



HALYK GROUP FINANCIAL RESULTS PRESENTATION 9M 2011

Best Bank in Kazakhstan,
Global Finance,
March 2011

Best Bank in Kazakhstan,
Emeafinance,
April 2011

Best Bank in Kazakhstan,
Euromoney,
July 2011

Best Foreign Exchange
Provider in Kazakhstan,
Global Finance,
October 2011

22 November 2011

Contents



➤ Disclaimer	Slide 3
➤ 9M 2011 Performance Highlights	Slide 4
➤ Key Developments in 9M 2011	Slide 5
➤ Market Position	Slide 6
➤ Macroeconomic and Banking Sector Update	Slide 7
➤ P&L: Summary	Slide 8
➤ P&L: Net Interest Income	Slide 9
➤ P&L: Transactional Banking	Slide 10
➤ P&L: Foreign Exchange	Slide 11
➤ P&L: Operating Expenses	Slide 12
➤ Balance Sheet: Summary	Slide 13
➤ Balance Sheet: Loan Portfolio	Slide 14
➤ Balance Sheet: NPLs	Slide 15
➤ Balance Sheet: Funding	Slide 16
➤ Balance Sheet: Capitalisation	Slide 17
➤ Subsidiaries	Slide 18-21
➤ Annex: Key Financial Indicators	Slide 22-23
➤ Speakers	Slide 24

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.

9M 2011 Performance Highlights



- Net income increased to KZT 28.1 bn (USD 192.4 mln) for 9M 2011, up 8.2% compared to 9M 2010
- Market share in sector's net income reached 37.0%⁽¹⁾ for 9M 2011
- Market share in sector's net fee and commission income reached 24.8%⁽¹⁾ for 9M 2011
- Market share in sector's total assets reached 16.8%
- Net interest income increased to KZT 13.7 bn for 3Q 2011, up 7.9% compared to 2Q 2011
- Transactional banking fees increased to KZT 21.6 bn for 9M 2011, up 16.1% compared to 9M 2010
- Net Pension Fund fees decreased to KZT 3.4 bn for 9M 2011, down 41.3% compared to 9M 2010
- NIM increased to 4.4%⁽²⁾ for 3Q 2011, up by 0.1% compared to 2Q 2011
- Spread increased to 4.3% for 3Q 2011, up by 0.1% compared to 2Q 2011
- Gross loan portfolio increased by 2.8% YTD
- Net loan portfolio increased by 0.8% YTD
- Provisioning rates were 20.4% (IFRS) and 24.8% (NBK)

⁽¹⁾excluding banks with negative income

⁽²⁾annualized

Key Developments in 9M 2011



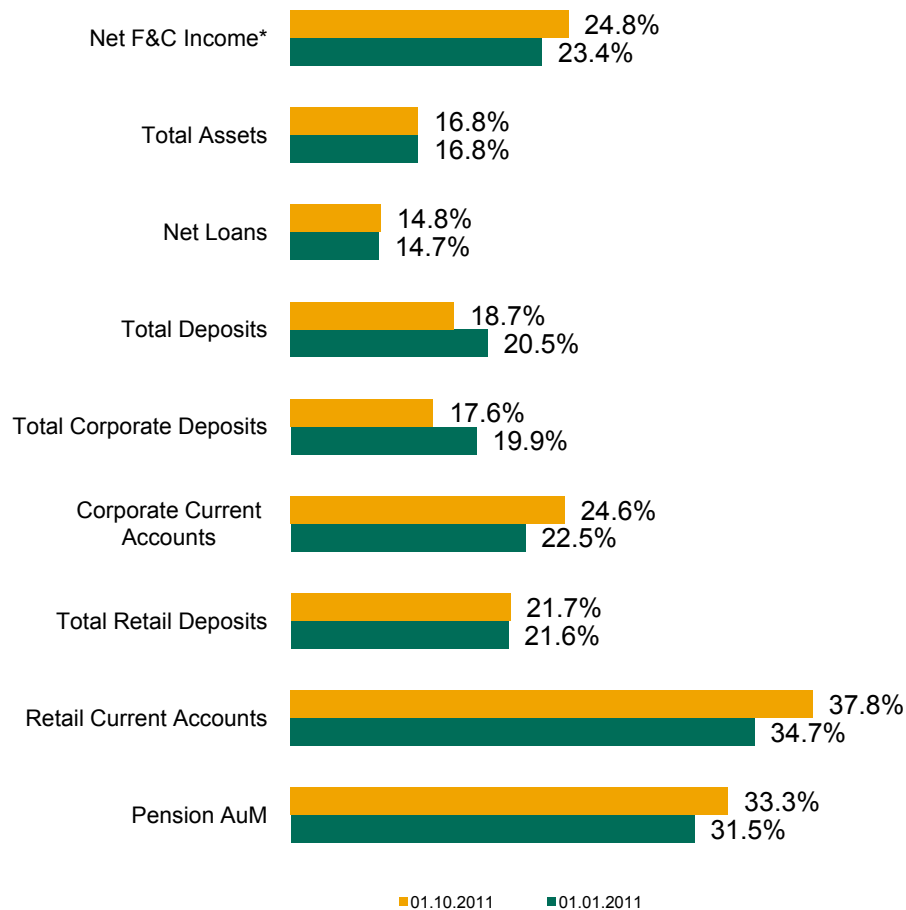
- Significant optimization of internal business processes and number of outlets
- 50% of all pension payments in Kazakhstan are made through Halyk Bank
- 43% of clients receiving pension payments through Halyk Bank are already using payment cards
- Number of active payment cards increased to 2.1 mln, up 10% YTD
- Number of payroll project clients grows by 10% p.a. and already reached 1.9 mln (40% of employed population)
- Further development of remote sales channels, including mobile banking, internet banking and telebanking

- Launch of Halyk Bonus Club loyalty program
- Visa Electron ISIC - first student payment cards issued in Kazakhstan
- Launch of joint project with Beeline on payments through mobile phones
- Halyk Finance launched HalykTradePro internet trading platform
- Halyk Bank is a leader among Kazakhstan banks by the number of projects within Business Road Map 2020 program. The Bank approved 164 projects for the total amount of KZT 99 bn and already financed 67 projects
- Tax legislation change related to the loans write-off, as well as legislation on minimization of risks are at final stage

Market Position



Market Shares



* Excluding banks with negative figures, 9M 2011/9M 2010

Market Penetration

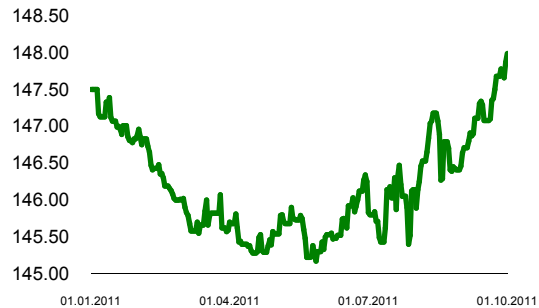
	01.10.2011	Growth YTD, %
Clients of internet banking for individuals	20,028	110.8%
Mobile phone banking clients	440,825	13.1%
Telebanking clients	3,710	260.8%
Pension Fund clients	2,232,761	8.6%
Payment card holders*	2,951,139	17.9%
Payroll project clients* (employees of government and private entities)	1,957,438	9.1%
Outlets	609	(3.6%)
ATMs	1,749	3.7%
POS-terminals	5,117	23.0%
Information and transaction terminals (multi-service kiosks)	594	-

* Adjusted for the closed cards

Macroeconomic and Banking Sector Update

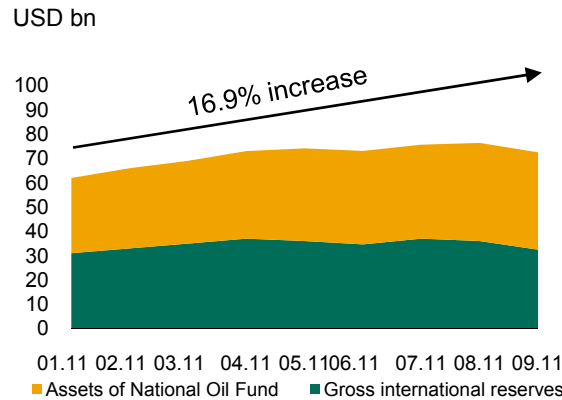


USD/KZT Exchange Rate



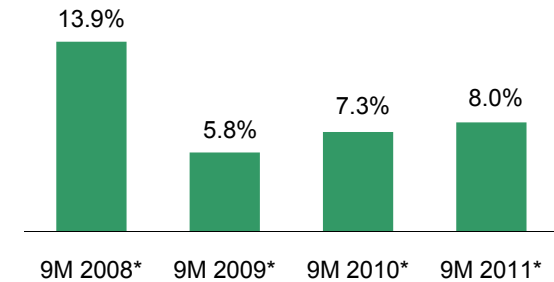
Source: NBK

International Reserves



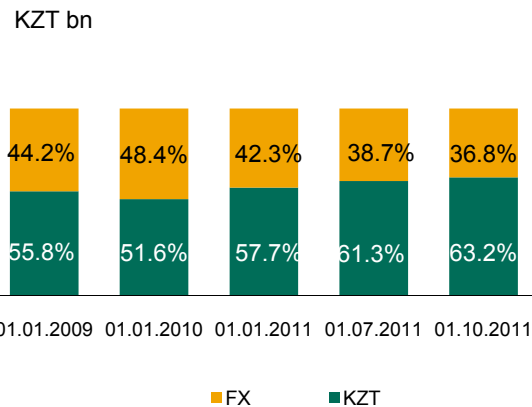
Source: NBK

Inflation Dynamics



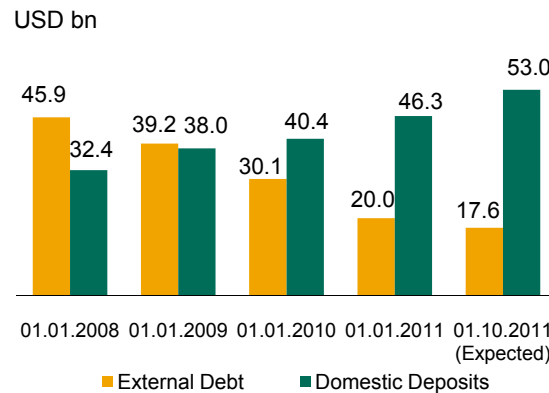
* in comparison with corresponding period of previous year
Source: NBK

Bank Loans



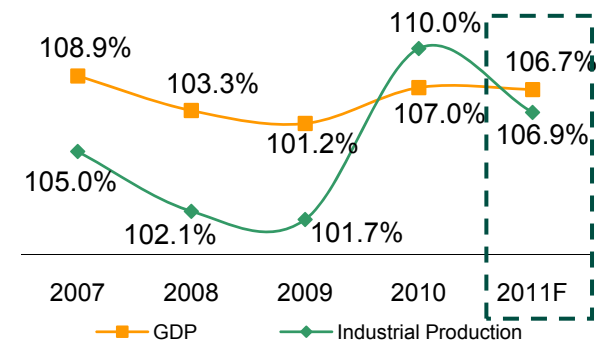
Source: NBK

Banking Funding Diversification



Source: NBK

Economy Development



Source: NBK, Economist Intelligence Unit

P&L: Summary



Dynamics

KZT mln

	9M 2011	9M 2010	3Q 2011	2Q 2011	1Q 2011	3Q 2010	Change		
							9M11/ 9M10	3Q11/ 3Q10	3Q11/ 2Q11
Interest Income	125,167	134,238 ⁽¹⁾	41,803	41,729	41,635	43,377	(6.8%)	(3.6%)	0.2%
Interest Expense	(59,531)	(66,778)	(19,585)	(20,087)	(19,859)	(20,834)	(10.9%)	(6.0%)	(2.5%)
Net Interest Income before Impairment Charge	65,636	67,460	22,218	21,642	21,776	22,543	(2.7%)	(1.4%)	2.7%
Impairment Charge	(28,772)	(38,083)	(8,522)	(8,941)	(11,309)	(12,260)	(24.4%)	(30.5%)	(4.7%)
Net Interest Income	36,864	29,377	13,696	12,701	10,467	10,283	25.5%	33.2%	7.9%
Net Pension Fund Fees	3,408	5,808	(3,815)	2,182	5,041	2,357	(34.3%)	-	-
Transactional Banking	21,571	18,572	7,595	7,388	6,588	6,416	14.0%	12.0%	2.7%
Insurance Business	3,003	3,581	1,571	1,127	305	1,214	(16.1%)	29.2%	39.2%
FX Operations	6,474	5,418	1,395	1,967	3,112	1,463	19.5%	(4.6%)	(29.1%)
Securities & Derivatives	(143)	1,187	584	(127)	(600)	442	-	32.2%	-
Operating Expenses	(33,771)	(31,708)	(11,742)	(11,491)	(10,538)	(11,495)	6.5%	2.1%	2.2%
Net Income	28,130	26,001	7,031	10,454	10,646	9,372	8.2%	(25.0%)	(32.8%)
RoAE⁽²⁾	11.9%	11.8%	9.3%	14.2%	13.6%	12.7%	-	-	-
RoAA⁽²⁾	1.7%	1.6%	1.2%	1.9%	1.9%	1.8%	-	-	-

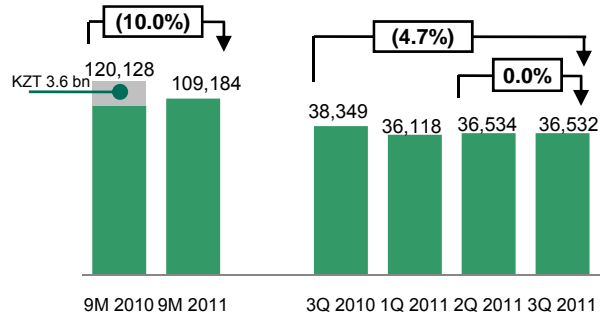
⁽¹⁾one-off increase in amount of KZT 3.6 bn (~KZT 3 bn after tax)

⁽²⁾annualized

P&L: Net Interest Income

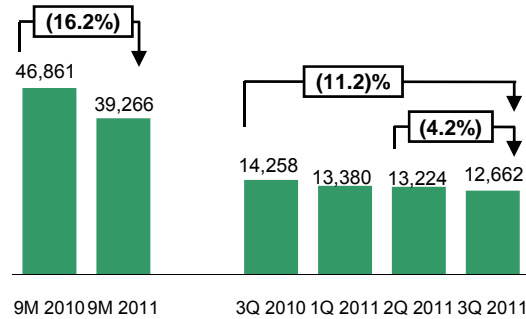
Interest Income on Loans

KZT mln



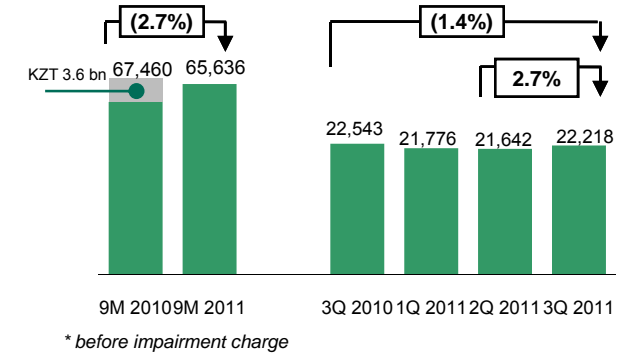
Interest Expense on Deposits

KZT mln

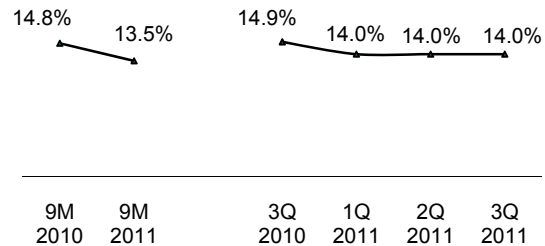


Net Interest Income*

KZT mln

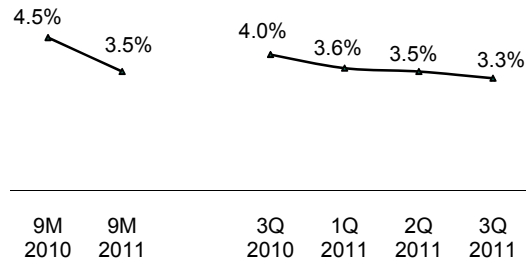


Rates* on Net Loan Portfolio



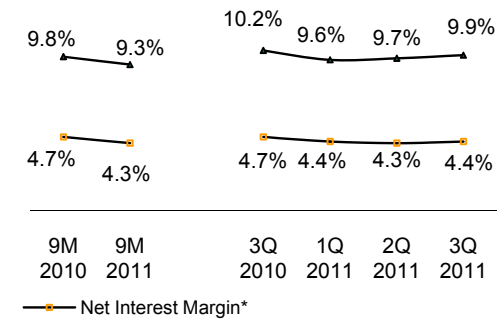
* annualized

Rates* on Deposits



* annualized

NIM & Spread



* annualized

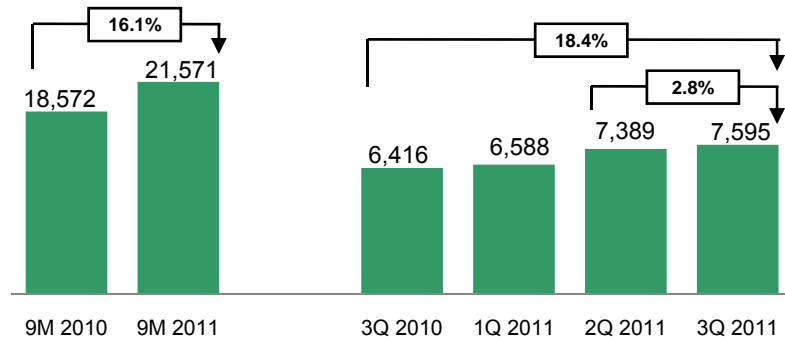
— Net Interest Margin*
— Spread (ave. interest rates on loan portfolio less ave. interest rates on interest-bearing liabilities)

* annualized

P&L: Transactional Banking

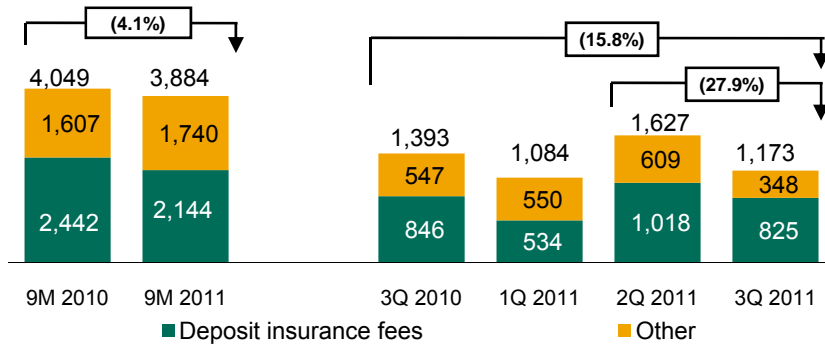
Total Transactional Banking Fees

KZT mln

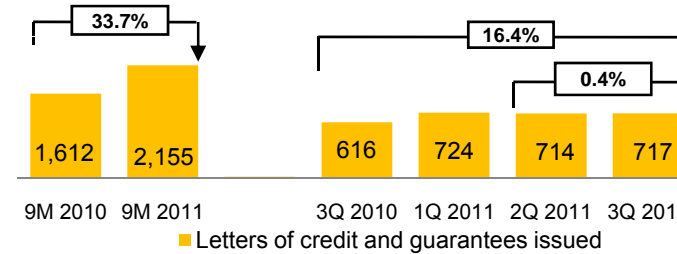
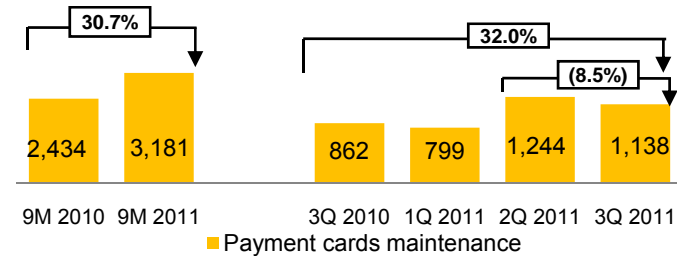
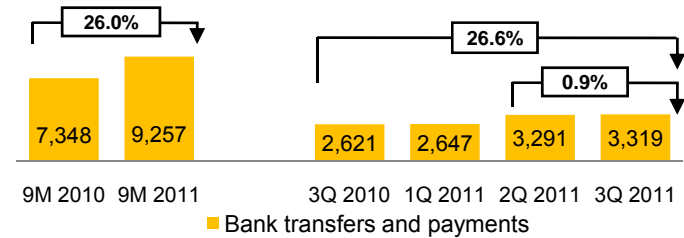
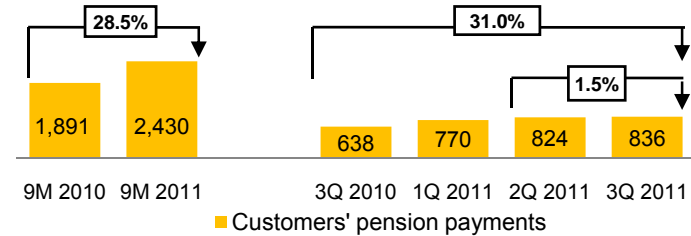


Fee and Commission Expenses

KZT mln

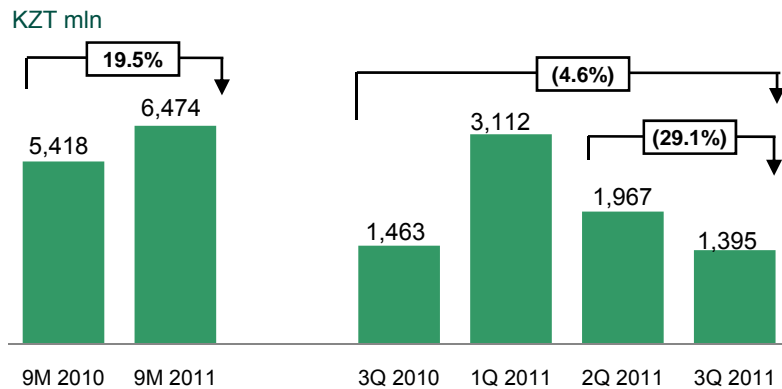


Breakdown of Transactional Banking Fees



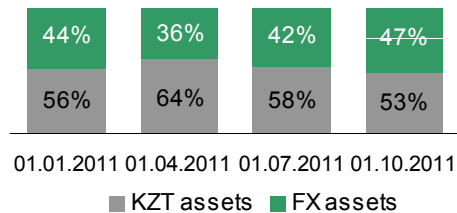
P&L: Foreign Exchange

Net Gain on Foreign Exchange Operations

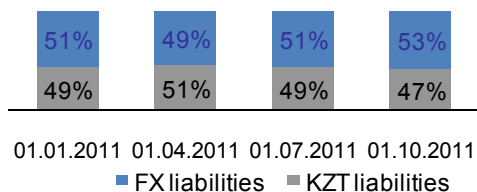


Breakdown by Currencies

Total Assets



Total Liabilities

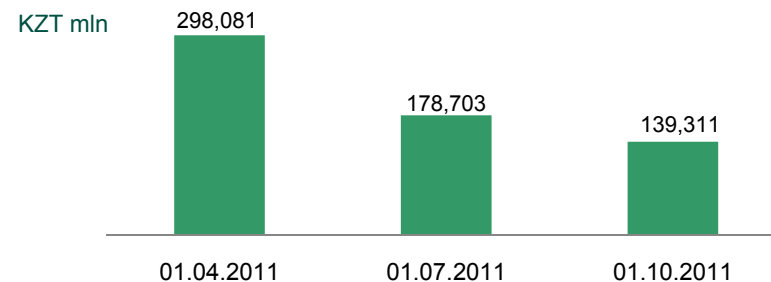


2011 Dynamics

KZT mln	1Q 2011	2Q 2011	3Q 2011
Net Gain on Foreign Exchange Operations			
Dealing, net	1,253	916	1,308
Translation differences, net	1,859	1,051	87
	3,112	1,967	1,395
Net Gain/(Loss) from Financial Assets and Liabilities at FV through P&L			
Gain on trading operations	428	(902)	485
Net fair value adjustment	(780)	517	38
	(352)	(385)	523
Net gain on foreign currency spot and forward transactions⁽¹⁾	1,149	750	232

(1) excluding gains from securities operations

Notional Amount of Foreign Currency Derivatives

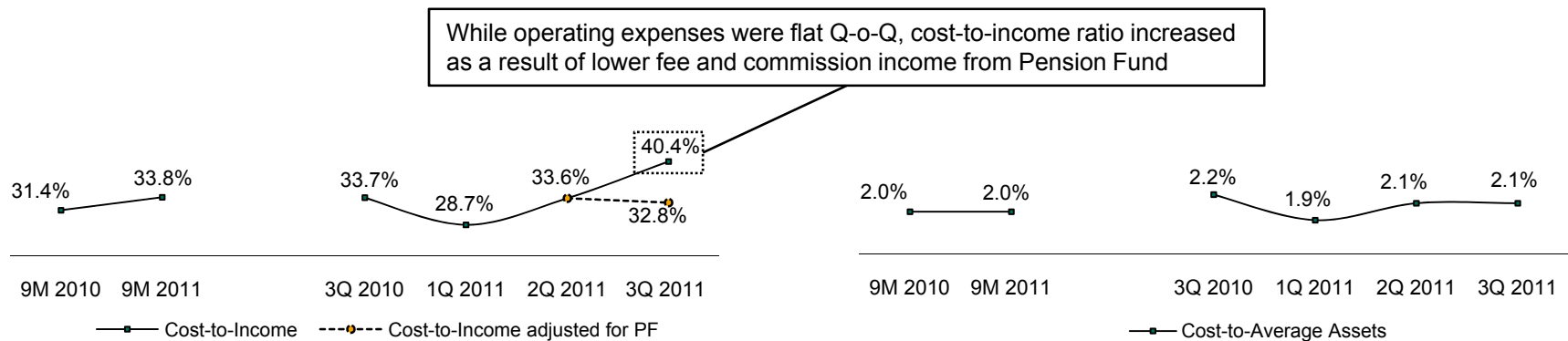
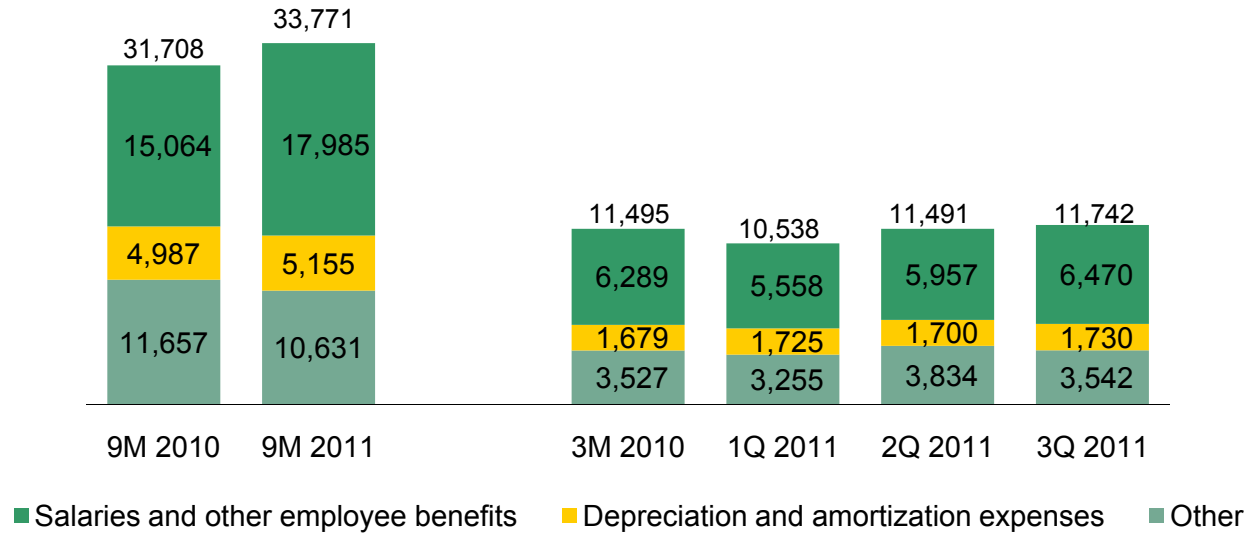


P&L: Operating Expenses



Dynamics

KZT mln



Balance Sheet: Summary



KZT mln	30 Sep 2011	Change Q-o-Q, %	30 Jun 2011	31 Dec 2010	Change YTD, %
Total Assets	2,239,654	(0.1%)	2,241,818	2,097,935	6.8%
Cash and Reserves	569,786	31.6%	432,978	420,182	35.6%
NBK Notes & T-Bills	280,767	(38.6%)	456,932	368,439	(23.8%)
Other Securities	156,130	29.2%	120,867	93,325	67.3%
Gross Loan Portfolio	1,379,675	0.6%	1,371,010	1,342,510	2.8%
Stock of Provisions	(281,174)	3.7%	(271,159)	(253,237)	11.0%
Net Loan Portfolio	1,098,501	(0.1%)	1,099,851	1,089,273	0.8%
Other Assets	134,470	2.5%	131,189	126,716	6.1%
Total Liabilities	1,938,898	(0.3%)	1,943,752	1,780,051	8.9%
Total Deposits, including:	1,490,847	(2.5%)	1,528,754	1,415,755	5.3%
<i>retail deposits</i>	545,837	2.5%	532,385	490,877	11.2%
<i>term deposits</i>	423,411	2.8%	411,962	387,510	9.3%
<i>current accounts</i>	122,426	1.7%	120,423	103,367	18.4%
<i>corporate deposits</i>	945,010	(5.2%)	996,369	924,878	2.2%
<i>term deposits</i>	376,515	(8.5%)	411,313	531,182	(29.1%)
<i>current accounts</i>	568,495	(2.8%)	585,056	393,696	44.4%
Debt Securities	331,717	2.4%	323,837	252,167	31.5%
Amounts due to Credit Institutions	61,434	46.8%	41,855	71,403	(14.0%)
Other Liabilities	54,397	10.3%	49,306	40,726	33.6%
Equity	300,756	0.9%	298,066	317,884	(5.4%)

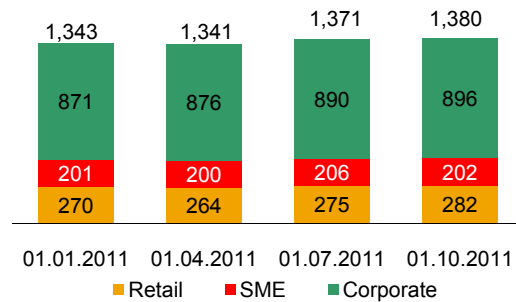
Balance Sheet: Loan Portfolio



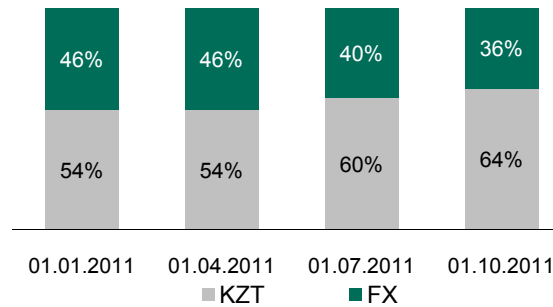
Dynamics

Breakdown by Businesses

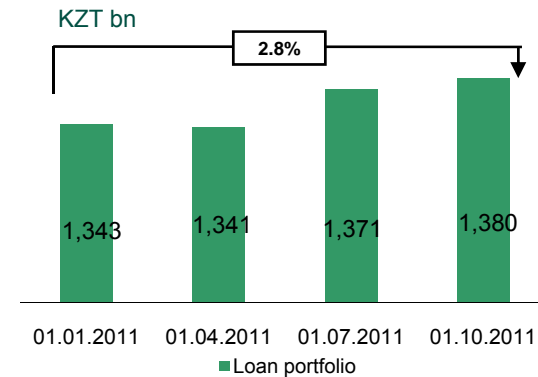
KZT bn



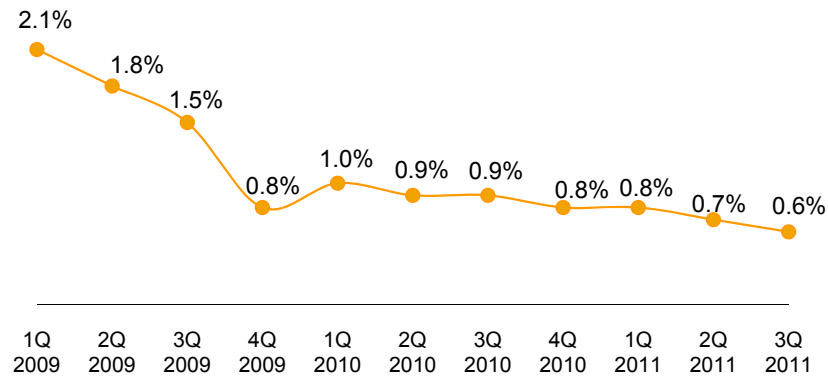
Breakdown by Currencies



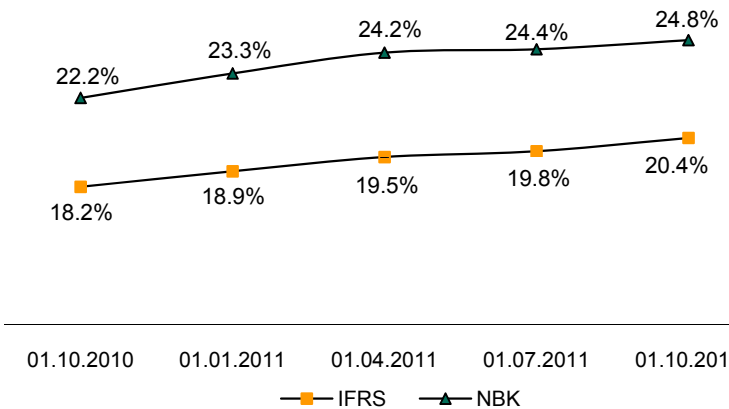
Growth



Impairment Charge, as % of Average Loan Portfolio



Stock of Provisions / Gross Loans

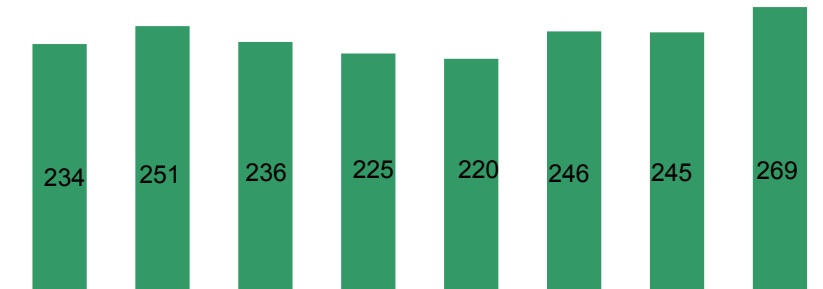


Balance Sheet: NPLs



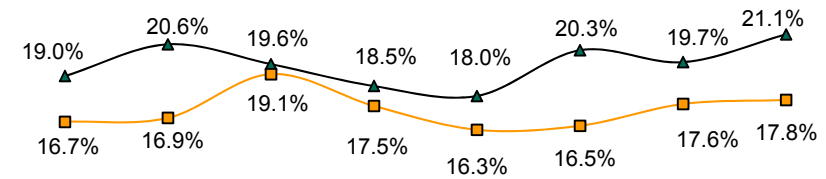
NPLs Dynamics

KZT bn



01.01.2010 01.04.2010 01.07.2010 01.10.2010 01.01.2011 01.04.2011 01.07.2011 01.10.2011

■ NPLs 30+ *



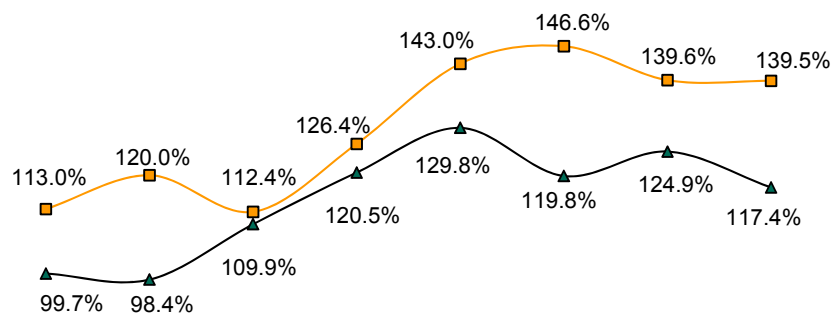
01.01.2010 01.04.2010 01.07.2010 01.10.2010 01.01.2011 01.04.2011 01.07.2011 01.10.2011

▲ NPLs 30+ * ■ NPLs 90+

* 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



01/01/2010 01.04.2010 01.07.2010 01.10.2010 01.01.2011 01.04.2011 01.07.2011 01.10.2011

▲ Coverage* of NPLs 30+ ■ Coverage* of NPLs 90+

* coverage by regulatory provisions

Comments

- During 3Q 2011, NPLs 30 days + increased from 19.7% to 21.1% mainly due to loans to one large credit relationship becoming overdue as a result of ongoing negotiations with the client on restructuring terms.
- NPLs 90 days + increased from 17.6% to 17.8% during 3Q 2011 mainly due to some of NPLs 30 days + becoming overdue by 90 days.

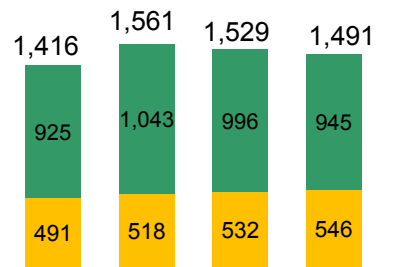
Balance Sheet: Funding



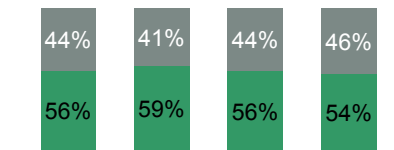
Breakdown of Deposits

KZT bn

Breakdown by Depositors



Breakdown by Currencies



01.01.2011 01.04.2011 01.07.2011 01.10.2011

■ Legal entities ■ Retail

01.01.2011 01.04.2011 01.07.2011 01.10.2011

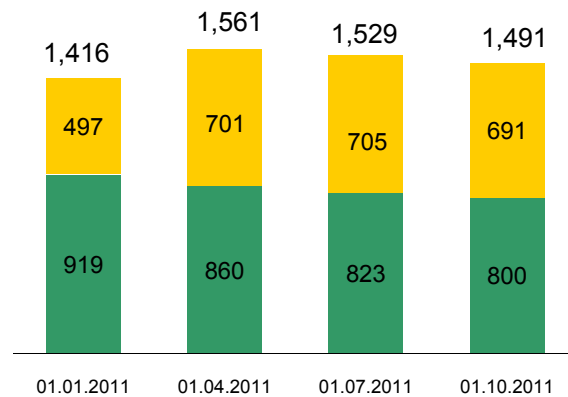
■ FX ■ KZT

Comments

- Both retail term deposits and retail current accounts continued to increase during 3Q 2011.
- Corporate term deposits and corporate current accounts decreased during 3Q 2011 mainly due to lower interest rates offered by the Bank compared to its peers in order to reduce excess liquidity.
- The share of deposits in foreign currency increased from 44% to 46% during 3Q 2011 mainly due to customers' shift to FX-denominated deposits.

Breakdown of Deposits by Type

KZT bn



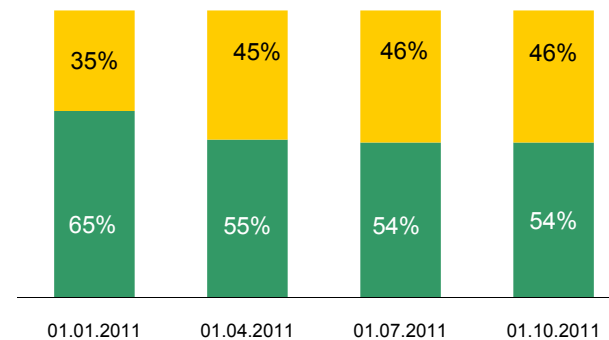
01.01.2011

01.04.2011

01.07.2011

01.10.2011

■ Current accounts ■ Term deposits



01.01.2011

01.04.2011

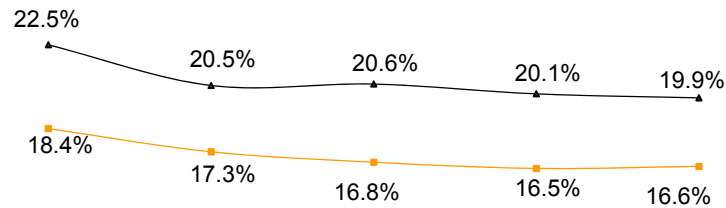
01.07.2011

01.10.2011

Balance Sheet: Capitalisation



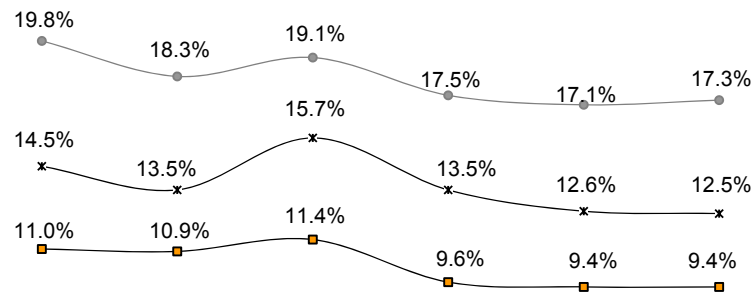
Basel Capital Adequacy Ratios



01.10.2010 01.01.2011 01.04.2011 01.07.2011 01.10.2011

—■— Tier 1 Capital Adequacy (min 4%) —▲— Total Capital Adequacy (min 8%)

FMSA Capital Adequacy Ratios

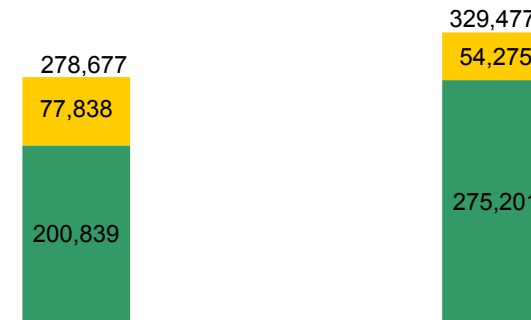


01.10.2010 01.01.2011 01.02.2011 01.04.2011 01.07.2011 01.10.2011

—■— k1-1 (min 5%) —x— k1-2 (min 5%) —●— k2 (min 10%)

Capital Structure, 30 Sep 2011

KZT mln



FMSA

Basel

■ Tier 1 ■ Tier 2

Comments

- Capital adequacy ratios under FMSA and Basel remained flat in 3Q 2011 compared to 2Q 2011.
- Local subordinated bonds for KZT 10 bn have been voluntarily prepaid in October 2011.

Subsidiaries: Pension Fund



Dynamics during 9M 2011

KZT mln	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	9m 2011
Asset Management Fee (@ 0.05% of AuM)	323	323	336	333	357	360	372	387	392	3,182
Performance - Linked Fee (@ 15% of Investment Income)	1,182	(1,843)	1,035	997	158	(24)	1,281	0	0	6,472
Subtotal for fee and commission income from Pension Fund										9,654
Reverse of performance fee								(1,563)	(4,683)	(6,246)
Total Net Income from Pension Fund										3,408

In August and September 2011, due to downturn in global financial markets investment income on assets under management was negative, which resulted in recognition of losses incurred from management of pension assets for KZT 6.2 bn. These losses can be offset against future income received by the Pension Fund. Pension fund and asset management fees for 9M 2011 net of mentioned losses were KZT 3.4 bn.

Source: NBK, Halyk Bank

Subsidiaries: Insurance Business



P&L Dynamics

KZT mln

	9M 2011	9M 2010	3Q 2011	2Q 2011	1Q 2011	3Q 2010
Insurance premiums written, gross	24,064	15,614	5,519	10,012	8,533	3,568
Change in unearned insurance premiums, net	(1,584)	(792)	756	837	(3,177)	960
Ceded reinsurance share (Cost of reinsurance)	(12,243)	(5,847)	(2,304)	(7,447)	(2,492)	(1,155)
Insurance underwriting income	10,237	8,975	3,971	3,402	2,864	3,373
Insurance reserves	(2,229)	(1,657)	(383)	(802)	(1,044)	(586)
Insurance payments	(4,839)	(3,649)	(1,958)	(1,424)	(1,457)	(1,462)
Commissions to agents	(166)	(88)	(60)	(49)	(57)	(3)
Insurance claims incurred, net of reinsurance	(7,234)	(5,394)	(2,400)	(2,275)	(2,559)	(2,159)
Net income from insurance operations	3,003	3,581	1,571	1,127	305	1,214

Subsidiaries: Insurance Business (continued)



Cash Flow Dynamics						
KZT mln	9M 2011	9M 2010	3Q 2011	2Q 2011	1Q 2011	3Q 2010
Insurance underwriting income received	22,786	13,821	9,328	8,219	5,239	6,160
Insurance reimbursements paid	(5,080)	(3,730)	(2,068)	(1,474)	(1,538)	(1,492)
Net Insurance Income Received	17,706	10,091	7,260	6,745	3,701	4,668
Increase/(decrease) in insurance liabilities	4,369	2,813	(2,506)	2,419	4,456	(1,039)
(Increase)/decrease in insurance assets	(15,348)	(7,815)	(2,131)	(7,235)	(5,982)	(2,065)
Total Cash Flow from changes in insurance assets and liabilities	(10,979)	(5,002)	(4,637)	(4,816)	(1,526)	(3,104)
Net cash flow from insurance operations	6,727	5,089	2,623	1,929	2,175	1,564

Comments

- #1 market player by net insurance premiums with 16.3% market share in 9M 2011
- Insurance assets increased 30.6% YTD
- Insurance liabilities increased 42.0% YTD

Subsidiaries: JSC Halyk Finance



Key Financial Dynamics

KZT mln	9M 2011	9M 2010	3Q 2011	2Q 2011	1Q 2011	3Q 2010
Net interest income	898	728	318	307	273	225
Net fee and commission income	406	74	79	30	297	2
Net dealing income/ (loss)	480	424	447	1	32	(6)
Net income	1,736	1,434	804	441	491	758
	30 Sep 2011	31 Dec 2010	31 Dec 2009			
Total assets	20,020	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), asset 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
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

Annex: Key Financial Indicators



	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10	30 Sep 10
Amounts due to customers/ total liabilities	76.9%	78.6%	79.8%	79.5%	78.1%
Loans / deposits ratio ⁽¹⁾	0.74x	0.72x	0.69x	0.77x	0.80x
Liquid assets ⁽²⁾ / total assets	36.2%	37.9%	40.8%	36.7%	34.5%
NPLs / gross loans ⁽³⁾	21.1%	19.7%	20.3%	18.0%	18.5%
Provisioning rate ⁽⁴⁾	20.4%	19.8%	19.5%	18.9%	18.2%
Regulatory provisioning rate	24.8%	24.4%	24.2%	23.3%	22.2%
Tier 1 capital adequacy ratio ⁽⁵⁾	16.6%	16.5%	16.8%	17.3%	18.4%
Total capital adequacy ratio ⁽⁵⁾	19.9%	20.1%	20.6%	20.5%	22.5%
Tier 1 capital adequacy ratio (k1-1) ⁽⁶⁾	9.4%	9.4%	9.6%	10.9%	11.0%
Tier 1 capital adequacy ratio (k1-2) ⁽⁶⁾	12.5%	12.6%	13.5%	13.5%	14.5%
Tier 2 capital adequacy ratio (k2) ⁽⁶⁾	17.3%	17.1%	17.5%	18.3%	19.8%

⁽¹⁾ Loans to customers, net / amounts due to customers.

⁽²⁾ On consolidated IFRS basis, liquid assets consist of Cash and cash equivalents, Amounts due from credit institutions, NBK notes, Treasury bills of the Ministry of Finance of Kazakhstan, Treasury bills of the governments of other countries, notes of national banks of other countries, bonds of quasi-sovereign banks.

⁽³⁾ Total NPLs 30+ (total principle amount of loans with principle and/or interest overdue by more than 30 days) / Gross loan portfolio, unconsolidated.

⁽⁴⁾ Allowance for loan impairment / loans to customers before allowance for loan impairment.

⁽⁵⁾ As per Guidelines adopted by the Basel Committee on Banking Regulations and Supervision Practices of the Bank for International Settlements.

⁽⁶⁾ As per the NBK Guidelines, Bank only.

Annex: Key Financial Indicators (continued)



	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10	30 Sep 10
Number of branches and outlets	609	629	631	632	629
Number of ATMs	1,749	1,756	1,686	1,686	1,686
Number of POS-terminals	5,117	4,897	4,646	4,160	3,673
Information and transaction terminals (multiservice kiosks)	594	594	594	594	594
			9M 2011	9M 2010	
Cost-to-income ⁽¹⁾			33.8%	31.4%	
Return on average common shareholders' equity (ROAE)			11.9%	11.8%	
Return on average assets (ROAA)			1.7%	1.6%	
Net interest margin			4.3%	4.7%	
Operating expenses/average total assets			2.0%	2.0%	

⁽¹⁾ Operating expenses/operating income before impairment charge. Operating income before impairment charge is net interest income before impairment charge, plus fees and commissions, net, and other non-interest income, less insurance claims incurred, net of reinsurance and expenses for insurance reserves.

Speakers



Umut Shayakhmetova
CEO



Dauren Karabayev
Deputy CEO



Aliya Karpykova
Deputy CEO



Murat Koshenov
Chief Risk Officer and
Compliance Controller

Q & A session