



HALYK GROUP FINANCIAL RESULTS PRESENTATION 1Q 2013

Most Effective Bank
in Kazakhstan 2011,
Expert-100-Kazakhstan,
November 2012

Best Foreign Exchange
Provider in Kazakhstan,
Global Finance,
January 2013

Award in Research
“Private Banking”,
Euromoney,
February 2013

Best Bank in Kazakhstan,
Europe Banking Awards,
April 2013

Best Bank in Kazakhstan,
EMEA Finance,
April 2013

The Most Valuable Banking Brand
in Kazakhstan,
Brand Finance,
April 2013

28 May 2013

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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 2013 Performance Highlights

KZT bn

	<u>1Q 2013</u>	<u>1Q 2012</u>	<u>Y-o-Y, %</u>
Net income	19.3	16.8	14.6%
Net interest income*	21.2	15.3	38.3%
Transactional banking fees	8.9	7.3	22.1%
RoAE**, p.a.	23.0%	19.3%	
RoAA**, p.a.	3.2%	2.8%	
Cost of risk**, p.a.	0.6%	2.0%	
	<u>31 Mar 2013</u>	<u>31 Dec 2012</u>	<u>YTD, %</u>
Gross loans	1,660	1,622	2.3%
Net loans	1,355	1,319	2.7%
Total assets	2,518	2,408	4.6%
Total deposits	1,761	1,699	3.7%
Total equity	356	340	4.8%
Provisions / gross loans	18.4%	18.7%	
Loans / deposits ratio ⁽¹⁾	76.9%	77.6%	
Liquid assets ⁽²⁾ / total assets	30.6%	28.7%	
NPLs 90+ / gross loans ⁽³⁾	16.9%	17.0%	

* after impairment charge

** annualized

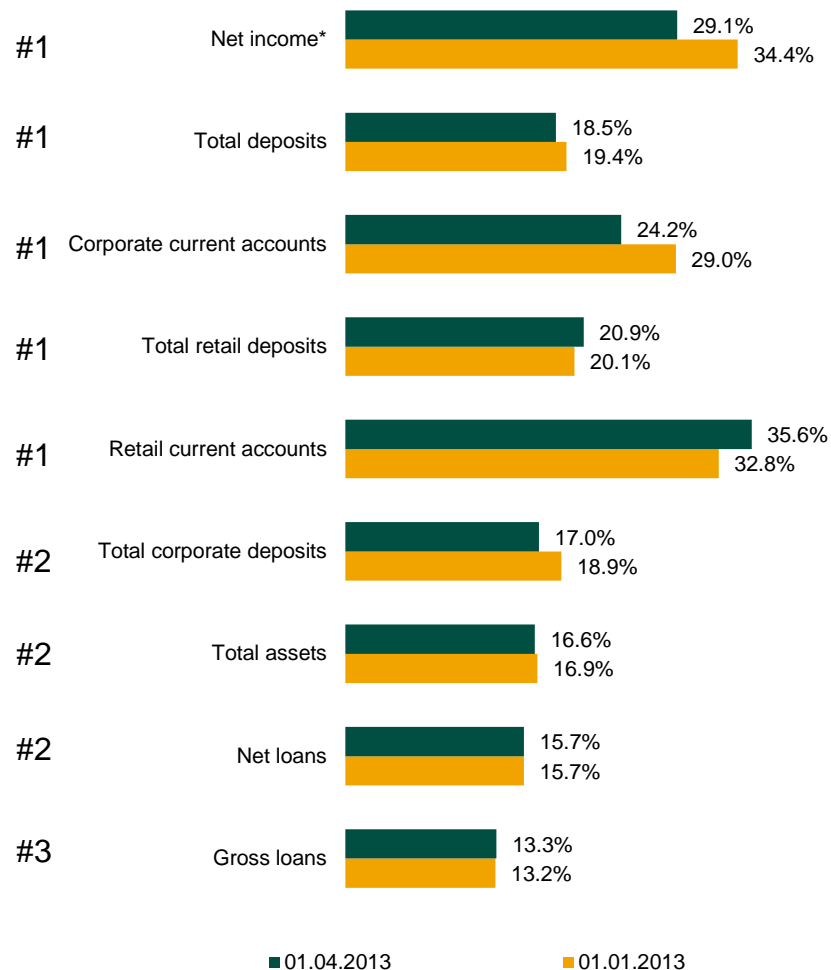
⁽¹⁾ Loans to customers, net / amounts due to customers.

⁽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 90+ (total principle amount of loans with principle and/or interest overdue by more than 90 days) / Gross loan portfolio, unconsolidated.

Market Position

Market Shares



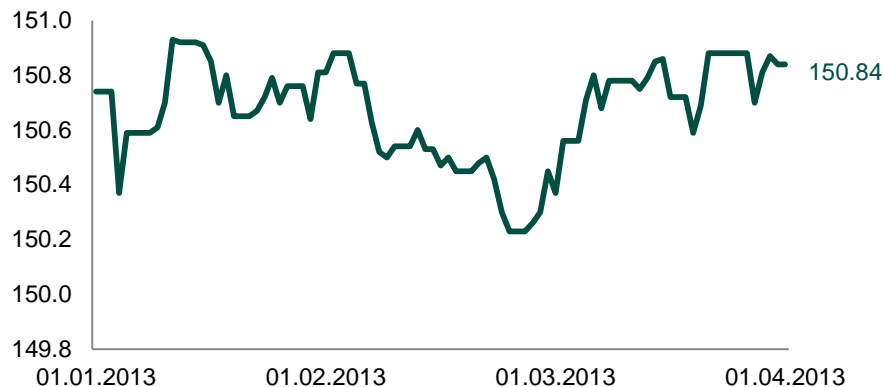
Market Penetration

	01.04.2013	Growth YTD, %
Clients of internet banking for individuals	84,981	22.7%
Clients of internet banking for legal entities	11,575	3.4%
Mobile phone banking clients	662,893	9.9%
Telebanking clients	27,720	10.3%
Pension Fund clients	2,464,818	1.8%
Payment card holders	3,521,306	1.7%
Payroll project clients (employees of government and private entities)	2,072,278	(4.1%)
Outlets	554	0.0%
ATMs	1,900	0.0%
POS-terminals	7,676	0.9%
Information and transaction terminals (multi-service kiosks)	590	0.0%

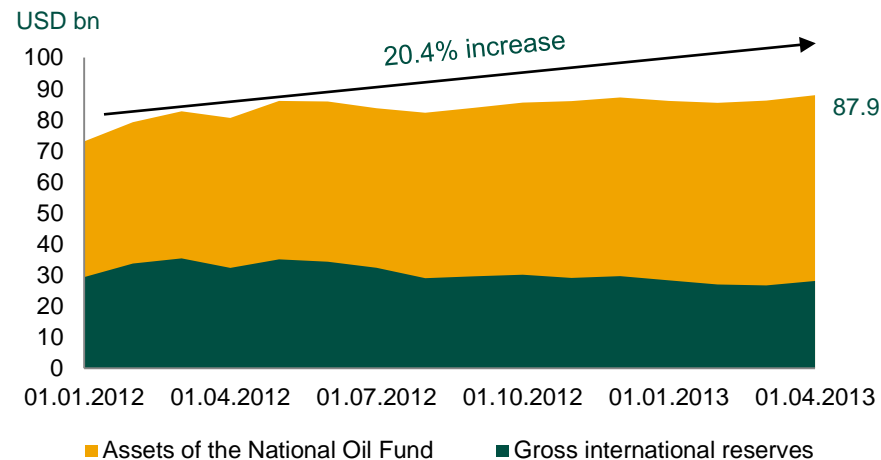
* excl. banks with negative income and BTA; NI for 1Q 2013 and 1Q 2012
Source: NBK (unconsolidated, KAS), Halyk Bank

Macroeconomic Update

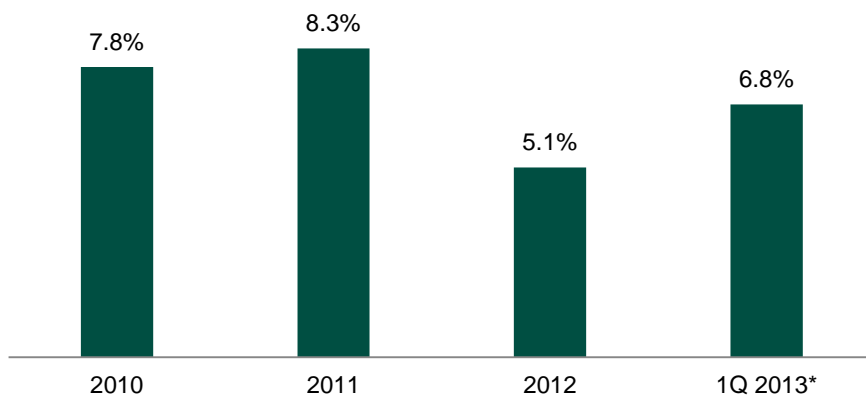
USD/KZT Exchange Rate



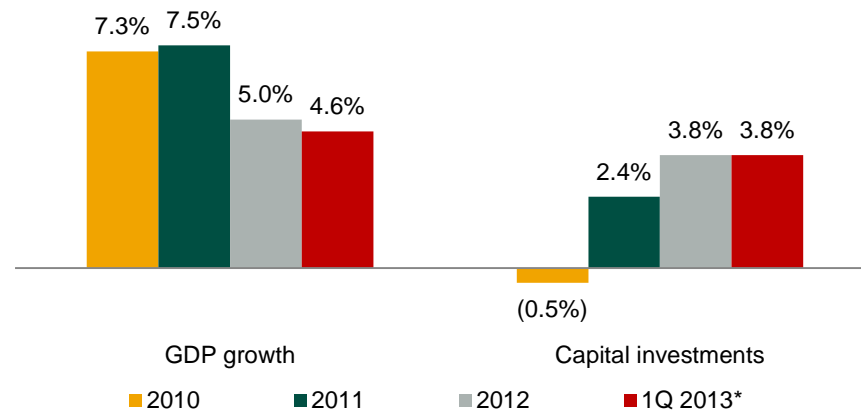
International Reserves



Inflation



Selected Indices



* 1Q 2013 to 1Q 2012

Source: NBK

P&L: Summary

Dynamics

KZT mln

	<u>1Q 2013</u>	<u>1Q 2012</u>	<u>Change Y-o-Y, %</u>	<u>4Q 2012</u>	<u>Change Q-o-Q, %</u>
Interest income	43,062	39,668	8.6%	41,336	4.2%
Interest expense	(19,564)	(17,116)	14.3%	(18,812)	4.0%
Net interest income*	23,498	22,552	4.2%	22,524	4.3%
Impairment charge	(2,263)	(7,203)	(68.6%)	(5,218)	(56.6%)
Net interest income	21,235	15,349	38.3%	17,306	22.7%
Net Pension Fund fees	3,524	5,470	(35.6%)	4,350	(19.0%)
Transactional banking	8,916	7,301	22.1%	9,924	(10.2%)
Insurance business	1,201	1,748	(31.3%)	985	21.9%
FX operations	1,172	1,665	(29.6%)	2,196	(46.6%)
Securities & derivatives	1,073	789	36.0%	1,787	(40.0%)
Operating expenses	(13,102)	(11,270)	16.3%	(14,941)	(12.3%)
Net income	19,267	16,818	14.6%	15,994	20.5%
RoAE**, p.a.	23.0%	19.3%		33.3%	
RoAA**, p.a.	3.2%	2.8%		2.7%	

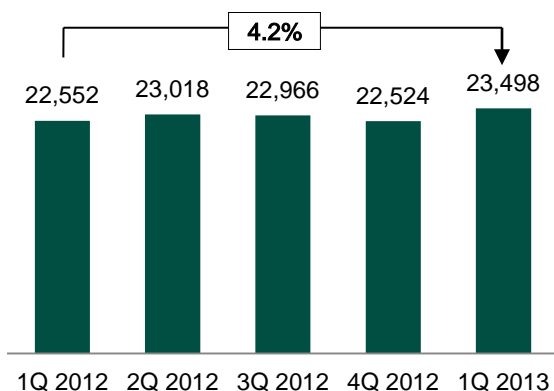
* before impairment charge

** annualized

P&L: Net Interest Income

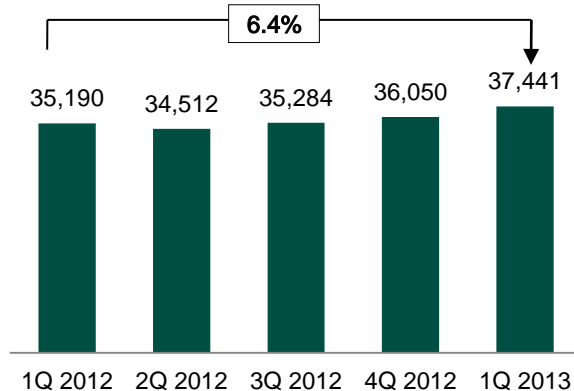
Net Interest Income*

KZT mln



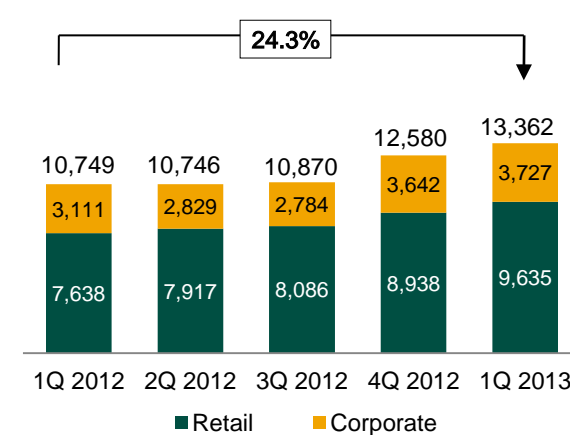
Interest Income on Loans

KZT mln

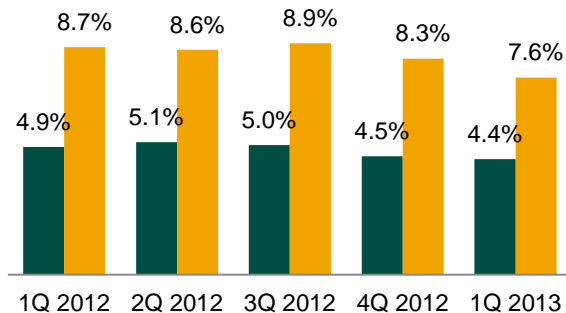


Interest Expense on Deposits

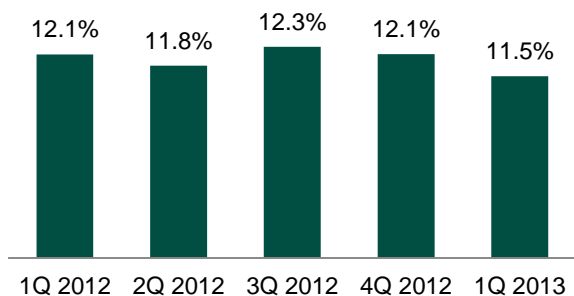
KZT mln



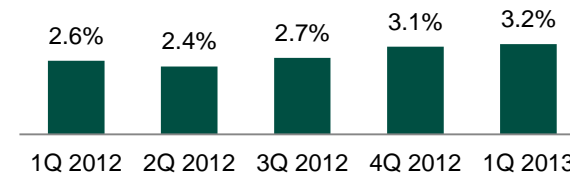
NIM** & Spread**



Rates** on Net Loan Portfolio



Rates** on Deposits



■ Net interest margin

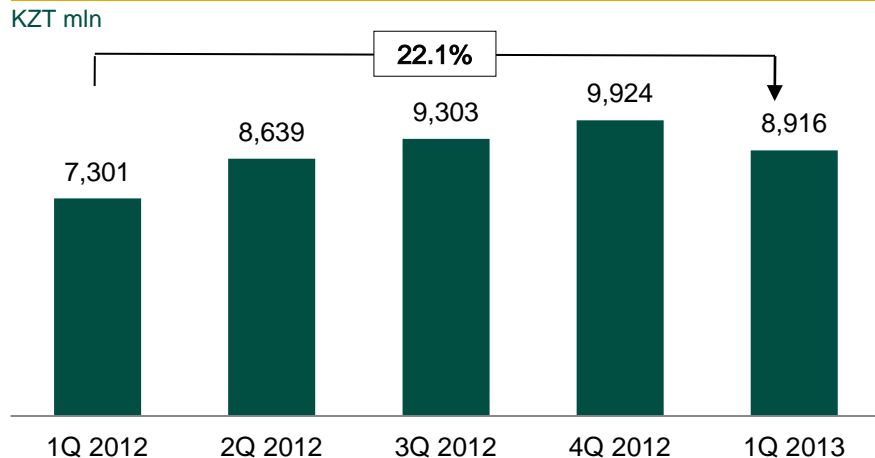
■ Spread (ave. interest rates on loan portfolio less ave. interest rates on interest-bearing liabilities)

* before impairment charge

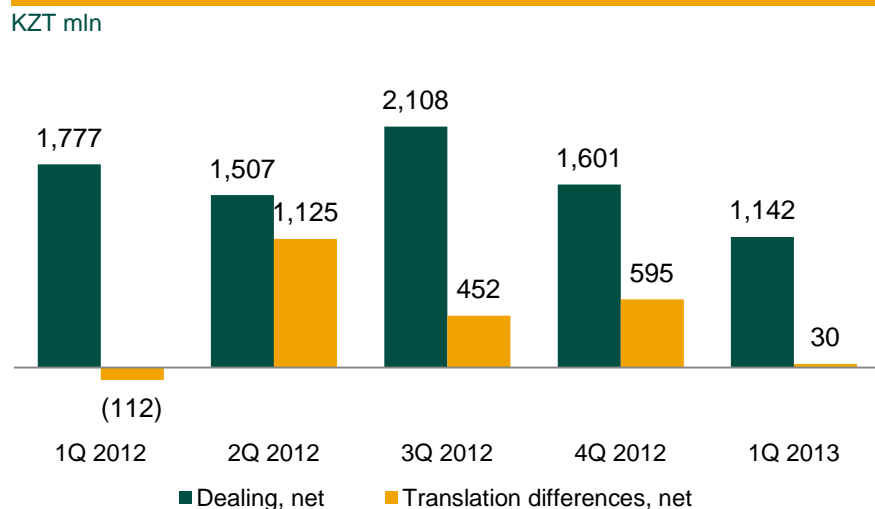
** annualized

P&L: Transactional Banking and Foreign Exchange

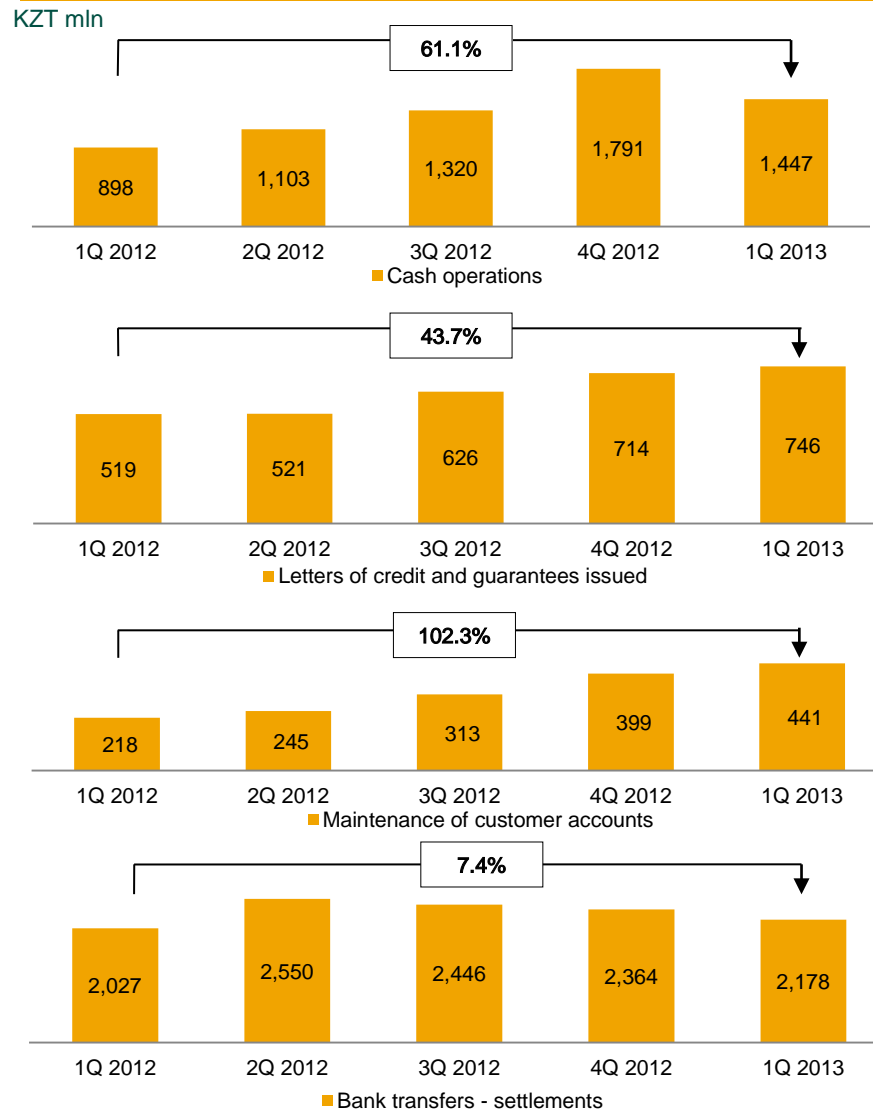
Total Transactional Banking Fees



Net Gain on Foreign Exchange Operations



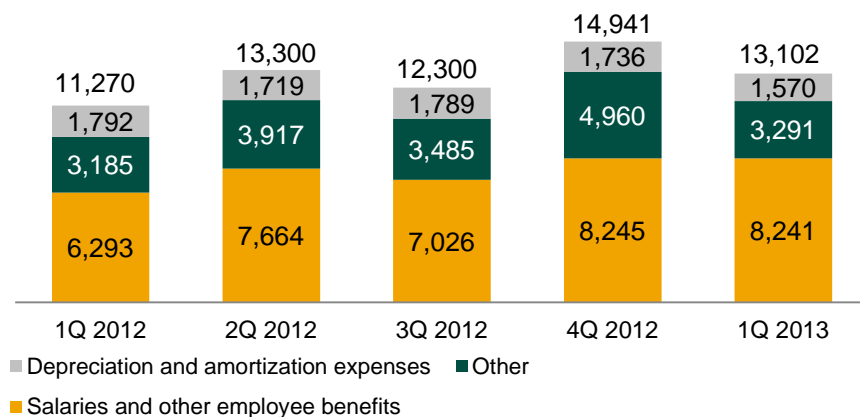
Breakdown of Selected Transactional Banking Fees



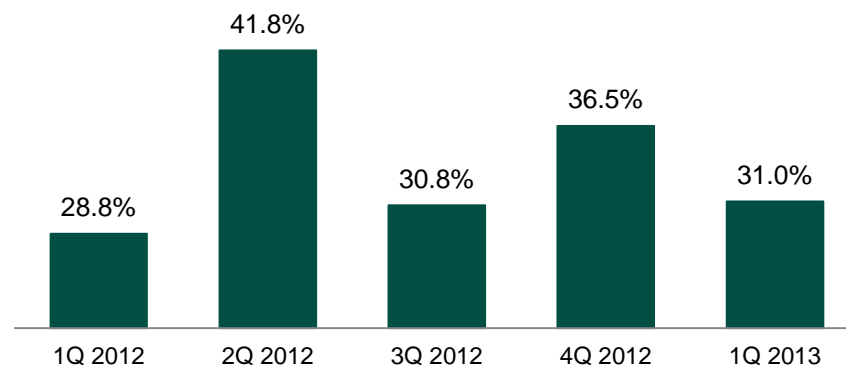
P&L: Operating Expenses

Dynamics

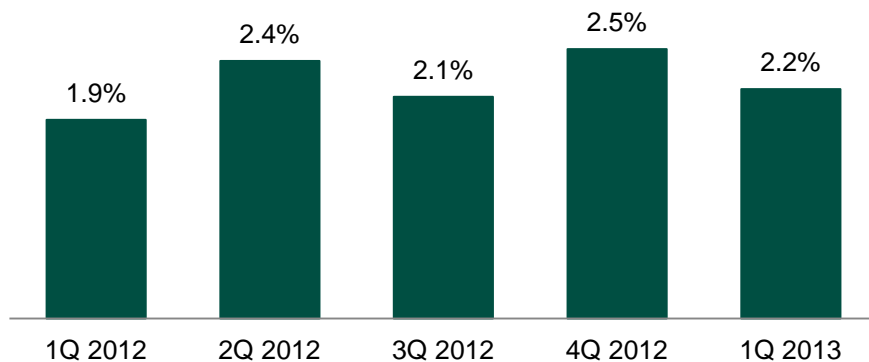
KZT mln



Cost-to-Income



Cost-to-Average Assets*



Comments

Operating expenses increased by 16.3% for 1Q 2013 compared to 1Q 2012 primarily due to 31.0% increase in salaries and other employee benefits as a result of adjustment in salaries of employees of the Bank and its subsidiaries starting from 1 January 2013.

* annualized

Balance Sheet: Summary

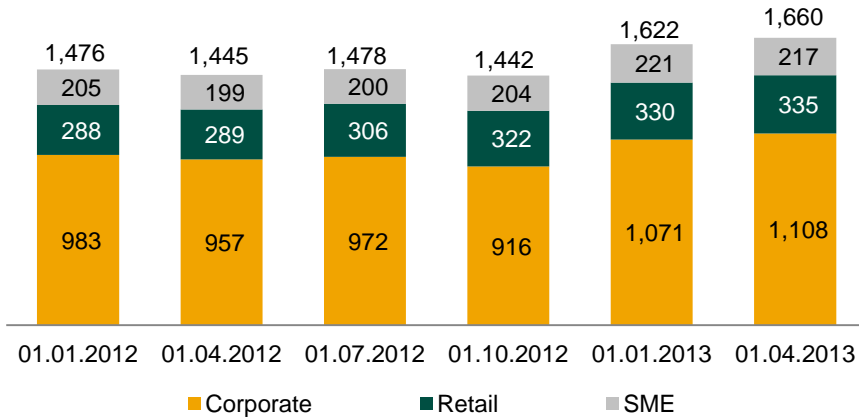
KZT mln

	31 Mar 2013	31 Dec 2012	Change YTD, %
Total assets	2,518,283	2,407,998	4.6%
Cash and reserves	651,330	582,536	11.8%
Amounts due from credit institutions	32,831	32,799	0.1%
NBK notes & T-bills	148,407	136,489	8.7%
Other securities & derivatives	213,900	223,639	(4.4%)
<i>Gross loan portfolio</i>	1,659,701	1,622,134	2.3%
<i>Stock of provisions</i>	(304,682)	(302,926)	0.6%
Net loan portfolio	1,355,019	1,319,208	2.7%
Other assets	116,796	113,327	3.1%
Total liabilities	2,162,227	2,068,359	4.5%
Total deposits, including:	1,761,439	1,699,182	3.7%
<i>retail deposits</i>	747,758	694,229	7.7%
<i>term deposits</i>	593,381	543,592	9.2%
<i>current accounts</i>	154,377	150,637	2.5%
<i>corporate deposits</i>	1,013,681	1,004,953	0.9%
<i>term deposits</i>	360,024	401,704	(10.4%)
<i>current accounts</i>	653,657	603,249	8.4%
Debt securities	305,368	301,919	1.1%
Amounts due to credit institutions	29,814	15,202	96.1%
Other liabilities	65,606	52,056	26.0%
Equity	356,056	339,639	4.8%

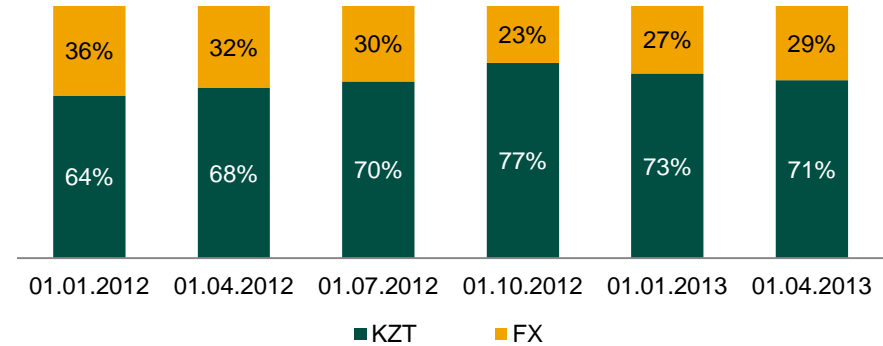
Balance Sheet: Loan Portfolio

Breakdown of Gross Loans by Businesses

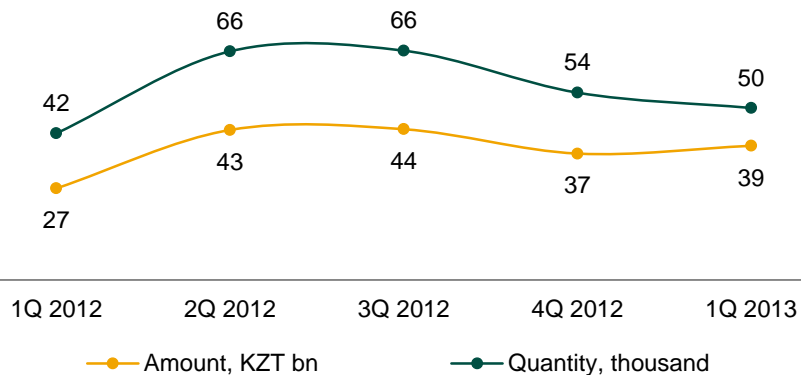
KZT bn



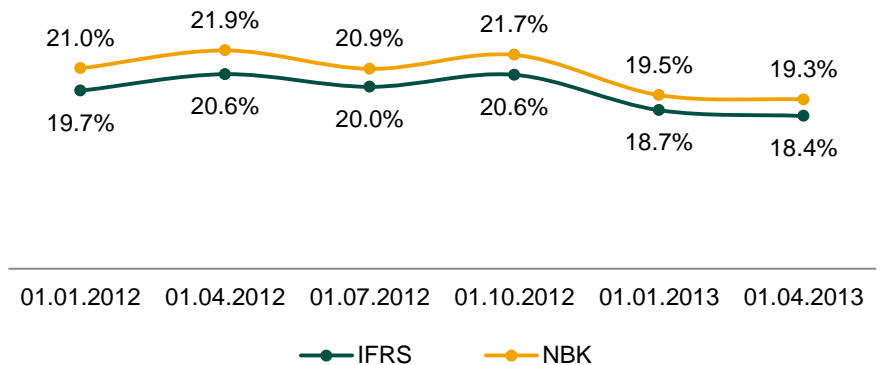
Breakdown of Net Loans by Currencies



Issuance of Salary-Backed Consumer Loans

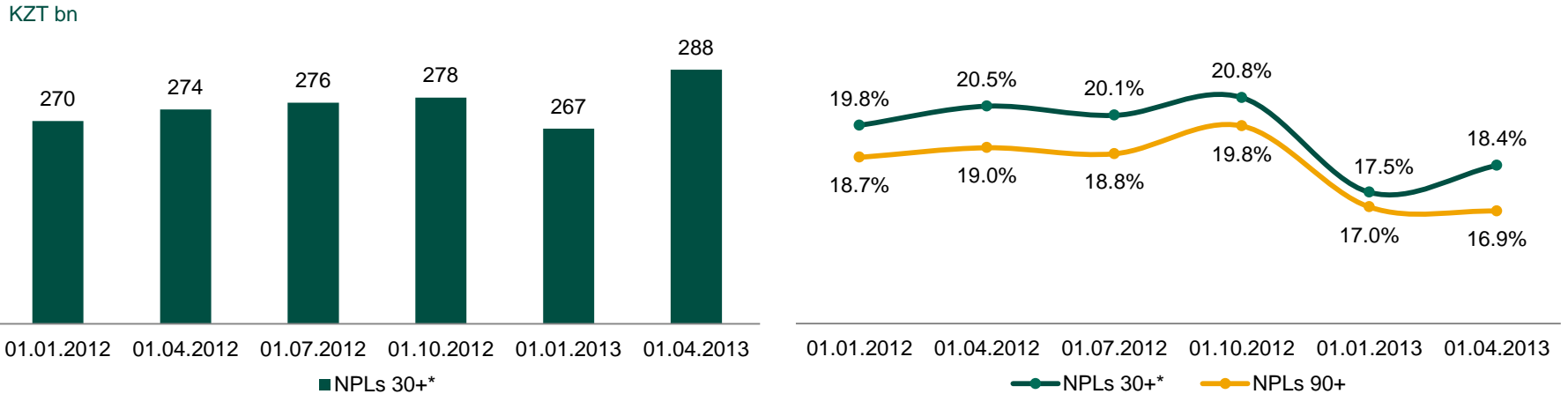


Stock of Provisions / Gross Loans

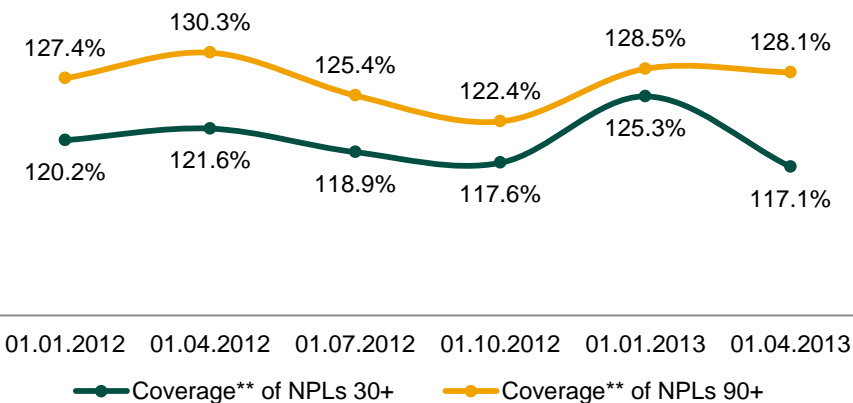


Balance Sheet: NPLs

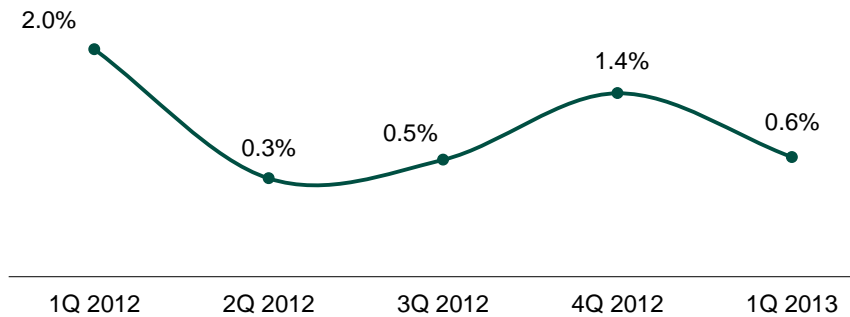
NPLs Dynamics



NPLs Coverage Ratio



Cost of Risk***



Source: Halyk Bank, NBK

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

** coverage by regulatory provisions

*** impairment charge, as % of loan portfolio

Balance Sheet: NPL Management

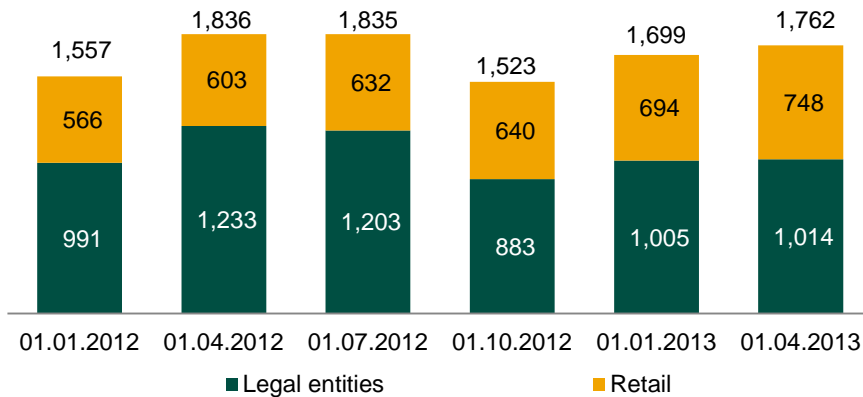
	Tax-exempt write-offs	Distressed Asset Fund of NBK (DAF)	SPVs of commercial banks
Implementation stage	<ul style="list-style-type: none"> ➤ The deadline for tax exemption scheme is extended till 1 January 2014; ➤ The National Bank is expected to approve changes to the rules on tax-exempt write-offs; ➤ The Bank is selecting the defaulted borrowers eligible for write-offs. 	<ul style="list-style-type: none"> ➤ The Bank proposed 3 projects to the DAF; ➤ The DAF valued the proposed projects at high discount (90%); ➤ Project transfer at proposed discount is not economically attractive. 	<ul style="list-style-type: none"> ➤ The Bank, first among other Banks, received regulator's approval to create a SPV; ➤ The Bank transferred pilot project for KZT 446 mln to Halyk Project LLC; ➤ The Transfer of 3 other potential projects is under consideration.
Applicable period	YE 2013	5 years	5-6 years
Loans written-off / transferred in 2012	KZT 5.5 billion*	launching stage	KZT 446 million
Loans written-off / transferred in 1Q 2013	KZT 142 million	0	-
Estimated amount* of loans for write-off / transfer in 2013	~ KZT 5.0 billion	0	KZT 11.9 billion
Challenges	<ul style="list-style-type: none"> ➤ Complicated write-off procedure with multiple conditions; ➤ Only the excess on estimated collateral value is subject to write-off; ➤ The Bank loses recourse on any written-off amount. 	<ul style="list-style-type: none"> ➤ Eligible loans can't be construction related or collateralised by real estate; ➤ High discounts are proposed by the DAF. 	<ul style="list-style-type: none"> ➤ Assets transferred to Halyk-Project LLP should meet tight criteria set by the regulator; ➤ Business plan for each asset should be approved by the National Bank.

* within the framework of existed regulation

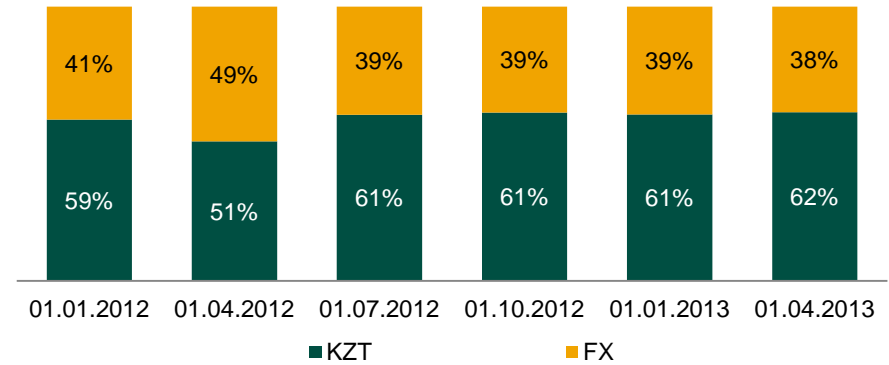
Balance Sheet: Funding

Breakdown of Deposits by Depositors

KZT bn

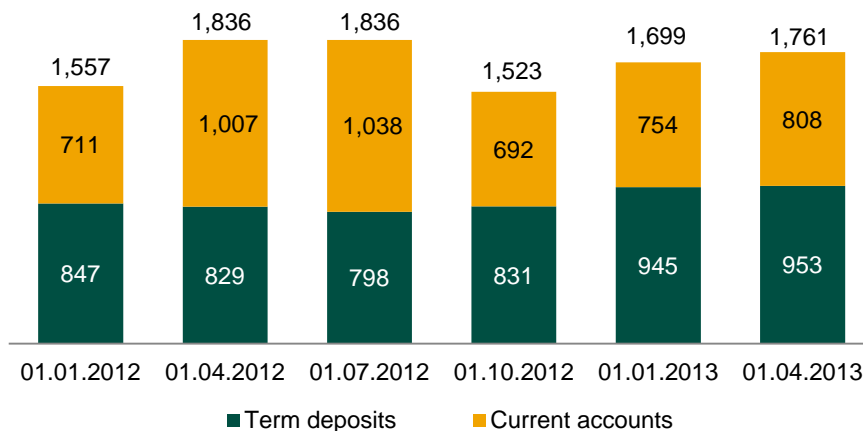


Breakdown of Deposits by Currencies



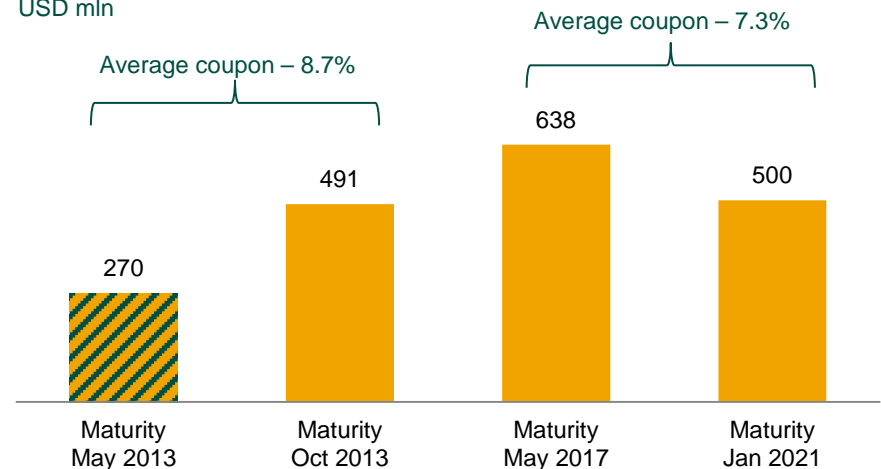
Breakdown of Deposits by Type

KZT bn



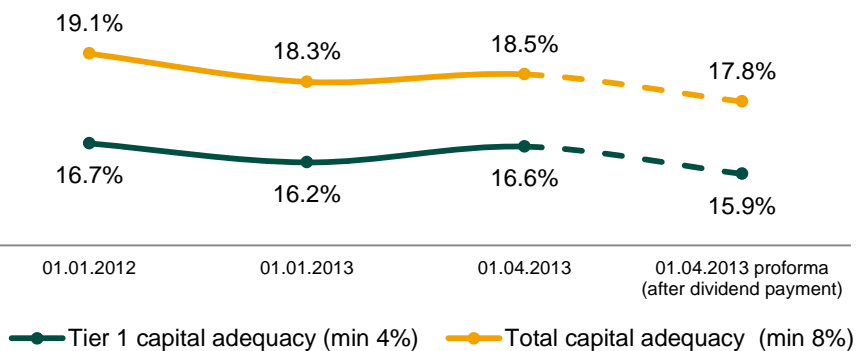
Maturity Profile of Eurobonds

USD mln



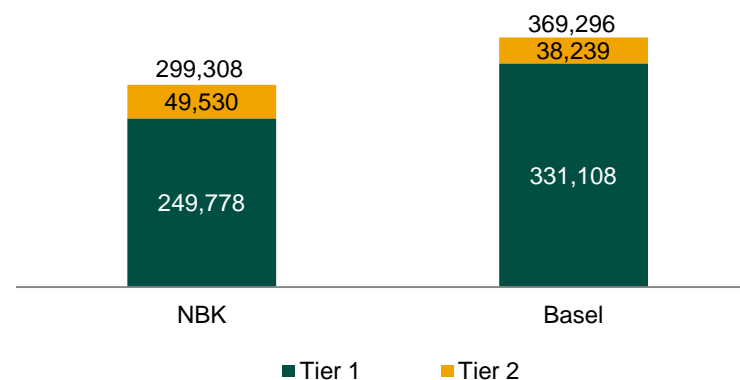
Balance Sheet: Capitalization

Basel Capital Adequacy Ratios

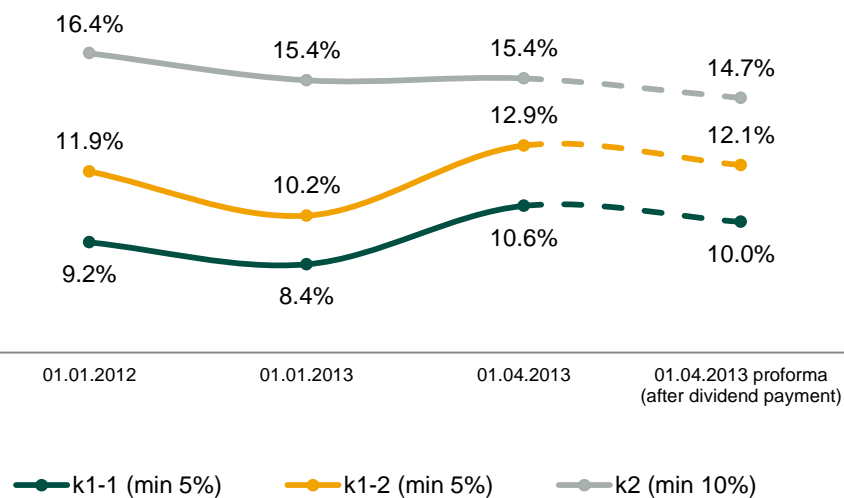


Capital Structure, 31 Mar 2013

KZT mln



NBK Capital Adequacy Ratios



Dividends

	2012	2011
Dividend per preferred share	KZT 11.20	KZT 13.44
Total amount of dividends to preferred shareholders	KZT 2.2 bn	KZT 5.2 bn
as % of consolidated net income	3.1%	13.2%
Dividend per common share	KZT 1.12	—
Total amount of dividends to common shareholders	KZT 12.2 bn	—
as % of consolidated net income*	17.4%	—

* before preferred dividends

Pension Fund

Dynamics

KZT mln

	<u>1Q 2013</u>	<u>4Q 2012</u>	<u>3Q 2012</u>	<u>2Q 2012</u>	<u>1Q 2012</u>
Asset management fee (@ 0.6% p.a. of AuM)	1,455	1,434	1,369	1,299	1,232
Performance fee (@ 15% of investment income)	<u>2,070</u>	<u>2,916</u>	<u>3,696</u>	<u>(269)</u>	<u>4,238</u>
Total fee and commission income from Pension Fund	3,524	4,350	5,065	1,030	5,470

KZT bn

	<u>31 Mar 2013</u>	<u>31 Dec 2012</u>	<u>30 Sep 2012</u>	<u>30 Jun 2012</u>	<u>31 Mar 2012</u>	<u>31 Dec 2011</u>
Assets under management (AuM)	1,108	1,060	1,002	953	924	878

Update on BTA and HPF

New law on the pension system

- Passed second hearings at the Senate of the Parliament on 23 May, to be approved by the President

Transfer of pension assets to the United Pension Fund

- Deputy Prime-Minister Mr. K. Kelimbetov on 2 May announced that the transfer of pension assets from private pension funds to the United Pension Fund will start from 1 July

Meetings

- A number of organisational meetings with S-K, BTA and advisors took place in April-May

Details of the potential transactions

- Process / discussions are at very early stages

We would like to thank all investors and analysts for their feedback with respect to potential BTA and HPF transactions

Speakers



Umut Shayakhmetova, CEO



Dauren Karabayev, Deputy CEO



Aliya Karpykova, Deputy CEO

Q & A session

Annex: Key Financial Indicators

	31 Mar 2013	31 Dec 2012	31 Mar 2012
Amounts due to customers / total liabilities	81.4%	82.2%	82.9%
Loans / deposits ratio ⁽¹⁾	0.77x	0.78x	0.62x
Loans in KZT / deposits in KZT ratio	0.88x	0.94x	0.83x
Loans in FX / deposits in FX ratio	0.59x	0.53x	0.43x
Liquid assets ⁽²⁾ / total assets	30.6%	28.7%	40.8%
NPLs / gross loans ⁽³⁾	18.4%	17.5%	20.5%
Provisioning rate ⁽⁴⁾	18.4%	18.7%	20.6%
Regulatory provisioning rate	19.3%	19.5%	21.9%
Tier 1 capital adequacy ratio ⁽⁵⁾	16.6%	16.2%	17.8%
Total capital adequacy ratio ⁽⁵⁾	18.5%	18.3%	20.4%
Tier 1 capital adequacy ratio (k1-1) ⁽⁶⁾	10.6%	8.4%	9.7%
Tier 1 capital adequacy ratio (k1-2) ⁽⁶⁾	12.9%	10.2%	14.2%
Tier 2 capital adequacy ratio (k2) ⁽⁶⁾	15.4%	15.4%	17.3%

⁽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)



	<u>31 Mar 2013</u>	<u>31 Dec 2012</u>	<u>31 Mar 2012</u>
Number of branches and outlets	554	554	565
Number of ATMs	1,900	1,900	1,773
Number of POS-terminals	7,676	7,608	5,167
Information and transaction terminals (multiservice kiosks)	590	590	590
	<u>1Q 2013</u>	<u>4Q 2012</u>	<u>1Q 2012</u>
Cost-to-income*	31.0%	35.6%	28.8%
Return on average common shareholders' equity (RoAE)	23.0%	33.3%	19.3%
Return on average assets (RoAA)	3.2%	2.7%	2.8%
Net interest margin	4.4%	4.5%	4.9%
Operating expenses/average total assets	2.2%	2.5%	1.9%

* 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.