



# AllianceBank

Member of Seimar Group

June 2008





**Net income increased to approximately USD 348 mln in 2007 (up 205% y-o-y)**

- **Net interest income increased to USD 516.6 mln (up 145% y-o-y)**
- **Net interest margin increased to 9.7% (7.1% in 2006)**
- **Cost-to-income ratio decreased to 21.4% (24.9% in 2006)**
- **Return on average shareholders' equity grew to 35.7%**
- **Return on average assets made up 4.1%**

**Assets increased to USD 9,650 mln (up 26%)**

- **Total loan portfolio increased to USD 6,810 mln (up 32% y-o-y)**
- **Retail loan portfolio grew to USD 3,367 mln (up 50% y-o-y)**
- **Securities portfolio increased to USD 1,519 mln (up to 31% y-o-y)**

**Liabilities increased to USD 8,329 mln (up 19% y-o-y)**

- **Customer accounts decreased to USD 2,010 mln (down 1.4% y-o-y)**
- **Deposits of individuals decreased to USD 812 mln (down 13% y-o-y)**
- **Strong capitalization of the Bank:**
  - **BIS Tier I CAR increased to 17%**
  - **BIS Total CAR – 19%**

**Equity increased to USD 1,321 mln (up 99% y-o-y)**

**Credit ratings:**

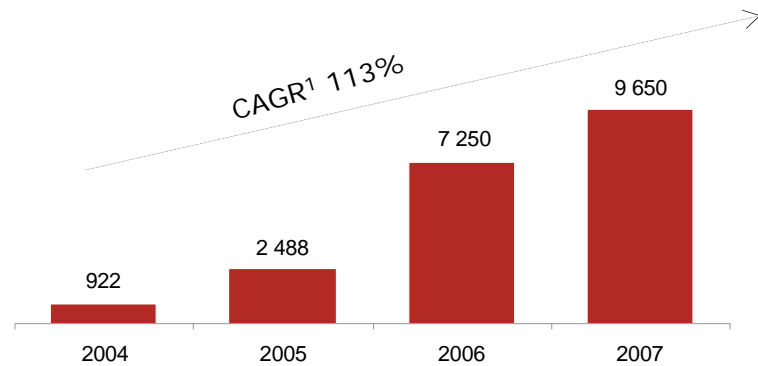
- **'Ba2' by Moody's**
- **'BB-' by Fitch**
- **'B+' by S&P**

Note: y-o-y changes in KZT



## Asset growth

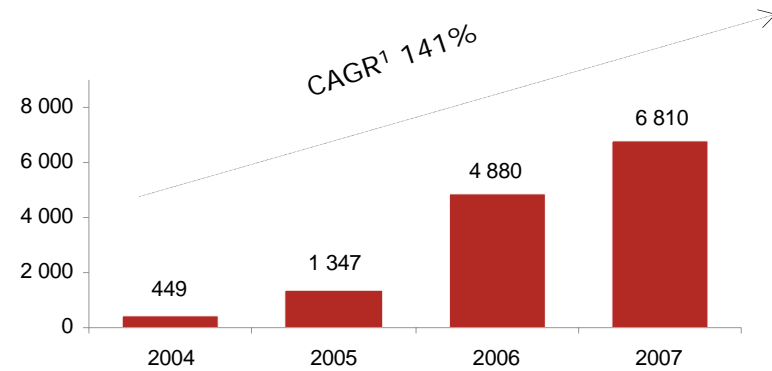
(USD mln)



Source: Company IFRS financials

## Loan portfolio

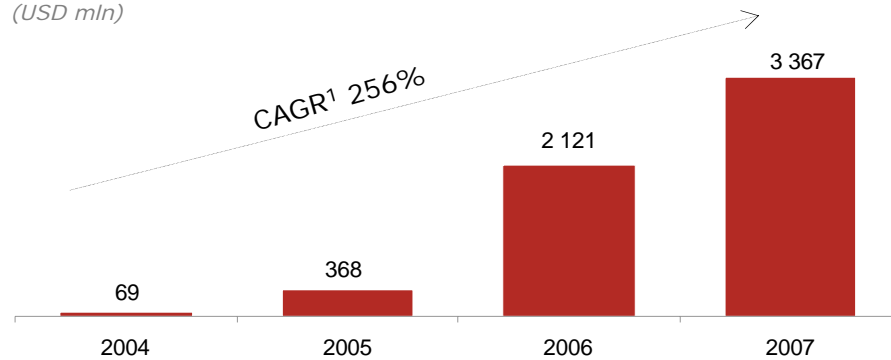
(USD mln)



Source: Company IFRS financials

## Retail Loan portfolio

(USD mln)



Source: Company IFRS financials  
1: CAGR for period of 2004-2007

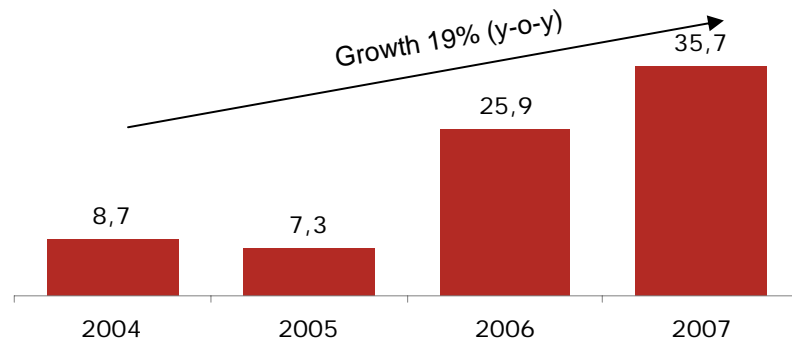
## Comments

- Leading positions in retail lending with market share of c. 18.6%
- Diversified loan book with more than 1,3 million clients
- Focus on high-margin retail and consumer finance business by increasing the retail business share in the loan book to 50%
- Since Q4 2007 Bank exercises on corporate loan book more conservative approach to liquidity position



## RoAE

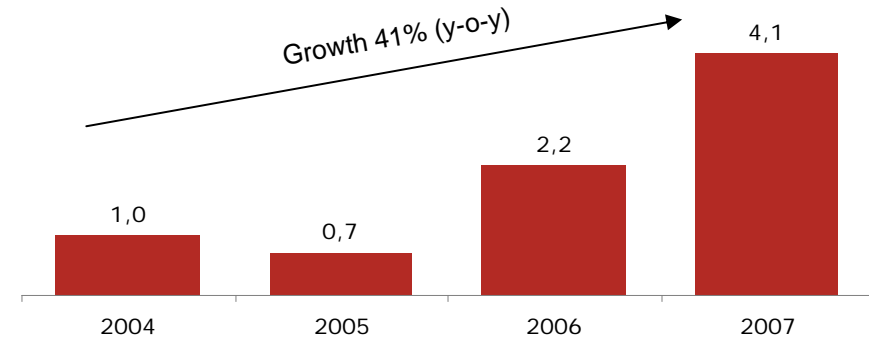
(%)



Source: Company IFRS financials

## RoAA

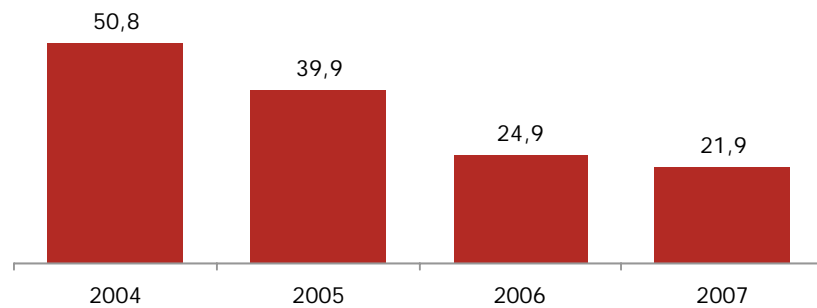
(%)



Source: Company IFRS financials

## Cost/income ratio

(%)



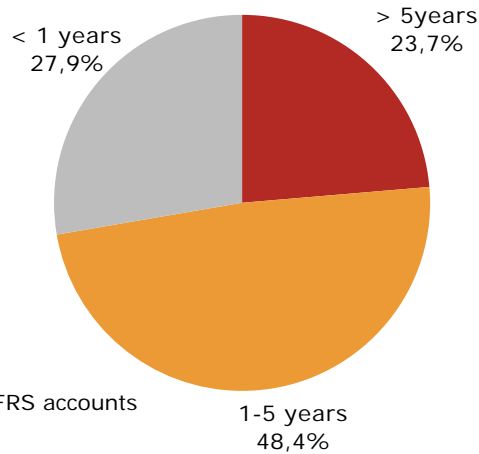
Source: Company IFRS financials

## Comments

- Strong indicators of profitability based on the strong growth profile
- The improvement came from an increased loans to assets ratio and higher margins for new retail loans and both new and outstanding corporate credits

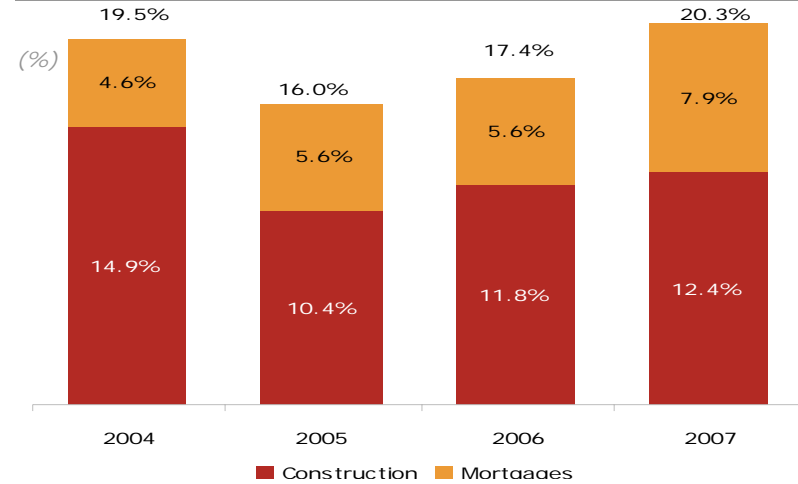
# Loan portfolio diversification: Real estate sector exposure limited

## By maturity

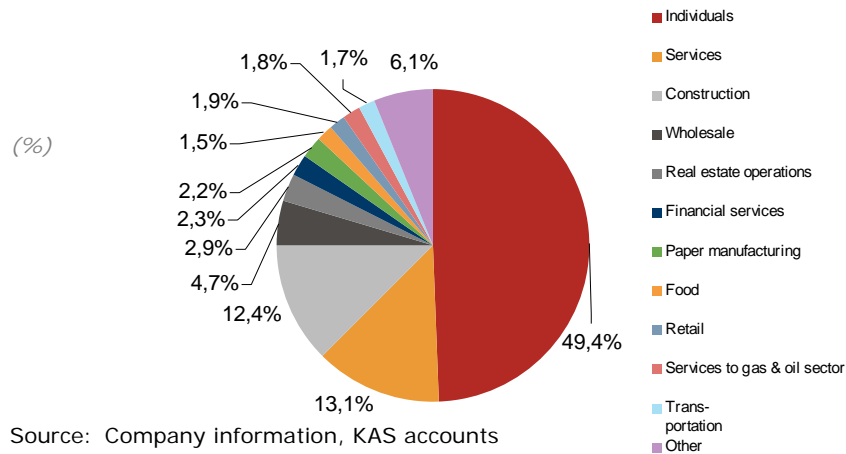


Source: Banks 2007 IFRS accounts

## ALB's real estate exposure



## Sectoral breakdown



Source: Company information, KAS accounts

## Measures for Risk management of real estate lending

- LTV ratio not more than 50%
- The Bank has set up limits on lending to construction and financial sector;
- "Bad" corporate clients are blacklisted and ALB does not provide retail lending to employees of blacklisted clients
- Potential refinancing with DBK
- No more than 13.1% of exposure to a single industry

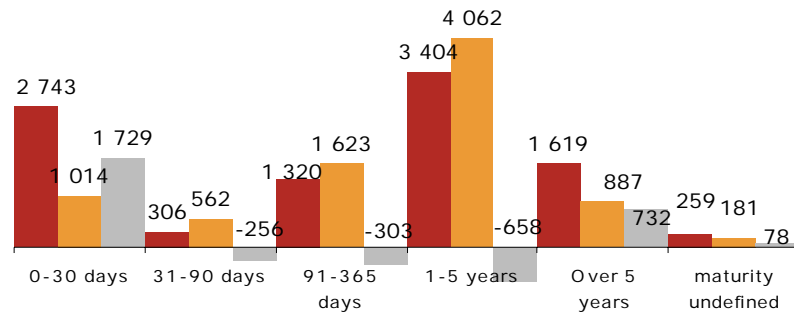
Source: Company information, IFRS Financials



## Maturity gap

(USD mln)

■ Assets ■ Liabilities ■ Cumulative GAP



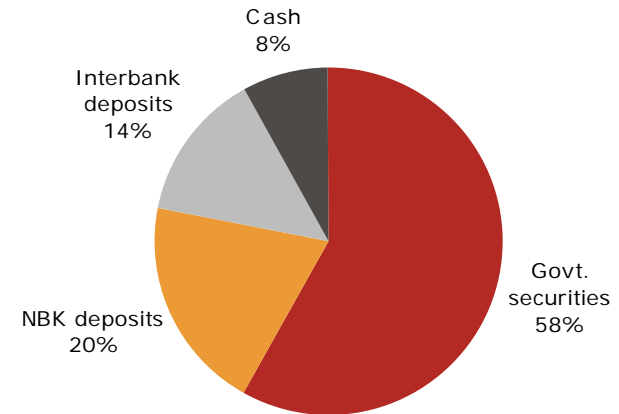
Source: Company IFRS financials

## Repayment schedule for 2008

USD mln	Q1	Q2	Q3	Q4	2008
Eurobonds	0	150	0	0	150
Syndications	131	334	0	81	546
Bilateral	36	22	146	108	312
Securitisation	3.6	3.6	3.6	3.6	14
<b>Total</b>	<b>170.6</b>	<b>509.6</b>	<b>149.6</b>	<b>192.6</b>	<b>1,022</b>

Source: Company information

## Liquid assets



Source: Company information

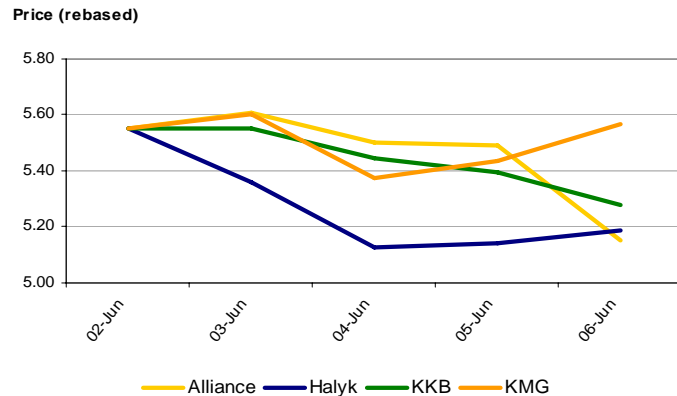
## Comments

- Liquid assets account for over 20% of the total assets (or over USD 2 bln)
- USD 500 mln stand-by credit line from the NBK
- Monthly USD 150-200 mln of fresh cash (loan installments repaid by borrowers)
- Eurobond maturities fall mainly in 2010-2013 (only USD 150 mln bond expires in June 2008)
- In accordance with its repayment schedule the Bank will pay back USD 481 mln by the end of June 2008
- By July 1<sup>st</sup> the Bank would repay around 70% of its debt for 2008

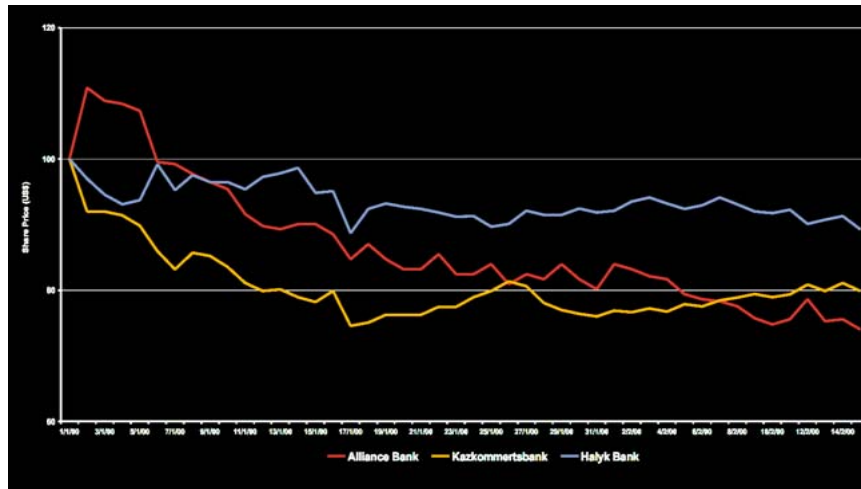


# Alliance Share Price Development

## Alliance Performance Chart (1 week)



## Peer Group Share Performance Comparison (last 3 months)



Source: Thomson Datastream, Thomson One

## Peer performance (1 week)

	Close Price USD	% Change - 1 Week	Volume traded Share (000s)	Price Earnings Multiples		Market Cap** (\$bn)
				2008	2009	
Alliance Bank	5.15	-4.63	400	3.81	3.48	1.5
Kazakh Peers Average*	-	-4.57	-	10.13	8.25	-
Kazakhstan Peers	15.50	-6.06	160	12.70	11.74	4.4
Kazkommertsbank	16.45	-8.36	1.352	10.13	8.25	4.0
Halyk Bank	31.50	-2.93	2.466	8.06	8.95	13.3
Kazmunaigas	-	-	-	-	-	-
Russian Peers	7.50	-8.09	38.281	-	-	25.5
Vneshtorgbank (VTB)	8.00	0.00	-	19.05	11.78	5.8
Rosbank	3.40	-6.08	12.712	13.08	10.63	73.4
Sberbank	7.62	-0.39	54	6.99	7.70	36.1
Gazprombank	-	-	-	-	-	-

\* Average changes weighted by the Market Cap  
\* Market cap does not include performance shares

## Comments

- In July 2007 Bank has placed its GDRs for total amount of \$ 704 mln with market capitalization of \$4,05 bln
- In 2H 2007 Kazakhstan second tier banks experienced major decline in the external markets that was virtually proved by the investors' concerns on banking and construction sectors.
- Downward change practically in all world stock indexes was an unfavorable trend
- Upon significant stock price depreciation a little that will probably come in the short term enabling the shares for the improvement from 5% to 15%.



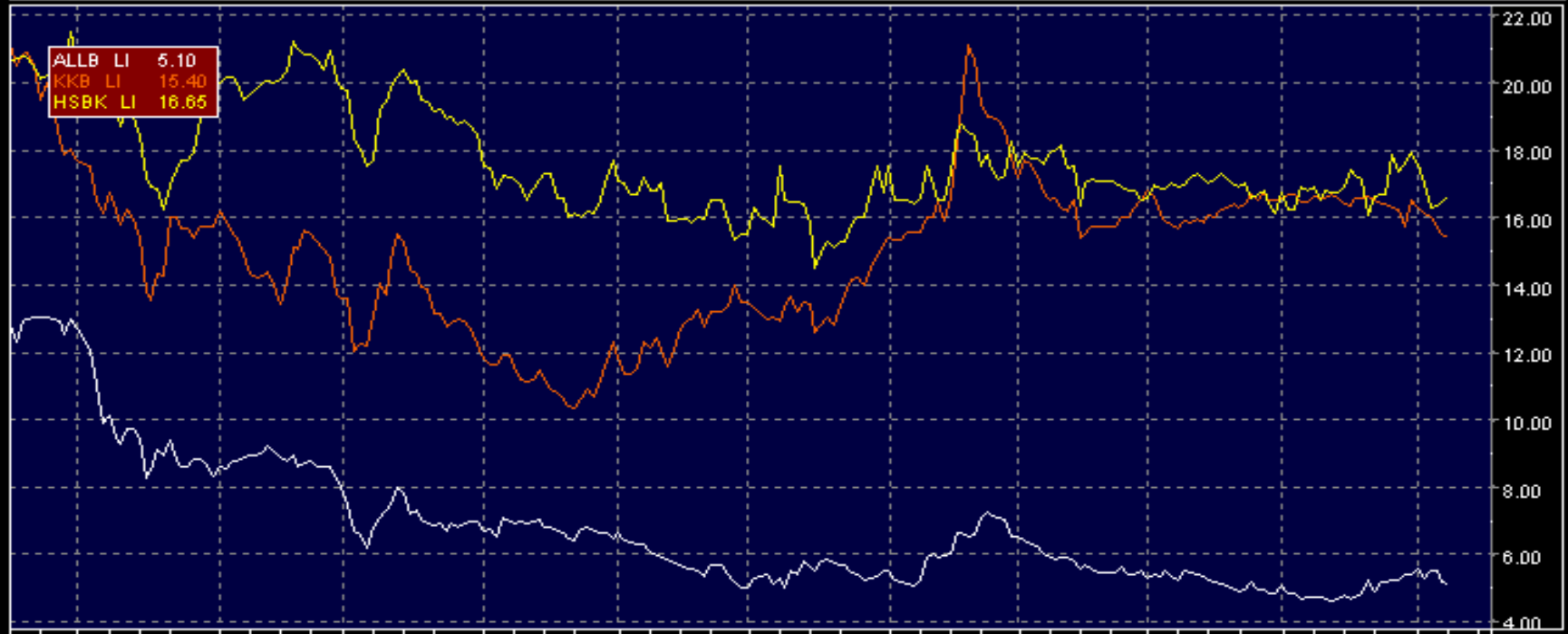
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**4-IN-1 GRAPH**

Name:  1 Name Set # 16

1	ALLB LI	Px1	USD	2	KKB LI	Px1	USD
3	HSBK LI	Px1	USD	4		Px1	

Range 7/17/07 To 6/9/08 Period D(D-W-M-Q-Y) Normalize 0(Y/N/O) Dates: 0



17	24	01	08	15	22	03	10	17	24	01	08	15	22	01	08	15	22	03	10	17	24	01	08	15	22	01	08	15	22	02	09
2007 Aug		2007 Sep		2007 Oct		2007 Nov		2007 Dec		2008 Jan		2008 Feb		2008 Mar		2008 Apr		2008 May													

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000  
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THANK YOU!