KAZKOMMERTSBANK REPORTS FULL YEAR 2014 FINANCIAL RESULTS

30 April 2015, Almaty, Kazakhstan – JSC Kazkommertsbank ("KKB" or the "Bank") (LSE: KKB; KASE: KKGB), one of the largest banks in Kazakhstan and Central Asia, today announces its audited consolidated IFRS financial results for the year ended 31 December 2014.

Full Year Highlights:

- Total assets increased by 64.2% to KZT 4,247 billion from KZT 2,586 billion in 2013
- Total deposits increased by 34.6% to KZT 2,264 billion
- Tier 1 Capital Adequacy ratio at 11.96%
- Total Capital Adequacy ratio at 13.34%
- Net income amounted to KZT 23.7 billion compared to KZT 52.5 billion in 2013
- Provisioning rate on loan portfolio at 19.3%

Net interest income

Net interest income before provisions for impairment losses increased by 8.8% year-on-year to KZT 154 billion in 2014 compared to KZT 141.5 billion in 2013.

Non-interest income

Net non-interest income decreased to KZT 13.7 billion in 2014 compared to KZT 32.1 billion in 2013, due to a negative translation difference as s result of tenge devaluation as well as due to loss on derivative financial instruments resulted from limited tenge liquidity in the market.

Fee and commission income increased by 31% year-on-year to KZT 41.3 billion in 2014 from KZT 31.5 billion in 2013.

Impairment losses

The provisions for credit impairment losses represented 19.3% of gross loans as of 31 December 2014 compared to 34% as of 31 December 2013. The provisioning charge grew to KZT 76.3 billion in 2014 compared to KZT 71.7 billion in 2013.

Taxation

In 2014, the Bank recorded a tax expense of KZT 6.9 billion compared to KZT 9.7 billion in 2013. The effective tax rate was 22.6%.

Capital ratios

On a consolidated basis, the Bank's Core Tier 1 ratio was 11.96%, while the Total capital ratio stood at 13.34% as of 31 December 2014.

Business line performance

Corporate and SME banking

Corporate loans were KZT 1,711 billion as of 31 December 2014 compared to KZT 1,630 billion as of 31 December 2013. The share of corporate loans in the Bank's total net portfolio decreased to 80.6% as of 31 December 2014 from 85.8% at the end of 2013.

As of 31 December 2014, corporate deposits (excluding deposits under the Kazakh Government's stabilisation programmes) amounted to KZT 1,147 billion compared to KZT 925 billion as of 31 December 2013. The share of corporate deposits in the Bank's total customer accounts totalled 50.7% compared to 55.0% as at the end of 2013.

Retail banking

Retail loans (net) increased by 51.9% year-on-year to KZT 411.1 billion as of 31 December 2014, compared to KZT 270.6 billion as of 31 December 2013. The share of net retail loans in the total net loan portfolio was 19.4% at the end of 2014 (14.2% at YE2013).

Retail deposits increased by 47.0% year-on-year to KZT 1,005.3 billion in 2014 from KZT 683.7 billion in 2013. The share of retail deposits in the Bank's total customer accounts totalled 44.4% compared to 40.6% as at 31 December 2013.

As of 31 December 2014, the Bank had an extensive alternative distribution network. The number of ATMs and POS terminals was 2,169 and 24,304, respectively.

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About Kazkommertsbank

Kazkommertsbank (KKB) is one of the largest banks in Kazakhstan and Central Asia with total assets of KZT 4,247 billion (US$23.1 billion) at 31 December 2014.

In addition to its core banking business (retail and corporate) KKB has subsidiaries active in pension fund management, asset management, insurance and brokerage. KKB also has foreign subsidiaries in the Russian Federation and Tajikistan. Major shareholders of Kazkommertsbank include Central Asian Investment Company, Mr. Nurzhan Subkhanberdin, Alnair Capital Holding, Mr. Kenes Rakishev and National Welfare Fund Samruk-Kazyna.

The Bank's shares are listed on the Kazakhstan Stock Exchange (KASE). Global Depositary Receipts, which are based on the shares of the Bank, trade on the London Stock Exchange (LSE). KKB completed an IPO in GDR form on the London Stock Exchange in November 2006, the first CIS bank to do so, in a deal totalling US$845 million.