

Banking. 12th December 2016



Halyk Bank of the Republic of Kazakhstan



Kamila Turmanbet





✓ Saving banks

✓ Ownership structure

✓ [Kazkommertsbank AO](#)



1923 in Aktyubinsk



Almaty, Kazakhstan



Corporate Governance



Board of Directors



Audit Committee



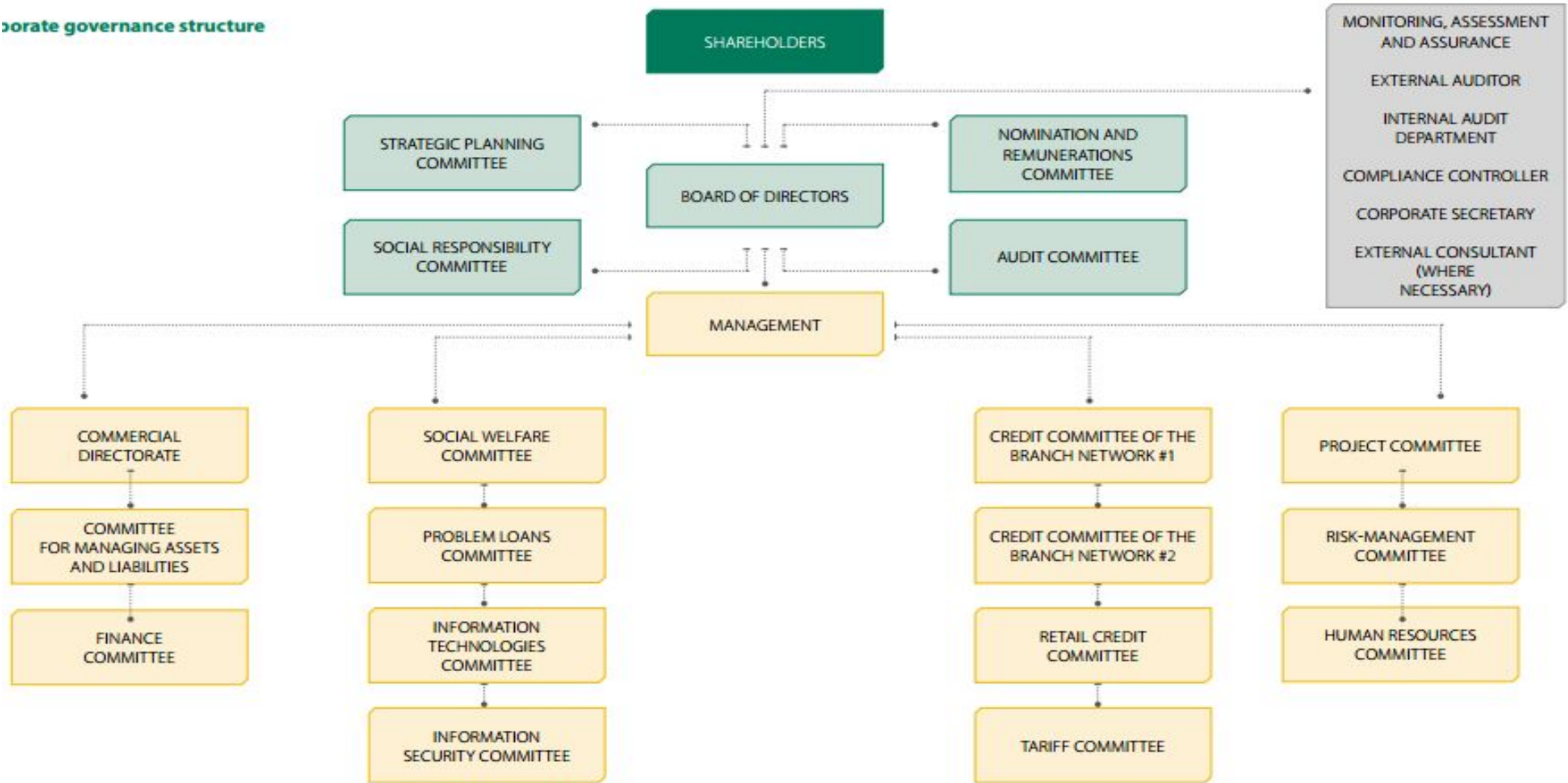
**Nomination and Remuneration
Committee**



Management Board



Corporate governance structure





Consolidated subsidiaries

This interim condensed consolidated financial information includes the following subsidiaries:

Subsidiary	Holding, %		Country	Industry
	30 September 2016 (unaudited)	31 December 2015		
Halyk-Leasing JSC	100	100	Kazakhstan	Leasing
JSC Kazteleport	100	100	Kazakhstan	Telecommunications
OJSC Halyk Bank Kyrgyzstan	100	100	Kyrgyzstan	Banking
Halyk Finance JSC	100	100	Kazakhstan	Broker and dealer activities
LLC Halyk Collection	100	100	Kazakhstan	Cash collection services
JSC Halyk-Life	100	100	Kazakhstan	Life insurance
Kazakhinstrakh JSC	100	100	Kazakhstan	Insurance
OJSC NBK-Bank	100	100	Russia	Banking
JSC Halyk Bank Georgia	100	100	Georgia	Banking
LLC Halyk Project	100	100	Kazakhstan	Management of doubtful and loss assets
JSC Altyn Bank (SB of JSC Halyk Bank)	100	100	Kazakhstan	Banking

STRUCTURE OF HALYK GROUP*



* On 31 December 2014, the Board of Directors of Halyk Bank voted to voluntarily liquidate the subsidiary Accumulating Pension Fund, registered at 96/98 Zheltoksan st., Almaty. On 7 December 2015, the shares of Accumulating Pension Fund were cancelled in accordance with Kazakh legislation.

FINANCIAL HIGHLIGHTS

Key figures at year-end	01.01.2016		01.01.2015	
	KZT mln	US\$ mln*	KZT mln	US\$ mln*
Loans to customers	2,176,069	6,410	1,648,013	9,038
Total assets	4,454,938	13,123	2,809,782	15,406
Amounts due to customers	3,043,731	8,966	1,848,213	10,136
Debt securities issued	597,525	1,760	311,009	1,706
Amounts due to credit institutions	168,258	496	107,192	588
Total equity	529,928	1,561	475,221	2,606

Key figures	2015		2014	
	KZT mln	US\$ mln**	KZT mln	US\$ mln**
Net interest income	138,187	623	125,748	702
Fees and commissions, net	42,471	192	50,079	279
Operating expenses	(70,805)	(319)	(62,410)	(349)
Net income	120,312	543	114,377	638

Key ratios	2015	2014
Return on average common equity	24.4%	27.1%
Return on average assets	3.7%	4.1%
Net interest margin	6.2%	5.8%
Net interest spread	6.6%	5.7%
Cost-to-income	29.2%	29.6%
Cost-to-assets	2.2%	2.3%
Tier 1 capital adequacy ratio (BIS guidelines)	18.0%	20.4%
Total capital adequacy ratio (BIS guidelines)	18.2%	21.0%

* Calculated using the official National Bank of Kazakhstan rate on the corresponding date

** Calculated using the average official National Bank of Kazakhstan rate for the corresponding period

		30 September 2016	31 December 2015
	Notes	(unaudited)	
ASSETS			
Cash and cash equivalents	5	1,330,740	1,404,680
Obligatory reserves	6	71,642	68,389
Financial assets at fair value through profit or loss	7	413,208	177,070
Amounts due from credit institutions	8	32,217	44,993
Available-for-sale investment securities	9	441,704	378,520
Precious metals		3,017	2,436
Loans to customers	10, 31	2,203,326	2,176,069
Investment property		30,319	24,658
Commercial property		10,100	9,632
Property and equipment		95,728	82,462
Assets held-for-sale		10,210	11,405
Goodwill		4,954	4,954
Intangible assets		9,046	8,659
Current income tax assets	17	2,781	16,469
Deferred income tax assets	17	931	1,919
Insurance assets	11	30,465	23,857
Other assets	12	14,956	18,766
TOTAL ASSETS		4,705,344	4,454,938

LIABILITIES AND EQUITY

LIABILITIES

Amounts due to customers	13, 31	3,171,519	3,043,731
Amounts due to credit institutions	14	178,777	168,258
Financial liabilities at fair value through profit or loss	7	727	5,593
Debt securities issued	15	591,050	597,525
Provisions	16	942	982
Current income tax liability	17	11,378	379
Deferred tax liability	17	34,715	37,362
Insurance liabilities	11	64,880	50,983
Other liabilities	18	18,976	20,197

Total liabilities

4,072,964 3,925,010

EQUITY

Share capital	19	143,695	143,695
Share premium reserve		1,916	2,039
Treasury shares	19	(103,121)	(103,175)
Retained earnings and other reserves		589,890	487,369
Total equity		<u>632,380</u>	<u>529,928</u>

TOTAL LIABILITIES AND EQUITY

4,705,344 4,454,938

Interim Consolidated Statement of Profit Or Loss
For the Three and Nine Months Ended 30 September 2016 (Unaudited)
(Millions of Kazakhstani Tenge, except for earnings per share which is in Tenge)

	Notes	Three months ended 30 September 2016 (unaudited)	Three months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Interest income	21, 31	92,948	63,302	260,477	181,588
Interest expense	21, 31	(43,003)	(24,455)	(126,686)	(67,252)
NET INTEREST INCOME BEFORE IMPAIRMENT CHARGE	21	49,945	38,847	133,791	114,336
Impairment charge	16	(8,314)	(6,916)	(19,012)	(8,541)
NET INTEREST INCOME		41,631	31,931	114,779	105,795
Fee and commission income	22	15,130	13,356	43,471	38,872
Fee and commission expense		(2,540)	(2,931)	(9,024)	(7,696)
Fees and commissions, net		12,590	10,425	34,447	31,176
Net (loss)/gain from financial assets and liabilities at fair value through profit or loss	23	(5,428)	107,186	(10,007)	107,453
Net realized gain/(loss) from available-for-sale investment securities		1,847	375	2,872	(926)
Net foreign exchange gain/(loss)	24	7,333	(91,242)	15,206	(87,466)
Insurance underwriting income	25	7,607	6,780	19,942	17,945
Other income		1,209	3,691	3,970	5,661

Source: www.halykbank.kz

OTHER NON-INTEREST INCOME		12,568	26,790	31,983	42,667
Operating expenses	26	(17,719)	(17,179)	(51,900)	(48,764)
Recoveries of provisions/(additional provisions recognized)	16	9	(236)	49	(234)
Insurance claims incurred, net of reinsurance	25	(6,848)	(6,205)	(18,043)	(16,541)
NON-INTEREST EXPENSES		(24,558)	(23,620)	(69,894)	(65,539)
INCOME BEFORE INCOME TAX EXPENSE		42,231	45,526	111,315	114,099
Income tax expense	17	(5,367)	(8,828)	(17,314)	(22,124)
NET INCOME		36,864	36,698	94,001	91,975
Attributable to:					
Preferred shareholders		-	70	-	1,070
Common shareholders		36,864	36,628	94,001	90,905
		36,864	36,698	94,001	91,975

Source: www.halykbank.kz

Net income	36,864	36,698	94,001	91,975
Other comprehensive income:				
<i>Items that will not to be subsequently reclassified to profit or loss:</i>				
(Loss)/gain on revaluation of property (net of tax – KZT Nil)	(1)	10	(210)	(8)
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Gain/(loss) on revaluation of available-for-sale investment securities (net of tax – KZT Nil)	10,293	(8,786)	10,615	(7,456)
Reclassification adjustment relating to available-for-sale investment securities impaired during the period (net of tax – KZT Nil)	(529)	847	(211)	2,640
Reclassification adjustment relating to available-for-sale investment securities disposed of in the period (net of tax – KZT Nil)	(1,847)	(375)	(2,872)	926
Exchange differences on translation of foreign operations (net of tax – KZT Nil)	(301)	3,683	1,537	3,216
Other comprehensive income/(loss) for the period	7,615	(4,621)	8,859	(682)
Total comprehensive income for the period	44,479	32,077	102,860	91,293

Source: www.halykbank.kz

Equity variation over the last 4 years

Source: www.halykbank.kz



- www.halykbank.kz/content/newsItem/6726/fs_halyk_bank_fs_9m_review_2016_eng.pdf
- https://www.halykbank.kz/content/newsItem/6294/hb_2016_en_interaktiv.pdf