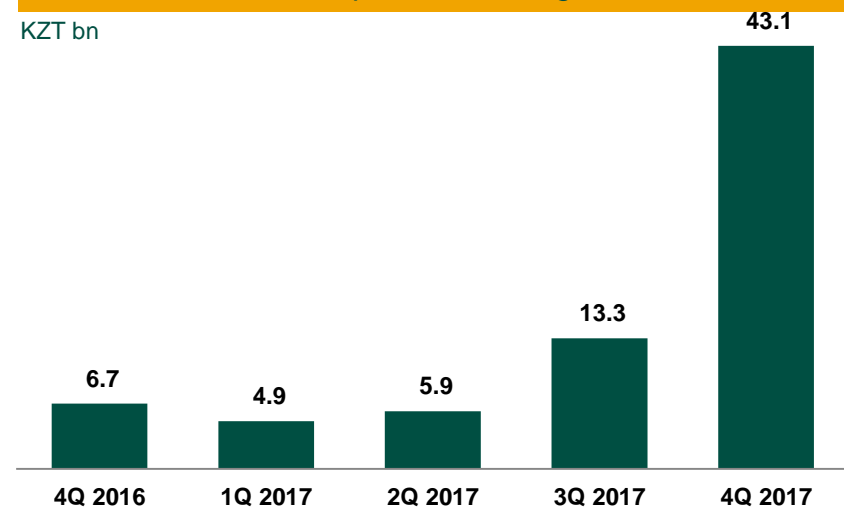
Net Interest Income before Impairment Charge

KZT bn



Impairment Charge

KZT bn

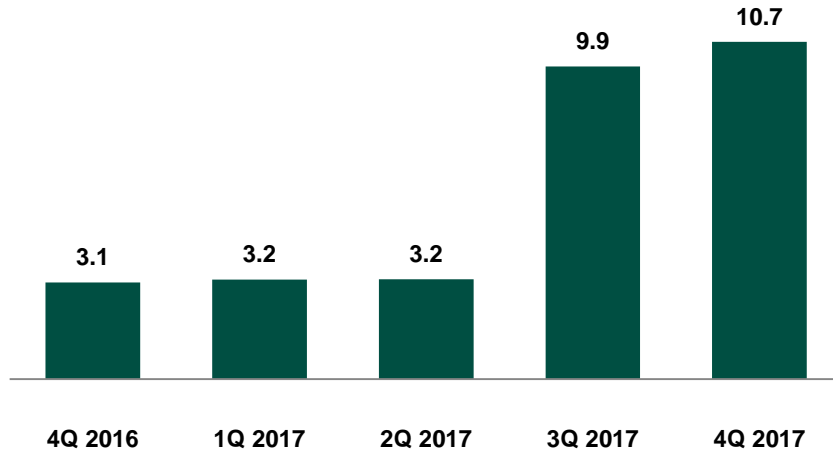


Financial Overview of Halyk Bank



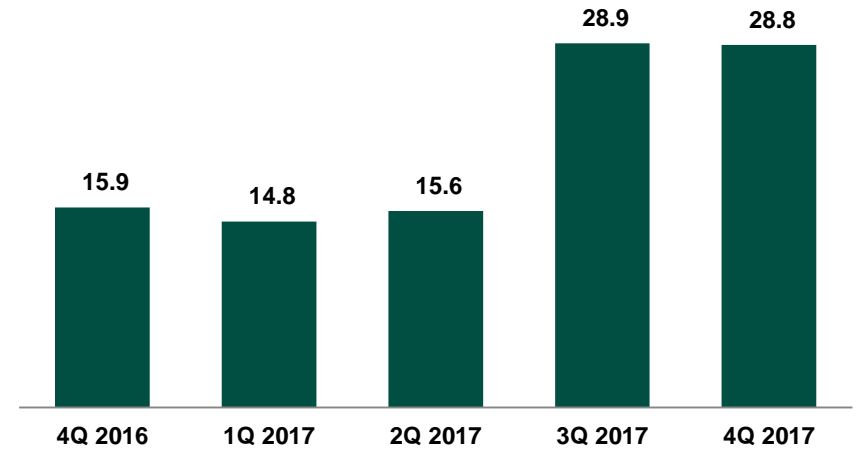
Fee and Commission Expense

KZT bn



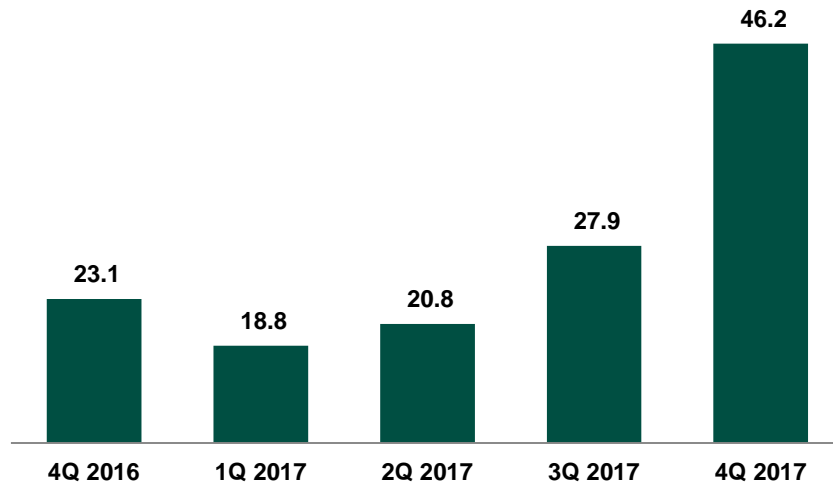
Fee and Commission Income from Transactional Banking

KZT bn

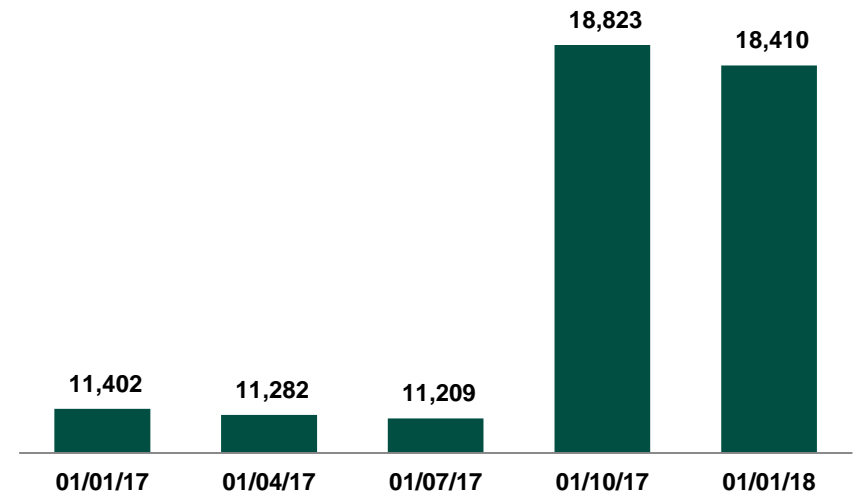


Operating Expenses

KZT bn



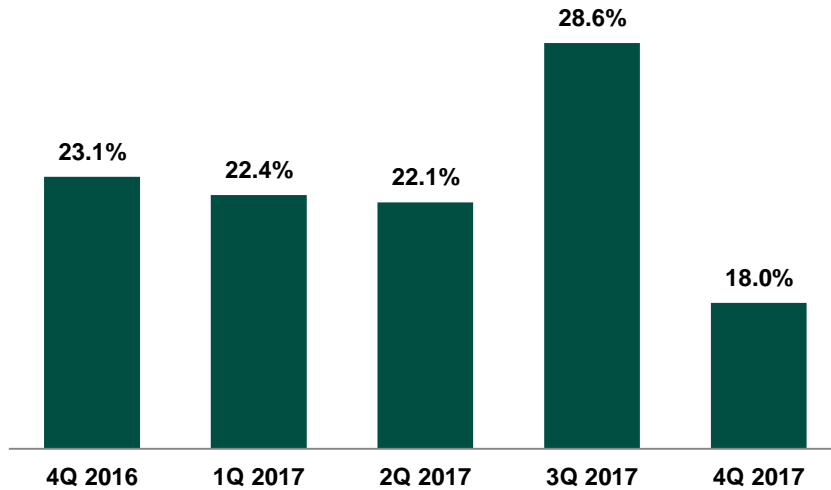
FTE (Full Time Employees)



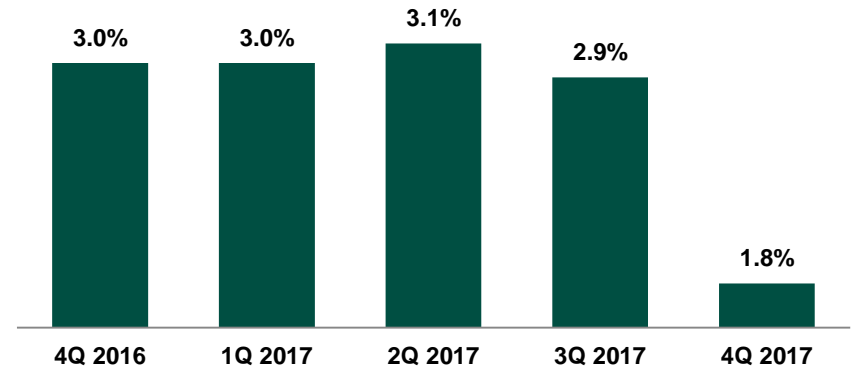
Financial Overview of Halyk Bank



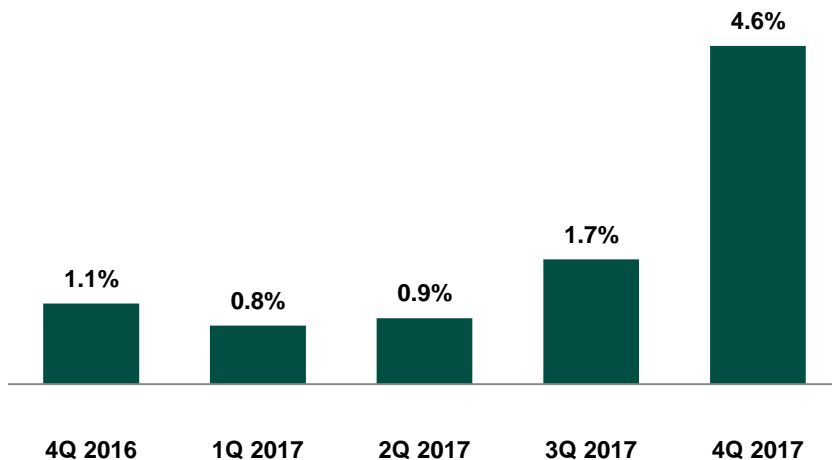
RoAE ⁽¹⁾



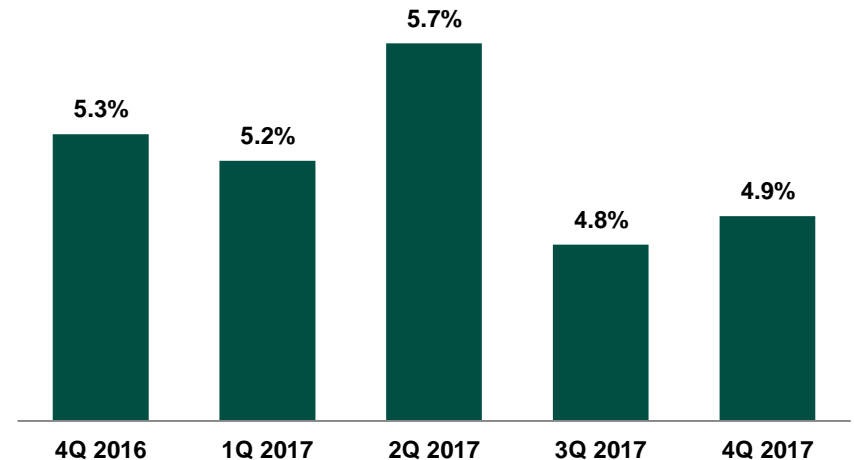
RoAA ⁽¹⁾



Cost of Risk ⁽¹⁾



NIM ⁽¹⁾



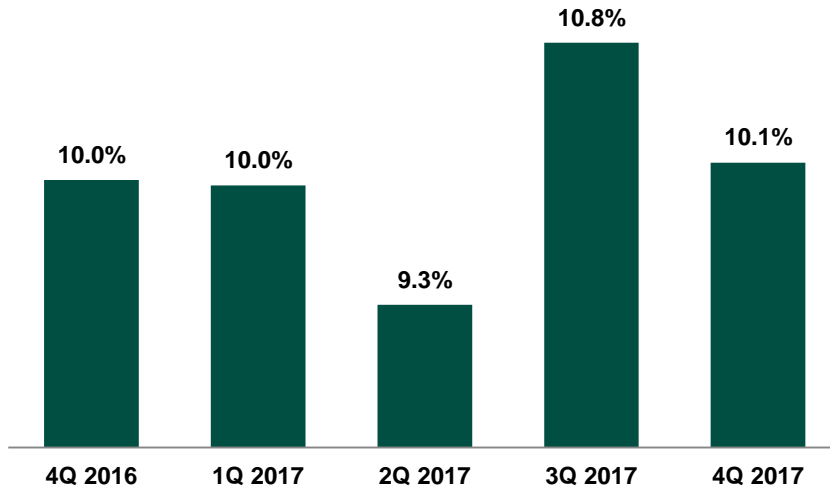
⁽¹⁾ annualised

Source: Halyk Bank's Consolidated Financial Statements

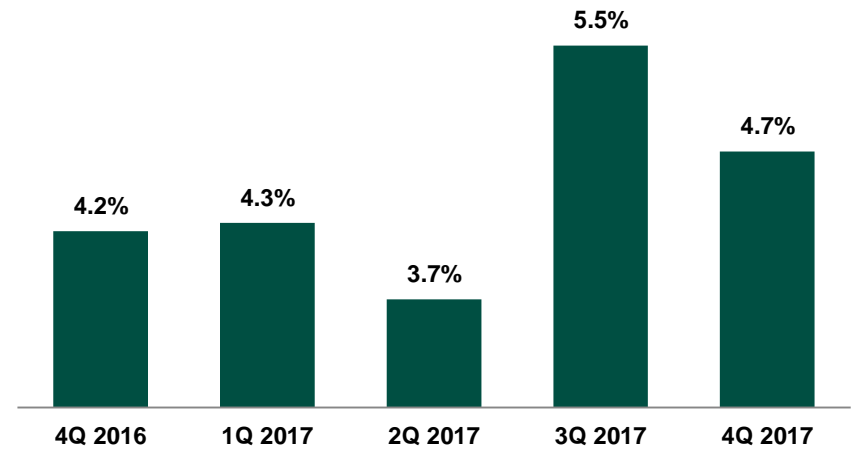
Financial Overview of Halyk Bank



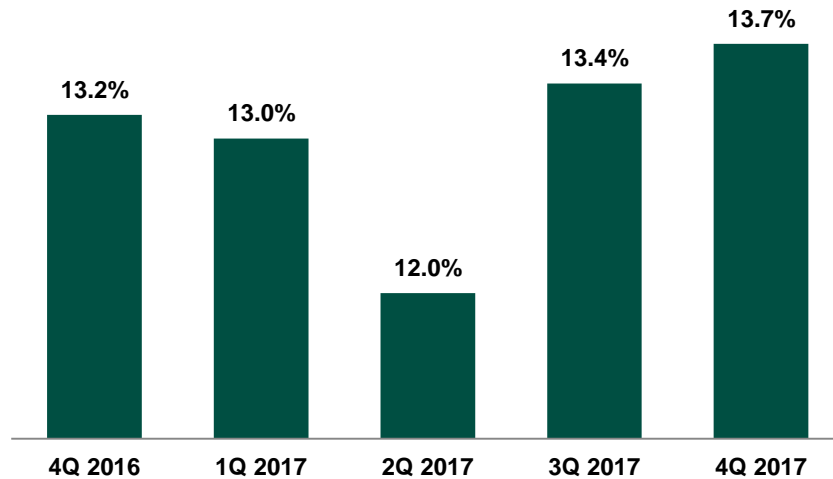
Average Interest Rates on Interest-Earning Assets ⁽¹⁾



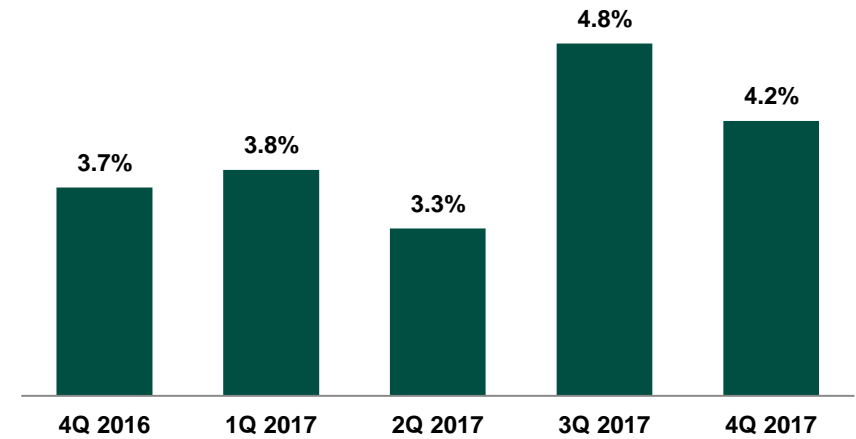
Average Interest Rates on Interest-Bearing Liabilities ⁽¹⁾



Average Interest Rates on Loans ⁽¹⁾



Average Interest Rates on Deposits ⁽¹⁾



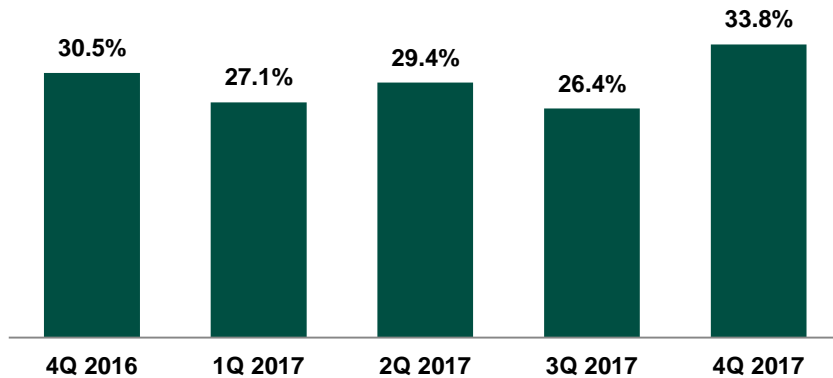
⁽¹⁾ annualised

Source: Halyk Bank's Consolidated Financial Statements

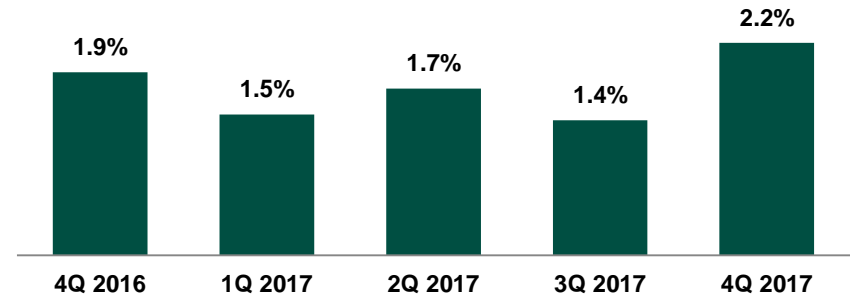
Financial Overview of Halyk Bank



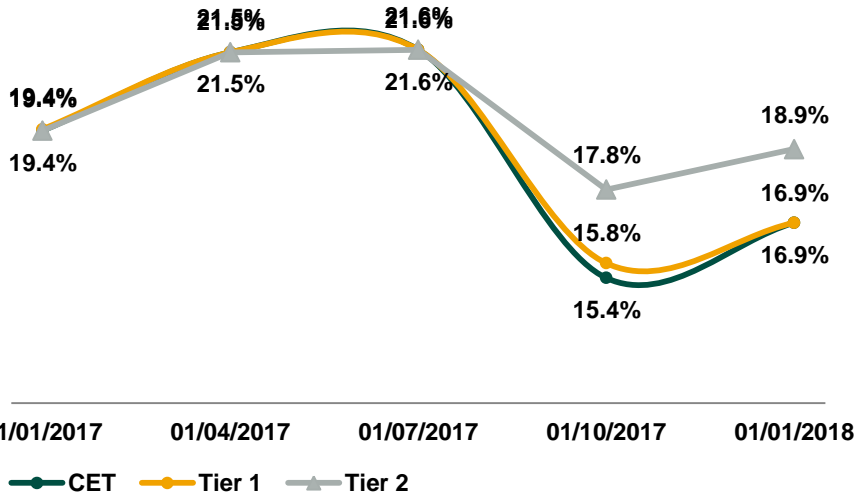
Cost-to-Income



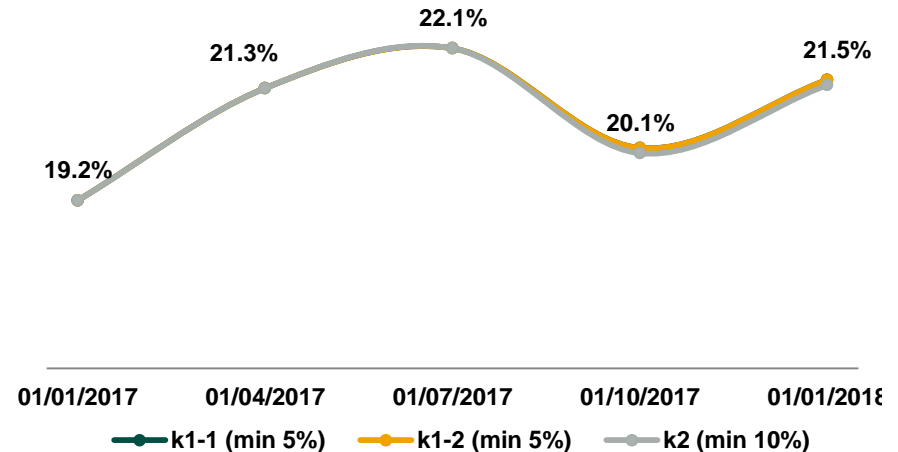
Cost-to-Average Assets ⁽¹⁾



Capital Adequacy Ratios, consolidated⁽²⁾



Capital Adequacy Ratios of Halyk, Bank only⁽¹⁾



⁽¹⁾ Annualised

⁽²⁾ starting from 1 January 2016, the Bank calculates its capital (both consolidated and unconsolidated) taking into account the principals, methods and coefficients employed by Basel III Committee

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