

## Kazkommertsbank reports 1 quarter 2016 financial results

30 June 2016, 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 consolidated IFRS financial results for the three months ended 31 March 2016.

### 1 quarter 2016 highlights:

- Total assets increased by 1.2% to KZT 5,158 billion compared to year end 2015.
- Customer deposits increased by 2.6% to KZT 3,412 billion from KZT 3,325 billion as at year end 2015.
- Capital adequacy ratio was 12.6% based on NBK methodology.
- Net fee and commission income increased by 3.8% to KZT 6.0 billion as compared to the same period in 2015.
- Non-performing loans in accordance with NBK methodology represented 9.6%.
- Net profit for 3 months 2016 amounted to KZT 18.5 billion.

### Net interest income

Net interest income before provisions increased by 84.0% to KZT 59.0 billion compared to KZT 32.0 billion for 3 months of 2015.

### Non-interest income

Net non-interest income amounted to KZT 13.9 billion for 3 months of 2016 compared to net interest expense of KZT 1.1 billion for 3 months of 2015 mainly due to positive revaluation of derivative financial instruments.

Net fee and commission income increased by 3.8% for 3 months of 2016 to KZT 6.0 billion compared to KZT 5.8 billion for the same period in 2015.

### Impairment losses

Provisions on loans to customers represented 12.7% of gross loans as at 31 March 2016.

Allowance for provisions amounted to KZT 22.9 billion for 3 months of 2016 compared to KZT 7.5 billion for 3 months of 2015.

Non-performing loans according to NBK methodology were 9.6%.

### Taxation

For 3 months of 2016 the Bank recorded income tax expense of KZT 16.2 billion compared to KZT 1.0 billion for the same period in 2015.

**Capital ratios**

The Bank's total capital ratio in accordance with NBK methodology represented 12.6% as at 31 March 2016.

**Business line performance*****Corporate and SME banking***

Corporate loans (net) increased by 4.5% and amounted to KZT 3,632 billion compared to KZT 3,476 billion as of 31 December 2015.

Corporate deposits amounted to KZT 1,956 billion as at 31 March 2016 compared to KZT 1,855 billion as at 31 December 2015. The share of corporate deposits in the Bank's total customer accounts was 57.3% compared to 55.8% as at the end of 2015.

***Retail banking***

Retail loans (net) decreased by 6.1% to KZT 332,3 billion compared to KZT 353,7 billion as at 31 December 2015.

Retail deposits decreased by 0.95% to KZT 1,456 billion compared to KZT 1,470 billion as at 31 December 2015. The share of retail deposits in total customer accounts was 42.7% compared to 44.2% as at 31 December 2015.

As of 31 March 2016 the Bank had an extensive alternative distribution network. The number of ATMs and POS terminals was 2,400 and 38,567 accordingly.

***About Kazkommertsbank***

*Kazkommertsbank (KKB) is one of the largest banks in Kazakhstan and Central Asia with total assets of KZT 5,158 billion at 31 March 2016.*

*In addition to its core banking business (retail and corporate) KKB has subsidiaries active in asset management, insurance and brokerage. KKB also has foreign subsidiaries in the Russian Federation and Tajikistan.*

*Major shareholders of Kazkommertsbank include Mr. Kenges Rakishev, Qazaq Financial Group, Central Asian Investment Company, Mr. Nurzhan Subkhanberdin and the Kazakh Government through the Samruk-Kazyna National Welfare Fund. KKB's predecessor, Medeu Bank, was founded in July 1990, and re-registered as Kazkommertsbank in October 1991. 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. The Bank's shares are listed on the Kazakhstan Stock Exchange.*



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