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Kazkommertsbank reports 1st quarter 2017 financial results

29 June 2017, Almaty, Kazakhstan – JSC Kazkommertsbank (“KKB” or the “Bank”) today announces its consolidated IFRS financial results for the three months ended 31 March 2017.

1 quarter 2017 highlights and major events after reporting date:

- On 15 June 2017 Mr. K.Kh. Rakishev and JSC Halyk Bank (“Halyk Bank”) and separately JSC “Sovereign Wealth Fund Samruk-Kazyna” (“Samruk-Kazyna”) and Halyk Bank have signed the sale and purchase agreements (“SPA”) pursuant to which Mr. Rakishev and Samruk-Kazyna are selling to Halyk Bank their entire respective ownership interests in Kazkommertsbank for the consideration of 1 Kazakhstani tenge each.
- Total assets decreased by 2.3% to KZT 4,752 billion compared to year end 2016.
- Capital adequacy ratio was 13.7% based on NBK methodology.
- Net fee and commission income increased by 26% to KZT 7.6 billion as compared to the same period in 2016.
- Non-performing loans in accordance with NBK methodology represented 8.5% as at 1 April 2017.
- Net profit for 3 months 2017 amounted to KZT 37.9 billion.

Net interest income

Net interest income before provisions decreased by 63.9% to KZT 21.3 billion compared to KZT 59 billion for 3 months of 2016.

Non-interest income

Net non-interest income amounted to KZT 31.5 billion for 3 months of 2017 compared to KZT 13.9 billion for 3 months of 2016 mainly due to increase in gain on financial assets and liabilities at fair value through profit or loss and on operations with foreign currency and precious metals for KZT 16.2 billion.

Net fee and commission income increased by 26% for 3 months of 2017 to KZT 7.6 billion compared to KZT 6 billion for the same period in 2016 mainly due to increase in income from cards operations.

Impairment losses

Provisions on loans to customers represented 12.9% of gross loans as at 31 March 2017.



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Recovery of provisions amounted to KZT 14.9 billion for 3 months of 2017 compared to allowance for provisions of KZT 22.9 billion for 3 months of 2016.

Non-performing loans according to NBK methodology were 8.5% as at 1 April 2017.

Taxation

For 3 months of 2017 the Bank recorded income tax expense of KZT 7.4 billion compared to KZT 16.2 billion for the same period in 2016.

Capital ratios

The Bank's total capital ratio in accordance with NBK methodology represented 13.7% as at 31 March 2017.

Business line performance

Corporate and SME banking

Corporate loans (net) decreased by 3.5% and amounted to KZT 3,332 billion compared to KZT 3,454 billion as of 31 December 2016.

Corporate deposits amounted to KZT 1,420 billion as at 31 March 2017 compared to KZT 1,475 billion as at 31 December 2016. The share of corporate deposits in the Bank's total customer accounts was 52.2% compared to 50.6% as at the end of 2016.

Retail banking

Retail loans (net) increased by 2.2% to KZT 309 billion compared to KZT 302.3 billion as at 31 December 2016 mainly due to significant increase in credit cards. The number of issued credit cards increased by 13 times compared to the same period in 2016, and by three times since the beginning of 2017.

Retail deposits decreased by 9.9% to KZT 1,298 billion compared to KZT 1,440 billion as at 31 December 2016. The share of retail deposits in total customer accounts was 47.8% compared to 49.4% as at 31 December 2016.

As of 31 March 2017 the Bank had an extensive distribution network. The number of branches and ATMs was 227 and 2,296 accordingly.

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