



Kazakhstan's Leading Retail Bank

Financial Results Presentation

For the six months ended 30 June 2009

2 September 2009

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Disclaimer



Certain information contained in this presentation includes 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 disclosure unless stated otherwise.

Snapshot, 30 June 2009



Manageable Repayment Needs

- Only USD 500 mln due in 2009
- Total foreign debt ~26.5% of total liabilities

Strong Liquidity Position & Funding Base

- Liquid assets to total assets ratio at 34.3%
- ~69% of loans to customers have contractual maturity of less than 1 year
- Total deposits growth by 37% in 1H 2009
- Loan-to-Deposit ratio down to 1.02 times

Strong Capitalisation

- k1 - 10.1%, k2 - 15.7% (FMSA)
- Regulatory capital growth - 30.4% YTD

Adequate Provisioning and Asset Quality Control

- Provisioning: 12.9% (IFRS), 16.5% (FMSA)
- NPL ratios leveling off: 3.3% growth in Q2 vs. 4.5% growth in Q1

Flight to Quality (Market Shares)

- Total assets - 13.6% (YE 2008) ↗ 16.3% (30 June 2009)
- Total deposits* - 18.6% (YE 2008) ↗ 21.8% (30 June 2009)
- Retail deposits - 21.8% (YE 2008) ↗ 22.6% (30 June 2009)
- Corporate deposits* - 17.0% (YE 2008) ↗ 21.5% (30 June 2009)
- Retail current accounts - 36.2% (YE 2008) ↗ 39.1% (30 June 2009)
- Retail term deposits - 19.6% (YE 2008) ↗ 20.2% (30 June 2009)

* excluding SPV deposits

Efficient Cost Control

- 1H 2009 cost-to-income ratio – 24.6%, cost-to-average assets – 2%

Recent Awards

- “Best Local Bank in Kazakhstan” award from Emeafinance, June 2009
- “Best Bank in Kazakhstan” award from Euromoney, July 2009

Systemically Important Institution



Social Importance

- The largest number of retail depositors
- The largest number of pension fund accounts among commercial pension funds
- The largest number of salary accounts
- Nationwide agent for pension and other social payments
- 8.5% of pension funds' KZT denominated bond portfolio consists of bonds issued by Halyk
- Retail deposits and pension contributions under management at Halyk Group make up 5.4% of GDP*

Widest Branch Network in Kazakhstan

- #1 Halyk with 615 outlets, #2 (294 outlets) and #3 (197 outlets)

Strong Brand Name

- Broad knowledge of “Halyk” brand
- Population perceive Halyk as a ‘Safe Heaven’

Strong Presence in Other Financial Segments

- Halyk Pension Fund – the leading pension fund in the country with 29.5% market share by pension assets under management
- Kazakhinstrakh – a universal insurance company with 11.7% market share by insurance premiums collected

Strategic Partnership with the Government

- Samruk-Kazyna owns 20.9% of common shares and 50.3% of non-voting non-cumulative preferred shares
- Active participation in the Government anti-crisis programs

* GDP data for 2008

Financial Position



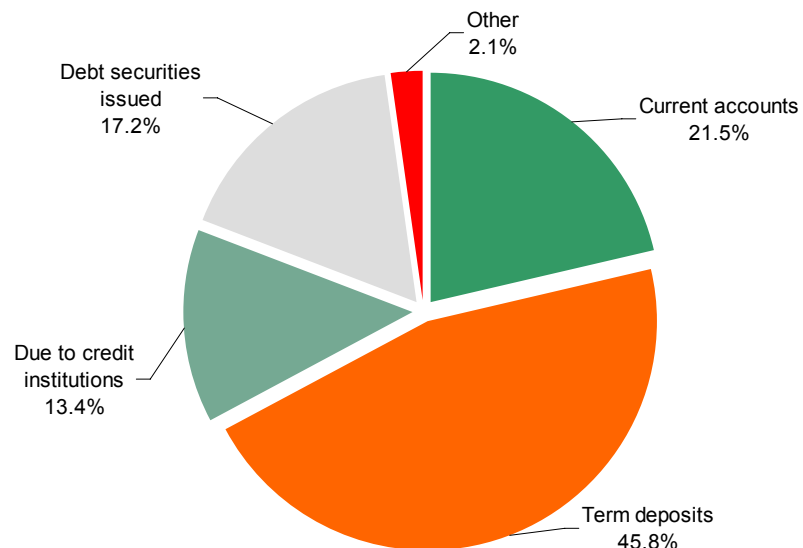
(in KZT mln)

	31 Dec 2008	30 Jun 2009	1H 2009 Change, %	1H 2009 Change in USD Terms*, %
Total Assets	1,651,349	2,035,138	23.2%	(1.0%)
Cash and Reserves	191,913	573,049	198.6%	139.8%
Securities Portfolio	159,477	131,148	(17.8%)	(34.0%)
Loan Portfolio	1,188,280	1,209,954	1.8%	(18.2%)
Other Assets	111,679	120,987	8.3%	(13.0%)
Total Liabilities	1,460,294	1,765,879	20.9%	(2.9%)
Total Deposits	867,392	1,188,577	37.0%	10.0%
Debt Securities	262,991	303,331	15.3%	(7.4%)
Amounts Due to Credit Institutions	289,608	236,344	(18.4%)	(34.5%)
Other Liabilities	40,303	37,627	(6.6%)	(25.0%)
Equity	191,055	269,259	40.9%	13.2%

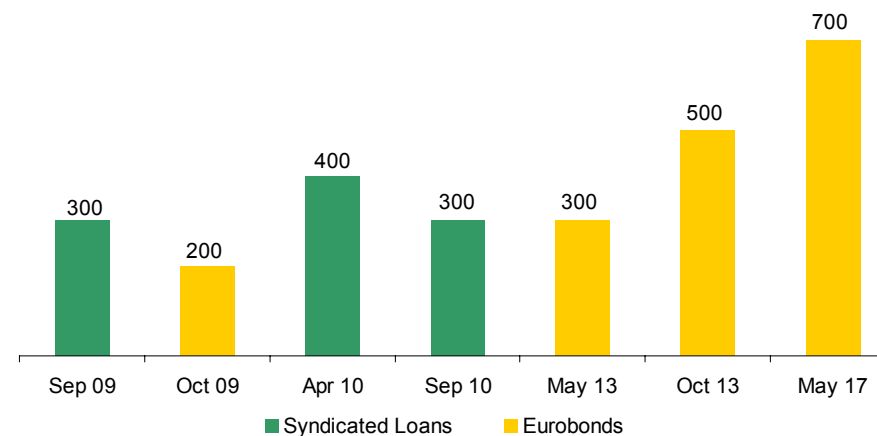
* Halyk Bank's estimation

Funding Structure

Breakdown of Funding, 30 June 2009



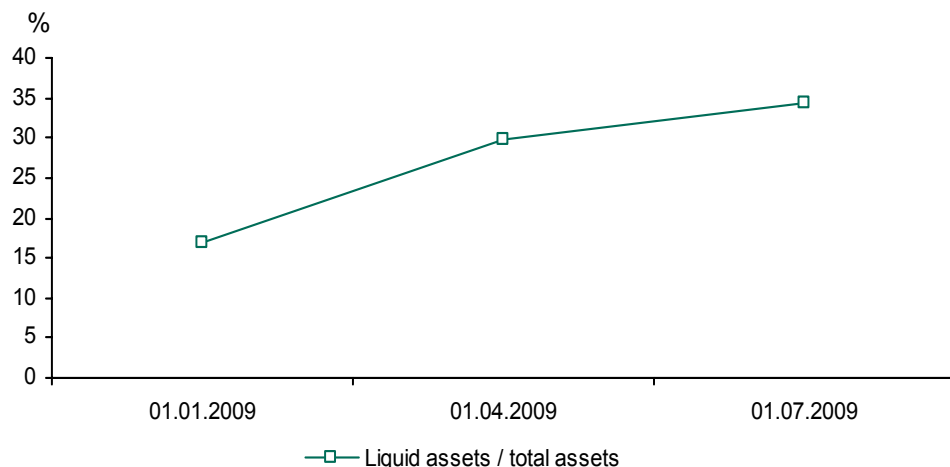
Maturity Profile of Large Ticket Foreign Borrowings (USD mln)



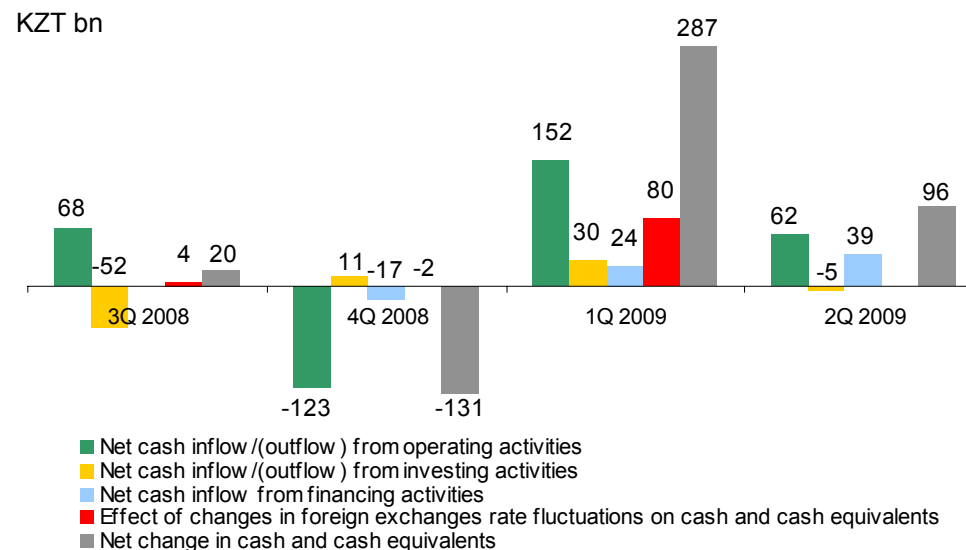
- historically prudent international funding policy
- no unusual covenants in syndicated loans and Eurobonds
- no private placement transactions

Strong Liquidity Position

Liquidity Position

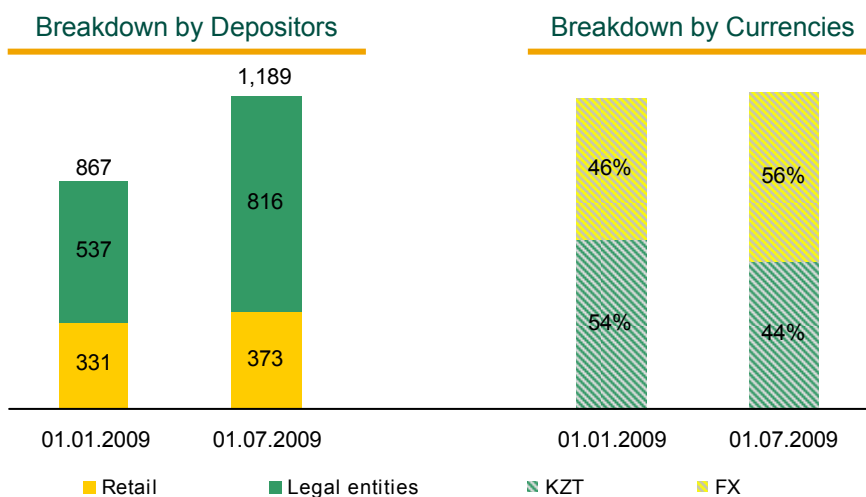


Cash Flow Dynamics



Deposit Base Development

KZT bn

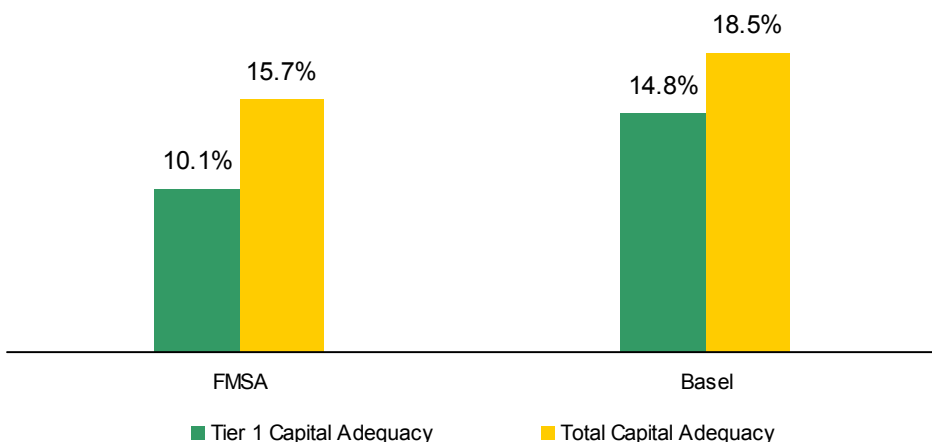


Comments

- Liquidity position improved substantially YTD
- Daily monitoring by ALCO of loan disbursements/repayments, deposits inflows/outflows and cash position continues
- Average interest rates paid on customer deposits decreased to 6.1%* in 1H 2009 compared to 7.0%* in 1H 2008 as Bank cut deposit rates by 100-200bp in 1H 2009 and continues to quote by far lowest corporate and retail deposit rates among local peers
- Regulatory (Deposit insurance fund) cap of 8% on FCY deposits is in effect since 16.02.2009, 11.5% cap in KZT to be introduced from 25.09.2009
- Retail deposit base remains well diversified with average term retail deposit size of less than \$5k

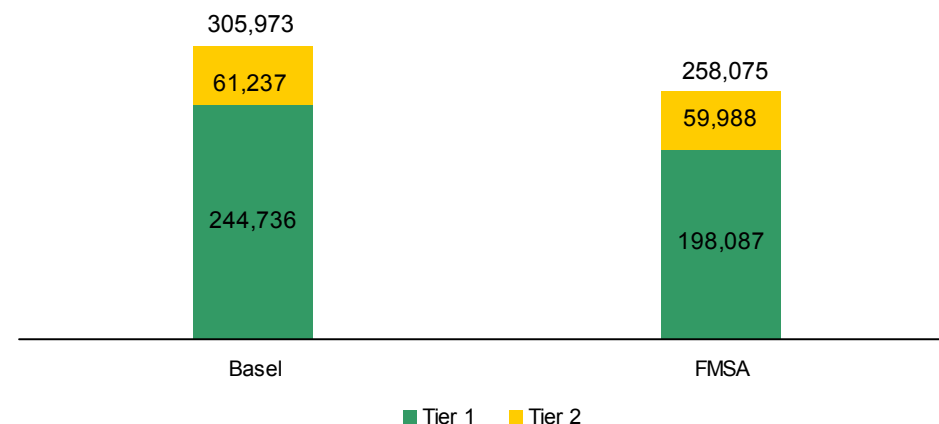
Strong Capitalisation

Capital Adequacy Ratios, 30 June 2009

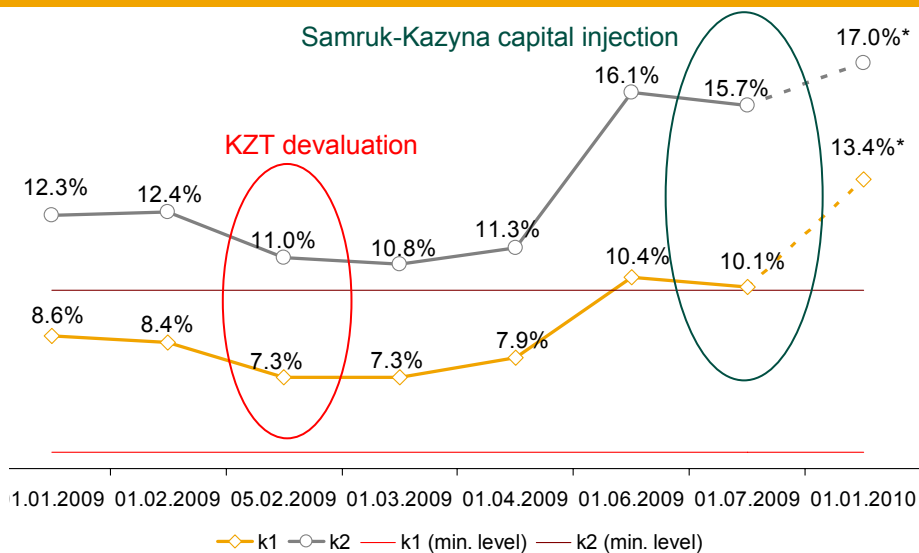


Capital Structure (KZT mln), 30 June 2009

KZT mln



FMSA Capital Adequacy Ratios



Comments

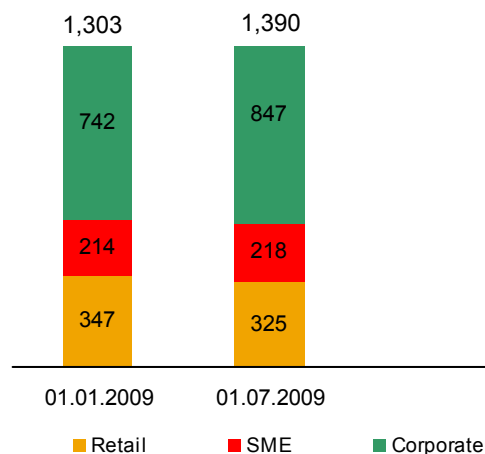
- Expected changes to capital regulation:
 - hybrid instruments announced to be excluded from Tier 1 capital calculation (from 01.01.2011)
 - 100% provisions on loans to offshore and offshore-related companies (from 01.01.2010)
 - 20% provision charge on foreign currency denominated loans (from 01.09.2009)
- Slight decrease in capital adequacy ratios in June 2009 due to growth in liquid assets

Loan Portfolio Analysis

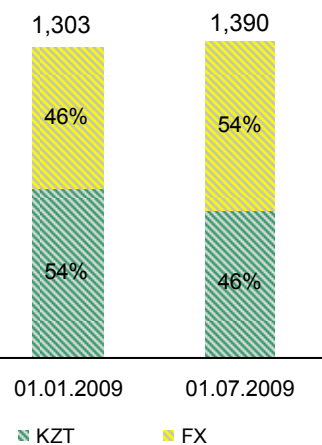
Loan Portfolio Growth (KZT bn)

KZT bn

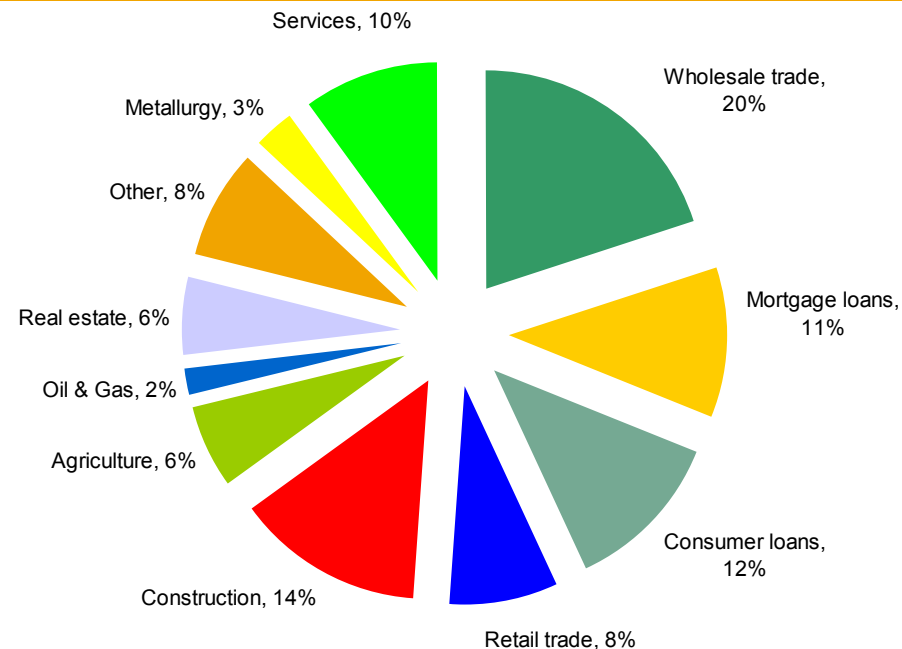
Breakdown by Businesses



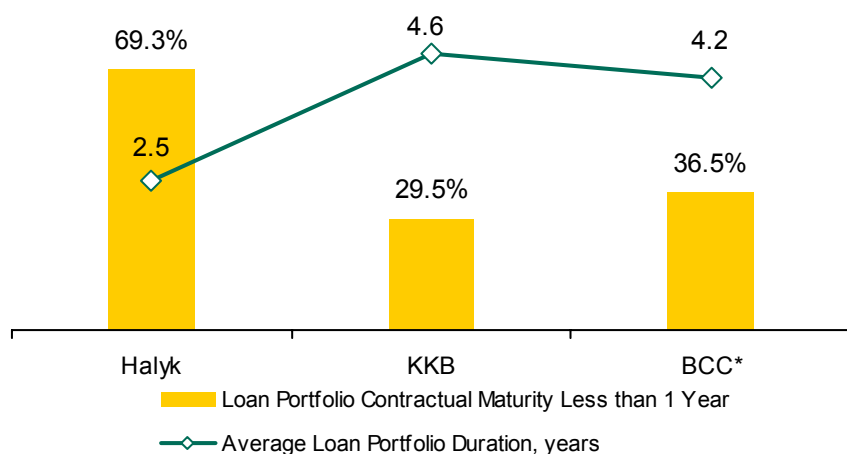
Breakdown by Currencies



Industry Composition, 30 June 2009



Loan Portfolio Maturity Comparison, 30 June 2009



Comments

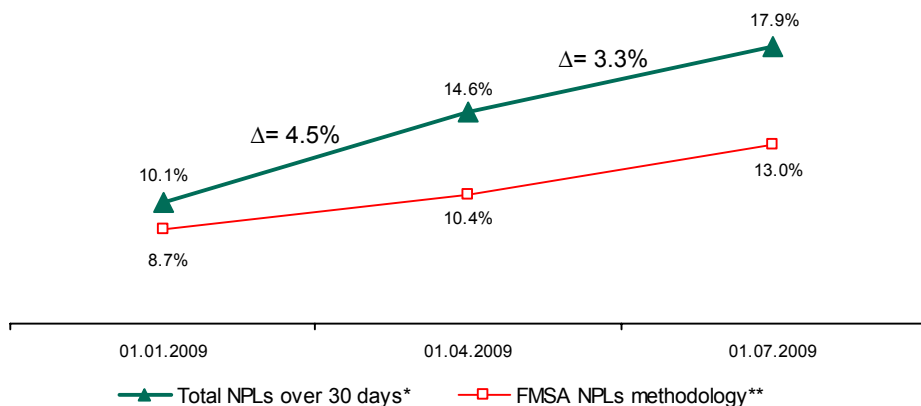
- Net cash generated from loan portfolio reduction in 1H 2009 – about USD 570 mln
- Substantial loan portfolio turnover of \$350-450 mln per month in 1H 2009
- Samruk-Kazyna/Government financed/refinanced 7% of total corporate loans, 4.9% of total SME loans and 11.5% of total mortgage loans as at 01.07.2009
- Loans in wholesale trade sector are granted mostly for working capital purpose with tenors up to 1 year
- Majority part of consumer loans is comprised of salary-backed loans with lowest NPLs in the total loan portfolio
- Average LTV on mortgage loans – 76.3%
- Well-diversified construction portfolio with over 40% in industrial construction
- Completion rate in residential construction portfolio increased by 20% in 1H2009

* data as of 31 Mar 2009

Source: Banks' data, Halyk Bank estimates

Loan Portfolio Quality

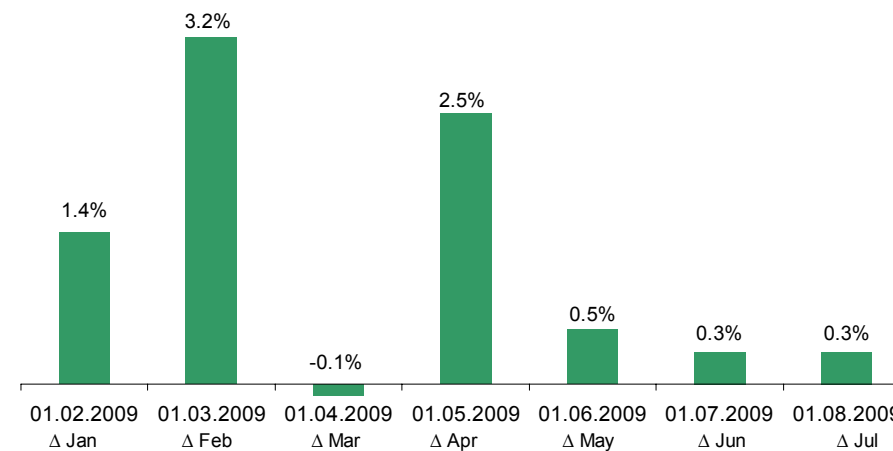
NPLs Dynamics



* Total NPLs (total principle amount of loans with principle and/or interest overdue by more than 30 days) / Gross loan portfolio, unconsolidated

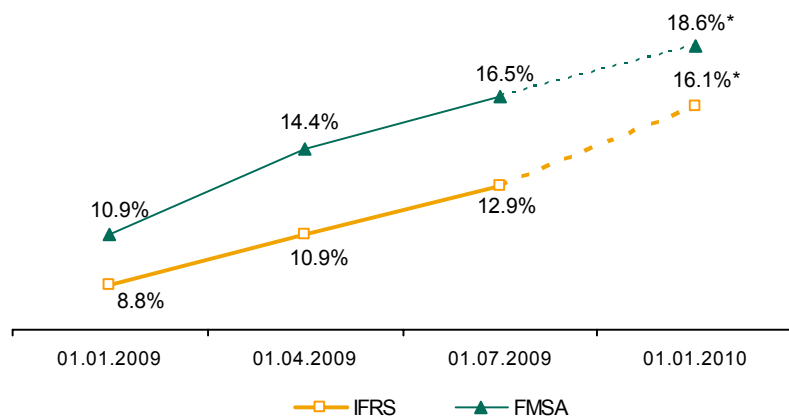
** (Loans classified as doubtful 5th category + loss category + actual provisions for homogenous loans) / Gross loan portfolio, unconsolidated

NPL* Rate Monthly Dynamics



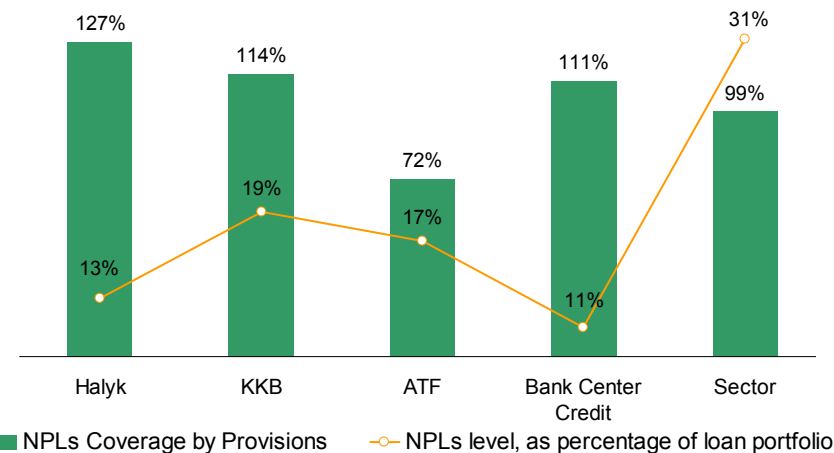
* Total NPLs (total principle amount of loans with principle and/or interest overdue by more than 30 days) / Gross loan portfolio, unconsolidated

Provisions / Gross Loans



* forecast

NPLs Dynamics and Coverage Comparison, 30 June 2009



Source: FMSA Statistics

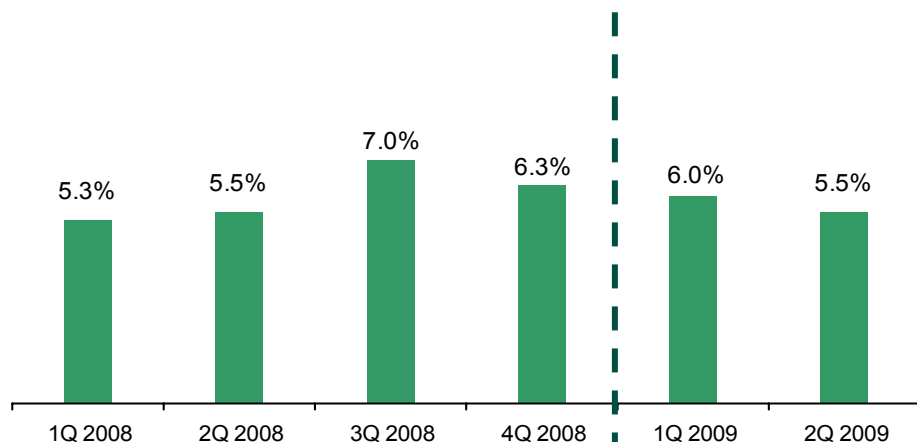
Operating Performance

(in KZT mln)

	1H 2008	1H 2009	Change, %
Interest Income	89,603	102,272	14.1%
Interest Expense	49,958	54,133	8.4%
Net Interest Income before Impairment Charge	39,645	48,139	21.4%
Net Fees and Commissions Income, <i>of which</i>	13,648	19,171	40.5%
<i>plastic cards maintenance</i>	1,278	1,502	17.5%
<i>pension fund and asset management</i>	3,982	9,374	135.4%
<i>other</i>	6,015	9,264	54.0%
Other Non-Interest Income, <i>of which</i>	7,301	11,926	63.3%
<i>net gains from FX operations</i>	3,176	6,791	113.8%
<i>insurance income, net of insurance claims</i>	2,181	2,233	2.4%
<i>net gains/(losses) from trading securities and derivatives</i>	(2,106)	451	-
Operating Expenses	20,399	19,044	(6.6%)

Key Financial Ratios & Income Dynamics

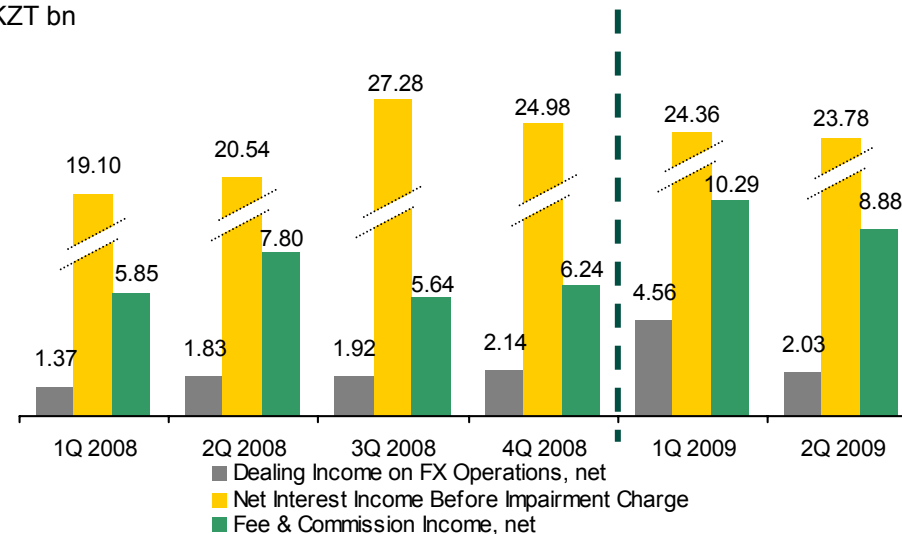
Net Interest Margin*



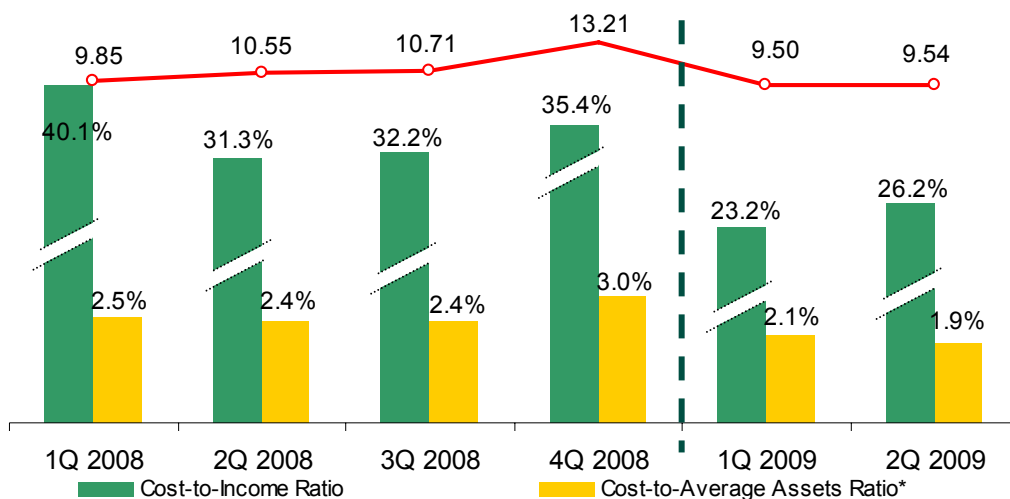
* annualised

Selected Income Dynamics

KZT bn



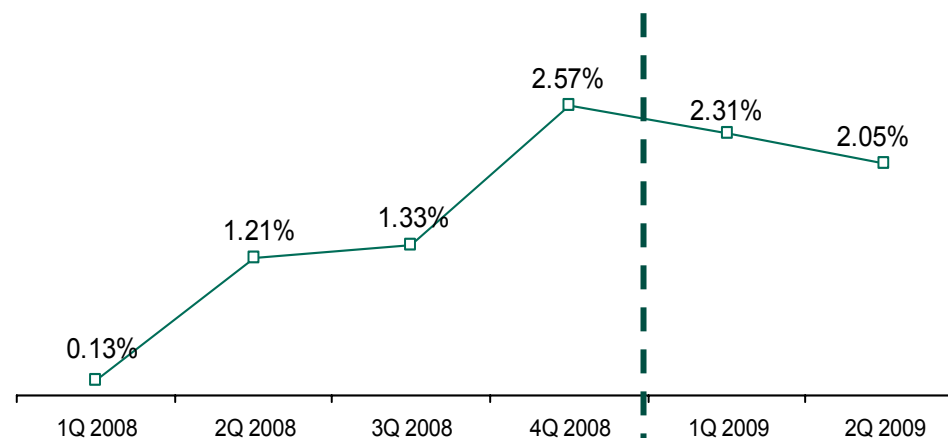
Cost Efficiency



■ Cost-to-Income Ratio
■ Cost-to-Average Assets Ratio*
—○— Operating Expenses, KZT bn

* annualised

Impairment Charge, as % of Average Loan Portfolio



Market Penetration



	01.01.2009	01.07.2009	Growth, YTD %
Internet Banking Clients	10,185	10,624	4.3%
Mobile Phone Banking Clients	280,800	305,600	8.8%
Pension Fund Clients	2,109,105	2,112,423	0.2%
Payment Card Holders	2,543,014	2,608,530	2.6%
Payroll Project Clients (employees of government and private entities)	1,736,156	2,180,496	9.6%
Outlets	670	615	(8.2%)
ATMs	1,648	1,704	3.4%
POS-terminals	3,711	3,654	(1.5%)
Information and transaction terminals (multi-service kiosks)	563	569	1.1%

Market Shares Development



	YE 2008	1H 2009		YE 2008	1H 2009
Total Assets	13.6%	16.3%	Total Deposits*	18.6%	21.8%
Corporate Loans	13.4%	13.2%	Retail Deposits	21.8%	22.6%
Retail Loans	18.7%	17.7%	Corporate Deposits*	17.0%	21.5%
Mortgages	22.9%	21.7%	Retail Current Accounts	36.2%	39.1%
Consumer Loans	17.2%	16.2%	Retail Term Deposits	19.6%	20.2%
Pension Fund (AuM)	28.4%	29.4%	Fees and Commission Income	17.3%	21.6%

Halyk Bank's assets growth (22%), corporate deposits growth (53%), retail deposits growth (13.2%) and regulatory capital growth (30.4%) during 1H 2009 was higher than that of Kazakhstan banking sector – 2.2%, 20.9%, 9%, -125.9%, respectively*

* excluding SPV deposits

Source: NBK and FMSA statistics, Halyk Bank

Thank You

Speakers



Umut Shayakhmetova
**Chairperson of the
Management Board**



Aliya Karpykova
Chief Risk Officer



Dauren Karabayev, CFA
**Deputy Chairman of the
Management Board**



Askar Smagulov
**Deputy Chairman of the
Management Board**

Q & A