



ANALYST HANDOUT

01.04.2017 – 01.07.2017
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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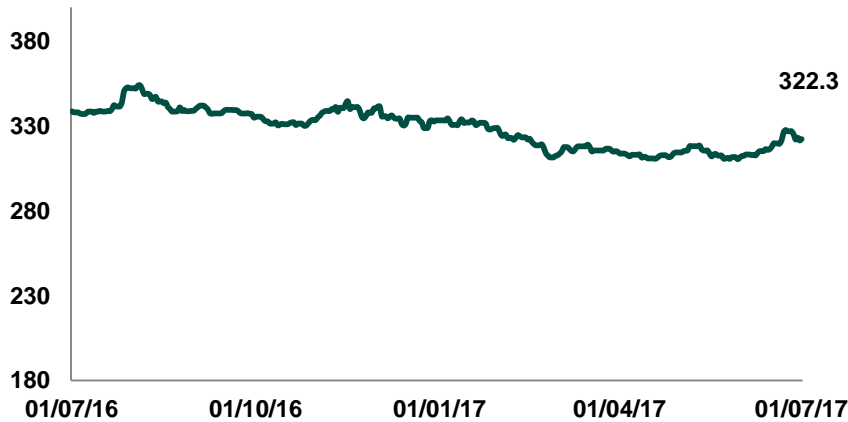


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Macroeconomic Data of Kazakhstan

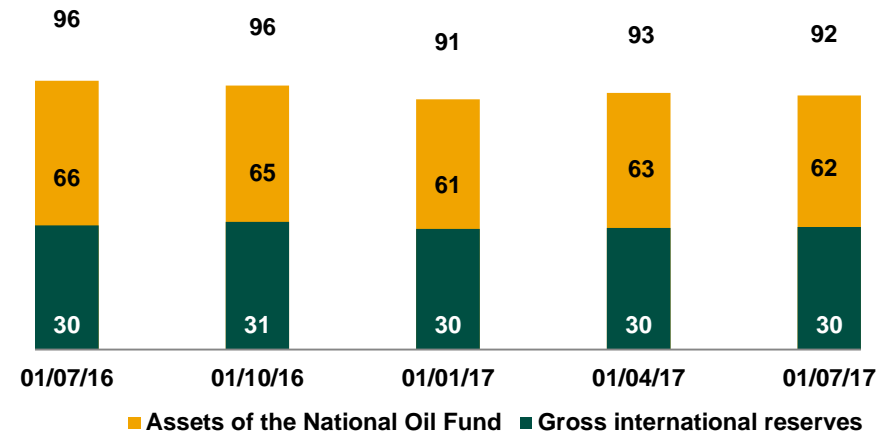


USD/KZT Exchange Rate

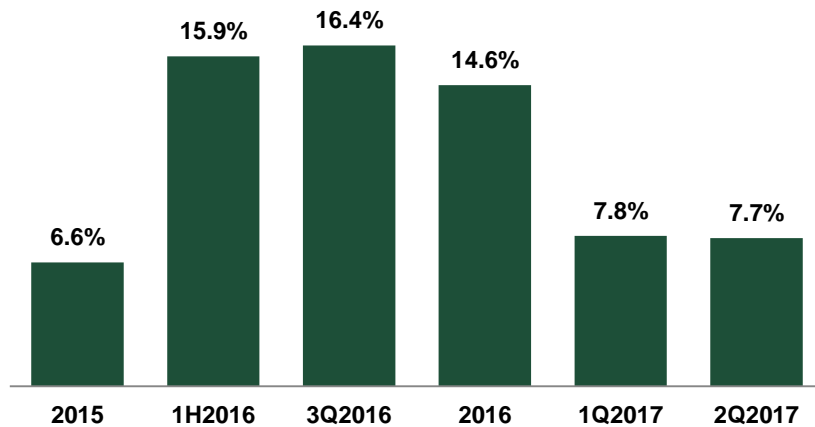


International Reserves

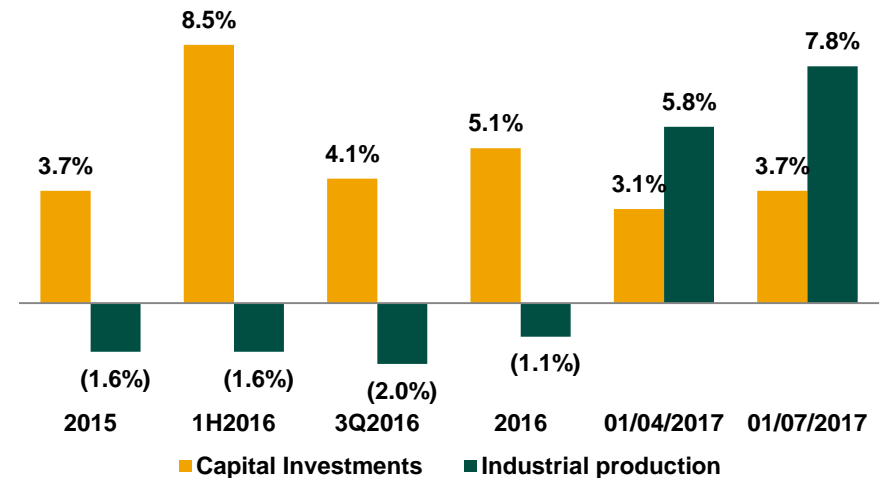
USD bn



Inflation *



Selected Macroeconomic Indices



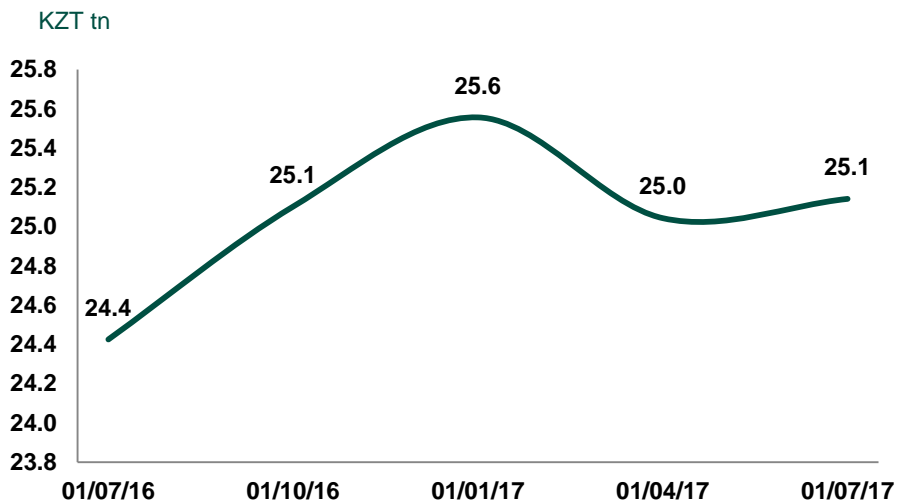
* year-to-year

Source: National Bank of Kazakhstan

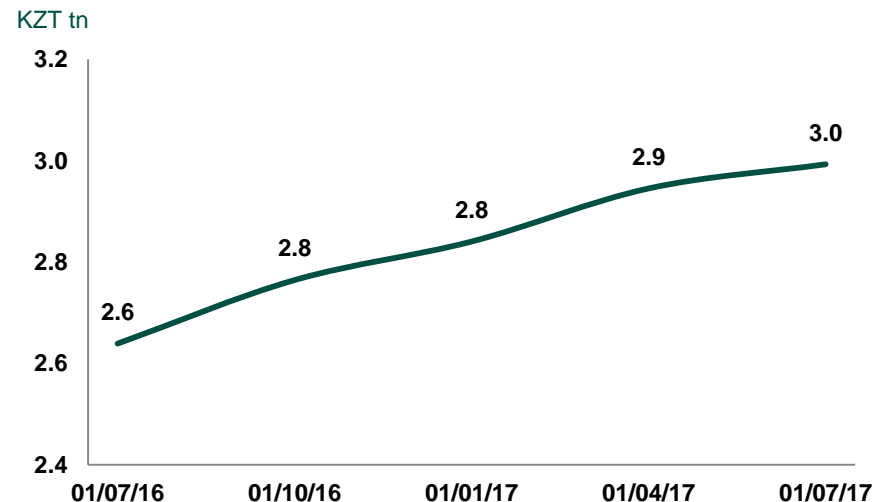
Banking Sector of Kazakhstan



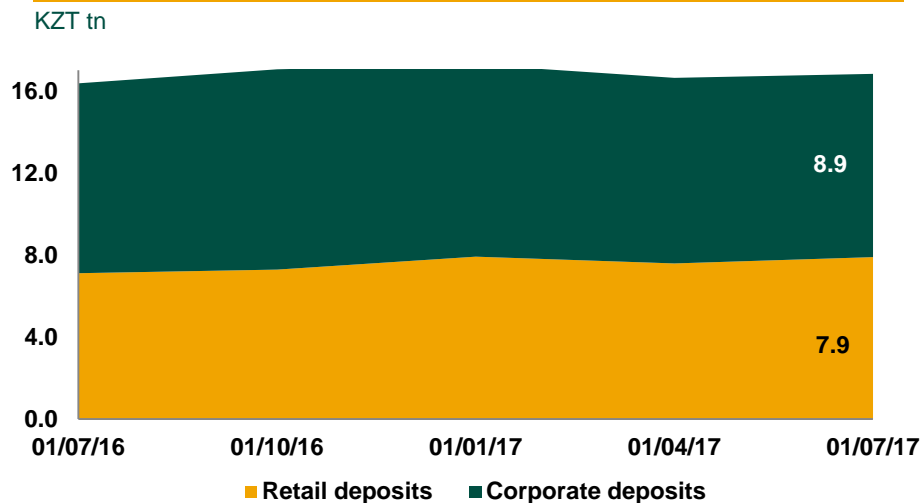
Total Assets



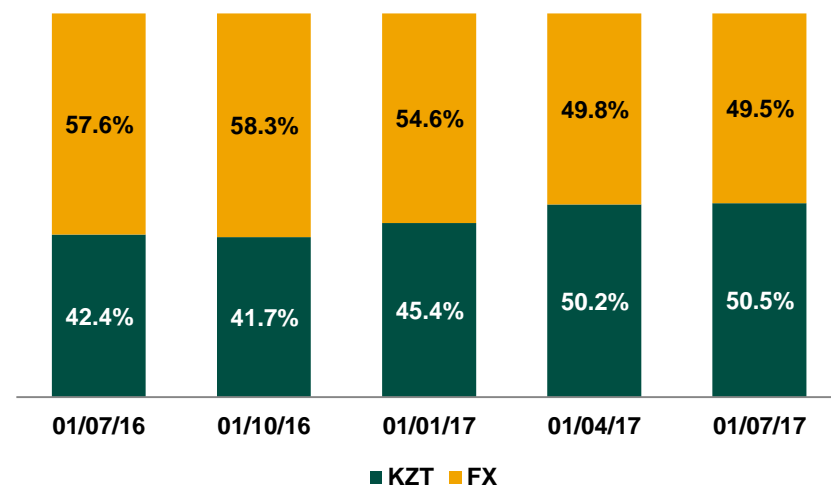
Equity



Total Deposits



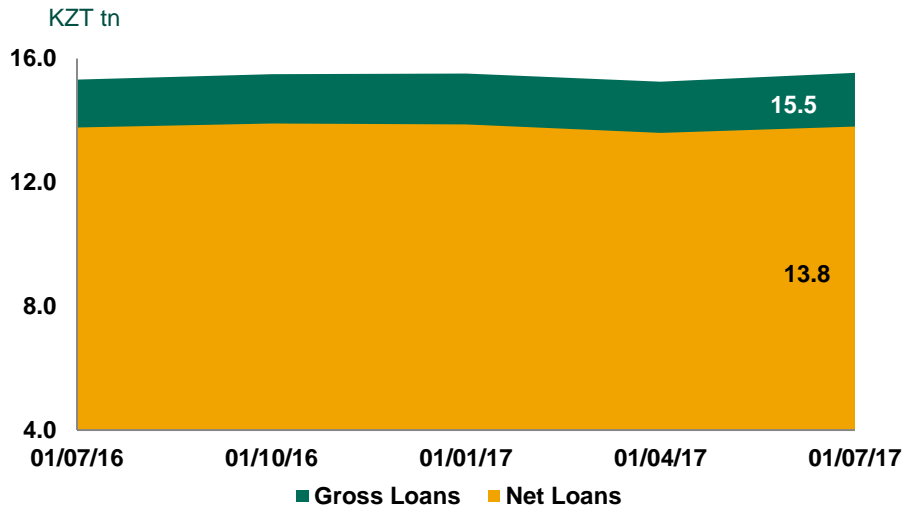
Deposits by Currency



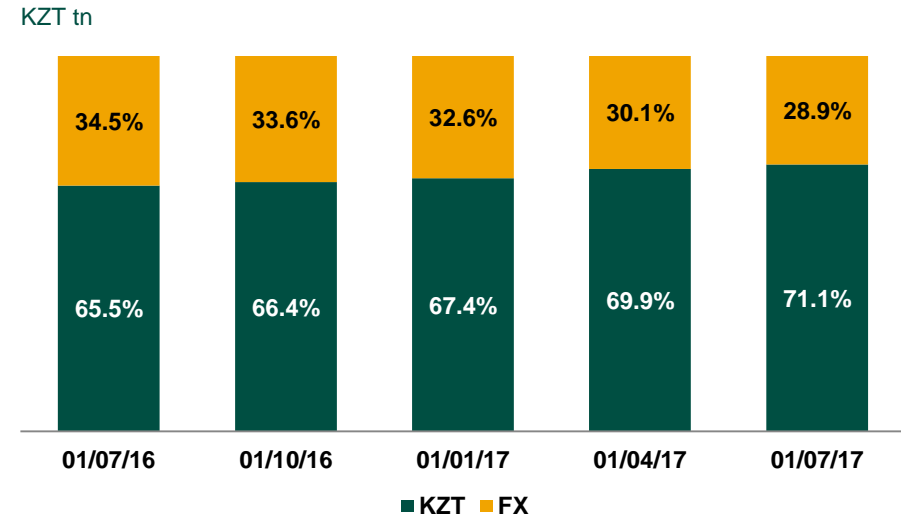
Banking Sector of Kazakhstan



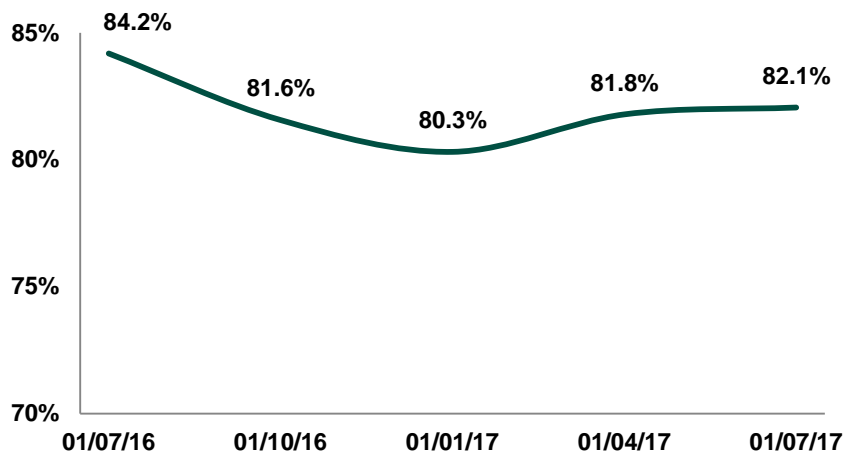
Loan Portfolio



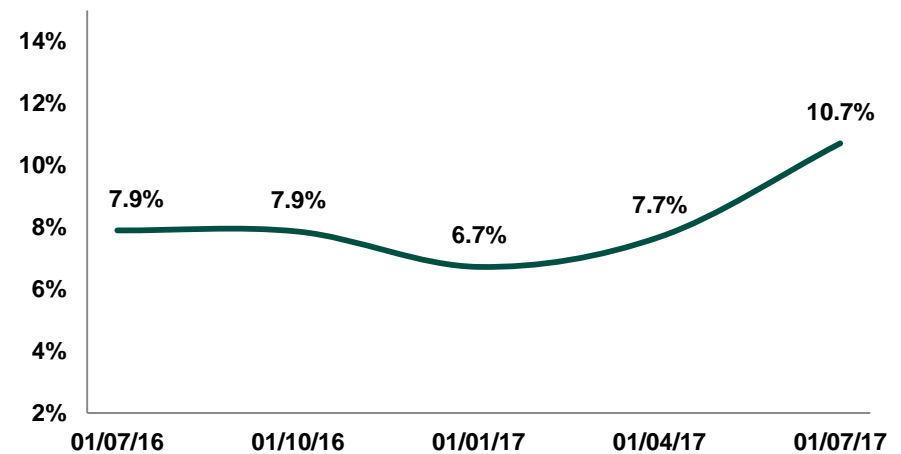
Loans by Currency



Loan to Deposit Ratio



NPLs 90+



Ratings, 01.07.2017



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	Negative

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, 01.07.2017	Amount, KZT bn	Market share	Total Deposits, 01.07.2017	Amount, KZT bn	Market share	Total Liabilities, 01.07.2017	Amount, KZT bn	Market share
1 JSC Halyk Bank	4,712	18.7%	JSC Halyk Bank	3,386	20.1%	JSC KKB	4,157	18.8%
2 JSC KKB	4,598	18.3%	JSC KKB	2,634	15.7%	JSC Halyk Bank	4,009	18.1%
3 JSC TsesnaBank	2,171	8.6%	JSC TsesnaBank	1,513	9.0%	JSC TsesnaBank	1,995	9.0%
4 JSC SberBank	1,673	6.7%	JSC SberBank	1,187	7.1%	JSC SberBank	1,515	6.8%
5 JSC ForteBank	1,328	5.3%	JSC ATF Bank	965	5.7%	JSC ATF Bank	1,215	5.5%
Gross loans, 01.07.2017	Amount, KZT bn	Market share	Total Corporate Deposits, 01.07.2017	Amount, KZT bn	Market share	Equity, 01.07.2017	Amount, KZT bn	Market share
1 JSC KKB	3,504	22.6%	JSC Halyk Bank	1,747	19.6%	JSC Halyk Bank	704	23.5%
2 JSC Halyk Bank	2,390	15.4%	JSC KKB	1,338	15.0%	JSC KKB	441	14.7%
3 JSC TsesnaBank	1,651	10.6%	JSC TsesnaBank	849	9.5%	JSC ForteBank	179	6.0%
4 JSC SberBank	1,060	6.8%	JSC ATF Bank	604	6.8%	JSC TsesnaBank	176	5.9%
5 JSC Kaspi Bank	884	5.7%	JSC SberBank	542	6.1%	JSC SberBank	158	5.3%
Net loans, 01.07.2017	Amount, KZT bn	Market share	Total Retail Deposits, 01.07.2017	Amount, KZT bn	Market share	Net Income, 6M 2017*	Amount, KZT bn	Market share
1 JSC KKB	2,953	21.4%	JSC Halyk Bank	1,639	20.8%	JSC Halyk Bank	78	35.6%
2 JSC Halyk Bank	2,116	15.3%	JSC KKB	1,296	16.4%	JSC KKB	34	15.8%
3 JSC TsesnaBank	1,511	11.0%	JSC Kaspi Bank	793	10.1%	JSC Kaspi Bank	20	9.4%
4 JSC SberBank	932	6.8%	JSC TsesnaBank	664	8.4%	JSC Citi Bank Kazakhstan	13	5.8%
5 JSC Kaspi Bank	784	5.7%	JSC SberBank	645	8.2%	JSC Zhilstroisberbank Kazakhstan	12	5.7%

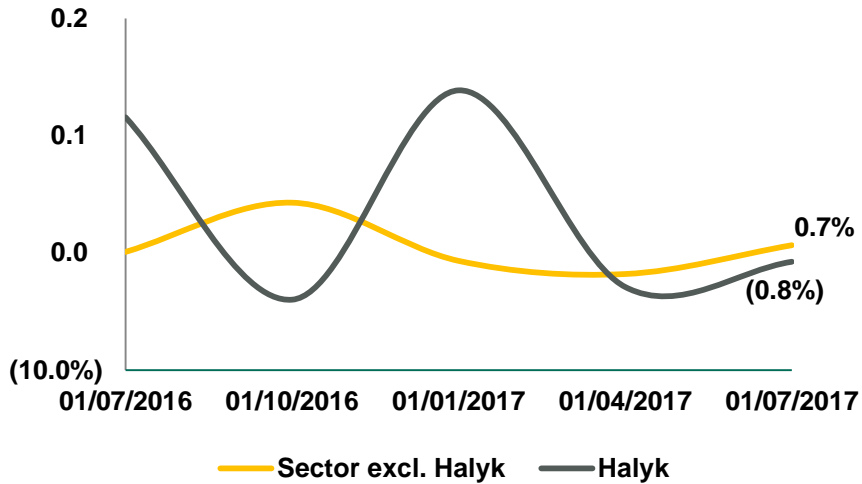
Source: National Bank of Kazakhstan, unconsolidated, KAS

* excl. banks with negative income

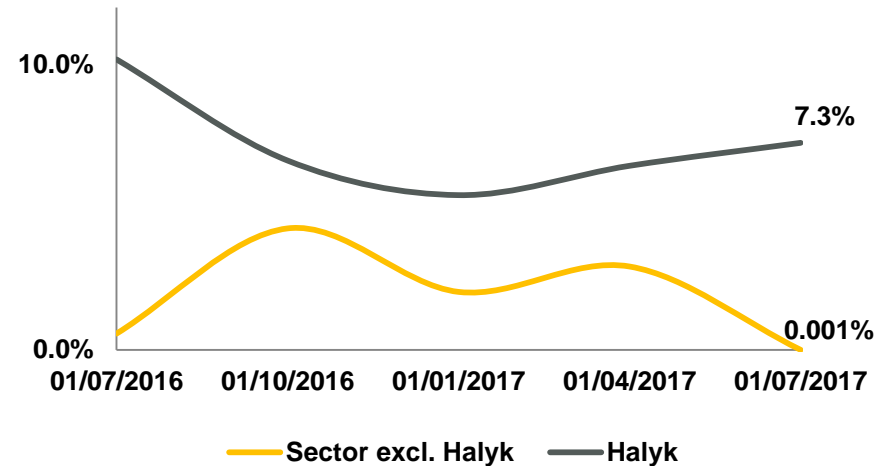
Halyk Bank vs. Sector



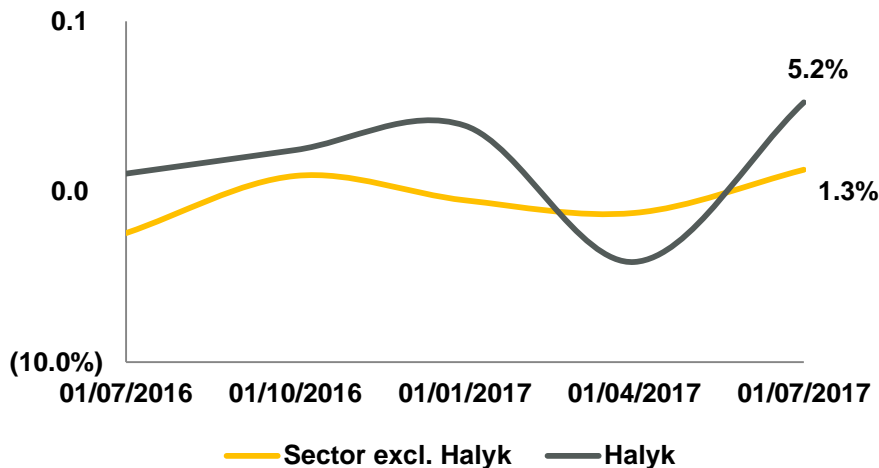
Growth Rate of Total Assets



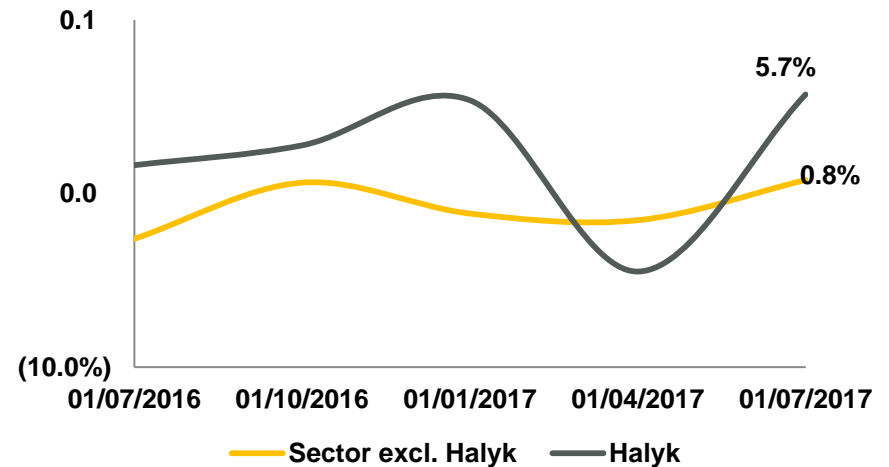
Growth Rate of Equity



Growth Rate of Gross Loans



Growth Rate of Net Loans

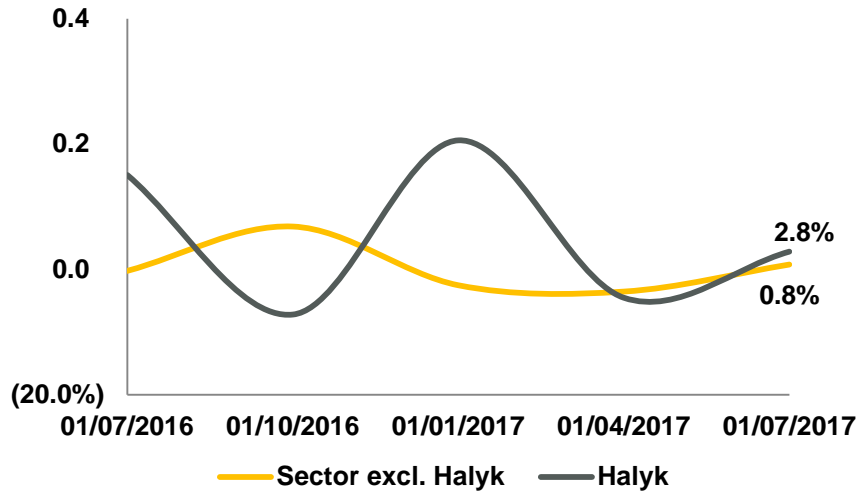


Source: National Bank of Kazakhstan, unconsolidated, KAS

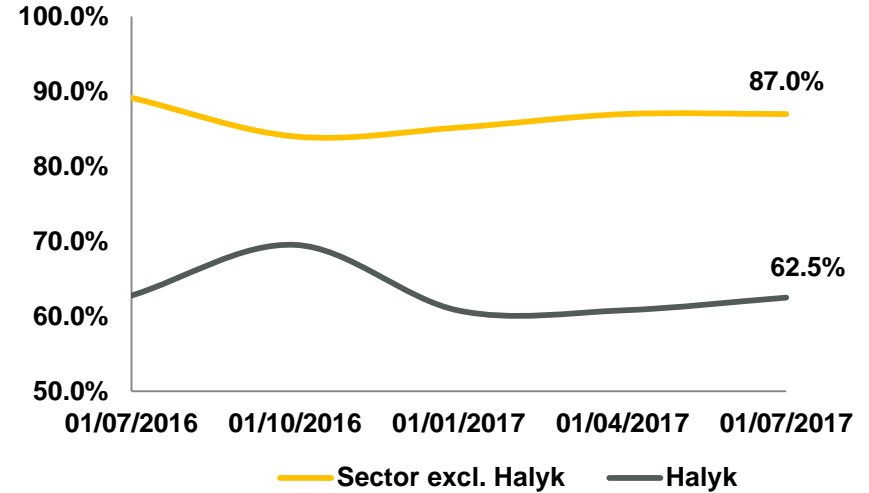


Halyk Bank vs. Sector

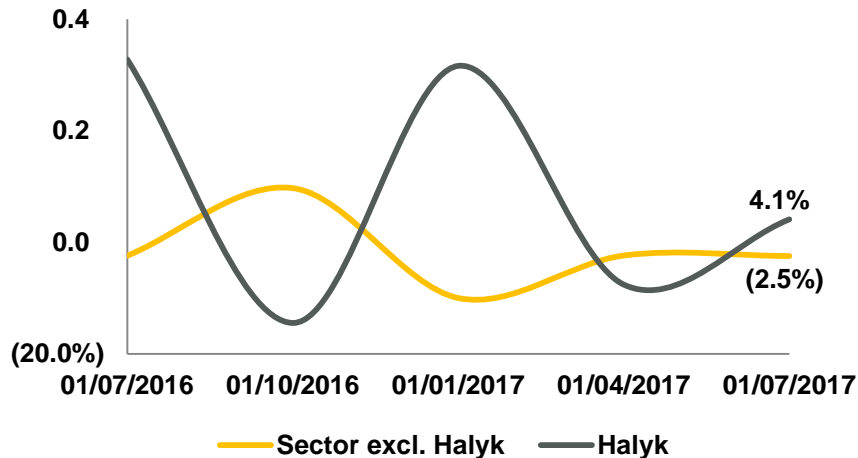
Growth Rate of Total Deposits



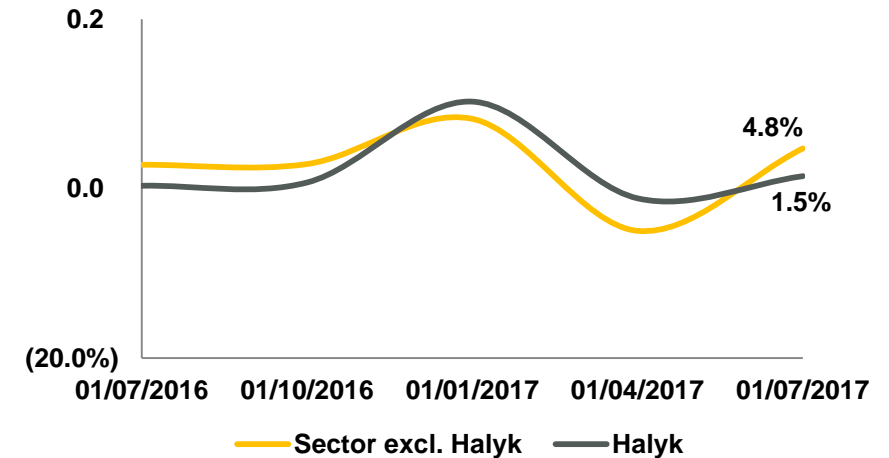
Loan to Deposit Ratio



Growth Rate of Corporate Deposits



Growth Rate of Retail Deposits

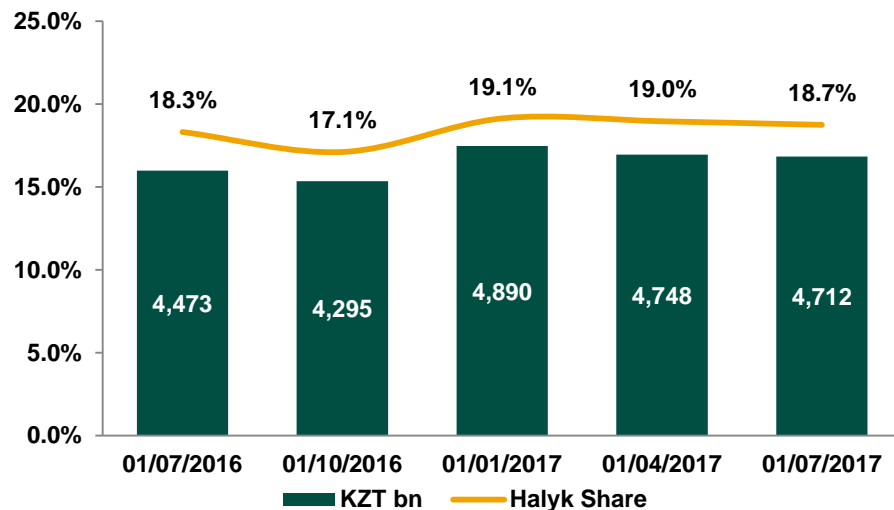


Source: National Bank of Kazakhstan, unconsolidated, KAS

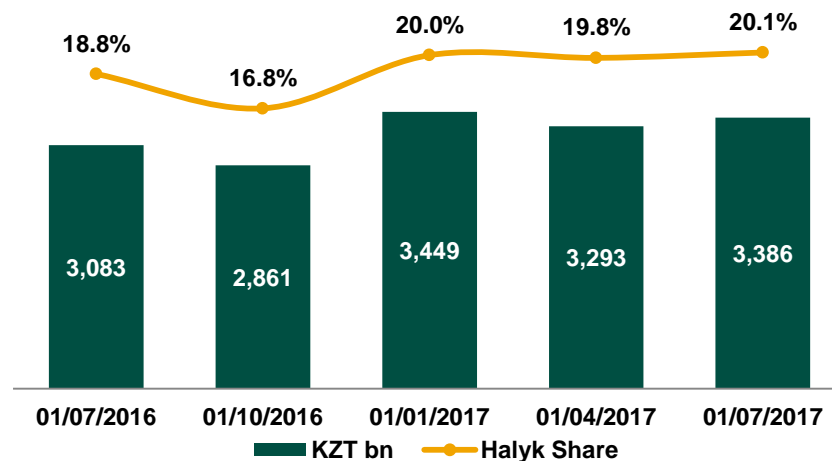
Market Position of Halyk Bank



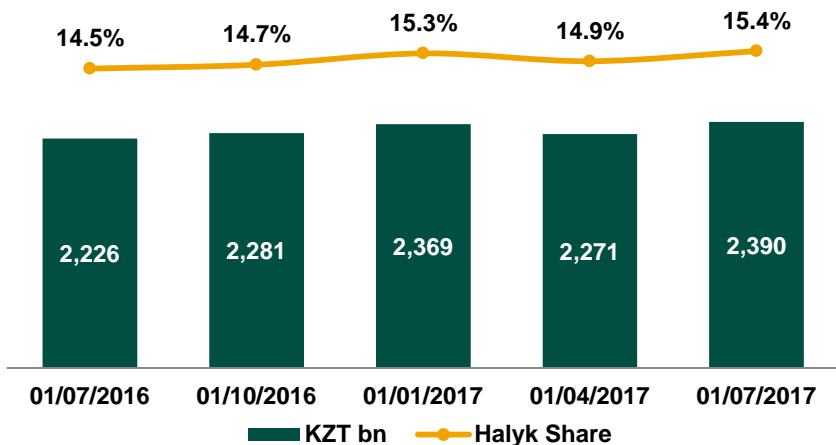
Total Assets



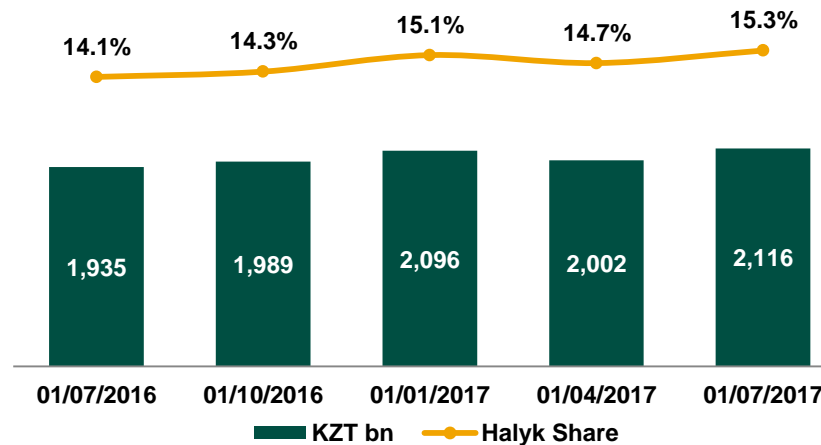
Total Deposits



Gross Loans



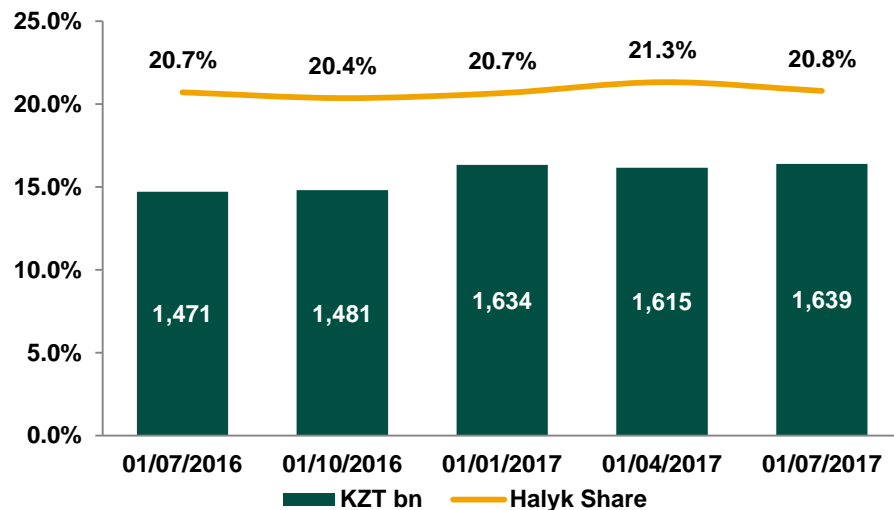
Net Loans



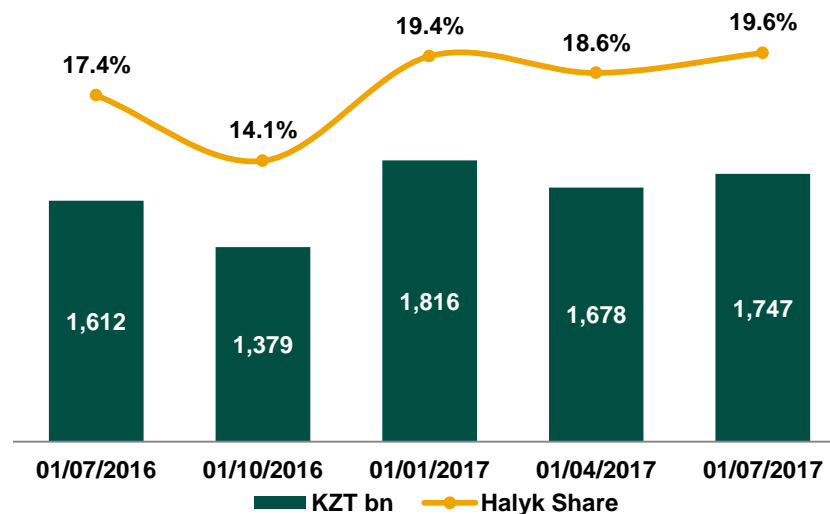
Market Position of Halyk Bank



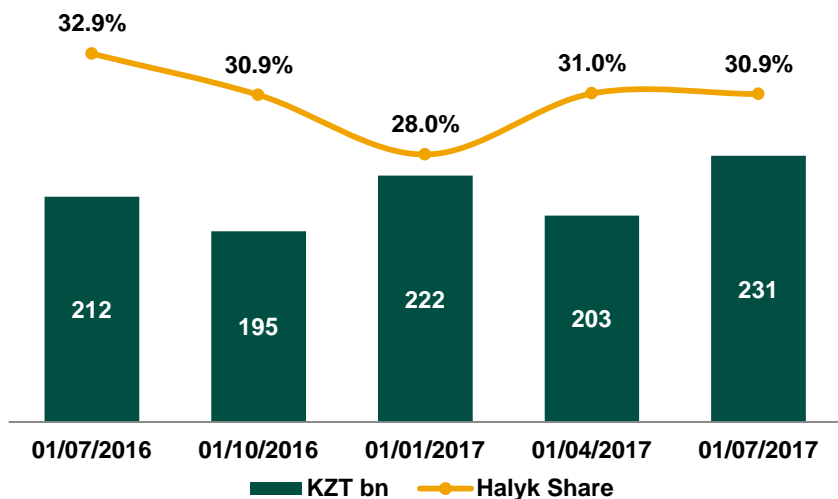
Total Retail Deposits



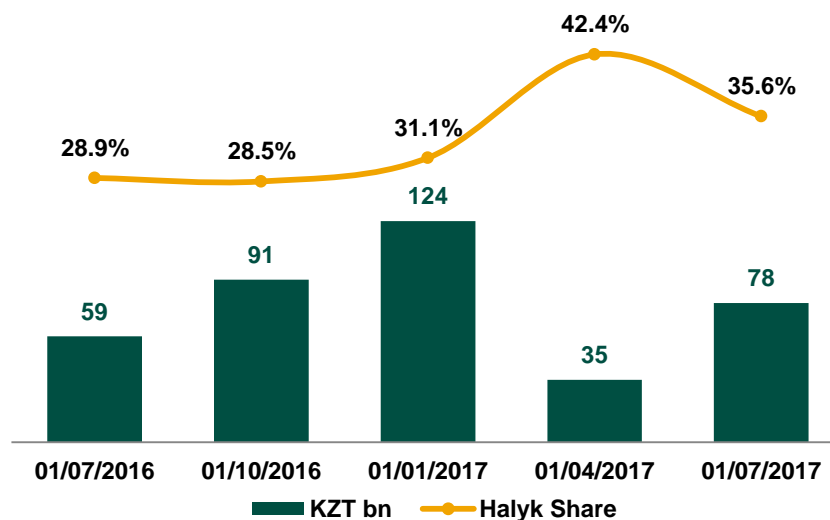
Total Corporate Deposits



Retail Current Accounts



Net Income



Key Financial Indicators (continued)



Halyk Bank only

	30-Jun-17	31-Mar-17	31-Dec-16	30-Sep-16
Number of branches and outlets	504	506	509	509
Number of ATMs	2,367	2,368	2,364	2,368
Number of POS-terminals	23,455	23,657	23,937	23,766
Information and transaction terminals (multiservice kiosks)	408	431	461	498
Payment terminals	576	577	577	576
Clients of internet banking, <i>individuals</i>	1,045,138	980,854	918,210	847,988
Clients of internet banking, <i>legal entities</i>	16,170	15,824	15,065	14,168
SMS banking clients	1,912,326	1,811,636	1,746,655	1,629,917
Telebanking clients	163,018	155,510	147,487	135,028
Payment card holders	5,619,107	5,508,576	5,461,886	5,442,717
Payroll project clients (legal entities)	22,996	23,165	23,001	22,974

	2Q 2017 ⁽²⁾	1Q 2017 ⁽²⁾	4Q 2016 ⁽²⁾	3Q 2016 ⁽²⁾
Cost-to-income ⁽¹⁾	29.4%	27.1%	30.5%	24.0%
Return on average common shareholders' equity (RoAE)	22.1%	22.4%	23.1%	24.1%
Return on average assets (RoAA)	3.1%	3.0%	3.0%	3.1%
Net interest margin	5.7%	5.2%	5.3%	5.6%
Operating expenses / average total assets	1.7%	1.5%	1.9%	1.5%

⁽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 Alтын Bank.

Shareholder Structure of Halyk Bank, 01.07.2017



№	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	1,852,336,680	16.8%	1,852,336,680	16.8%	-	-
4	Other	339,887,857	3.1%	339,887,857	3.1%	-	-
5	Total outstanding (on consolidated basis)	10,994,958,055	100.0%	10,994,958,055	100.0%	-	-

Board of Directors and Management Board



Board of Directors of Halyk Bank, 01.07.2017

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, 01.07.2017

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)

	01/07/2016	01/10/2016	01/01/2017	01/04/2017	01/07/2017
ASSETS	4,898,259	4,705,344	5,348,483	5,201,147	5,275,683
Cash and cash equivalents	1,520,372	1,330,740	1,774,519	1,490,194	1,415,150
Obligatory reserves	76,854	71,642	76,122	72,429	73,967
Financial assets at fair value through profit or loss	484,900	413,208	328,737	96,110	130,883
Amounts due from credit institutions	41,443	32,217	35,542	38,774	35,245
Available-for-sale investment securities	357,168	441,704	599,624	1,069,305	1,102,797
Investments held to maturity	42,165	0	0	0	
Precious metals	2,969	3,017	1,684	1,713	1,888
Loans to customers	2,160,638	2,203,326	2,319,583	2,219,541	2,292,038
Property and equipment	92,832	95,728	94,897	94,309	95,344
Assets held for sale	11,603	10,210	10,297	11,048	15,611
Goodwill	4,954	4,954	4,954	4,954	4,954
Intangible assets	8,387	9,046	9,179	8,828	5,925
Insurance assets	31,044	30,465	28,354	27,538	27,320
Other assets	62,930	59,087	64,991	66,404	74,562

Balance Sheet (USD mln)

	01/07/2016	01/10/2016	01/01/2017	01/04/2017	01/07/2017
ASSETS	14,464	14,027	16,048	16,578	16,370
Cash and cash equivalents	4,489	3,967	5,324	4,750	4,391
Obligatory reserves	227	214	228	231	230
Financial assets at fair value through profit or loss	1,432	1,232	986	306	406
Amounts due from credit institutions	122	96	107	124	109
Available-for-sale investment securities	1,055	1,317	1,799	3,408	3,422
Investments held to maturity	125	0	0	0	0
Precious metals	9	9	5	5	6
Loans to customers	6,380	6,568	6,960	7,075	7,112
Property and equipment	274	285	285	301	296
Assets held for sale	34	30	31	35	48
Goodwill	15	15	15	16	15
Intangible assets	25	27	28	28	18
Insurance assets	92	91	85	88	85
Other assets	186	176	195	212	231

Financial Overview of Halyk Bank



Balance Sheet (KZT mln)

	01/07/2016	01/10/2016	01/01/2017	01/04/2017	01/07/2017
LIABILITIES AND EQUITY	4,898,259	4,705,344	5,348,483	5,201,147	5,275,683
Amounts due to customers	3,437,485	3,171,519	3,820,662	3,617,073	3,881,009
Amounts due to credit institutions	149,981	178,777	162,134	186,694	139,967
Financial liabilities at fair value through profit or loss	450	727	2,841	5,935	4,178
Debt securities issued	593,894	591,050	584,933	564,453	383,602
Provisions	956	942	987	723	182
Deferred tax liability	35,651	34,715	23,181	19,443	20,839
Insurance liabilities	62,767	64,880	64,374	69,492	71,273
Other liabilities	29,159	30,354	23,778	27,661	19,852
Total liabilities	4,310,343	4,072,964	4,682,890	4,491,474	4,520,902
Share capital	143,695	143,695	143,695	143,695	143,695
Share premium reserve	1,946	1,916	1,911	1,900	1,886
Treasury shares	(103,142)	(103,121)	(103,121)	(103,068)	(103,041)
Retained earnings and other reserves	545,417	589,890	623,108	667,146	712,241
Total equity	587,916	632,380	665,593	709,673	754,781

Balance Sheet (USD mln)

	01/07/2016	01/10/2016	01/01/2017	01/04/2017	01/07/2017
LIABILITIES AND EQUITY	14,464	14,027	16,048	16,578	16,370
Amounts due to customers	10,150	9,454	11,463	11,529	12,043
Amounts due to credit institutions	443	533	486	595	434
Financial liabilities at fair value through profit or loss	1	2	9	19	13
Debt securities issued	1,754	1,762	1,755	1,799	1,190
Provisions	3	3	3	2	1
Deferred tax liability	105	103	70	62	65
Insurance liabilities	185	193	193	222	221
Other liabilities	86	90	71	88	62
Total liabilities	12,728	12,141	14,050	14,316	14,028
Share capital	424	428	431	458	446
Share premium reserve	6	6	6	6	6
Treasury shares	(305)	(307)	(309)	(329)	(320)
Retained earnings and other reserves	1,611	1,758	1,870	2,126	2,210
Total equity	1,736	1,885	1,997	2,262	2,342

Financial Overview of Halyk Bank

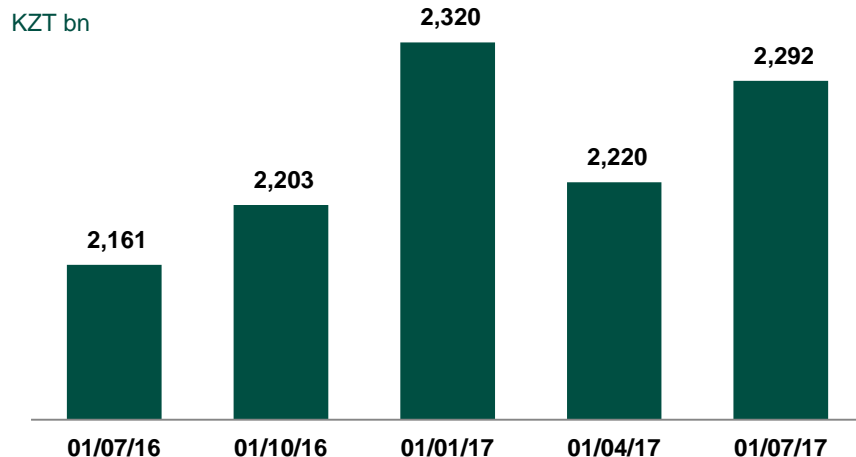


Income Statement (KZT mln)						Income Statement (USD mln)					
	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017		2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
Interest income	88,401	92,948	94,520	96,208	100,630	Interest income	263	272	282	298	319
Interest expense	(41,722)	(43,003)	(44,355)	(46,299)	(45,198)	Interest expense	(124)	(126)	(132)	(144)	(143)
Net interest income before impairment charge	46,679	49,945	50,165	49,909	55,432	Net interest income before impairment charge	139	146	150	155	176
Impairment charge	(6,194)	(8,314)	(6,668)	(4,855)	(5,585)	Impairment charge	(18)	(24)	(20)	(15)	(18)
Net interest income	40,485	41,631	43,497	45,054	49,847	Net interest income	121	122	130	140	158
Fees and commissions income	14,885	15,130	15,874	14,751	16,031	Fees and commissions income	44	44	47	46	51
Fees and commissions expense	(3,281)	(2,540)	(3,067)	(3,160)	(3,481)	Fees and commissions expense	(10)	(7)	(9)	(10)	(11)
Net gain from financial assets and liabilities at fair value through profit or loss	(7,573)	(5,428)	(3,655)	(11,493)	4,208	Net gain from financial assets and liabilities at fair value through profit or loss	(23)	(16)	(11)	(36)	13
Net realized gain from available-for-sale investment securities	798	1,847	2,234	222	5	Net realized gain from available-for-sale investment securities	2	5	7	1	0
Net gain on foreign exchange operations	8,316	7,333	7,417	15,133	(572)	Net gain on foreign exchange operations	25	21	22	47	(2)
Insurance underwriting income	7,450	7,607	8,129	8,948	11,337	Insurance underwriting income	22	22	24	28	36
Other income	1,831	1,209	2,521	889	1,409	Other income	5	4	8	3	4
OTHER NON-INTEREST INCOME	10,822	12,568	16,646	13,699	16,387	OTHER NON-INTEREST INCOME	32	37	50	42	52
Operating expenses	(16,623)	(17,719)	(23,059)	(18,821)	(22,477)	Operating expenses	(50)	(52)	(69)	(58)	(71)
Recoveries of provisions/(provisions)	150	9	(71)	243	93	Recoveries of provisions/(provisions)	0.4	0.03	(0.2)	1	0.3
Insurance claims incurred, net of reinsurance	(6,386)	(6,848)	(6,756)	(8,309)	(10,774)	Insurance claims incurred, net of reinsurance	(19)	(20)	(20)	(26)	(34)
NON-INTEREST EXPENSES	(22,859)	(24,558)	(29,886)	(26,887)	(33,158)	NON-INTEREST EXPENSES	(68)	(72)	(89)	(83)	(105)
INCOME BEFORE INCOME TAX EXPENSE	40,052	42,231	43,064	43,457	45,625	INCOME BEFORE INCOME TAX EXPENSE	119	124	129	135	145
Income tax expense	(5,839)	(5,367)	(5,653)	(4,975)	(5,225)	Income tax expense	(17)	(16)	(17)	(15)	(17)
NET PROFIT FROM CONTINUING OPERATIONS	34,213	36,864	37,411	38,482	40,400	NET PROFIT FROM CONTINUING OPERATIONS	102	108	112	119	128
NET INCOME	34,213	36,864	37,411	38,482	40,400	NET INCOME	102	108	112	119	128

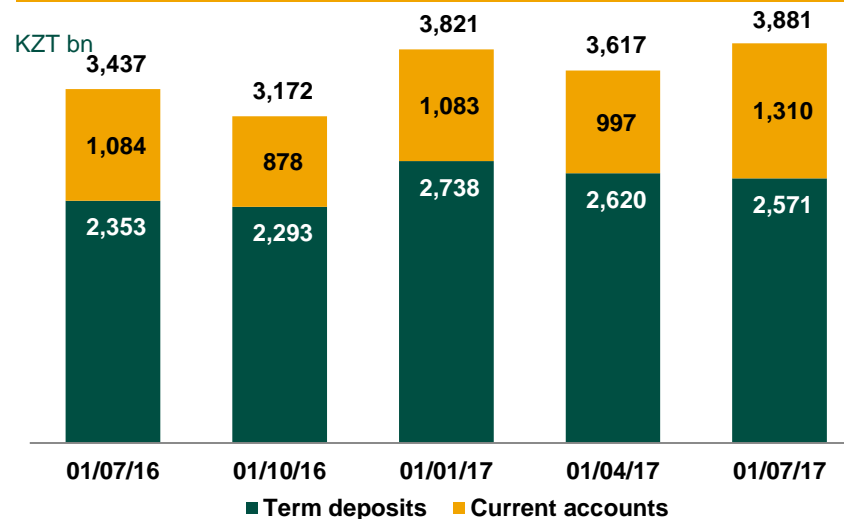
Financial Overview of Halyk Bank



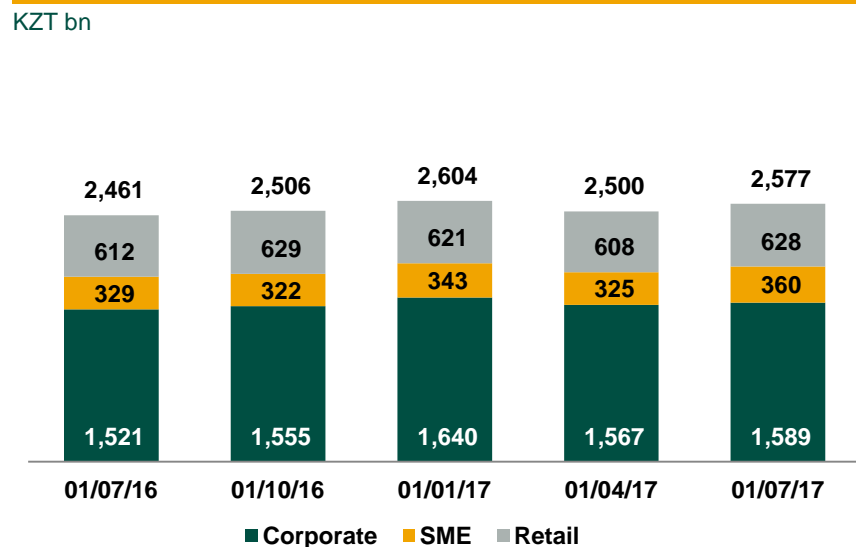
Net Loans



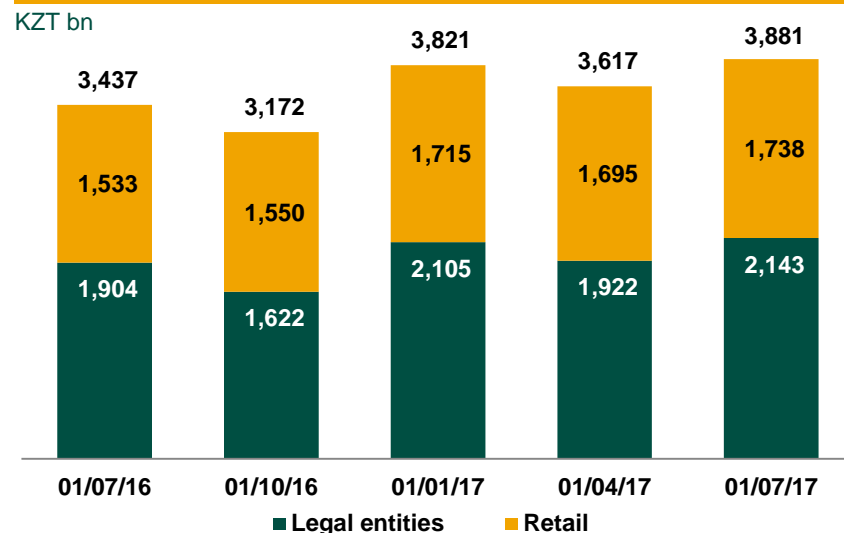
Deposits by Type



Breakdown of Gross Loans



Deposits by Type of Depositors



Financial Overview of Halyk Bank

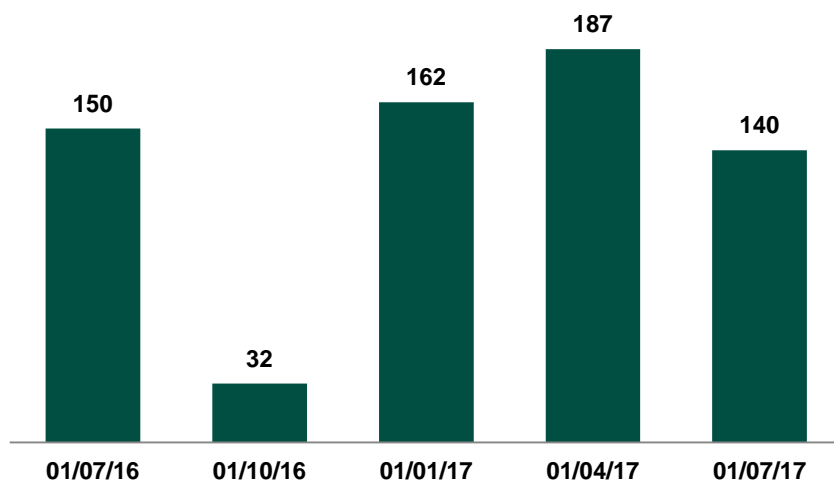


Bonds Outstanding

ISIN (NIN)	Currency	Issue Date	Maturity Date	Tenor, years	Initial Amount	Outstanding Amount, 01.01.2017	Coupon, 01.01.2017
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%

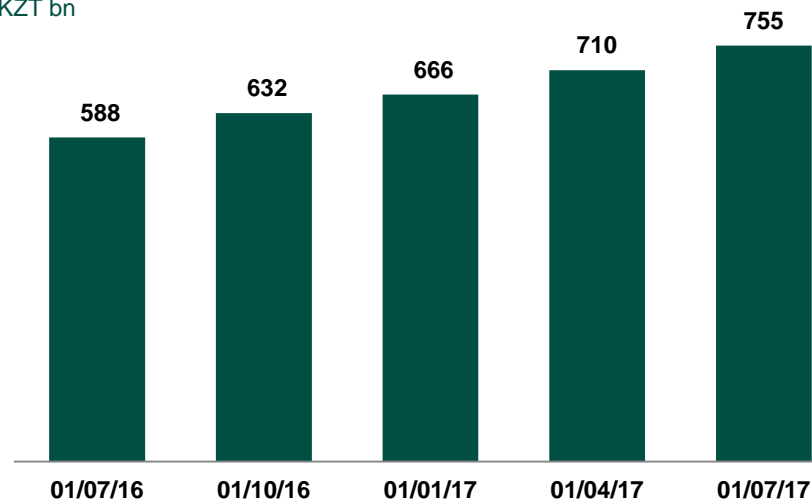
Amounts Due to Credit Institutions

KZT bn



Equity

KZT bn

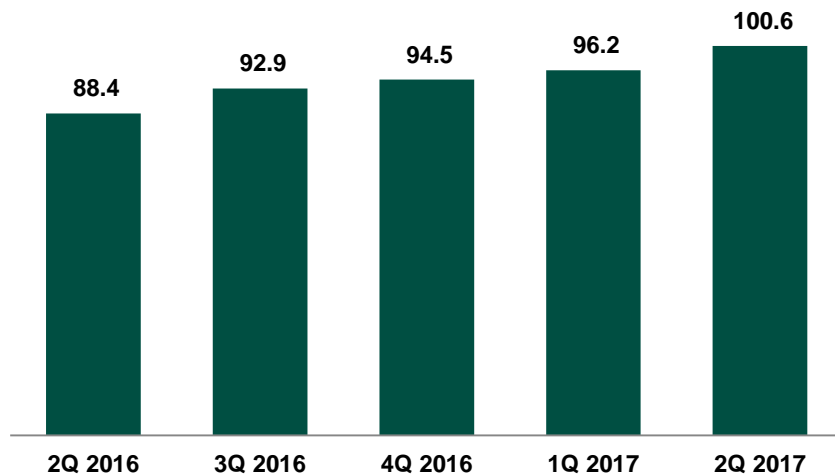


Financial Overview of Halyk Bank



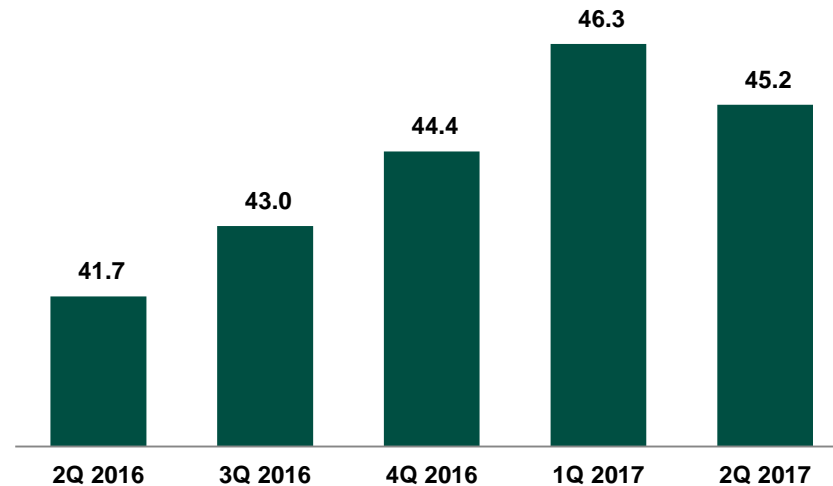
Interest Income

KZT bn



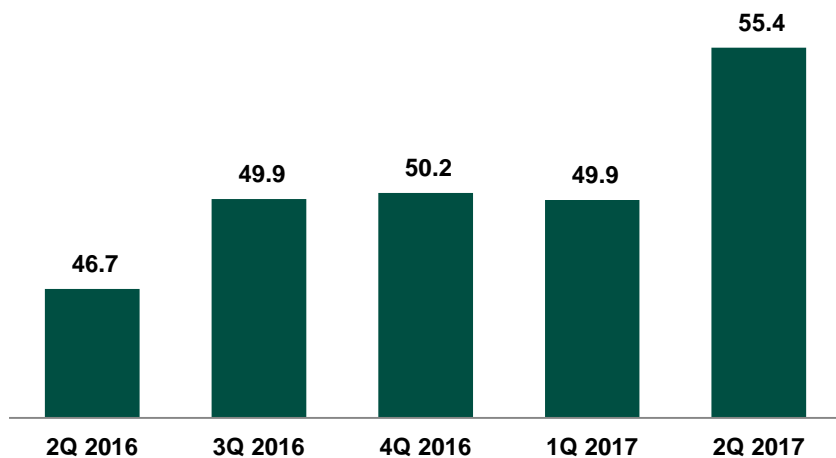
Interest Expense

KZT bn



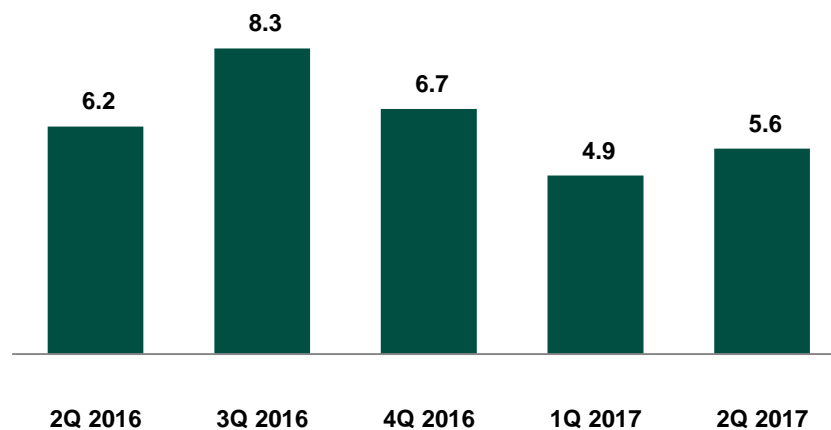
Net Interest Income before Impairment Charge

KZT bn



Impairment Charge

KZT bn

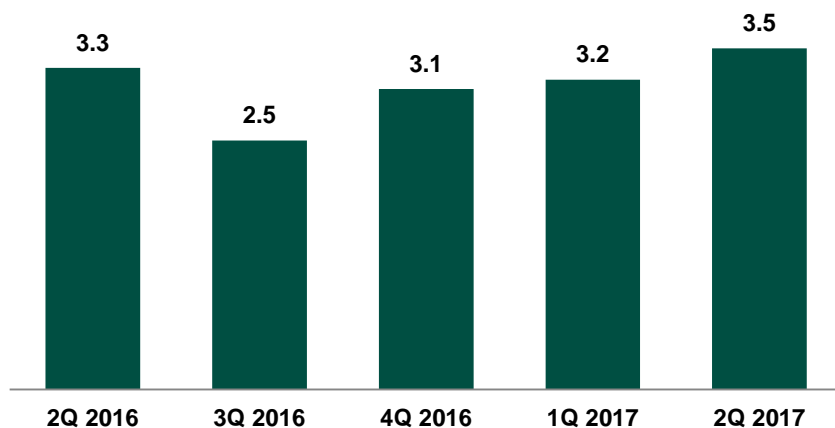


Financial Overview of Halyk Bank



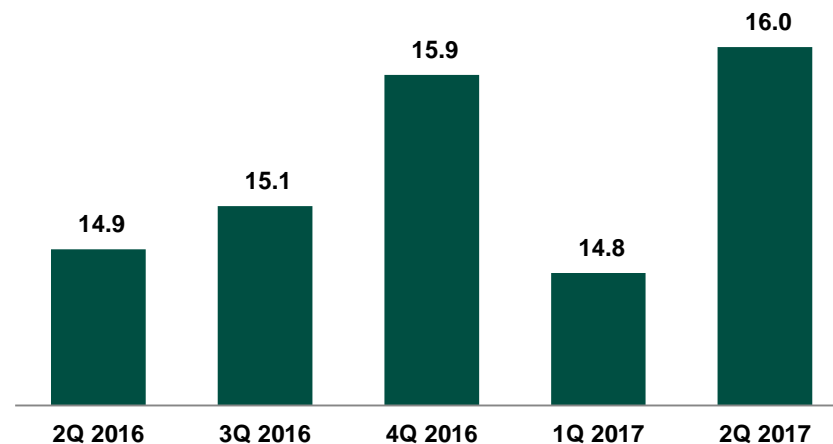
Fee and Commission Expense

KZT bn



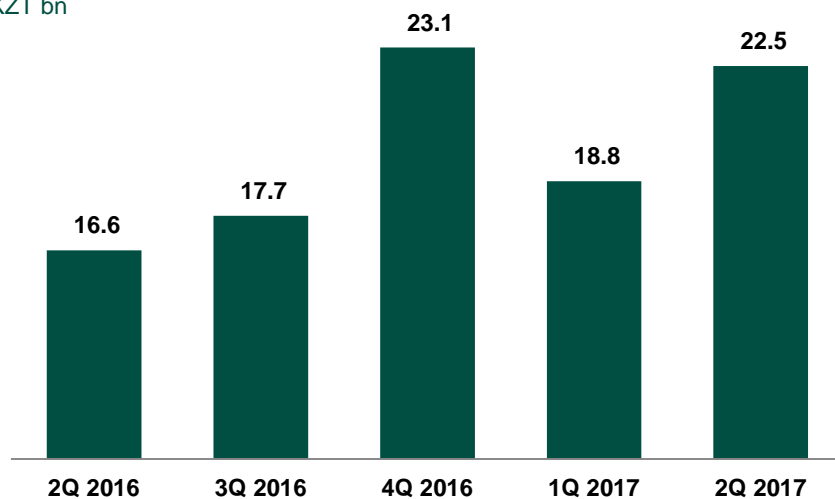
Fee and Commission Income from Transactional Banking

KZT bn

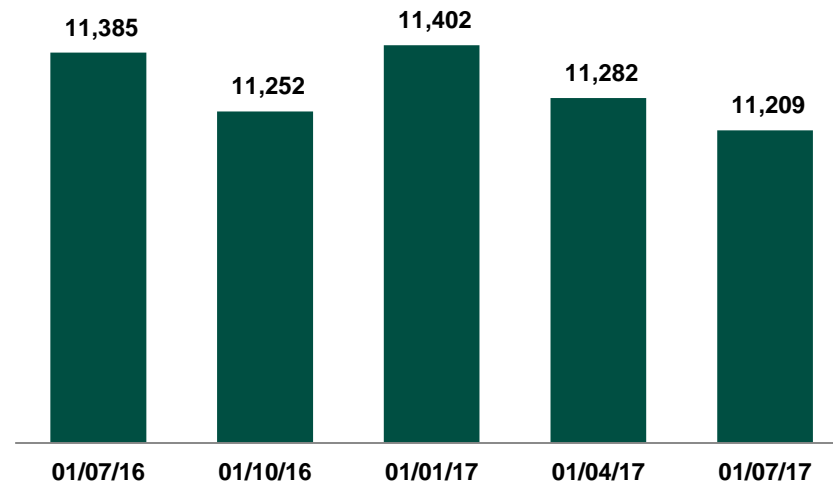


Operating Expenses

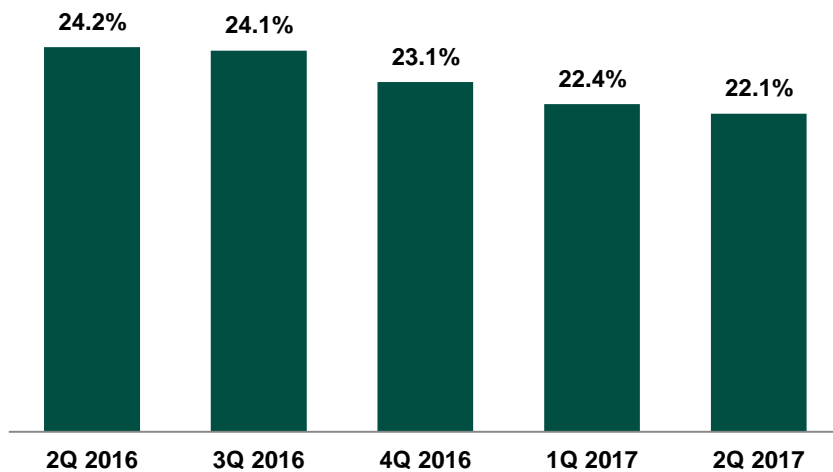
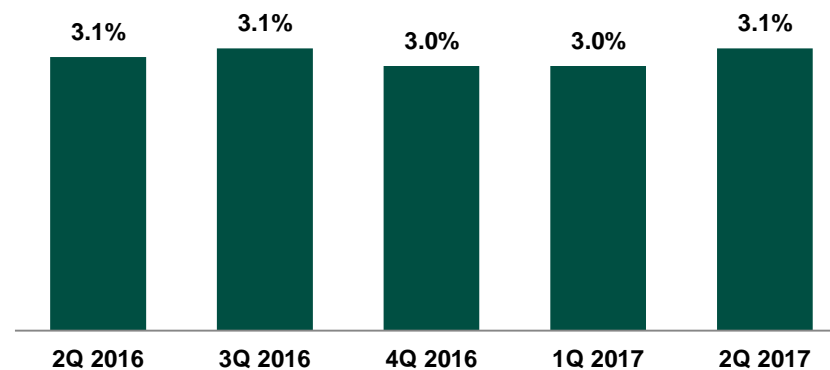
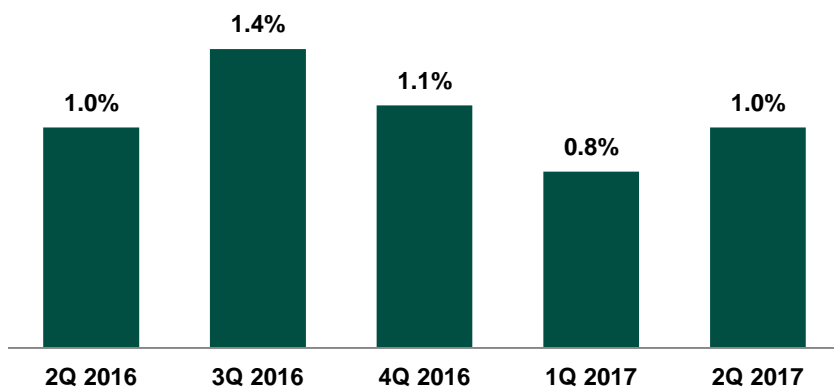
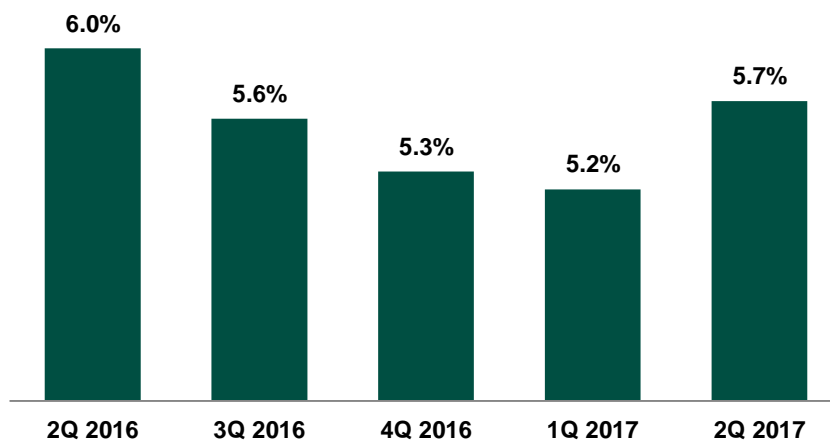
KZT bn



FTE (Full Time Employees)



Financial Overview of Halyk Bank

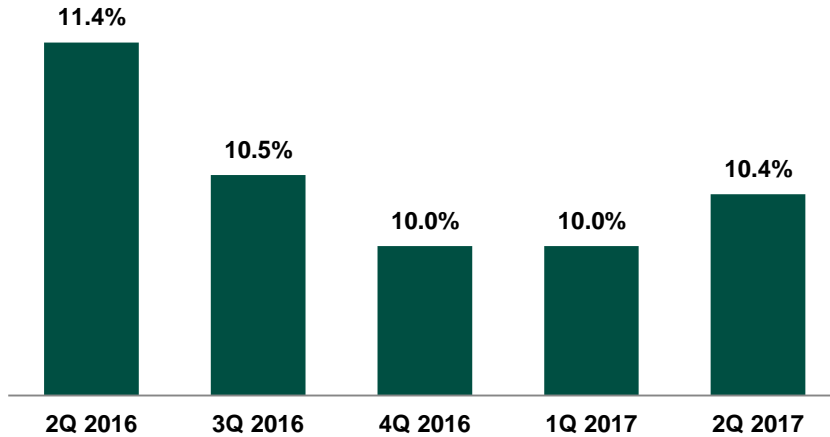
RoAE ⁽¹⁾RoAA ⁽¹⁾Cost of Risk ⁽¹⁾NIM ⁽¹⁾⁽¹⁾ annualised

Source: Halyk Bank's Consolidated Financial Statements

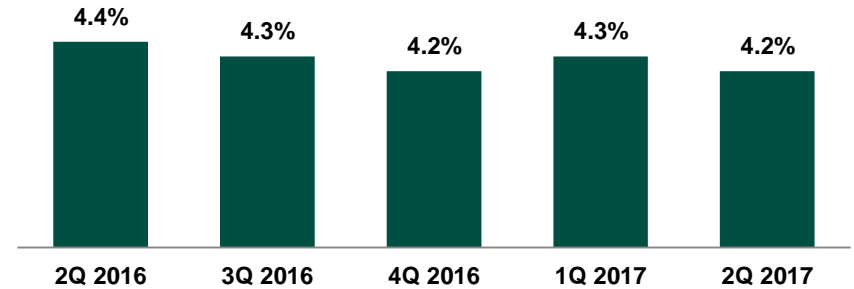
Financial Overview of Halyk Bank



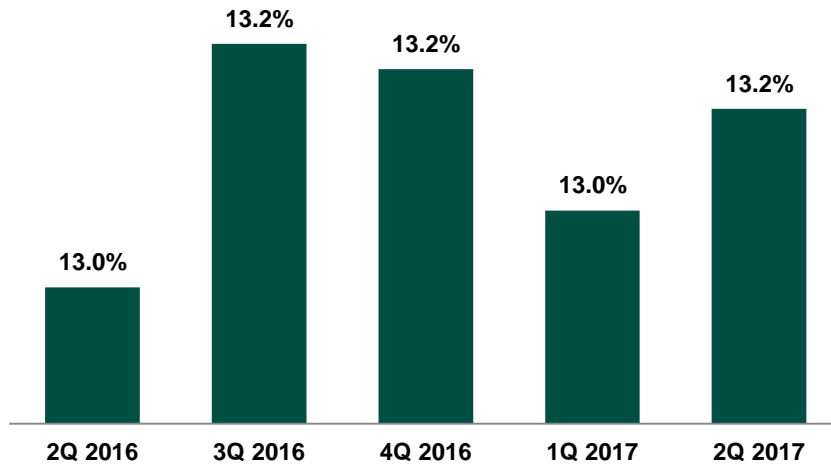
Average Interest Rates on Interest-Earning Assets ⁽¹⁾



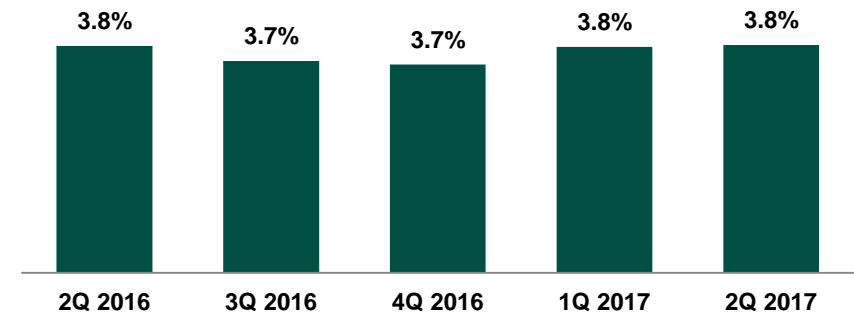
Average Interest Rates on Interest-Bearing Liabilities ⁽¹⁾



Average Interest Rates on Loans ⁽¹⁾



Average Interest Rates on Deposits ⁽¹⁾



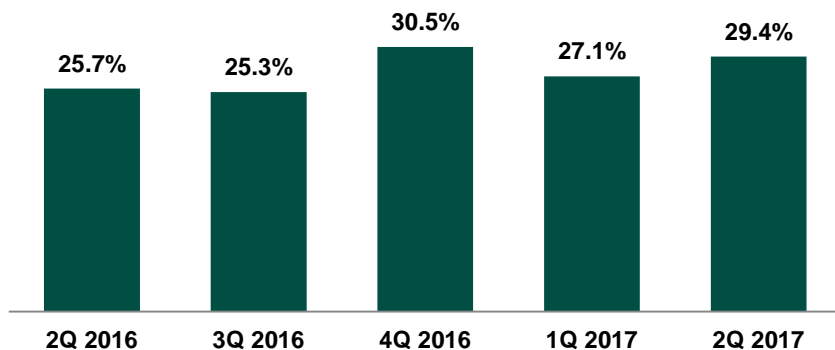
⁽¹⁾ annualised

Source: Halyk Bank's Consolidated Financial Statements

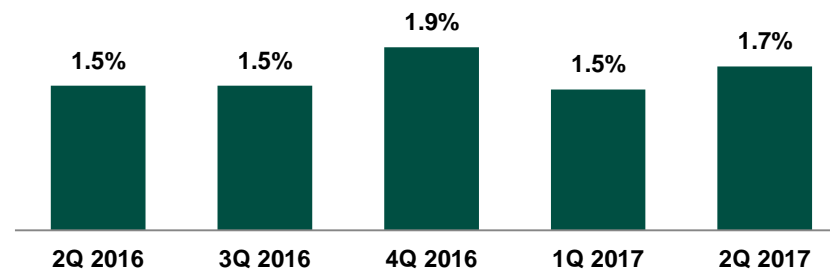
Financial Overview of Halyk Bank



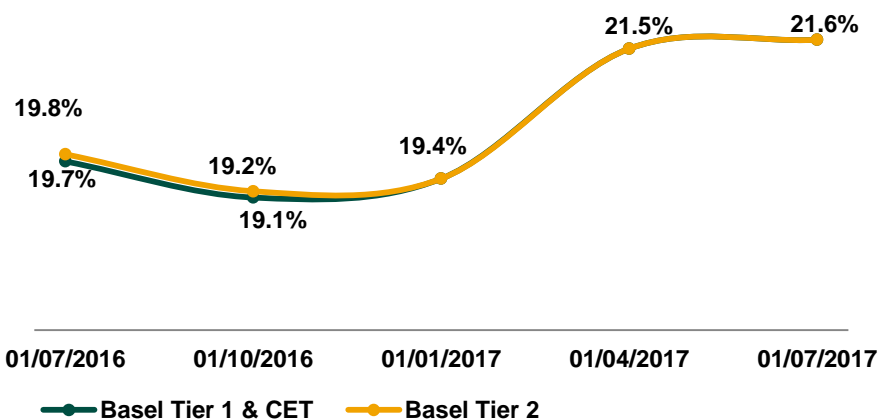
Cost-to-Income



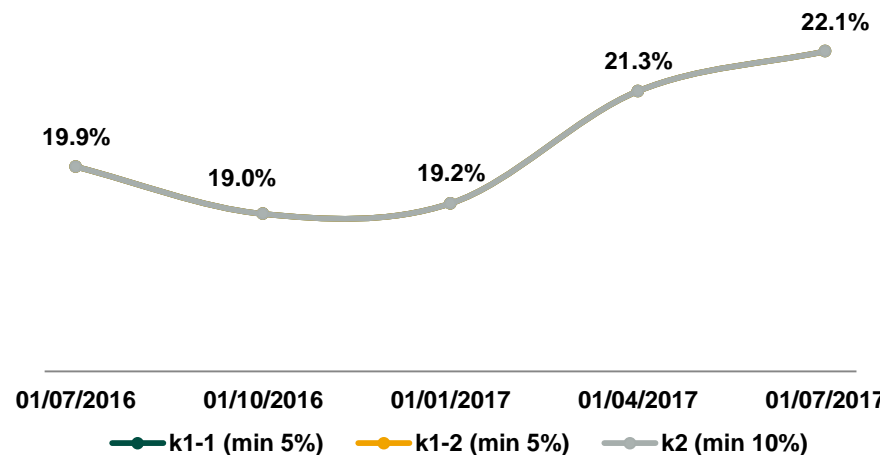
Cost-to-Average Assets ⁽¹⁾



Basel Capital Adequacy Ratios



NBK Capital Adequacy Ratios



⁽¹⁾ annualised

Source: Halyk Bank's Consolidated Financial Statements