



## PRESS RELEASE

### Financial results of Eurasian Bank JSC for 2011

**Almaty, June 15, 2012** – Eurasian Bank JSC announced its audited consolidated financial results (IFRS) for 2011. The Bank has demonstrated a rapid growth of its key financial indicators despite the continuing volatility of global economy and growing competition on Kazakhstan market of bank services.

The dynamics of the main items of the Profit and Loss Statement for 2011 versus the same period of 2010 was as following:

- **Cost Income ratio (CIR)** decreased by **31,0%** to **52,2%**;
- **Net profit** came to KZT **6,05 bln** surpassing the same indicator of 2010 by **991%**;
- **Net interest income** increased by **209%**;
- **Net operating income** before provisions grew by **108,6%**; and
- **Net interest margin (NIM)** rose by **144%** to **6,1%**.

The above proves that Eurasian Bank continues holding leading positions on the market of Kazakhstan.

**Net profit** of the Bank for 12 months of 2011 amounted to KZT **6,05 bln** which exceeded the 2010 amount by over 10 times (**KZT 554,2 mln**) and is the highest result throughout the history of Eurasian Bank. One of the main factors that contributed to the rise in net income was the growth of the retail loan portfolio propelled through the purchase of **ProstoCredit** business from Societe Generale in 2011.

In addition to the positive financial results the Bank continued strengthening its risk management system and continues with one of the lowest level of NPLs in the Kazakh banking sector.

**Net interest margin** amounted to 6.1% which is 144% higher compared to 2010. The growth of this indicator reiterating the Bank's business efficiency is due to further diversification of its business model.

**Net operating income** before provisions increased by **108,6%** to KZT **25,6 bln**, compared to 2010. This rate of growth, unprecedented for the banking industry in any country, is due to reaching asset allocation targets as well as an increased share of income earning assets to total assets (i.e. the deployment of excess liquidity to the market through lending).

**Cost income ratio (CIR)**, a key indicator of the Bank's profitability, amounted to **52,2%** as at January 2012. The result was significantly lower than the Management target of 60%. Cost management remains a focus and will continue to be monitored regularly.

**Assets** as at January 1, 2012 amounted to KZT **369,4 bln** representing a **3,5%** increase YoY. The Management of the Bank did not focus on the growth of assets but rather more effectively deploying the assets at its disposal. This is highlighted by the fact that at the end of 2011 the **Bank's loan portfolio** came to KZT 281.2 bln which was an increase of 19.8% compared with the end of 2010. The expansion of Bank's retail segment contributed to the sustained growth of its loan portfolio.

The **Retail loan portfolio** increased by KZT **31,7 bln** to KZT 101.8 bln in 2011 and its share in the total loan portfolio amounted to **36.2%** as at the end of 2011.

The **Corporate loan portfolio** grew by KZT **7,4 bln** to the level of **KZT145,3 bln**, which amounted to **51,7%** of the total loan portfolio.

The **SME portfolio** increased by KZT **7,3 bln** to KZT **34,1 bln**, which amounts to **12,1%** of the total loan portfolio.

Despite the significant positive growth dynamics of the loan portfolio, the Bank managed to significantly improve the quality of assets. Thus, the share of NPLs (90+DPD loans) in the total loan portfolio dropped to **7,6%** by the end of 2011.

**Equity capital** - the main indicator of the Bank's financial stability - increased by **24,6%** and as at January 1, 2012 amounted to **KZT 31,9 bln** tenge.

**ROaE** and **ROaA** rose to **21,9** and **1,8%** respectively.

**S&P** reiterated the success of Eurasian Bank business model by upgrading its long term rating to **B +** outlook stable from B outlook stable. Additionally, the national scale rating has been upgraded two notches to **kzBBB** from **kzBB+**.

Speaking about the results of 2011 Michael Eggleton, Chairman of the Board of Eurasian Bank said: *"The results of Eurasian Bank's performance in 2011 prove that the Bank has transformed into a universal financial institution offering its clients a good range of quality products. The constantly growing number of customers reiterates that our Bank is on the right track."*

By the end of 2011, Eurasian Bank had **16 000** corporate and **470 200** individual clients. These levels are over twice the 2010 indicators.

In 2011 Eurasian Bank expanded its coverage by **764** new points of sales (POS) to **1 279** (including ATMs and POS-terminals).

The full version of the audited consolidated financial statements of Eurasian Bank JSC is available on the Bank's website: [www.eubank.kz](http://www.eubank.kz).

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