

PRESS RELEASE

Financial Results of “Eurasian Bank” JSC for the 1st half of 2012

Almaty, 17 September 2012 – “Eurasian Bank” JSC presented its 1H2012 consolidated interim condensed financial results audited according to IFRS.

Below are key Income Statement financial highlights for 1H2012 on a YoY basis:

- **Cost to income ratio (CIR)** reduced by **2%** to **57.8%**;
- **Net profit** totaled **KZT3.5 bln**, which is an increase of **28.1%**;
- **Net interest income** grew by **45.8%** to **KZT7.6 bln**;
- **Net interest margin (NIM)** increased **9.1%** to **6,7%**;
- **Operating income before provisions** grew by **46.1%** and is now **KZT15.9 bln**.

Net profit of the Bank for 1H2012 totaled **KZT3.5 bln**, which is **1.3** times greater than last year. Net profit growth was due to higher income from banking operations (net interest income grew by **45.8%**) and continued optimization of business costs.

The Bank keeps improving its loan portfolio by strengthening its risk management. Eurasian Bank still has one of the lowest **NPLs** in the Kazakhstan banking sector. As at 1 July 2012 the share of **NPL (90+DPD)** was **7.2%** of the total loan portfolio. The loan loss coverage ratio was **112.9%**.

Net interest margin for **1H2012** totaled **6.7%** having increased by **9.1%** YoY. This is a key banking indicator and its growth was due to further diversification of the loan portfolio with a larger share in retail.

Cost to income ratio (CIR), a key efficiency indicator, was **57.8%**. Continued cost optimization is one of the key priorities of the Management of the Bank.

Assets totaled **KZT431.8 bln**, a **16.9%** increase from the beginning of the year. The loan portfolio increased to **KZT335.8 bln**, which is **19.4%** higher than in the same period of 2011. This indicator grew due to continued development of the Bank’s retail segment.

Equity grew by **29.5%** to **KZT41.3 bln**.

The loan portfolio structure as at 1 July 2012:

- Corporate loans – **KZT169.4 bln (50.4%** of the total loan portfolio);
- SME – **KZT38.8 bln (11.6%** of the portfolio);
- Retail – **KZT127.6 bln (38%** of the portfolio).

The Bank’s success was confirmed by a decision of **S&P** to affirm the current long-term credit rating of Eurasian Bank up to **B+** with **Stable outlook** in August 2012. Additionally, Kazakhstan KzRating agency upgraded the Bank’s credit rating according to the national scale from **BBB** to **A-** and according to international scale – from **BB-** to **BB** with a **Stable outlook**.

Commenting the 1H2012 results Eurasian Bank Chairman Michael Eggleton noted: **“The Bank continues to demonstrate progress in most areas which proves its strong market standing.”**

As at 1 July 2012 the Bank had **555,000** active clients.

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