



Press Release

## **BTA Bank generated over KZT 15 billion net income by 2013 first six months performance**

**Almaty, August 27, 2013** – Today BTA Bank JSC (the Bank) announced results of the Bank's and BTA Group's (the Group) performance during the first six months of 2013 on the basis of IFRS non-audited interim condensed consolidated statements. One of the main results of the Bank's performance for the reporting period is generation of KZT 15,579 mln. net income.

### **MAIN FINANCIAL RESULTS FOR THE REPORTING PERIOD**

Successful completion of 2012 restructuring gave rise to positive changes in the Bank's activities. During the post-restructuring period the Bank focused on restoration of former market positions, continued working on optimization of its activities and increasing loan portfolio.

For the first 6 months of 2013 **assets** of the Group increased by KZT 10.6 bln. and as of 30 June 2013 amounted to KZT 1,621 bln. (USD 10.7 bln.).

**Loan portfolio (net)** amounted to KZT 636 bln. (USD 4.2 bln.) evidencing a slight decrease (by 1%) versus data as of 2013 beginning.

**Liabilities** of the Group decreased by 0.6% to amount to KZT 1,334 bln. (USD 8.8 bln.). Liabilities decreased primarily due to decrease of liabilities to the credit institutions.

**Amounts due to credit institutions** decreased by 15.6% to amount to KZT 54.7 bln. (USD 0.4 bln.). Decrease was due to repayment by the Bank of its liabilities on the Revocable Committed Trade Finance Facility (RCTFF) in accordance with the fixed schedule.

**Group's equity** increased by 7% and amounted to KZT 287.4 bln. (USD 1.9 bln.) by net income received during 6 months of 2013.

First-tier equity **adequacy ratio** calculated in accordance with 2004 Basel Accord amounted to 24.1%.

**Net income** of the Group received during the reporting period amounted to KZT 15.6 bln. (USD 103 mln). This was achieved owing *inter alia* to the positive net interest margin amounting to KZT 17 bln. (USD 112 mln.) versus expense amounting to KZT 9.8 bln. in the first 6 months of 2012. Net interest income of KZT 17 bln. was received due to considerable decrease of debt load based on 2012 restructuring and decrease of relevant interest expenses.

Besides, Samruk-Kazyna bond yield increased by KZT 3.5 bln. versus the same period of the previous year due to increase of the coupon rate from 4% to 6% as the result of 2012 restructuring.

**Non-interest income** increased by 4% mainly due to increase of net income from fees and commissions as well as net income from insurance activities. Net income from fees

and commissions grew by KZT 8 bln. versus the same period of 2012 mainly due to decrease of the guarantee fee under Samruk-Kazyna JSC bonds as the result of 2012 restructuring.

Besides, the Bank continued working on decreasing its operational expenses. Thus, HR expenses decreased by 9% versus the same period of 2012 and other operational expenses decreased by KZT 4.3 bln. (36%).

## **KEY EVENTS AND DECISIONS**

During the first six months of 2013 the Bank had a considerable progress in proceedings initiated by it in the judicial bodies of the Great Britain against former management of the Bank. In March 2013 High Court of England (the Court) issued a number of orders on recovery from Mr. Ablyazov and his accomplices USD 2 bln. in favor of the Bank. Thus, total amount of Bank's claims satisfied by the Court subject to the previous orders of the Court amounted to around USD 3.9 bln. Currently the Bank is seeking another court order for the amount of USD 1.5 bln. and envisages to receive further court orders if necessary.

In July 2013 French law-enforcement bodies in assistance of the Bank traced location and arrested Mr. Ablyazov who fled from Great Britain in 2012 after the Court made an order on his imprisonment for 22 consecutive months for court contempt. The Bank is hopeful that the arrest will enable to speed-up recovery of misappropriated funds.

In July 2013 changes were made in the Management Board of the Bank. The Board of Directors terminated powers of Mr. Yerik Balapanov who chaired the Bank's Management Board since April 2012 upon his own initiative. On 5 August 2013 Mr. Kadyrzhan Damitov was appointed as the Chairman of the Management Board of the Bank.

During the first half of 2013 the Bank's management following its primary goal to create an effective financial institution, has actively reformed Bank's management system and optimized its activities.

During the first six months of 2013 the Bank has considerably improved product conditions with the view to restore its former market positions in retail business. Thus, the Bank has decreased interest rate for unsecured loans as the most popular loans among customers by 6% p.a., without necessity to execute an insurance policy or pay hidden fees. Bank's mortgage lending conditions are also one of the best in the market: 12.8% annual effective interest rate, minimum initial payment – from 10%.

Successful realization of the Bank's debt restructuring and measures to improve quality of service enabled to restore customer confidence and stabilize the Bank's deposit base. Thus, after some deposit outflow since 2013 beginning, portfolio of term deposits starting since the middle of April increased by over KZT 4 bln. As the result the Bank kept its fifth place in the Kazakhstan market of individuals' deposits and currently takes a 7.6% share.

Bank's active participation in realization of the state programs of SME support enabled to a considerable progress in SME segment. Comparing to the beginning of 2013 number of Bank's SME customers increased by 3% and now comprises over 77 th. During the first half of 2013 the Bank's SME deposit portfolio increased by 2.4%. During last several years the Bank has been a leader in realization of the governmental programs of SME support.

## **Media contacts:**

Tel.: +7(727) 266 43 22  
e-mail: [pr@bta.kz](mailto:pr@bta.kz)  
[www.bta.kz](http://www.bta.kz)