

Astana Finance

Management Presentation

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In addition, all figures contained in this presentation for 2009 are based on preliminary, unaudited management accounts only and are subject to (i) review of the Company’s results for that period by the Company’s auditors and (ii) further internal review of the adequacy of the levels of provisioning applied to the Company’s loan portfolio. Accordingly, all such figures contained herein are subject to change.

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Section 1

Update on current situation

Historically profitable and important market player

- 1997 – created to manage the Akmola special economic zone investment activity
- Focus on corporate and construction projects in Astana
- Strong ties to government and SK
- 2003 – independent ratings assigned – Ba1/BB
- 1HFY08 – assets KZT 271bn; loan book KZT 186bn; supported by banks/bonds of KZT 232,5bn
- Cost/income ratio: 53%
- Net interest margin: 2%
- ROAA: 2.7%
- ROAE 11%: (had been consistently >20%)
- Eighth largest Kazakhstan financial company by assets

– but macro and micro factors have impacted –

- The banking sector of the majority of the counties is experiencing high levels of volatility and uncertainty
- Reduction in business activity impacting all key business lines with significant impact on profits – increasing credit deterioration
- High concentration on real estate and losses on major projects
 1. Almaty Financial District (\$43.6m loss), LLP Gefest (\$7.9m loss)
 2. Derivative losses – €80m lost
 3. Major loss on equity investment in AG Capital Interra (\$74m)

– so that the current position is unsustainable

- Feb 2009 – ratings downgrade triggered put options in certain debt obligations
- Margin calls on derivative positions not met
- May 2009 – suspension of payments of international (interest and principal) and domestic (interest) debts; losses grow on derivatives impacting liquidity
- Contractual amortisation is >\$1bn over three years
- Defaults have triggered acceleration notices
- In breach of FMSA capital adequacy rules

The liquidity and capital adequacy position is unsustainable – there is an urgent need to restructure AF's debt obligations

Management changes

- April 2009 - Elmira Ibatulina appointed Chairman of the Management Board
- August 2009 - Azamat Takenov appointed Vice-chairman of the Management Board
- Recognition of the issues
- Appointment of advisers
- Development of new corporate strategy

Operations

- Operational restructuring – headcount and cost reduction programmes
- Asset disposals
- Restructuring of loan book
- Cessation of interest payments on international and domestic debts

Stakeholders

- Discussions with FMSA/NBK/KASE
- AF is in the process of surrendering its licenses will be regulated for capital purposes as a banking conglomerate. The capital positions at all group companies are therefore included in a consolidated capital requirement (consolidated capital must equal 10% of RWAs)
- Certain subsidiaries are also regulated so have individual regulatory capital requirements

A restructuring proposal has been prepared which will repair the company's capital and liquidity positions and maximise returns to creditors

Overview

- Major losses have been incurred in 2009 due to FX, derivative losses, failed investment projects and poor performance of the loan portfolio
- The prevailing economic climate has had an extreme negative impact on the company's financial performance and has also made its funding structure unsustainable
- Year to date losses as at 31 August 2009 were \$658m and forecast losses for the full year are expected to be in the region of \$1.0bn
- The company has sufficient liquidity to fund operations but is not generating sufficient cash to pay interest or principal on its borrowings
- The company urgently needs to undertake a major restructuring of its existing liabilities

Key Financials

USDm	Dec07A (Audited)	Dec08A (Man.)	Jun09A (Man.)	Aug09A (Man.)
<u>Balance Sheet</u>				
Gross loans	1,451	1,632	1,299	1,276
Provisions	(42)	(88)	(129)	(424)
Net loans	1,409	1,544	1,170	852
Investments	252	563	270	262
Total assets	1,827	2,466	1,615	1,310
Total equity	80	234	(180)	(494)
<u>Income Statement</u>				
Net Interest Income	44	45	14	16
Op. expenses	(26)	(24)	(8)	(10)
Provisions	(25)	(83)	(152)	(450)
Net Income	2	(27)	(344)	(658)
<u>Cashflow</u>				
Net op. cashflow	(651)	(10)	172	178
Net flow	(1)	60	(43)	(65)

Income statement

USDm	Dec07A (Audited)	Dec08A (Man.)	Jun09A (Man.)	Aug09A (Man.)
Net interest income	44	45	14	16
Other non-interest (loss)/income	29	47	(106)	(112)
Operating income	73	92	(92)	(96)
FOREX	(18)	(12)	(92)	(102)
Operating expenses	(26)	(24)	(8)	(10)
Provisions	(25)	(83)	(152)	(450)
Profit before tax	4	(27)	(344)	(658)
Income tax	(2)	-	-	-
Net (loss) / income	2	(27)	(344)	(658)

Key Comments

- Year to date losses as at 31 August 2009 were \$658m and forecast losses for the full year are expected to be in the region of \$1.0bn
- Poor economic conditions have caused many customers to default leading to poor interest income and major increases in provisions
- Forex losses relate to the devaluation of the tenge in Q109
- Major losses on derivative transactions were also incurred
- In early September additional provisions of \$190m were identified
- Management has now completed a full review of its loan portfolio and believes no further provisions will be required

Current financial position

Assets				
USDm	Dec07A (Audited)	Dec08A (Man.)	Jun09A (Man.)	Aug09A (Man.)
Cash and cash equivalents	7	67	24	2
Investments	252	563	270	262
Loans to customers	1,451	1,632	1,299	1,276
Provision for loans to customers	(42)	(88)	(129)	(424)
Net loans	1,409	1,544	1,170	852
Due from banks	65	129	1	1
Other assets	94	163	150	193
Total	1,827	2,466	1,615	1,310

Liabilities and Equity				
USDm	Dec07A (Audited)	Dec08A (Man.)	Jun09A (Man.)	Aug09A (Man.)
Due to banks	908	654	526	523
Payable to state organisations	25	148	119	104
Debt securities issued	690	1,176	1,080	1,100
Other liabilities	124	254	70	77
Total Liabilities	1,747	2,232	1,795	1,804
Total Equity	80	234	(180)	(494)

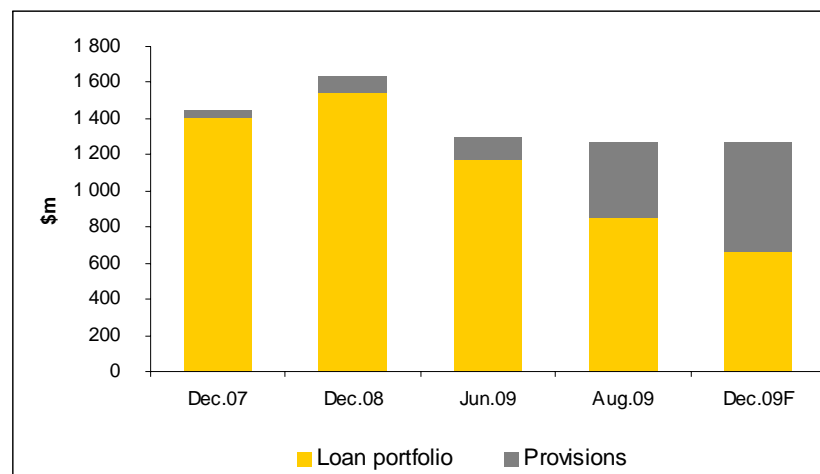
Key Comments

- The liquidity position of the company has deteriorated significantly during the year to date
- Loan provisions have grown significantly during the year. An additional \$190m of provisions were identified in September
- Due to the surrender of licenses, the company will restructure its loan portfolio and make changes to its provisioning policy

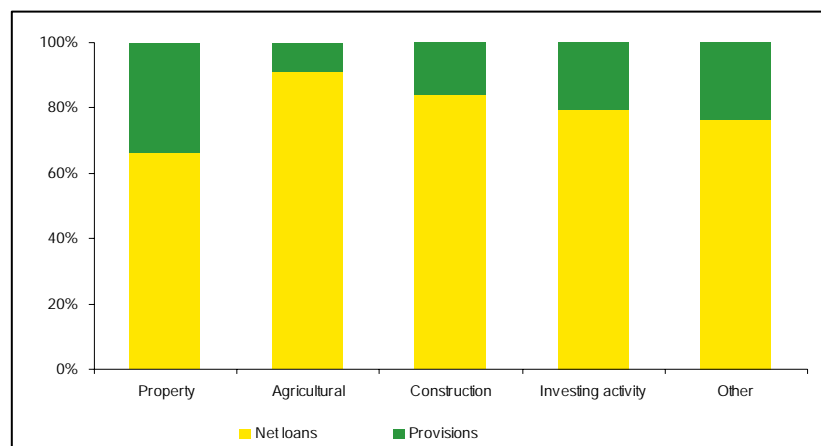
Key comments

- **Gross loan portfolio as at 31 August 2009 was \$1.28bn with provisions of \$424m (33%)**
- **Additional provisions of \$190m were identified in early September bringing total provisions to \$614 (48%)**
- **Review of loan portfolio now complete and no further provisions expected this year**

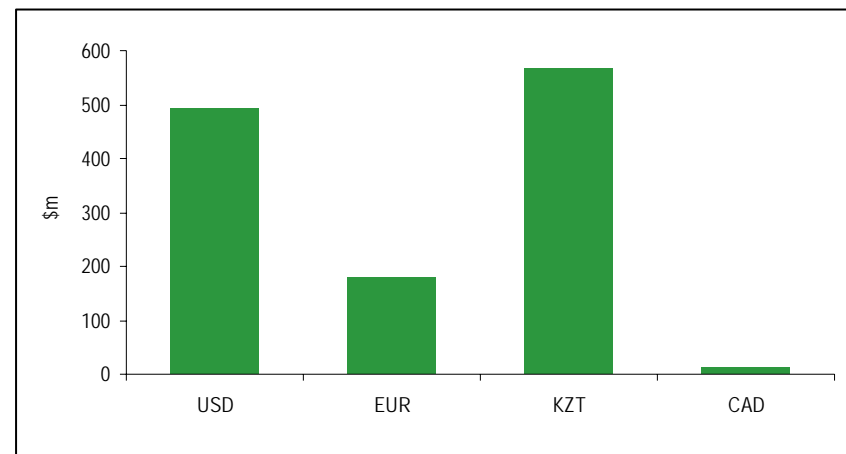
Evolution of loan portfolio



Loan portfolio provisions by sector (August 2009)



Gross loan portfolio by currency (August 2009)

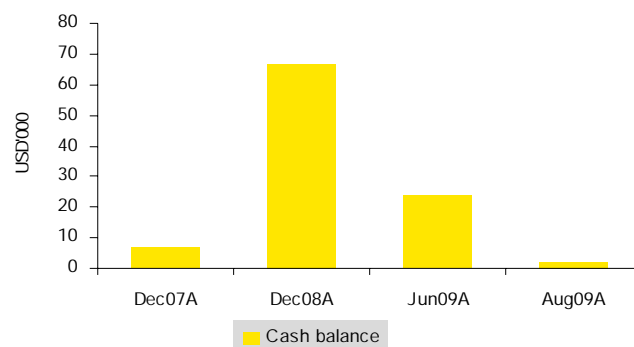


Key comments

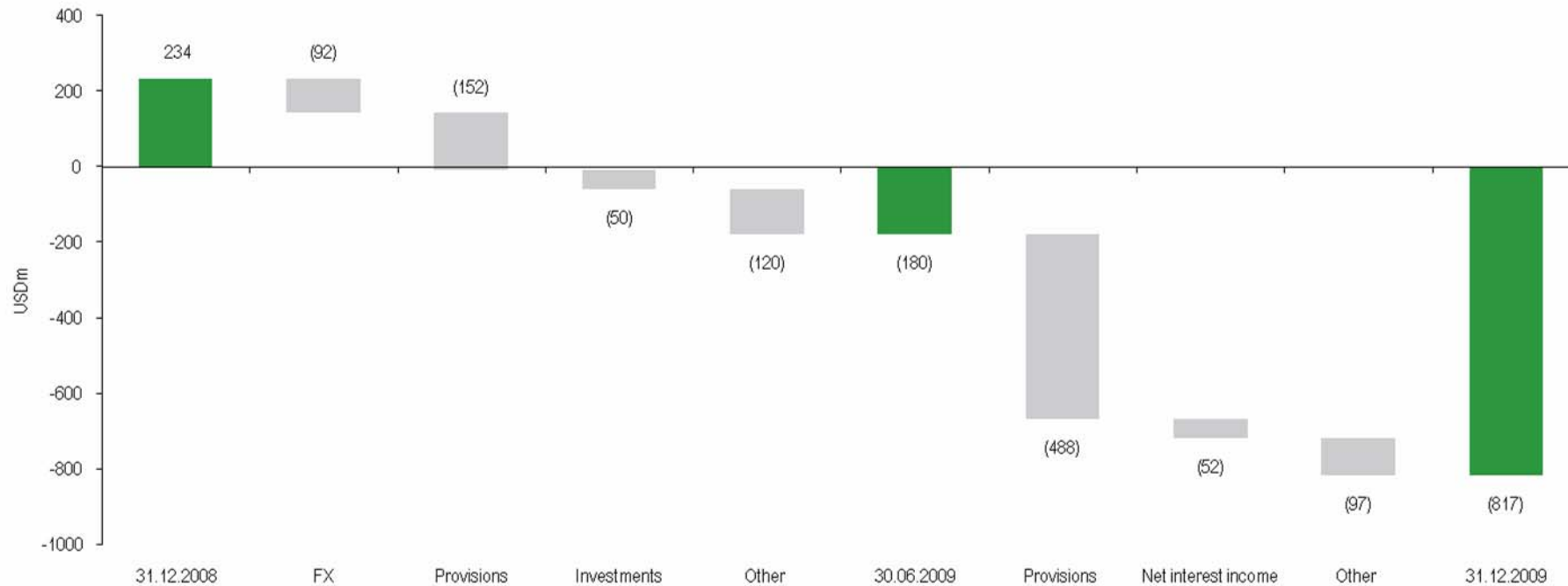
- In the 8 months to 31 August 2009, the cash position decreased by \$65m due to low receipts from the loan portfolio, major outflows on derivative contracts and repayment of \$125m Eurobond issue in Q109
- The company has insufficient cash to repay its domestic or international debts
- Liquidity is a significant threat to the survival of the business however sufficient cash is generated to cover operational expenditure

Cashflow

USDm	Dec07A (Audited)	Dec08A (Man.)	Jun09A (Man.)	Aug09A (Man.)
Operating activity	(651)	(10)	172	178
Investing activity	(4)	(67)	(66)	(66)
Financing activity	654	137	(149)	(177)
Net flow	(1)	60	(43)	(65)
Opening balance	8	7	67	67
Closing balance	7	67	24	2



Forecast net assets (without restructuring)



Key comments

- The graph above shows the forecast net asset movement in 2009 (before the impact of any financial restructuring)
- The restructuring will need to repair the capital deficit shown above as well as generating sufficient additional capital to satisfy regulatory capital requirements

Key financial indicators of Astana Finance subsidiary companies as of 31 August 2009

Subsidiary	AF stake (%)	Total assets (USDmln)	Net assets (USDmln)	Internal Group Loans (USDmln)
Leasing Company	100%	352	48	179
OJSC AF Bank	100%	132	47	-
Mortgage Organization	100%	124	43	117
JSC Bank Astana Finance	100%	113	35	-
Astana Finance B.V.	100%	757	11	-
Insurance Company Astana Finance	100%	36	6	-
Life Insurance Company	100%	8	6	-
Brokerage Company	100%	2	1	-
Credit Company	100%	38	-	-
Microcredit organisation	100%	15	(8)	23
Total		1,577	189	319

- **Management has completed number of related party transactions for the purpose of supporting the financial position of the companies, including:**
 - **Acquisition of Astana Finance Eurobonds and domestic bonds from subsidiaries at above market prices for forgiveness of debt in order to provide financial assistance and replenishment of the capital for fulfilling the prudential norms on capital adequacy**
 - **Transactions in Astana Finance Eurobonds with related parties**
 - **Loans without security made to related parties**
 - **Repo and reverse repo transactions with shareholders and other related parties involving shares and bonds in or of Astana Finance**

Section 2

Recent events

- **Domestic bonds - on September 16, 2009 the company announced moratorium on interest and principal payments**
- **Repo transaction – in Q109, a shareholder of the company pledged shares in the company as collateral in a repo transaction entered into with BTA. This cash was provided by the shareholder to the company. The shareholder subsequently defaulted on the repo agreement resulting in BTA holding 16% of the share capital of the company. The situation is currently regulated through a trust management agreement between the company shareholders and BTA for the purpose to obtain right of back purchase of its shares and pledges of Ular Umit shares provided as collateral into favour of BTA Bank as first class of pledge and the right of second demand of pledge is given to the Company**
- **State debts - the company is continuing the work to enforce court decisions against to the RK state organizations to return their debts before the company, including debts of Kazakhstan Temir Zholy, Akimat (local authority) and others on total amount of c. \$95m. Official applications and letters were submitted with request to assist in resolving this situation to the RK President Office, RK Government and SamrukKazyna.**
- **Participation in state backed lending scheme – in September 2008 Samruk-Kazyna provided funds to the company, \$60m (at 150 tenge/dollar exchange rate) of which was lent to three pre approved social welfare construction projects. These project subsequently defaulted on their debts to the company**

At Samruk-Kaznya's request, the company has entered into an agreement that the company assign these loans to Samruk-Kaznya and in exchange Samruk-Kaznya forgive the company's associated liability to Samruk-Kaznya. This liability therefore no longer exists for the company

- **Discussions with KASE – the company is in ongoing discussions with the Kazakhstan stock exchange to gain approval for its bonds to be admitted to the ‘buffer categorisation’. This will prevent the domestic bonds being delisted for the period of the company’s restructuring. The Listing Commission regarding moving the Company’s bonds into ‘buffer categorisation’ is scheduled for September 28, 2009. In general, the idea to introduce ‘buffer categorisation’ into KASE Listing Rule was initiated by the Company with the purpose to regulate the situation with the domestic listed bonds**
- **FMSA capital requirements – the company is operating under an exemption from the standard capital adequacy rules until 15 November 2009. This exemption is provided in accordance with signed in September 2009 the written agreement with FMSA which is one of the measure of cooperation of FMSA**
- **Tax – the company faces two significant tax issues:**
 1. **Licenses: due to the company changing the status of its licenses, it may be exposed to significant tax charges in the current year (as provisions booked during the year might no longer be tax deductible). The company is exploring this issue with the authorities and its advisors**
 2. **Gain on restructuring: any gain on the restructuring of debt will be taxable under current regulations. The tax authority is considering a change to the legislation to make these gains non-taxable with effect from 01/01/2010. If the company restructures its debt whilst the current tax rules are in force it will incur a significant tax charge**

Section 3

Recapitalisation requirement

Recapitalisation requirement

- Astana Finance is assessed by the FMSA for capital adequacy under the rules applying to financial conglomerates
- FMSA requirements are that the total group regulatory capital is at least 10% of group risk weighted assets

	KZTm	USDm
Capital Astana Finance at 30/06/2009	(27,124)	(180)
Preferred shares	5,775	38
Additional losses and loan provisions	(95,494)	(637)
Capital of subsidiaries	23,533	157
Astana Finance Investments in subsidiaries capital	(25,802)	(172)
Total regulatory capital at 30/12/2009	(119,092)	(794)
RWAs at 31/12/2009	262,923	1,753
Minimum total Regulatory Capital at 10%	26,292	175
Required capital injection	145,385	969

- The required capital injection assumes that no tax is paid on the gain from restructuring
- Tax authorities are currently considering a change to the tax code to make these gains non taxable with effect from 01/01/2010. If this is the case then the company will benefit significantly by delaying in the restructuring
- Failure to do so will lead to a significant tax charge. This would require additional write off to maintain capital adequacy and the company has no cash with which to pay the tax authority (this would result in additional fines and penalties thus requiring a larger write off)
- The current exemption to FMSA capital adequacy requirements expires on 15 November 2009

Section 4

Strategy

Astana Finance will act as a holding company to support the maximum possible level of debt post restructuring. Value and upside for investors will be created through management of subsidiaries

General strategy

- Current loan portfolio will be run off and the company will not seek to resume former activity of crediting high risk realty projects and will continue its activity on project management in sectors with good perspectives
- Recoveries from current loan portfolio will be invested in low risk, liquid securities and all cash flow used to service post restructuring level of debt
- Receipts from subsidiaries will be used to sweep cash and profits to the parent and used to service post restructuring level of debt
- Upside for creditors and shareholders from appreciation in value of subsidiaries as market conditions improve and potential disposals of subsidiaries
- Cash generated from disposals to be returned to creditors and shareholders

Management of current loan book

- Aggressive approach to cash collection from loan book to maximise returns to creditors
- Detailed loan book review undertaken
- Portfolio split between those loans likely to perform in the future (restructure borrower obligations) and those loans unlikely to perform (legal action to recover collateral)
- Negotiations with government, Samruk-Kaznya and other state agencies to obtain maximum cooperation in recovery process

Profit before interest charges

USDm	2010	2011	2012	2013	2014
Interest income	14.3	23.0	30.9	38.2	56.2
Non interest income	8.9	0.1	0.4	5.9	0.3
Total income	23.2	23.1	31.3	44.2	56.5
Operating expenses	(12.1)	(12.6)	(13.2)	(13.6)	(13.7)
PBIT	11.2	10.5	18.1	30.5	42.8

Key comments

- **Post restructuring, Astana finance will make relatively low levels of PBIT**
- **In order to meet the requirement of the KASE, income will be claimed from subsidiaries**
- **The majority of Non interest income in 2010 is from a gain on the planned sale of a subsidiary**

Free cashflow

USDm	2010	2011	2012	2013	2014
Interest income	11.9	14.3	11.2	20.7	20.8
Loan book (principal repayment)	94.6	75.9	50.4	70.4	24.3
Sale of investments	2.4	20.1	0.9	1.2	0.9
Sale of subsidiaries	53.0				
Total cash inflow	161.9	110.4	62.5	92.3	46.0
Operating expenses	(6.9)	(7.4)	(7.9)	(8.3)	(8.7)
Required investments	(33.3)				
Free cash flow	121.6	103.0	54.6	84.0	37.3

Key comments

- **Free cashflows are forecast to be in excess of profits – the limiting factor at the Astana Finance level is profitability rather than cash flow (profitability is required for continuing to be listed on Kazakhstan stock exchange)**
- **Income will be collected from subs through the forgiveness of debt (rather than cash) which will increase profits in the parent company and increase the level of cash which can be returned to creditors**

Subsidiary profitability

USDm	2010	2011	2012	2013
AF Leasing	19.5	3.3	4.1	5.8
AF Mortgage	20.6	15.8	7.6	3.3
Bank Astana Finance (KZ)	17.2	23.2	29.7	38.5
Total	57.3	42.3	41.4	47.6

Key comments

- **Part of the profit made in subsidiaries will be returned to the parent company. To allow Astana Finance to record higher profits. Cash will be retained at subsidiary level to allow for growth**

Subsidiary cash balances

USDm	2010	2011	2012	2013
AF Leasing	9.1	13.3	6.5	6.4
AF Mortgage	2.3	1.8	2.6	3.0
Bank Astana Finance (KZ)	8.9	13.7	17.5	18.4
Total	20.3	28.8	26.6	27.8

Key comments

- **Subsidiary companies hold relatively low levels of cash as they must reinvest in order to generate future profits for the parent**
- **Astana Finance will repay the restructured liabilities from receipts on its own activities as well as the income received from the subsidiaries**

Astana Finance Leasing

Astana Finance Leasing is a profitable company with significant market share and strong growth prospects.

General strategy

- The company is a market leader with circa 25% market share in leasing in Kazakhstan
- Strategic goal is to build on and consolidate current market position. It already became known at the republic's market as a reliable financial partner and has a well known brand name. Currently third largest leasing company in Kazakhstan with strong growth prospects as the Kazakhstan economy improves
- Critical element of strategy is obtaining funding and maintaining strong relationships with Export Credit Agencies to continue to participate in Trade Finance

Funding and growth strategy

- Historically, ECA funding was obtained at the parent company whilst lending and all operational duties were undertaken by the subsidiary company
- The company has good relationships with Export Credit Agency banks and has received commitments that future funding will be forthcoming if the current restructuring of the parent company is successful
- A significant portion of the company's profits are forecast to come from trade finance operations funded by export credit agencies

Astana Finance Leasing

USDm	FY09F	FY10F	FY11F	FY12 F	FY13 F
Interest income	27.1	27.8	26.9	27.5	28.2
Interest expense	(13.3)	(12.3)	(12.0)	(11.9)	(11.6)
Net interest income	13.8	15.6	14.9	15.6	16.6
Non-interest income	4.2	4.1	2.2	1.4	1.0
Provisions	(7.4)	7.9	(7.0)	(5.7)	(4.3)
Operating expenses	(6.8)	(8.0)	(6.8)	(7.2)	(7.5)
Net operating profit	3.8	19.5	3.3	4.1	5.8
Restructuring impact	1.8				
Non-recurring items	(31.1)				
Net income	(25.2)	19.5	3.3	4.1	5.8

Nb. the forecast current year loss is a result of adding the provisions for the leasing portfolio as well as the assets being transferred from Astana finance

USDm	Dec09F	Dec10F	Dec11F	Dec12F	Dec13F
Assets					
Cash and cash equivalents	0.3	9.1	13.3	6.5	6.4
Lease portfolio	265.5	251.9	245.4	233.1	235.3
Provisions	(18.7)	(10.8)	(17.7)	(23.4)	(27.8)
Fixed and intangible assets	4.4	4.1	3.7	3.4	3.1
Assets transferred from AF	53.1	54.5	50.5	50.3	50.2
Net other assets	39.8	39.5	48.9	48.6	35.8
Gross other assets	74.9	74.6	84.0	80.8	68.0
Other provisions	(35.1)	(35.1)	(35.1)	(32.2)	(32.2)
Total assets	344.5	348.3	344.1	318.4	303.0
Liabilities and equity					
Due to financial institutions	93.0	120.7	152.2	158.6	164.3
Liabilities transferred from AF	222.4	184.3	148.8	114.9	89.3
Other liabilities	29.0	23.7	20.1	17.8	16.5
Total liabilities	344.4	328.7	321.1	291.4	270.2
Share capital					
Common shares	9.4	9.4	9.4	9.4	9.4
Retained earnings	(9.3)	10.2	13.6	17.6	23.4
Total capital	0.1	19.6	23.0	27.0	32.8

Astana Finance Mortgage company

Short term outlook is challenging but margins remain highly attractive if credit risk can be managed. Penetration levels for retail products remain low so growth prospects are strong

Company overview

- The company was established in late 2005 to provide retail mortgage products to the growing Kazakhstan housing market. It quickly expanded and currently covers 8 major cities
- Following the economic crisis in Kazakhstan, the company has downsized its operations and does not expect to commence expansion until there is evidence of improvement in the economic climate
- 2009 has been a challenging year for the company as rising provisions in the portfolio resulted in losses
- Financial support was provided by the parent to rectify capital adequacy issues

Future strategy

- Strategic goals are to maintain compliance with FMSA prudential standards, repay financial support received from parent company and expand to create value for parent company
- Difficult economic climate expected for the next two years. Strategy for this period is to maintain current status and limit new lending to customers with good credit quality. Portfolio will remain at the current level
- In the medium term, as the economic situation in Kazakhstan improves margins should improve as lending criteria will remain tight and competition limited
- In the medium/long term, expand product range in consumer lending where margins are very attractive

Astana Finance Mortgage company

USDm	FY10F	FY11F	FY12F	FY13F
Interest income	15.8	15.7	16.7	17.2
Interest expenses	(1.5)	(1.4)	(3.5)	(4.4)
Net interest income (ex. Provision)	14.3	14.3	13.2	12.8
Provision	14.5	7.4	(1.2)	(5.6)
Net interest income	28.8	21.7	12.0	7.2
Net non-interest income/(loss)	(2.1)	(1.2)	(0.5)	(0.2)
Operating profit	26.6	20.6	11.5	7.0
Operating expenses	(6.0)	(4.8)	(3.9)	(3.7)
Profit before tax	20.6	15.8	7.6	3.3
Tax	(1.3)	(2.4)	(1.2)	(0.9)
Net profit	18.9	13.2	6.4	2.4

USDm	Dec09F	Dec10F	Dec11F	Dec12F	Dec13F
Assets					
Cash and equivalents	1.3	2.3	1.8	2.6	3.0
Securities	0.4	0.5			
Mortgage portfolio	78.1	85.3	83.6	102.8	95.1
Fixed and intangible assets	2.8	2.6	2.4	2.2	2.0
Investing real estate	15.9	14.9	12.2	9.1	7.3
Other assets	0.6	0.2	0.0	0.0	0.0
Total assets	99.0	105.8	100.1	116.8	107.5
Liabilities					
Financial institutions	52.6	40.5	21.9	11.4	0.7
Bonds payable				21.3	21.3
Total liabilities	52.6	40.5	21.9	32.7	22.0
Equity					
Share capital	66.7	66.7	66.7	66.7	66.7
Retained earnings	(20.3)	(1.4)	11.5	17.4	18.8
Total equity	46.4	65.3	78.2	84.1	85.5

Bank Astana Finance (Kazakhstan Bank subsidiary)

BAF will expand rapidly in the short to medium term future to gain scale to improve margins. Dividend payments are forecast as early as 2011

Company overview

- Created in 2008 and has expanded rapidly - current loan portfolio is \$74m, with \$19m of customer deposits
- Forecast profits of \$1.6m for the current year
- 120 employees
- Primarily focused on corporate clients
- Recent senior management changes

Future strategy

- Further expansion is required for the company to achieve sufficient mass to generate significant profits. Significant expansion is forecast in future periods as the company grows its loan portfolio
- The branches Almaty and Astana have already been opened. Planned to open 7 new branches in Karaganda and Aktobe in the next 3 years, then 5 more branches
- Target area for expansion is retail market. Company plans to expand significantly its range of retail services to cover plastic cards, mobile banking and look to build on CRM to drive further sales
- Expand corporate lending to incorporate trade finance and syndicated borrowing
- As part of the restructuring, Astana Finance intends to transfer a group of loans to small and medium enterprises to its subsidiary. These loans were made as part of a government sponsored scheme (Damu fund). Due to the surrender of its licenses, Astana Finance can no longer hold these loans itself so must transfer these to its subsidiary

Bank Astana Finance (Kazakhstan Bank subsidiary)

USDm	Dec09	Dec10	Dec11	Dec12	Dec13
Interest income	13.9	36.4	47.7	61.3	77.9
Interest expenses	(5.5)	(10.4)	(15.5)	(21.6)	(28.4)
Net interest income before provisions	8.4	26.0	32.2	39.7	49.5
Provisions	(2.3)	(2.3)	(1.3)	(1.6)	(2.1)
Net interest income after provisions	6.1	23.7	30.9	38.1	47.4
Net non-operating income	2.3	1.5	1.6	1.8	1.9
OPERATING INCOME	8.4	25.2	32.5	39.9	49.3
OPERATING EXPENSES	(5.7)	(8.0)	(9.3)	(10.2)	(10.8)
Income before tax	2.7	17.2	23.2	29.7	38.5
Income tax	(0.5)	(3.0)	(3.5)	(4.5)	(5.8)
Net income	2.2	14.2	19.7	25.2	32.7
Dividends	-	-	7.1	9.9	12.6

USDm	Dec 09	Dec 10	Dec 11	Dec 12	Dec 13
<u>Assets</u>					
Cash and cash equivalents	7.8	8.9	13.7	17.5	18.4
Due from banks	0	3.3	6.7	10.0	13.3
Loans to customers (net)	115.4	154.1	202.9	262.4	339.5
Securities and repos	29.6	38.0	43.8	51.2	56.8
PP&E and other assets	16.2	15.4	16.3	20.3	27.4
Total assets	169.0	219.7	283.4	361.4	455.4
<u>Liabilities</u>					
Due to banks	34.7	35.2	35.7	36.4	37.2
Deposits	92.6	94.5	144.8	206.3	278.8
Other liabilities	0.9	0.9	1.2	1.5	2.0
Total liabilities	128.2	130.6	181.7	244.3	318.1
<u>Equity</u>					
Share capital	39.2	73.3	73.3	73.3	73.3
Retained earnings	1.6	15.8	28.4	43.8	64.0
Total shareholders' equity	40.8	89.1	101.7	117.1	137.3

Astana Finance Bank (Russian Bank subsidiary)

AFB has been identified as a possible disposal in order to generate cash. The bank is a good asset and could reach an attractive valuation despite current depressed market prices

Company overview

- Established in early 1990 and purchased by Astana Finance in May 2007 for \$17m
- Operates as regional universal bank servicing both retail and corporate customers
- Performed favourably in comparison to peers during the crisis period
- Well capitalised and profitable despite distressed market conditions
- Strict regulations in Russia prevent the subsidiary providing much in the way of liquidity or capital to the parent

Future strategy

- Expand product range for corporate clients to include factoring, project financing and small business loans
- The Russian Banking subsidiary has been identified for possible disposal in order to generate cash to be returned to creditors. This will however decrease the level of debt the business can service in the long term
- Discussions have already been held with a potential buyer and creditors will be informed of any significant developments

Astana Finance Bank (Russian Bank subsidiary)

USDm	Dec09	Dec10	Dec11	Dec12	Dec13	USDm	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13
Interest income	12.9	17.6	21.6	27.5	40.1	Assets					
interest expense	(5.8)	(9.9)	(13.3)	(17.1)	(25.7)	Cash	22.4	29.5	36.3	50.8	62.5
Nil (ex provisions)	7.1	7.7	8.3	10.3	14.4	Statutory reserve	1.5	1.2	1.7	2.8	4.6
Provisions	(4.5)	(1.0)	(0)	(0.9)	(0.9)	Interbank credits	17.1	21.0	25.9	36.2	54.3
Net interest income	2.6	6.7	8.3	9.4	13.5	Loan portfolio	54.0	66.7	83.5	118.7	189.5
Net other income	6.1	3.8	4.6	7.3	10.8	Investments	10.2	12.5	15.4	21.6	32.4
Total income	8.7	10.4	12.9	16.7	24.3	PP&E	16.3	16.1	17.5	18.6	19.3
Operating expenses	(7.6)	(9.1)	(11.0)	(13.7)	(19.8)	Other assets	8.1	9.9	12.2	16.3	24.4
Net operating profit	1.0	1.3	2.0	3.0	4.4	Total assets	129.5	157.0	192.5	265.0	386.8
Income tax	(0.2)	(0.3)	(0.4)	(0.6)	(0.9)	Liabilities					
Net income	0.9	1.1	1.6	2.4	3.6	Interbank credits	0	1.3	1.6	2.3	3.4
						Deposits	78.8	103.4	136.3	204.2	318.8
						Other liabilities	2.4	3.0	3.7	5.2	7.8
						Total liabilities	81.2	107.7	141.6	211.7	329.9
						Equity					
						Equity capital	39.0	39.0	39.0	39.0	39.0
						Retained earnings	9.3	10.3	11.9	14.3	17.8
						Total equity	48.3	49.3	50.9	53.3	56.9