



HALYK GROUP
FINANCIAL RESULTS PRESENTATION
1Q 2011

6 June 2011

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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.

1Q 2011 Performance Highlights

Profitability

- Net income: KZT 10.6 bn (USD 72.4 mln)
- RoAE: 13.6%⁽¹⁾, RoAA: 1.9%⁽¹⁾
- NIM: 4.4%⁽¹⁾
- Market share in sector's net fee and commission income: 28.3%⁽²⁾ (#1)
- Pension Fund fees: KZT 5.0 bn for 1Q 2011, up 46.4% compared to 1Q 2010

Liquidity

- Liquid assets: 40.8% of total assets (YE 2010: 36.7%)

Funding

- LTD ratio: 0.69x (YE 2010: 0.77x)
- \$500 mln 7.25% 10 yr Eurobonds issued on 28 Jan 2011

Strong Capitalisation

- Repurchase of 259,064,909 common shares by Halyk and Almex from Samryk-Kazyna on 30 Mar 2011
- FMSA: k1-1 – 9.6%, k1-2 – 13.5%, k2 – 17.5%
- Basel: Tier 1 CAR – 16.8%, Total CAR – 20.6%

Provisioning and Asset Quality

- Provisioning: 19.5% (IFRS), 24.2% (FMSA)
- NPL ratio (30+): 19.3% as at 30 Apr 2011

Ratings

- Upgrade on 25 Apr 2011 by Fitch Ratings of a number of Halyk's ratings, incl. LT FC IDR to BB- from B+

Awards

- Global Finance: “Best Bank in Kazakhstan” award in Mar 2011
- Emeafinance: “Best Bank in Kazakhstan” award in Apr 2011

⁽¹⁾annualized

⁽²⁾excluding banks with negative figures

Shareholders Structure

01.01.2011

	Common shares	% of total outstanding common shares	Preferred shares	% of total outstanding preferred shares
Almex	709,932,473	54.5%	0	0.0%
Samruk-Kazyna	259,064,909	19.9%	196,232,499	53.6%
GDR holders	250,517,328	19.2%	0	0.0%
Other investors	81,996,297	6.4%	169,585,098	46.4%
Total outstanding	1,301,511,007	100.0%	365,817,597	100.0%
Held as treasury shares by Halyk Bank	4,244,279		0	
Held by subsidiaries of Halyk Bank	2,660,674		24,267,055	
Total issued	1,308,415,960		390,084,652	

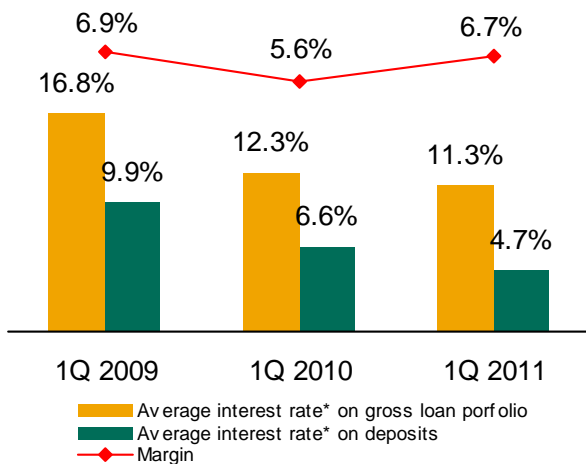
01.04.2011

	Common shares	% of total outstanding common shares	Preferred shares	% of total outstanding preferred shares
Almex	755,997,382	69.4%	0	0.0%
Samruk-Kazyna	0	0.0%	196,232,499	53.6%
GDR holders	250,791,336	23.0%	0	0.0%
Other investors	81,803,937	7.6%	169,584,103	46.4%
Total outstanding	1,088,592,655	100.0%	365,816,602	100.0%
Held as treasury shares by Halyk Bank	217,249,849		0	
Held by subsidiaries of Halyk Bank	2,573,456		24,268,050	
Total issued	1,308,415,960		390,084,652	

➤ On 30 March 2011, Halyk Bank repurchased 213,000,000 common shares and Almex purchased 46,064,909 common shares from Samruk-Kazyna. Common shares repurchased by Halyk Bank are held as treasury shares.

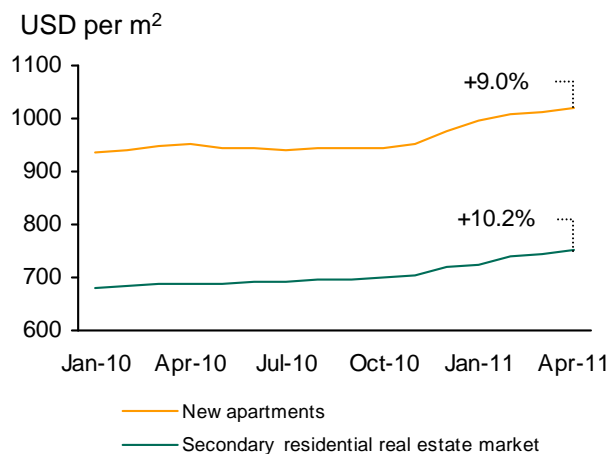
Macroeconomic Update

Interest Rates Environment



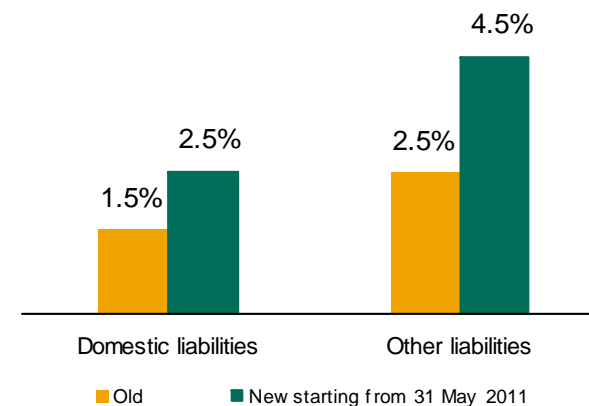
Source: NBK, excl. BTA, ALB and Temir
* annualized

Residential Real Estate Prices



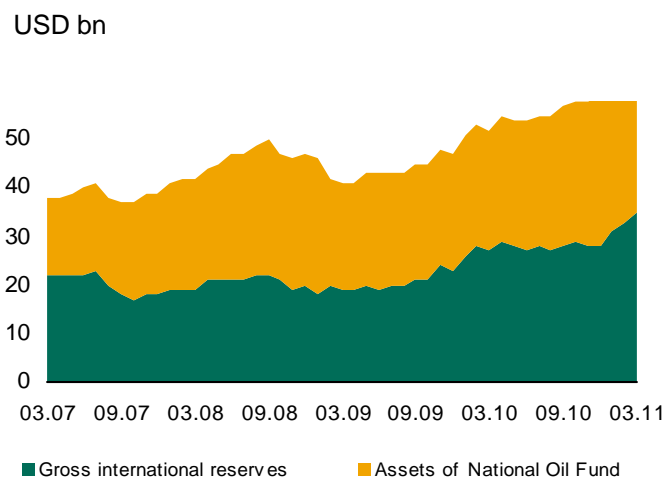
Source: Statistical Agency of Kazakhstan

Minimum Reserve Requirements



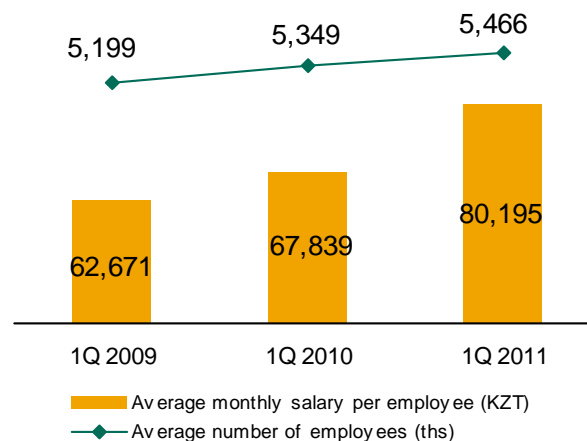
Source: NBK

International Reserves



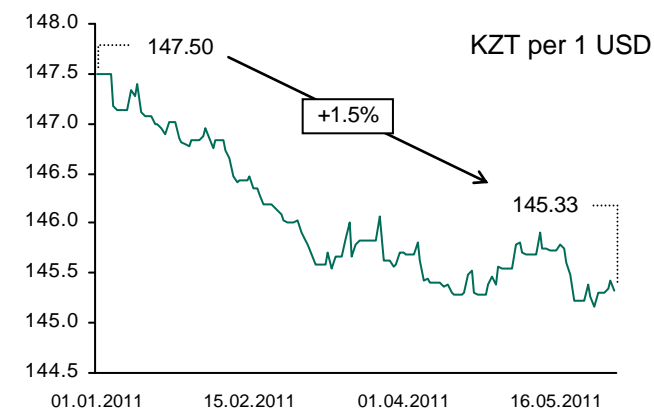
Source: NBK

Economic Activity Developments



Source: Statistical Agency of Kazakhstan

KZT Appreciation

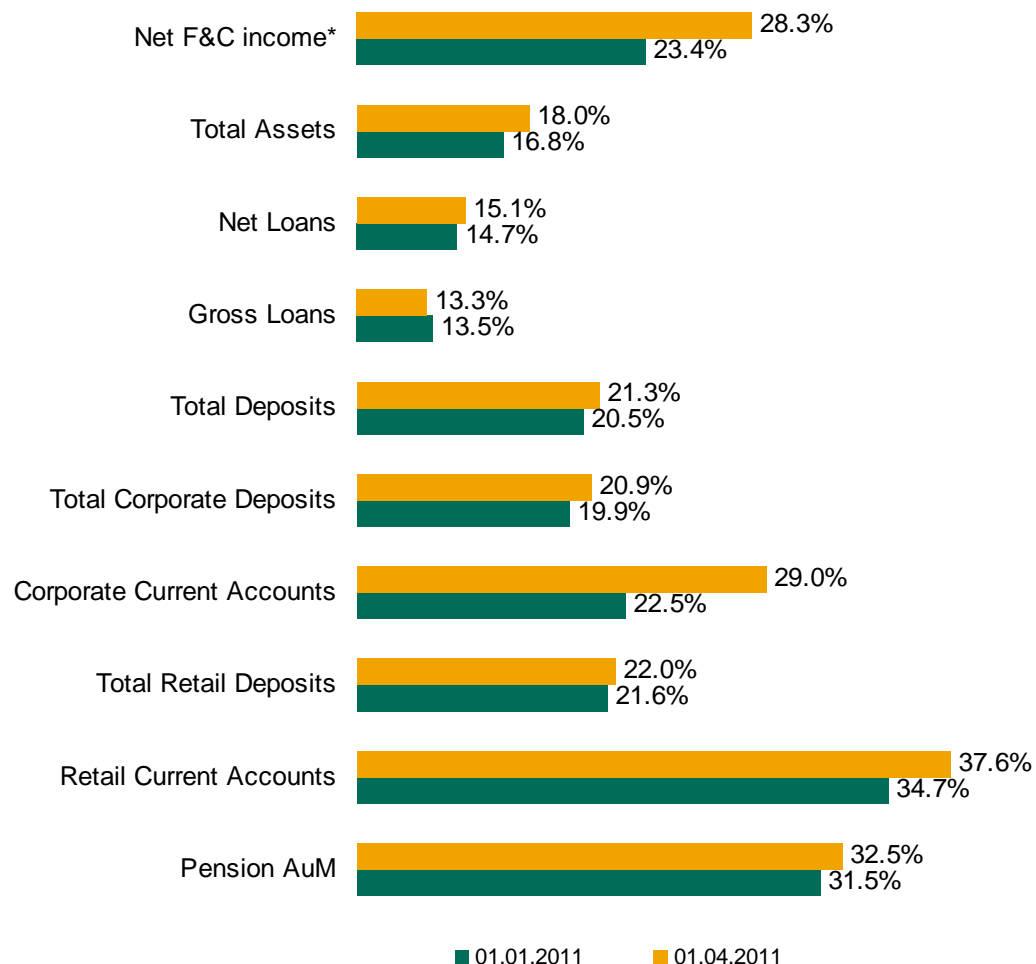


Source: NBK

Market Position



Market Shares



* Excluding banks with negative figures, 1Q 2011/1Q 2010

Market Penetration

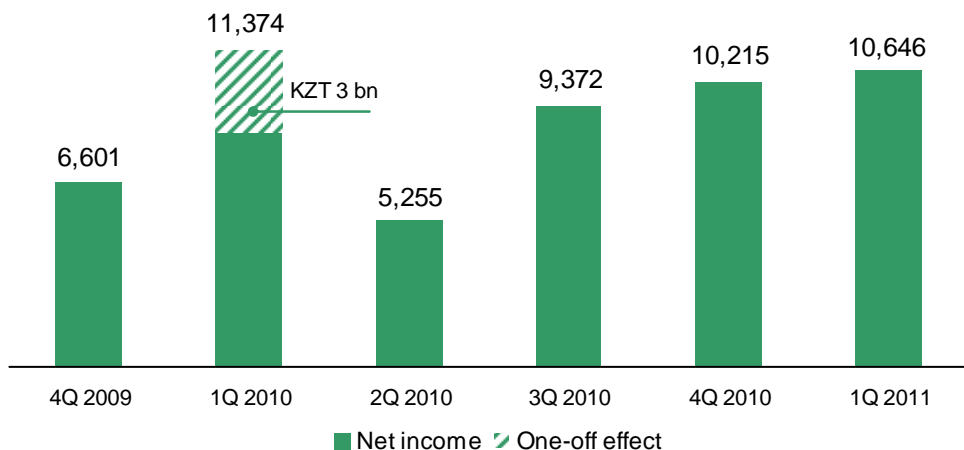
	01.04.2011	Growth YTD, %
Clients of internet banking for individuals	12,417	30.7%
Mobile phone banking clients	399,700	2.6%
Pension Fund clients	2,086,126	1.4%
Payment card holders*	2,934,439	7.8%
Payroll project clients* (employees of government and private entities)	2,073,144	6.7%
Outlets	631	(0.2%)
ATMs	1,691	0.3%
POS-terminals	4,646	11.7%
Information and transaction terminals (multi-service kiosks)	581	(2.2%)

* Adjusted for the closed cards

P&L: Net Income

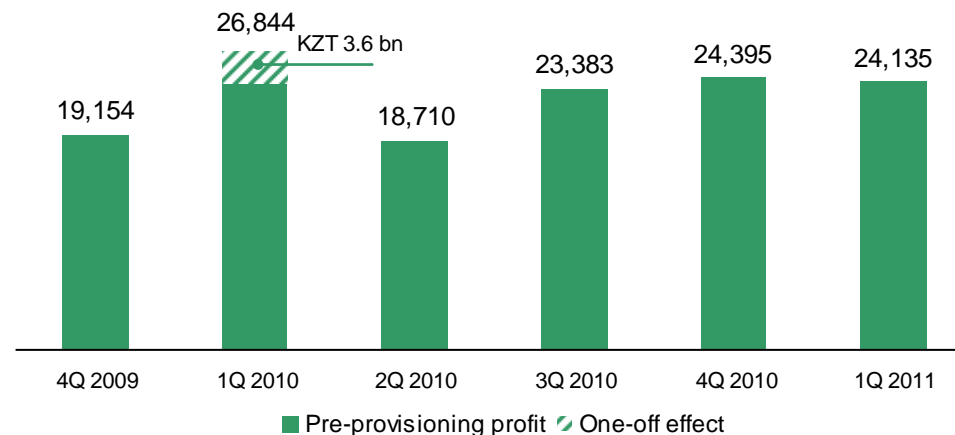
Net Income Dynamics

KZT mln

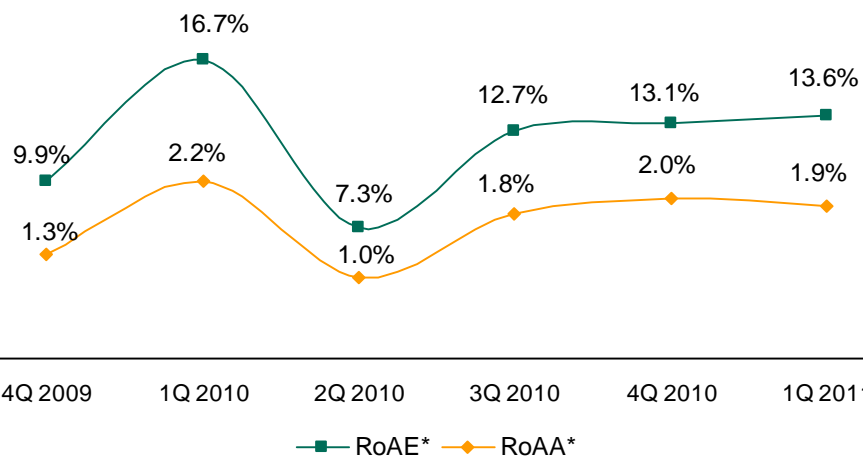


Pre-provisioning Profit Dynamics

KZT mln



RoAE & RoAA



Comments

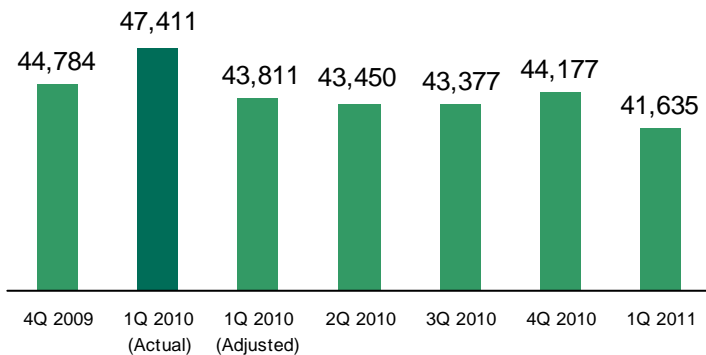
- Interest income was higher in 1Q 2010 due to one-off income in the amount of KZT 3.6 bn (KZT 3.0 bn after tax) from restructuring of one of the major loans
- The Bank's net income and profit before provisioning charge are currently at their sustainable levels with rebounding return on average equity

* annualized

P&L: Net Interest Income

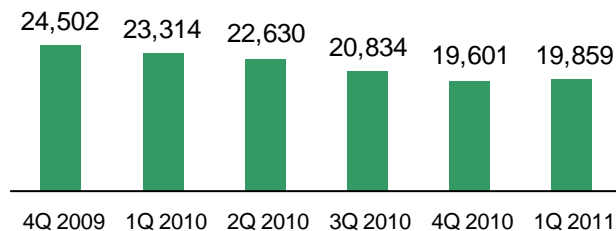
Interest Income

KZT mln



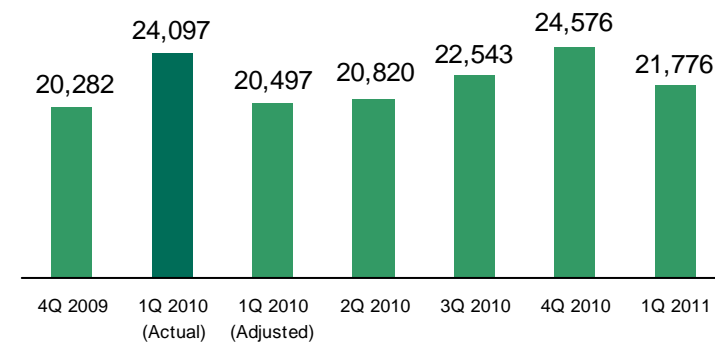
Interest Expense

KZT mln



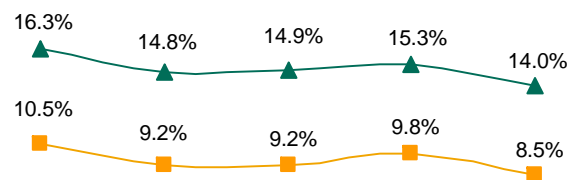
Net Interest Income*

KZT mln



* before impairment charge

Rates on Interest-Earning Assets



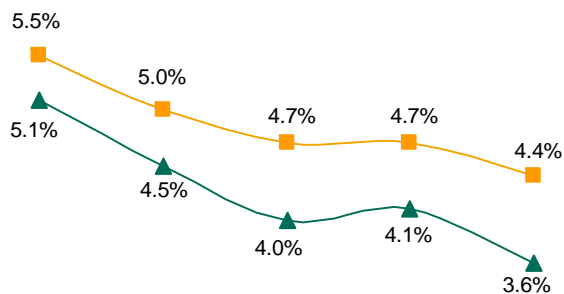
1Q 2010 2Q 2010 3Q 2010 4Q 2010 1Q 2011

— Ave. Rates* on Interest-Earning Assets

— Ave. Rates* on Net Loan Portfolio

* annualized

Rates on Interest-Bearing Liabilities



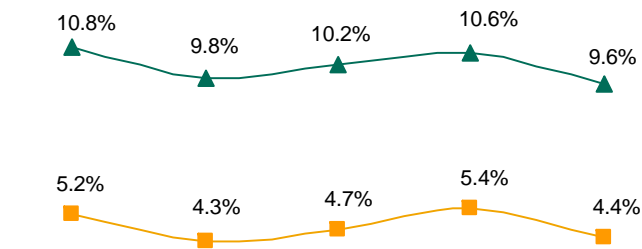
1Q 2010 2Q 2010 3Q 2010 4Q 2010 1Q 2011

— Ave. Rates* on Interest-Bearing Liabilities

— Ave. Rates* on Deposits

* annualized

NIM & Spread



1Q 2010 2Q 2010 3Q 2010 4Q 2010 1Q 2011

— Net Interest Margin*

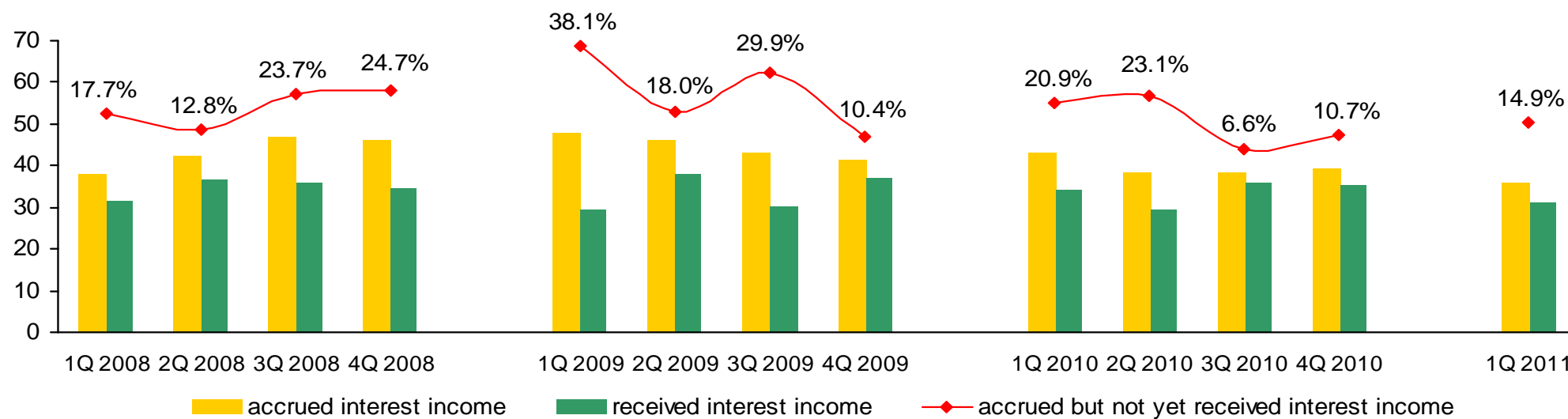
— Spread (ave. interest rates on loan portfolio less ave. interest rates on interest-bearing liabilities)

* annualized

Cash Gap Dynamics

Interest Income on Loans

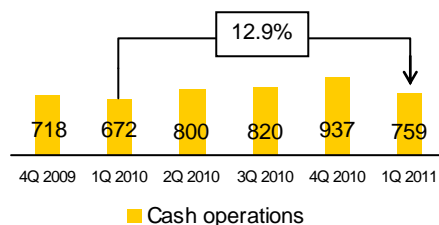
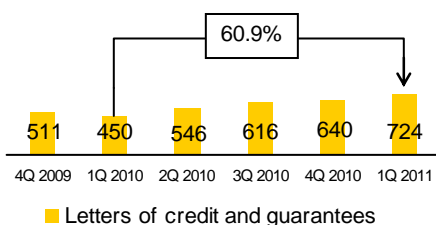
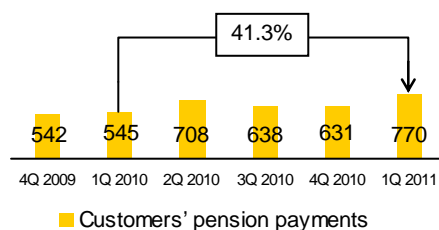
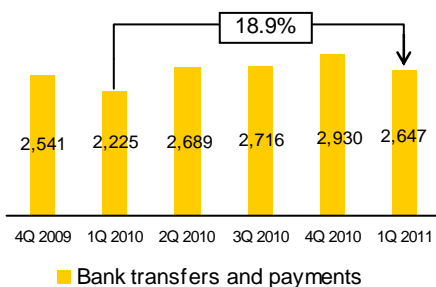
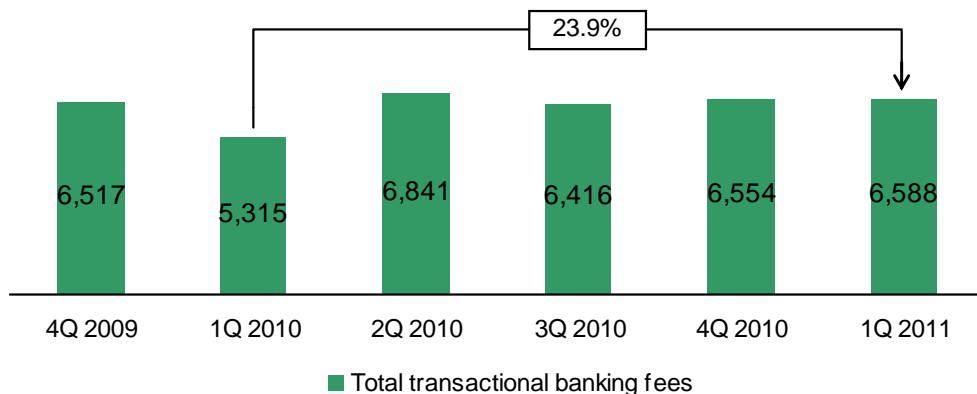
KZT bn



P&L: Transactional Banking

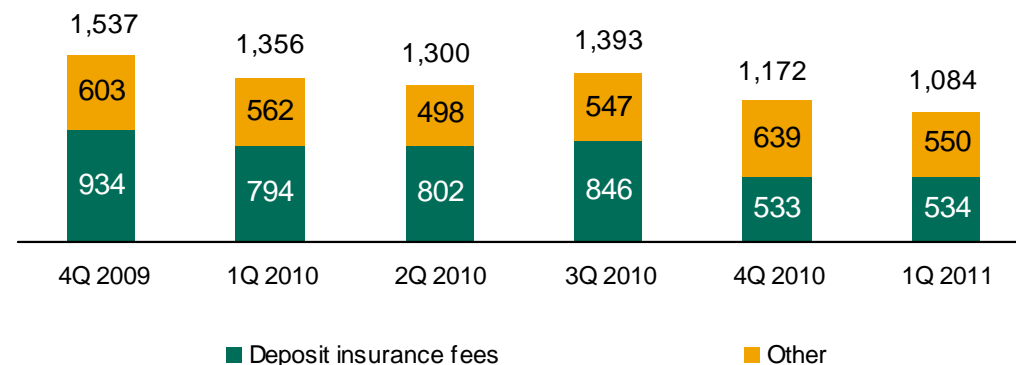
Transactional Banking Fees

KZT mln



Fee and Commission Expenses

KZT mln

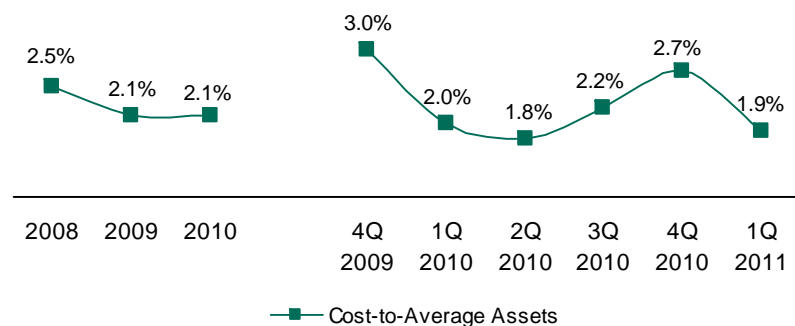
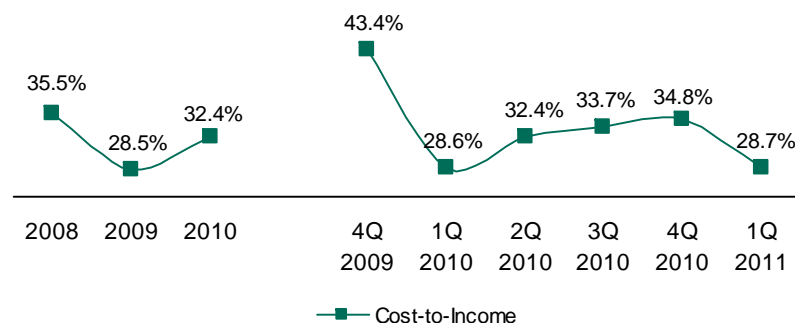
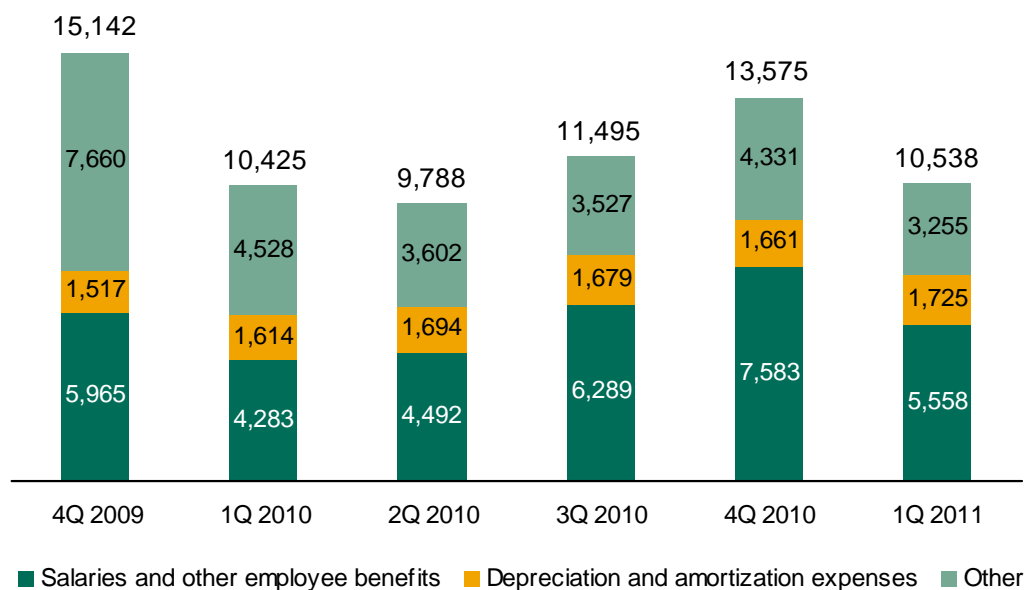


- In 1Q 2011, Halyk increased fees on utilities payments from KZT 5 to KZT 30 for pensioners and from KZT 50 to KZT 75 for general population

P&L: Operating Expenses

Dynamics

KZT mln



P&L: Summary

Dynamics

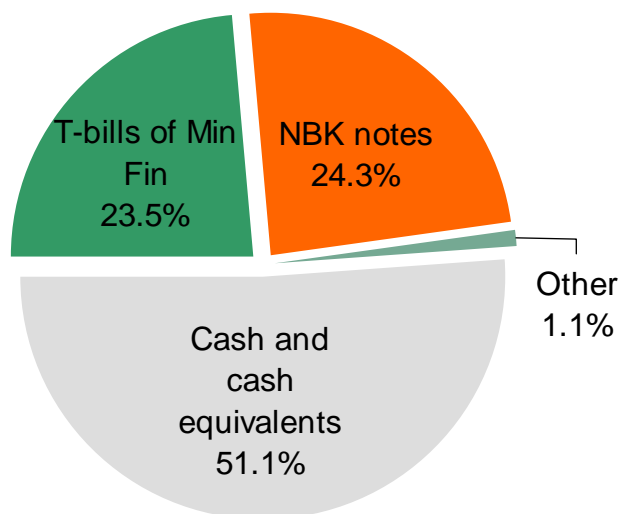
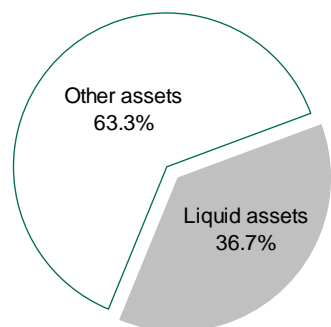
KZT mln

	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Interest Income	41,635	44,177	43,377	43,450	47,411*
Interest Expense	(19,859)	(19,601)	(20,834)	(22,630)	(23,314)
Impairment Charge	(11,309)	(10,345)	(12,260)	(12,477)	(13,346)
Net Interest Income	10,467	14,231	10,283	8,343	10,751
Pension Fund Fees	5,041	4,259	2,357	8	3,443
Transactional Banking	6,588	6,554	6,416	6,841	5,315
Insurance Business	305	1,020	1,214	1,024	1,343
FX Operations	3,112	1,967	1,463	1,930	2,025
Securities & Derivatives	(600)	909	442	7	738
Operating Expenses	(10,538)	(13,575)	(11,495)	(9,788)	(11,219)
Net Income	10,646	10,215	9,372	5,255	11,374*
Other Comprehensive Income/(Loss)	4,396	(1,564)	6,107	(1,868)	1,919
Total Comprehensive Income	15,042	8,651	15,479	3,387	13,293
Pre-provisioning Profit	24,135	24,395	23,383	18,710	26,844*

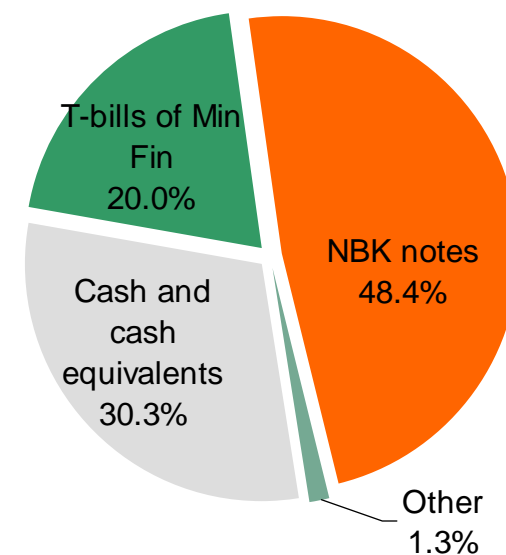
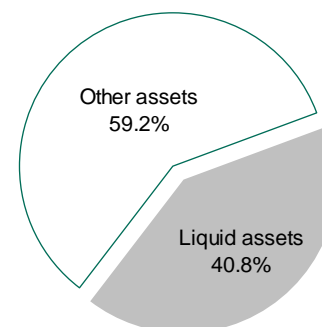
* one-off increase in amount of KZT 3.6 bn (~KZT 3 bn after tax)

Balance Sheet: Liquid Assets

01.01.2011



01.04.2011



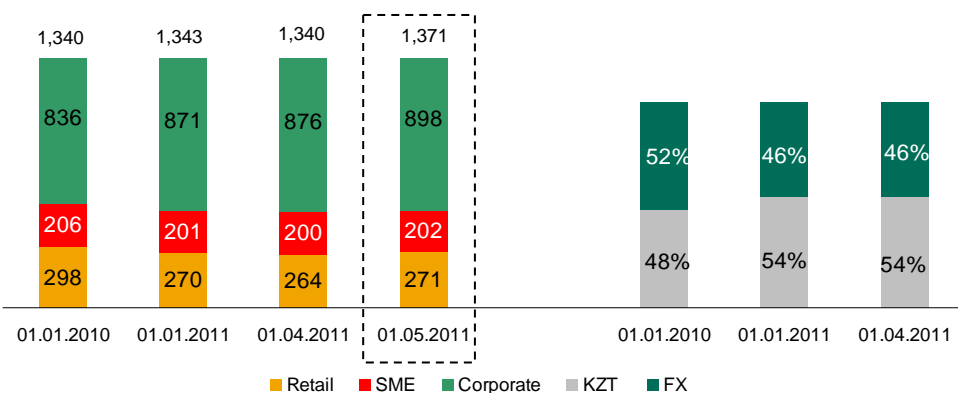
Balance Sheet: Loan Portfolio

Breakdown of Loans

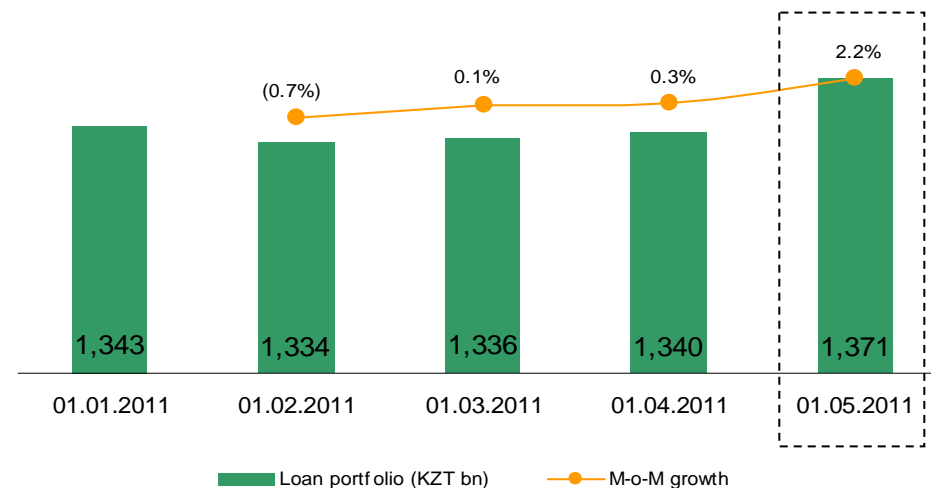
KZT bn

Breakdown by Businesses

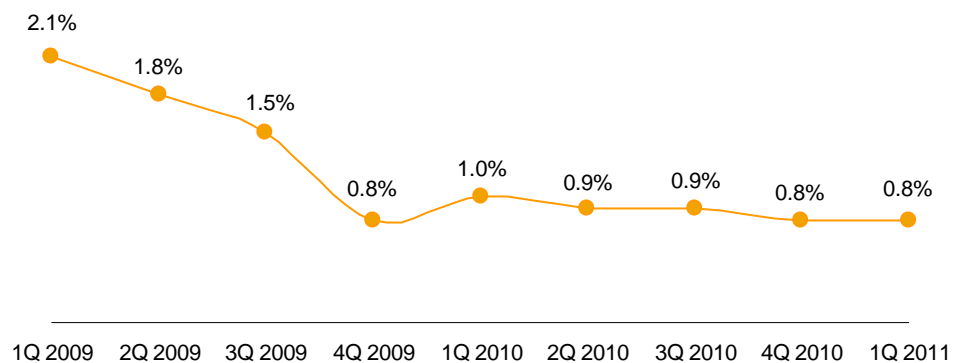
Breakdown by Currencies



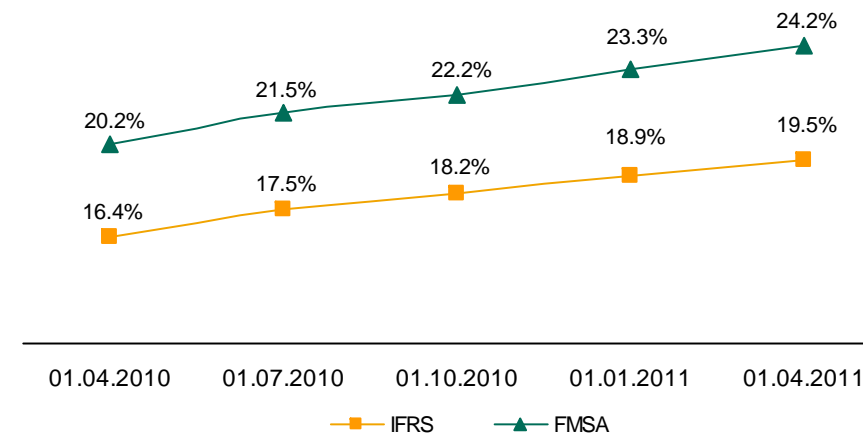
Loan Portfolio Monthly Growth



Impairment Charge, as % of Average Loan Portfolio



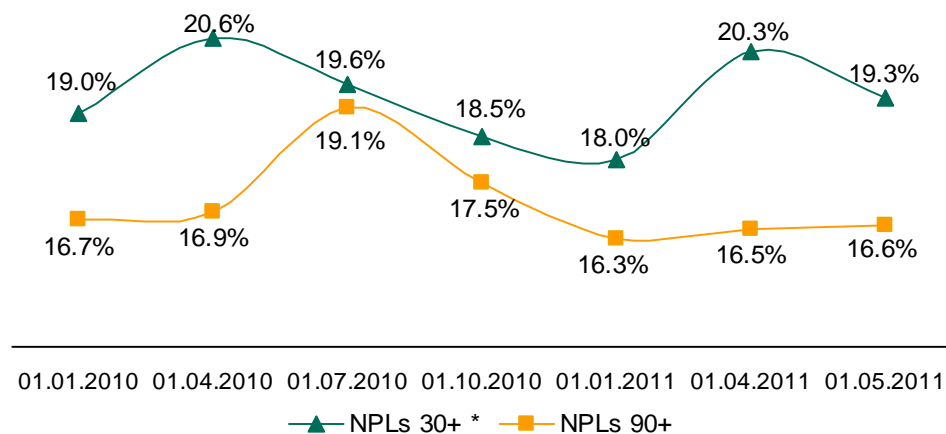
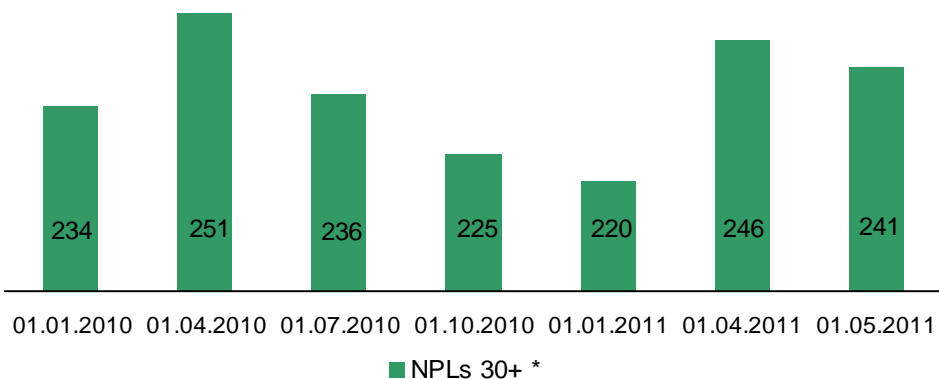
Stock of Provisions / Gross Loans



Balance Sheet: NPLs

NPLs Dynamics

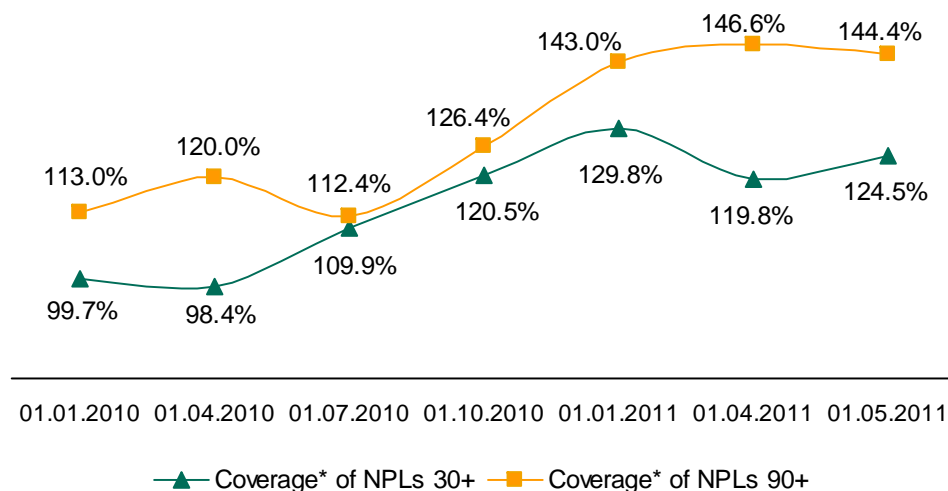
KZT bn



* Total NPLs (total principle amount of loans with principle and/or interest overdue by more than 30 days), unconsolidated, Kazakhstan Accounting Standards

Source: Halyk Bank, NBK

NPLs Coverage Ratio



* coverage by regulatory provisions

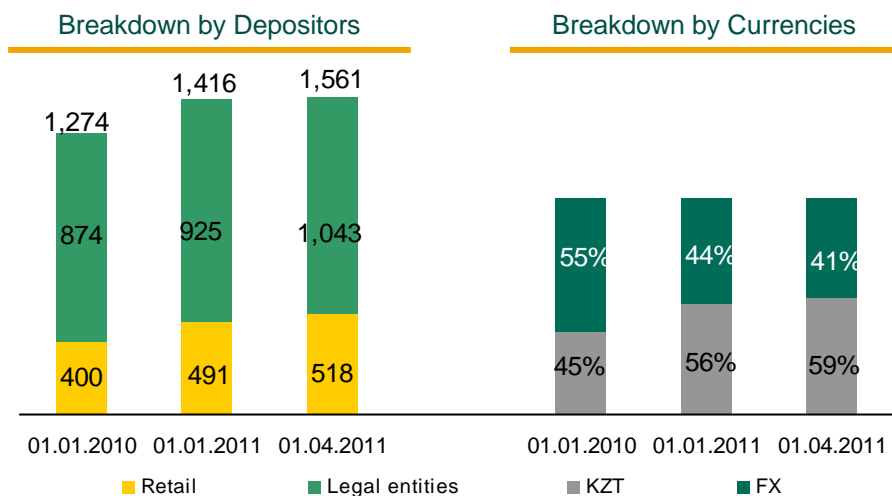
Comments

- The increase of NPLs 30+ in 1Q 2011 was mainly due to seasonality effect and migration of some restructured loans to non-performing loans as a result of tight restructuring standards followed by the Bank
- The largest sector exposures in NPLs are small business enterprises and construction and construction-related sectors

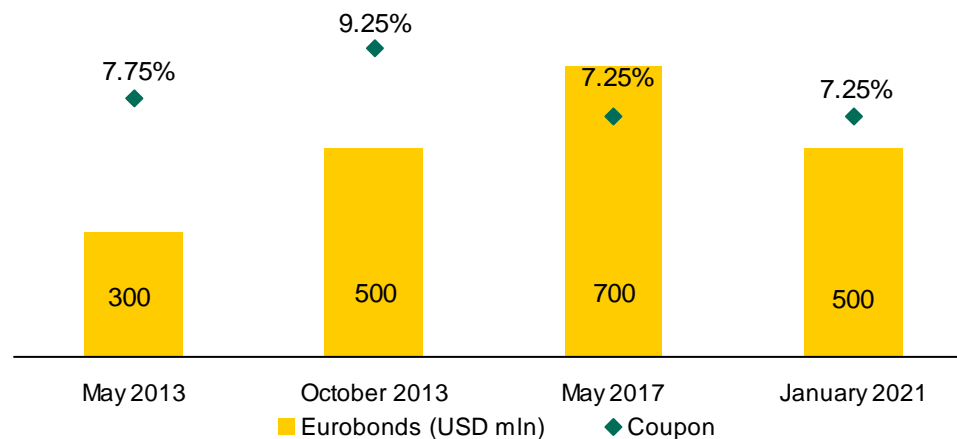
Balance Sheet: Funding

Breakdown of Deposits

KZT bn

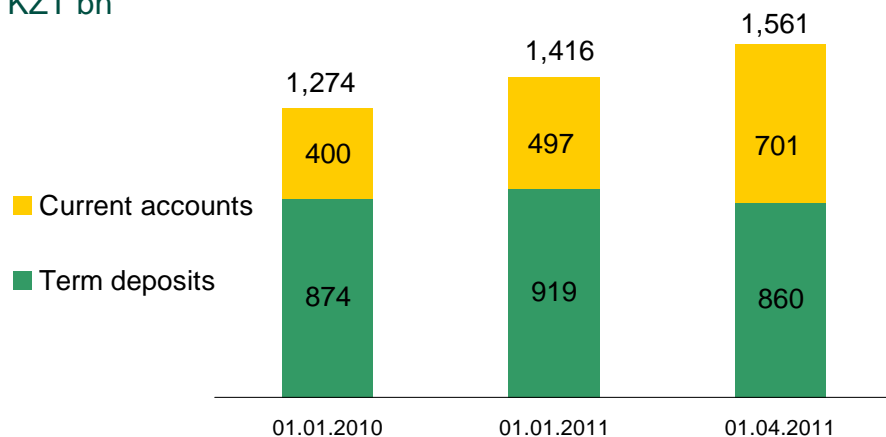


Wholesale Funding Maturity Profile



Deposits Profile

KZT bn

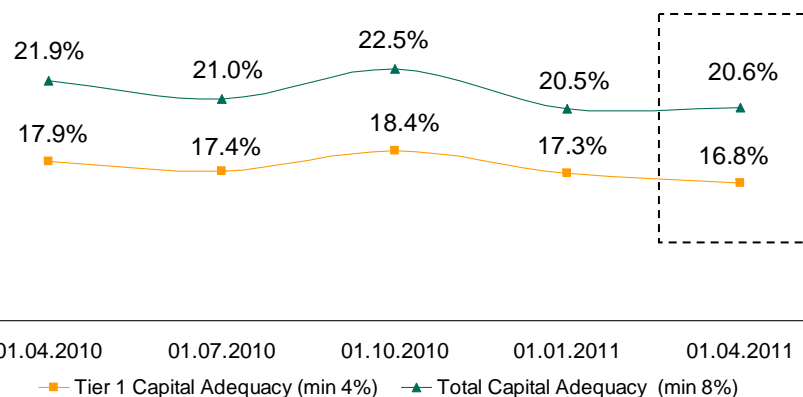


Comments

- Average funding cost decreased mainly due to increase of low-cost current accounts and decrease of interest rates on both retail and corporate deposits
- The new Eurobond issue in Jan 2011 improved maturity profile of liabilities and effectively reduced average interest rate on debt securities issued from 8.7% in 1Q 2010 to 8.4% in 1Q 2011

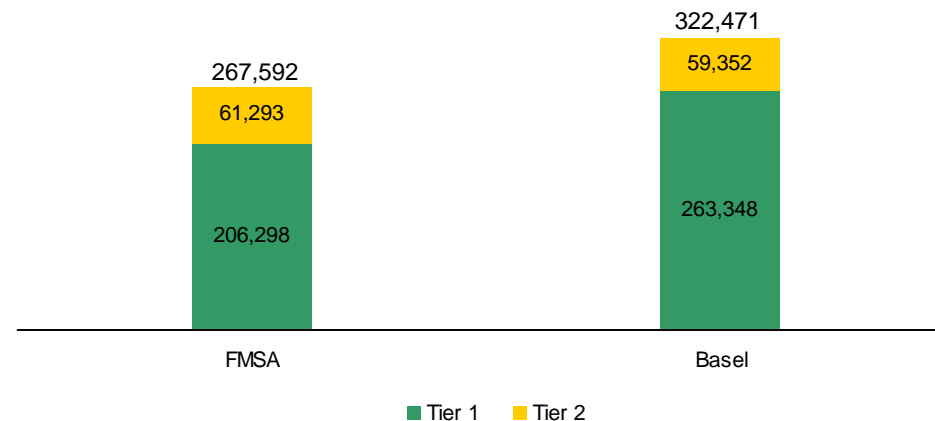
Balance Sheet: Capitalisation

Basel Capital Adequacy Ratios

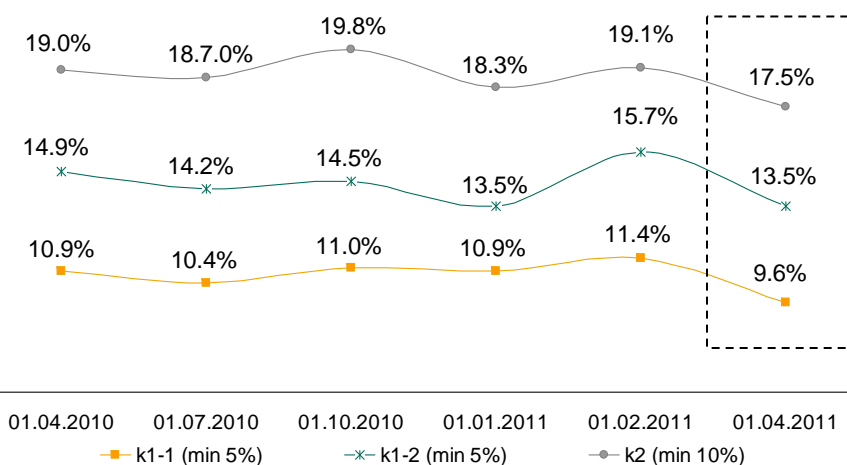


Capital Structure, 31 Mar 2011

KZT mln



FMSA Capital Adequacy Ratios



Comments

- Capital adequacy ratios decreased following repurchase of common shares from Samruk-Kazyna, although they remain well above minimum requirements
- Payment of dividends on preferred shares in the amount of KZT 5.5 bn in June 2011 will have virtually nil effect on CARs

Balance Sheet: Summary



KZT mln	31 Mar 2011	31 Dec 2010	Change, %
Total Assets	2,249,402	2,097,935	7.2%
Cash and Reserves	309,834	420,182	(26.3%)
NBK Notes & T-Bills	628,498	368,439	70.6%
Other Securities	100,754	93,325	8.0%
Gross Loan Portfolio	1,341,434	1,342,510	(0.1%)
Stock of Provisions	(262,077)	(253,237)	3.5%
Net Loan Portfolio	1,079,357	1,089,273	(0.9%)
Other Assets	130,959	126,716	3.3%
Total Liabilities	1,956,403	1,780,051	9.9%
Total Deposits, including:	1,561,490	1,415,755	10.3%
<i>retail deposits</i>	517,789	490,877	5.5%
<i>corporate deposits</i>	1,043,701	924,878	12.8%
Debt Securities	326,355	252,167	29.4%
Amounts due to Credit Institutions	21,962	71,403	(69.2%)
Other Liabilities	46,596	40,726	14.4%
Equity	292,999	317,884	(7.8%)

Subsidiaries: Pension Fund

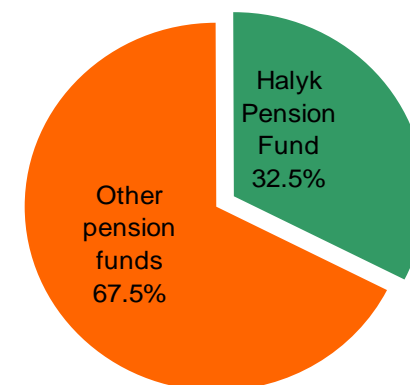
Dynamics

KZT mln, except number of clients data

	1Q 2011	1Q 2010	1Q 2009
Fees linked to investment income	4,060	2,679	5,229
Fees for pension assets administration	981	764	585
Total pension fund and asset management fees	5,041	3,443	5,814
Market share by equity	34.5%	30.8%	48.4%
	31 Mar 2011	31 Dec 2010	31 Dec 2009
Assets under management	762,442	712,208	559,403
Pension Fund clients	2,086,126	2,056,386	1,914,630

- Pension Fund continues to benefit from increasing number of pension fund customers and growing assets under management

- Market share of Halyk Pension Fund (AuM) as of 31 March 2011:



Subsidiaries: Insurance Business

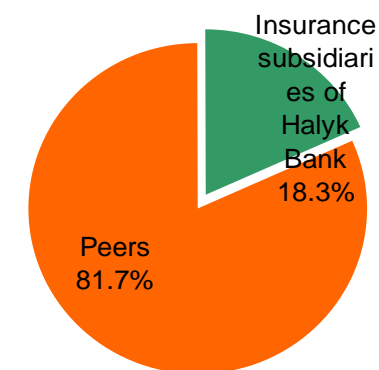
Dynamics

Comments

KZT mln

	1Q 2011	1Q 2010	1Q 2009
Insurance underwriting income	2,864	2,899	2,044
Insurance claims incurred, net of reinsurance	(2,559)	(1,556)	(885)
Net income from insurance operations	305	1,343	1,159
Insurance underwriting income received	5,239	4,455	1,970
Insurance reimbursements paid	(1,538)	(1,161)	(828)
Net cash revenues from insurance operations	3,701	3,294	1,142
	31 Mar 2011	31 Dec 2010	31 Dec 2009
Insurance assets	12,880	9,274	4,945
Insurance liabilities	21,127	15,664	9,586

- 38.8% YTD increase of insurance assets
- 34.9% YTD increase of insurance liabilities
- #1 by net insurance premiums
- Market share of Halyk's insurance subsidiaries by net insurance premiums for 1Q 2011:



Subsidiaries: JSC Halyk Finance




Key Financial Dynamics

KZT mln	1Q 2011	1Q 2010	1Q 2009
Net interest income	272	264	382
Underwriting fees	281	86	0
Net income	491	502	1,085
	31 Mar 2011	31 Dec 2010	31 Dec 2009
Total assets	16,585	15,822	30,183

Halyk Finance – the investment banking arm of Halyk Group – is the leading investment bank in the country rendering a full range of investment banking services including consulting and underwriting, corporate finance (M&A, corporate debt restructuring and transaction advisory services), sales and trading (with market making on the Kazakhstan Stock Exchange), investment portfolio management and research.

- “The Best Investment Bank in Kazakhstan 2011” award from Global Finance
- “The Best Investment Bank in Kazakhstan 2010” award from EMEA Finance
- “The Best Financial Advisor 2010” award from the Kazakhstan Stock Exchange
- “The Best Sovereign Wealth Fund Bond Deal 2010” award from EMEA Finance
- “The Best Primary Eurobond Placement Deal 2010”, “The Best Macroeconomics Research 2010” and “The Best Fixed Income Research 2010” awards from Cbonds

2011



SAMRUK KAZYNA

Samruk Kazyna
Sovereign Wealth Fund
KZT 75 000 000 000
Joint Bookrunner & Underwriter
7-year bond issue

2011



Halyk Bank
Commercial Banking
USD 500 000 000
Joint Lead Manager & Bookrunner
Benchmark Eurobond issue

2011-2010



Development Bank of Kazakhstan
Financial Institutions
USD 777 000 000
Joint Lead Manager
Debut direct benchmark Eurobond issue

Speakers



Umut Shayakhmetova

**Chairperson of the
Management Board**



Aliya Karpykova

Financial Director



Dauren Karabayev

**Deputy Chairman of the
Management Board**



Murat Koshenov

**Chief Risk Officer and
Compliance Controller**

Q & A session