

THIS INFORMATION MEMORANDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek advice from your own appropriately authorised independent financial adviser.

INFORMATION MEMORANDUM

Prepared for the information of the holders of (i) certain financial indebtedness of JSC Alliance Bank and (ii) the Shareholders of JSC Alliance Bank in connection with the Restructuring Plan and the Consolidation referred to herein.



ALLIANCE BANK

JSC ALLIANCE BANK

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)

An investment in the New Notes, Common Shares and GDRs involves a high degree of risk. See “Risk Factors”.

A meeting of the Claimants to consider the Restructuring Plan will be held on 19 November 2014 at 10:00 a.m. (Almaty time) at 50 Furmanov Street, Almaty, 050004, Kazakhstan. The notice convening the Claimants’ Meeting is set out in Schedule 3 (*Notice of Claimants’ Meeting*). Whether or not relevant Claimants intend to attend the Claimants’ Meeting they are requested to complete, execute and return the Claim Form and Form of Proxy included in this Information Memorandum in accordance with the instructions set out herein as soon as possible but, in any event, to be received by no later than 10:00 a.m. (Almaty time) on 17 November 2014, except as otherwise provided herein. Claim Forms and Forms of Proxy are set out in Schedule 2 (*Claim Form*) and Schedule 4 (*Form of Proxy*) respectively and are also available on the Bank’s website (www.alb.kz/en/investor_relations).

Meetings of the holders of each series of Existing Notes will be held on 31 October 2014 at the offices of White & Case LLP at 50 Old Broad Street, London, EC2N 1DW to consider and if thought fit to pass Extraordinary Resolutions approving, among other things, the Restructuring Plan and instructing the Trustee to vote the full principal amount plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value) of each series of Existing Notes at the Claimants’ Meeting. The Notices of the Noteholders’ Meetings are set out in Schedule 5 (*Notices of Noteholders’ Meetings*). Noteholders are requested to submit Electronic Instructions so that they are received no later than 11:00 a.m. (London time) on 29 October 2014. The Trustee will have no responsibility or liability in connection with the submission of a Claim Form, the Claimants’ Meeting or voting thereat and will be discharged, exonerated and indemnified by the Noteholders under such Extraordinary Resolutions.

A General Shareholders’ Meeting to consider the Restructuring Plan, the Consolidation and certain other matters will be held on 10 November 2014 at 10.00 a.m. (Almaty time) at 50 Furmanov Street, Almaty, 050004, Kazakhstan. The Notice of the General Shareholders’ Meeting is set out in Schedule 6 (*Notice of General Shareholders’ Meeting*). In order to vote at the General Shareholders’ Meeting, GDR Holders are requested to complete, execute and return the GSM Proxy Form included in this Information Memorandum in accordance with the instructions set out herein as soon as possible but, in any event, to be received by no later than 12:00 p.m. (EST) on 5 November 2014. The GSM Proxy Form is set out in Schedule 7 (*GSM Proxy Form*) and is also available on the Bank’s website (www.alb.kz/en/investor_relations).

If Claimants do not submit a Claim Form to the Bank on or prior to the Claims Submission Date, they will not be able to vote in person or by proxy at the Claimants’ Meeting unless the Bank, in its sole discretion, decides otherwise. It is not expected that Noteholders will be required to submit a Claim Form in respect of their Existing Notes. The Trustee (or The Bank of New York Mellon as delivery agent if the Extraordinary Resolution is not passed) will instead submit on their behalf a Claim Form in respect of the outstanding Existing Notes in accordance with the instructions of the relevant Noteholders.

If Claimants approve the Restructuring Plan at the Claimants’ Meeting, a hearing before the Court will be necessary in order to approve the Restructuring Plan. All Claimants are entitled to attend the Court hearing in person or through counsel to support or oppose the Court approval of the Restructuring Plan. The Bank will announce the date and location of such hearing on a Regulatory Information Service and the Bank’s website (www.alb.kz/en/investor_relations) in advance of such hearing.

The New Notes, Common Shares and GDRs have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). As a result, Claimants who are in the United States or who are U.S. persons within the meaning of Regulation S of the Securities Act (each a “**U.S. Person**”) will be eligible to participate in the Restructuring Plan only if they are either “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A or “accredited investors” (“**Accredited Investors**”) as defined in Rule 501(a) of Regulation D unless the Bank in any instance otherwise agrees. Offers and issuances of New Notes, Common Shares and GDRs to persons outside the United States who are not U.S. Persons will be made in reliance on Regulation S under the Securities Act subject to the conditions otherwise provided herein.

No person has been authorised by the Bank to give any information or make any representation other than those contained in this Information Memorandum and the accompanying documents and, if given or made, such information or representation must not be relied upon as having been so authorised.

This Information Memorandum is, subject to certain restrictions, available on the Bank’s website (www.alb.kz/en/investor_relations).

The Trustee will have no liability in connection with the timing of the publication of this Information Memorandum and the availability of it to Noteholders following the publication of the Notices of Noteholders’ Meetings set out in Schedule 5 (*Notices of Noteholders’ Meetings*).

IMPORTANT NOTICE

You must read the following before continuing. The following applies to the Information Memorandum, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THIS INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NEW NOTES, COMMON SHARES AND GDRS ARE BEING OFFERED, AND WILL BE ISSUED ONLY TO, CLAIMANTS (I) OUTSIDE THE UNITED STATES THAT ARE NOT U.S. PERSONS OR (II) WITHIN THE UNITED STATES (IN PRIVATE TRANSACTIONS PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT) THAT ARE EITHER ACCREDITED INVESTORS OR QIBS (EACH AN “ELIGIBLE INVESTOR”) UNLESS THE BANK IN ANY INSTANCE OTHERWISE AGREES. ONLY ELIGIBLE INVESTORS AND CLAIMANTS WHO ARE OUTSIDE THE UNITED STATES, ARE NOT U.S. PERSONS AND ARE OTHERWISE ELIGIBLE, AS PROVIDED HEREIN, ARE AUTHORISED TO ACCESS OR RECEIVE THIS INFORMATION MEMORANDUM.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS INFORMATION MEMORANDUM SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

The New Notes, Common Shares and GDRs are subject to restrictions on transferability and resale and may not be transferred or resold except in accordance with the Securities Act and other applicable securities laws, pursuant to registration or an exemption therefrom. See “*Issuance and Transfer Restrictions*”.

CONFIRMATION OF YOUR REPRESENTATION: By accessing this Information Memorandum you shall be deemed to represent that you are either (i) a person other than a U.S. Person and have received this Information Memorandum outside the United States or (ii) an Eligible Investor that is receiving the New Notes, Common Shares or GDRs for its own account or the account of another person that is an Eligible Investor.

If you wish to participate in the Restructuring Plan and you are a Claimant who is a U.S. Person and is not an Eligible Investor, please contact the Bank by emailing IR@alb.kz or calling +7 727 258 4040 (extension 52034, 52630 or 52447).

Lazard Frères is acting as Financial Adviser to the Bank and to no one else in connection with the Restructuring and will not be responsible to anyone other than the Bank for providing the protections afforded to clients of Lazard Frères for giving advice in relation to the Restructuring and the Consolidation.

You should not construe the contents of this Information Memorandum as legal, tax or financial advice. You are recommended to consult your own professional advisers as to legal, tax, financial or other matters relevant to the action you should take in connection with the Restructuring Plan and the Consolidation (as applicable). This Information Memorandum has been prepared to assist Claimants and Shareholders to decide whether and how to vote on the Restructuring Plan and the Consolidation (as applicable). Pursuant to Clause 2.3 of the Restructuring Plan, various provisions of this Information Memorandum form an integral part of the Restructuring Plan.

The summary of the principal provisions of the Restructuring Plan contained in this Information Memorandum is qualified in its entirety by reference to the Restructuring Plan itself, the full text of which is set out in Schedule 1 (*The Restructuring Plan*). Each Claimant and Shareholder is advised to read and consider carefully the full text of the Restructuring Plan.

The distribution of this Information Memorandum and the distribution of New Notes, Common Shares and GDRs may be restricted by law in certain jurisdictions. The Bank makes no representation that this Information Memorandum or the New Notes, Common Shares or GDRs may be lawfully distributed in any jurisdiction and assumes no responsibility for facilitating any such distribution. Accordingly, neither this Information Memorandum nor any other offering material may be distributed or published, and none of the New Notes, Common Shares or GDRs may be distributed, in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Information Memorandum may come must inform themselves about, and observe any such restrictions on the distribution of this Information Memorandum and the distribution of the New Notes, Common Shares and GDRs.

Claimants entitled to the distribution of New Notes, Common Shares or GDRs under the Restructuring Plan must comply with all laws and regulations applicable to them in force in any jurisdiction and must obtain any consent, approval or permission required to be obtained by them under the laws and regulations applicable to them in force in any jurisdiction to which they are subject and the Bank shall not have any responsibility therefor.

Nothing in this Information Memorandum or any other document issued with or appended to it should be relied on for any purpose other than to make a decision on voting in respect of the Restructuring Plan or the Consolidation (as applicable). In particular and without limitation, nothing in this Information Memorandum or any other document issued with or appended to it should be relied on in connection with the purchase of any securities (other than under the Restructuring Plan) of the Bank. This Information Memorandum has been prepared in connection with (i) the proposal in relation to the Restructuring Plan of the Bank under the Restructuring Law and (ii) the Consolidation.

The information contained in this Information Memorandum has been prepared based upon information available to the Bank. To the best of the Bank's knowledge, information and belief, the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Bank has taken all reasonable steps to ensure that this Information Memorandum contains the information reasonably necessary to enable Claimants and Shareholders to make an informed decision about the Restructuring Plan and the Consolidation (as applicable). None of the Bank's legal, financial or tax advisers, the members of the Steering Committee, the Steering Committee's legal, financial, tax or other advisers, the Trustee, the Trustee's legal advisers or Samruk-Kazyna have authorised the contents of this Information Memorandum or any part of it nor do they accept any responsibility for the accuracy, completeness or reasonableness of the statements contained within it.

None of the Bank's legal, financial, tax or other advisers, the members of the Steering Committee, the Steering Committee's legal, financial, tax or other advisers, the Trustee or the Trustee's legal advisers or Samruk-Kazyna have verified that the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information and each of those persons expressly disclaims any responsibility for such information.

Nothing contained in this Information Memorandum shall be deemed to be a forecast, projection or estimate of the Bank's future financial performance except where otherwise specifically stated. This Information Memorandum contains certain statements, statistics and projections that are, or may be, forward-looking. See "*Forward-Looking Statements*". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although the Bank believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Claimants should inform themselves about and observe any legal requirements applicable in their own jurisdictions to the participation in the Restructuring Plan and the receipt of any New Notes, Common Shares or GDRs and should consult their professional advisers and satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in all applicable jurisdictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

Claimants should consult their own financial, legal and tax advisers with respect to the financial, legal and tax consequences of the Restructuring Plan in light of their particular circumstances. The members of the Steering Committee are not acting as fiduciary or adviser to any person, give no covenants and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment

management agreement). No member of the Steering Committee expresses any opinion as to the merits of the Restructuring Plan. The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring.

The Bank has been required by the members of the Steering Committee to make public in this document all inside information, material non-public information or information that is price sensitive which has been supplied to the members of the Steering Committee by the Bank. The Bank believes that it has performed this obligation and that, following the publication of this Information Memorandum, the members of the Steering Committee have no inside information, material non-public information or information that is price sensitive which has been supplied to them by the Bank. None of the members of the Steering Committee or the Steering Committee's legal, financial or tax advisers have verified such assertion and each of those persons expressly disclaims any responsibility for such assertion.

NO ADMISSION OF LIABILITY OR WAIVER

All the statements in this Information Memorandum are made solely in connection with the Restructuring Plan and the Consolidation. Accordingly, they do not constitute, and should not be deemed to be, admissions of liability on the part of the Bank or any other party. Nothing herein shall prejudice any right of the Bank in any pending or future legal or other proceedings to dispute the claim of any person in respect of or in connection with any indebtedness or the amounts of such indebtedness or to bring any claim or counterclaim against any person and nothing herein shall imply that any person described herein as a Claimant or having the benefit of a claim has a valid claim against the Bank or any other party nor shall the payment of any Distributions constitute a waiver or relinquishment of any claim available to the Bank against any person.

NOTICE TO CLAIMANTS IN THE UNITED STATES

THE NEW NOTES, COMMON SHARES AND GDRS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE NEW NOTES, COMMON SHARES AND GDRS NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE NEW NOTES, COMMON SHARES, GDRS OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO CLAIMANTS IN THE EUROPEAN ECONOMIC AREA

This Information Memorandum is only addressed to and directed at persons in member states of the European Economic Area (the "EEA") who are "Qualified Investors" within the meaning of Article 2(1)(e) of the Prospectus Directive. The New Notes, Common Shares and GDRs are only available to Qualified Investors, unless in any instance the Bank otherwise agrees. This Information Memorandum and its contents should not be acted upon or relied upon in any member state of the EEA by persons who are not Qualified Investors. The expression "**Prospectus Directive**" means Directive 2003/71/EC as amended by Directive 2010/73/EU and includes any relevant implementing measure in each relevant member state.

NOTICE TO CLAIMANTS IN THE REPUBLIC OF KAZAKHSTAN

The New Notes, Common Shares and GDRs may only be distributed in Kazakhstan to institutions or individuals in Kazakhstan, including banks, brokers, dealer participants, pension funds and collective investments institutions, as well as central government, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities.

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CATEGORIES OF CLAIMANTS

The Restructuring Plan will involve all Claimants in respect of any obligations of the Bank arising directly or indirectly in relation to Designated Financial Indebtedness. Designated Financial Indebtedness is defined under “*Key Terms and Definitions*”.

The following persons are the categories of Claimants that must take action in respect of the Restructuring Plan:

- Discount Dollar Noteholders, Discount Tenge Noteholders, Par Dollar Noteholders, Par Tenge Noteholders, Subordinated Tenge B Noteholders and Recovery Noteholders (and/or the Trustee on their behalf); and
- Samruk-Kazyna in respect of the SK Deposits.

Discount Dollar Noteholders, Discount Tenge Noteholders, Par Dollar Noteholders, Par Tenge Noteholders, Subordinated Tenge B Noteholders and Recovery Noteholders are encouraged to read “*Information for Shareholders and Claimants—Information for Noteholders*” and submit an Electronic Instruction in the manner and pursuant to the timelines described therein.

EXPECTED SEQUENCE OF PRINCIPAL EVENTS

Claimants and Shareholders should observe the deadlines set by any institution or settlement system through which they hold any Designated Financial Indebtedness or Shares/GDRs to ensure that their Electronic Instruction, Claim Form, Form of Proxy or GSM Proxy Form is delivered on time for the purposes of voting at the applicable Noteholders' Meeting, Claimants' Meeting or General Shareholders' Meeting, as the case may be.

Dates specified for particular events relating to the Restructuring and the Consolidation in this Information Memorandum are indicative only and are subject to change. The date of the final approval of the Restructuring Plan by the Court and of the Noteholders', Claimants' and Shareholders' meetings, as well as the approvals of the Consolidation by the Competition Committee and the NBK have not been finally settled, although they are expected to occur on or about the dates indicated. Subject to Clauses 2.9 and 7.2 of the Restructuring Plan, the Bank reserves the right to revise this timetable and will give appropriate notice thereof to Claimants and Shareholders.

The key dates are as follows:

	The times specified in the relevant Notice of Noteholders' Meeting on 29 October 2014
Voting Instructions Deadline	
Noteholders' Meetings	31 October 2014
Deadline for GDR Holders to submit GSM Proxy Forms to the Depositary	12:00 p.m. (EST) on 4 November 2014
General Shareholders' Meeting to approve the Restructuring Plan and Consolidation	10 November 2014
The Consolidation Agreements are signed by the Bank, Temirbank and ForteBank	11 November 2014
An application for the approval of the Consolidation is made to the NBK	11 November 2014
	The times specified in the relevant Notice of Adjourned Noteholders' Meeting on 12 November 2014
Voting Instructions Deadline for adjourned Noteholders' Meetings (if necessary)	
Adjourned Noteholders' Meetings (if necessary)	14 November 2014
Notices of Settlement Instructions distributed to Noteholders	14 November 2014
	10:00 a.m. (Almaty time) on 17 November 2014
Claims Submission Date	
Claimants' Meeting	19 November 2014
Submission to the NBK of the Restructuring Plan approved by the Claimants to ensure conformity with the restructuring plan originally submitted to the NBK	20 November 2014
Minutes of the Claimants' Meeting are published by the Bank	20 November 2014
Submission of the Restructuring Plan and minutes of the Claimants' Meeting to the Court for approval	27 November 2014
Notice of the Court's final hearing regarding the Restructuring Plan to Claimants	27 November 2014
Settlement Instructions Deadline	5 December 2014
Deadline for shareholders who voted against the Consolidation to request that their shares are purchased by the Bank, Temirbank and/or ForteBank (as applicable)	10 December 2014
Approval of the Consolidation by the NBK and the Competition Committee	11 December 2014

Hearing of the Court to approve the Restructuring Plan and the approval of the Restructuring Plan by the Court	11 December 2014
The Bank publishes details of the Court's decision	12 December 2014
The Bank, Temirbank and ForteBank to publish notifications on the Consolidation in two republican newspapers and on their web-sites	12 December 2014
Placement of the Bank's Common Shares to shareholders of Temirbank and ForteBank and transfer of shares in Temirbank and ForteBank to the Bank	12 December 2014
Restructuring Date (distribution of new Entitlements pursuant to the Restructuring Plan, including the placement of the Bank's Common Shares to Claimants)	15 December 2014
The Bank reports to the NBK on the implementation of the Restructuring Plan	15 December 2014
The NBK submits an application to the Court to terminate the Restructuring	19 December 2014
The Court's order confirming that the Restructuring Plan has been carried out and the Restructuring is complete	24 December 2014
The Transfer Acts are signed by chairmen of the management bodies and chief accountants of the Bank, Temirbank and ForteBank	31 December 2014
The Bank, Temirbank and ForteBank to publish notification(s) in two republican newspapers and on their web-sites on the time, place and procedure for creditors to study the executed Transfer Acts	15 January 2015
Application by Temirbank and ForteBank to the NBK for the cancellation of their shares	30 April 2015
The NBK approves the cancellation of the shares in Temirbank and ForteBank and notifies these banks	15 May 2015
Temirbank and ForteBank publish notifications on the cancellation of their shares on their web-sites	25 May 2015

If there are any changes to the above times and/or dates, the revised times and/or dates will be notified to Claimants and Shareholders in an announcement via a Regulatory Information Service and will be published on the Bank's website (www.alb.kz/en/investor_relations).

**LETTER FROM THE CHAIRPERSONS OF THE BOARD OF DIRECTORS
AND THE MANAGEMENT BOARD OF THE BANK**

13 October 2014

Dear Stakeholders,

Introduction

We are writing to give you notice of (i) the General Shareholders' Meeting to be held on 10 November 2014 at 50 Furmanov Street, Almaty, 050004, Kazakhstan and (ii) the meeting of the Claimants to be held on 19 November 2014 at 50 Furmanov Street, Almaty, 050004, Kazakhstan.

This letter and the recommendation from the Board of Directors and the Management Board is part of an Information Memorandum distributed to you for the reasons set out below and is qualified in its entirety by the more detailed information contained in the Information Memorandum.

The Bank believes that the Restructuring is in the best interests of all of the Bank's stakeholders. If the Restructuring is not completed, the Bank is likely to enter into conservation and/or bankruptcy under Kazakhstan law. If the Bank enters into conservation and/or bankruptcy, given its financial position and the fact that statutory claimants in Kazakhstan would have first claim on substantially all of the Bank's assets, the proceeds available to Claimants could either be reduced to a level considerably below the value of the cash, New Notes, Common Shares and/or GDRs they would receive under the Restructuring Plan or such Claimants may receive nothing. Holders of Shares or GDRs would receive nothing.

In connection with the Restructuring of the Bank, it is intended that the Bank will be consolidated under Kazakhstan law with Temirbank and ForteBank, creating a Combined Bank that the Bank's management believes will be able to compete successfully in the banking sector in Kazakhstan and that will have sufficient regulatory capital and liquidity to satisfy all prudential requirements of the NBK.

The terms of the Restructuring Plan and of the Consolidation are complex and we have summarised the key points in this letter. We urge you, however, to read the entire Information Memorandum with care, since it contains a great deal of important information. In particular, please see "*Risk Factors*" for a discussion of the risks associated with the Bank, the Restructuring, the Consolidation and the New Notes, Common Shares and GDRs.

In this letter and in the Information Memorandum many defined terms, which have initial capital letters, are used. A list of these terms and their definitions can be found in "*Key Terms and Definitions*" in the Information Memorandum.

Background to the Restructuring and Significant Events

Please see "*The Bank—Overview of the Bank and Background to the Restructuring—Post-2010 Restructuring*" for information relating to the background to and reasons for the Restructuring. Certain significant events relating to the Restructuring and the Consolidation are set out below:

- The 2010 Restructuring was completed on 18 May 2010.
- On 26 December 2013, an event of default occurred under the Recovery Notes after the Bank failed to make a scheduled payment into the RN Collection Account.
- Since 31 December 2013, the Bank has been in breach of certain prudential requirements enacted by the NBK.
- On 23 January 2014, the Bank held meetings with its creditors. The Steering Committee was formed on 10 February 2014 and formally appointed by the Bank on 7 April 2014.
- On 3 March 2014, the Court granted the Bank's application to commence restructuring proceedings.
- On 26 March 2014, an event of default occurred under the remaining Existing Notes as a result of non-payment by the Bank of interest due under the relevant securities.

- On 15 May 2014, Mr. Bulat Utemuratov acquired 16 per cent. of the Common Shares and Preference Shares in the Bank from Samruk-Kazyna and all of Samruk-Kazyna's shares in Temirbank.

Following discussions with the members of the Steering Committee and their advisers in the following months, on 1 August 2014, the Bank and the Steering Committee agreed upon the non-binding Term Sheet setting out the principal terms of the Restructuring (see "*Terms of the Restructuring Packages*").

Principal Elements of the Restructuring

The Bank's proposed Restructuring Plan (set out in Schedule 1 (*The Restructuring Plan*)) will be effected through the allocation of new Entitlements in exchange for the cancellation or restructuring of the debts represented by the Designated Financial Indebtedness.

If the Restructuring Plan becomes effective, depending on the nature of their Claims, Claimants will receive one or more forms of Entitlements including cash, New Notes, Common Shares and/or GDRs, as described under "*Terms of the Restructuring Packages*".

Debts owed to certain categories of creditors, including depositors (other than Samruk-Kazyna) and trade creditors, will not be included in, and affected by, the Restructuring.

Legal restrictions in certain jurisdictions may prevent distribution of the New Notes, Common Shares or GDRs. Claimants in those jurisdictions will either receive the net proceeds of the sale of the New Notes, Common Shares or GDRs to which they would otherwise be entitled or such New Notes, Shares and/or GDRs will be transferred to such Claimants' Nominated Recipients. Further details are set out in "*Information for Shareholders and Claimants—Entitlement to and Distribution of Cash, New Notes and/or Common Shares or GDRs*".

Common Shares and GDRs

On the Restructuring Date, Common Shares and GDRs representing Common Shares will be issued to the applicable Claimants so that, subject to the exchange mechanisms described in "*Terms of the Restructuring Packages*", such Claimants will hold Common Shares and/or GDRs representing KZT 16,622 million in Equity Value in the Combined Bank. See "*Share Distribution and the GDR Programme*" for further information in relation to the distribution of Common Shares in the Bank and the GDR Programme. It is also contemplated that, as part of the Restructuring, the Samruk-Kazyna Undertaking will be cancelled.

Interest

Interest accrued but unpaid to 25 March 2014 (the "**Accrued Interest Date**") (calculated in accordance with "*Information for Shareholders and Claimants—Information for all Claimants regarding Voting Amounts and the Claimants' Meeting*") will be included in the Restructuring Plan for purposes of voting at the Claimants' Meeting and the allocation of Entitlements. All interest accrued but unpaid through to the Restructuring Date will be cancelled pursuant to the Restructuring Plan.

Samruk-Kazyna

On the Restructuring Date, the principal amount of the SK Deposits will be restructured into a New SK Deposit, bearing interest at 4 per cent. per annum (compared to the current interest rates of between 8.0 per cent. and 10.5 per cent. per annum on the SK Deposits) maturing on or after the tenth anniversary of the Restructuring Date. Samruk-Kazyna will deposit additional funds with the Bank so that the total principal amount of the New SK Deposit shall be on or around KZT 220 billion. Samruk-Kazyna will enter into a side letter with the Bank, agreeing that it will not withdraw any part of the New SK Deposit prior to its stated date of maturity and that it will not otherwise take any action that might reasonably cause the Bank to be in breach of Condition 5(c) (*Repayment of SK Deposits*) in Schedule 8 (*Terms and Conditions of the New Notes*). This side letter shall remain in force until the later of (i) the date of termination of the deposit agreement in relation to the New SK Deposit and (ii) the full discharge of the Bank's obligations with respect to the New Notes.

The Restructuring Law and the Restructuring Plan

The Restructuring Plan will be effected by the Bank under the Restructuring Law. The Restructuring Plan is a formal process under which the Bank will be released from claims of certain creditors (i.e., holders of Designated Financial Indebtedness) in return for certain Claimants' entitlements to receive cash, New Notes, Common Shares and/or GDRs.

If Claimants holding at least two-thirds by value of the Claims vote in favour of the Restructuring Plan it will be binding on all Claimants subject to subsequent approval by the NBK and the Court.

A meeting of the Claimants to consider and, if thought fit, approve the Restructuring Plan is scheduled to take place on 19 November 2014 in Almaty. If the Restructuring Plan is approved at the Claimants' Meeting, the Restructuring Plan will take effect once it has received the final approval of the NBK and the Court and provided certain Conditions Precedent (including all approvals necessary for the Consolidation having been obtained) set out in Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*) have been met or waived.

Pursuant to the Samruk-Kazyna Undertaking, the Restructuring Plan will also need to be approved by a Supermajority of the Shareholders. A General Shareholders' Meeting to consider and, if thought fit, approve the Restructuring Plan and certain other matters is scheduled to take place on 10 November 2014 in Almaty.

If the Bank determines that the Information Memorandum does not contain all material information reasonably necessary to enable all interested parties to make an informed decision about the Restructuring Plan or that any of the procedures comprising or terms relating to the Restructuring Plan need to be amended in advance of the Approval Date in order to more efficiently or effectively complete the Restructuring, the Bank will publish a revised Information Memorandum or a supplement thereto. In addition, the Bank reserves the right to change the date on which the Claimants' Meeting is held or on which other events are to occur so long as it provides adequate notice to Claimants via a Regulatory Information Service.

The Consolidation

The Consolidation will consist of the consolidation of Temirbank and ForteBank into the Bank. The purpose of the Consolidation is to contribute Temirbank's and ForteBank's capital surplus to the restoration of the Bank's regulatory capital and the creation of a Combined Bank which is better positioned to compete in the Kazakhstan banking sector. See "*Strategy of the Combined Bank*".

In the initial stages of the Consolidation, Temirbank and ForteBank will become subsidiaries of the Bank for an interim period of approximately two or three weeks as a result of the transfer of all the shares in Temirbank and ForteBank to the Bank and the issuance by the Bank of new Common Shares to shareholders in Temirbank and ForteBank. The transfer of shares and distribution of new Common Shares is contemplated to take place shortly prior to the Restructuring Date. Following this interim period, during which the banks will work primarily on the integration of their systems and internal processes, and the signing of the Transfer Acts by the Bank, Temirbank and ForteBank, all assets and liabilities of Temirbank and ForteBank will be transferred to the Bank and Temirbank and ForteBank will be dissolved and their shares cancelled.

The completion of the Consolidation is subject to certain approvals by the corporate bodies of the Bank, Temirbank and ForteBank, including approval by their respective general shareholders' meetings, and the receipt of certain regulatory approvals.

See "*The Consolidation*" for further details regarding the Consolidation.

Kazakhstan Taxation Considerations

A number of Kazakhstan tax considerations for Claimants in relation to the Restructuring are set out in the Information Memorandum under "*Taxation*". The comments are of a general, non-exhaustive nature, are included for information purposes only and are not intended to be legal or tax advice. Claimants should therefore consult their own advisers with respect to the possible tax consequences of receiving cash, New Notes, Common Shares and/or GDRs in the Restructuring.

Action to be Taken by Claimants

All Claimants must complete and return a Claim Form and, if applicable, a Form of Proxy, contained in Schedule 2 (*Claim Form*) and Schedule 4 (*Form of Proxy*), respectively by electronic mail or facsimile in accordance with “*Information for Shareholders and Claimants – Information for all Claimants regarding Voting Amounts and the Claimants’ Meeting – The Claimants’ Meeting – Voting by Claimants*” **by 10.00 a.m. (Almaty time) on 17 November 2014**, except for Noteholders, on whose behalf a Claim Form and Form of Proxy will be submitted by (i) the Trustee in the event the relevant Extraordinary Resolution is approved or (ii) The Bank of New York Mellon as delivery agent if the relevant Extraordinary Resolution is not approved.

Claimants are entitled to attend and vote at the Claimants’ Meeting, either in person or by proxy.

Claimants with questions relating to the quantum or classification of their Claim or the completion of Claim Forms should contact:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040 ext. 52447
Fax: +7 727 259 8071
Email: IR@alb.kz

Action to be Taken by Shareholders

All Shareholders are urged to attend the General Shareholders’ Meeting to be held on 10 November 2014 and vote to approve the Restructuring Plan and the Consolidation. GDR Holders are urged to complete, execute and return the GSM Proxy Form, a copy of which is contained in Schedule 7 (*GSM Proxy Form*) to this Information Memorandum, to the Depository **by no later than 12:00 p.m. (EST) on 4 November 2014** in order to approve the Restructuring Plan and the Consolidation.

Shareholders or GDR Holders with questions relating to the General Shareholders’ Meeting or the completion of GSM Proxy Forms should contact:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040 ext. 52447
Fax: +7 727 259 8071
Email: IR@alb.kz

As a matter of Kazakhstan law and/or pursuant to the Samruk-Kazyna Undertaking, various actions required to be carried out in order to effect the Restructuring and Consolidation must also be approved as separate resolutions at the General Shareholders’ Meeting. **Shareholders and GDR Holders are therefore urged to vote in respect of all resolutions to be voted on at the General Shareholders’ Meeting.**

Advantages of the Restructuring and Consolidation

The Bank believes that the Restructuring and Consolidation will allow the Combined Bank to operate as a going concern. It is expected that:

- the Restructuring and Consolidation will provide the Combined Bank’s business with a new, sustainable capital structure;
- the Bank will be recapitalised by approximately U.S.\$462.5 million (as set out in the Pro Forma Financial Information and at an exchange rate of KZT 184.00 per U.S.\$1.00) through the discharge and/or cancellation of Claims in exchange for new Entitlements and by approximately U.S.\$170.3 million through the restructuring of SK Deposits in the amount of U.S.\$430.3 million into the New SK Deposit;
- the Combined Bank will also benefit from the creation of additional tax assets (approximately U.S.\$106.2 million) and the positive capital contributions of Temirbank (U.S.\$478.2 million, including the capital creation stemming from the addition of KZT 407.0 million of deposits of Samruk-Kazyna with Temirbank into the New SK Deposit) and ForteBank (U.S.\$194.0 million, including the capital

creation stemming from the addition of U.S.\$358.3 million deposits of Samruk-Kazyna with ForteBank into the New SK Deposit);

- based on the Bank's pro-forma calculations, and its current estimate of the obligations to be cancelled pursuant to the Restructuring, the Designated Financial Indebtedness of the Bank will be reduced from approximately U.S.\$1,258.2 million to approximately U.S.\$614.5 million (using an exchange rate of KZT 184.00 per U.S.\$1.00) upon the Restructuring becoming effective); and
- the strengthening of the Combined Bank's financial position will also enable senior management to focus its efforts on improving the operating performance of the Combined Bank, and to provide additional stability to the Combined Bank's customers, employees and other stakeholders.

Disadvantages of the Restructuring

As a result of the Restructuring, Claimants will generally have to accept significant discounts to the value of their Claims, which will be cancelled in exchange for the Entitlements deliverable under the Restructuring Plan. If conservation, bankruptcy or other insolvency or similar proceedings are commenced in respect of the Bank (or the Combined Bank) after completion of the Restructuring, the Claimants will only have a claim in respect of the Entitlements provided under the Restructuring Plan and not in respect of or valued by reference to their Claim. Claimants should also note that the Conditions of the New Notes does not contain as extensive a covenant package as that in the Trust Deed constituting the Existing Notes. The interests of current holders of Common Shares and GDRs will be substantially diluted.

Consequences of the Restructuring and Consolidation Not Being Implemented

The Restructuring and Consolidation are necessary to ensure the survival of the Bank (in the form of the Combined Bank). If the Restructuring is not implemented, or if the Consolidation is not successfully completed, the ultimate return to creditors will be severely diminished as the Bank is expected to go into conservation or bankruptcy or may be subject to other procedures under applicable law. Shareholders and GDR Holders will likely lose all the value of their holdings. See "*Risk Factors—Risks Relating to the Restructuring—If the Restructuring does not occur, the NBK may institute proceedings for conservation or mandatory liquidation (including insolvent liquidation) of the Bank*".

The Bank understands that those financial institutions based in Kazakhstan that have been placed into conservation or bankruptcy in the past have made only limited repayments to creditors. Under Kazakhstan law, certain creditors have priority of payment or repayment upon the bankruptcy of a bank. These include, in order of priority, expenses related to the bankruptcy, payments for tort claims involving death or health, payments due to employees and fees under IP contracts, payments to JSC Kazakhstan Deposit Insurance Fund (the "**KDIF**"), payments due to individual depositors and payments due in connection with deposits of life insurance companies, claims of non-profit organisations, secured creditors of the Bank, tax and other obligatory payments to the budget as well as repayment of borrowings to the Government. Unsecured claims of creditors and subordinated claims are the last to be paid out on bankruptcy. The Bank believes that no Kazakhstan bank placed into conservation or bankruptcy in the past has had sufficient assets to make full payments to creditors ranking below the KDIF.

The Bank therefore believes that if the Bank is placed into conservation or bankruptcy creditors are likely to receive severely reduced returns on their Claims or no return at all.

Other Relief Sought

On 29 April 2014, The High Court of Justice of England and Wales issued an order recognising the Bank's current restructuring proceedings in the Court as a main foreign proceeding with respect to the Bank's assets located in the United Kingdom, pursuant to the United Kingdom law reflecting the Model Insolvency Law. The Bank intends to file a petition in the United States Bankruptcy Court for the Southern District of New York seeking similar relief in the United States.

Other Matters

You are urged to read the entire Information Memorandum as it contains detailed information on the Bank, the risks to be considered concerning the Bank's business, the Restructuring and the Consolidation, financial

information in relation to the Bank, pro forma financial information in relation to the Combined Bank and details of the Restructuring Plan and Consolidation. In particular, please see “*Risk Factors*” for a description of certain risks regarding the Bank, the Restructuring and the Consolidation.

Recommendations of the Bank’s Management

The terms of the Restructuring and the Consolidation are complex and you are urged to read the entire Information Memorandum with care, since it contains a great deal of important information. If you are in any doubt as to the action you should take, you are recommended immediately to seek advice from your independent adviser.

During the course of 2014, the Bank’s management has worked with the Steering Committee and has signed a Term Sheet supported by all members of the Steering Committee. The Bank believes that the Restructuring and the Consolidation are in the best interests of the Bank and its stakeholders taken as a whole and represents the best available compromise among all creditors and Samruk-Kazyna and therefore urges Shareholders and GDR Holders to attend the General Shareholders’ Meeting, Claimants to attend the Claimants’ Meeting and Noteholders to attend the Noteholders’ Meetings and, in each case, to vote or instruct the Trustee to vote in favour of the Restructuring Plan and the Consolidation (as applicable).

The Bank may, without the consent of creditors or other interested parties, make a modification to the Restructuring Plan or any procedures to complete the Restructuring and the Consolidation, in each case which are of a minor or technical nature or to correct a manifest error and/or to postpone particular events or deadlines by which particular aspects of the Restructuring or the Consolidation need to be completed so long as the postponement is not materially prejudicial to interested parties and if it does do so will give appropriate notice.

Yours faithfully,

Saodat Tashpulatova
Chairperson of the Board of Directors
JSC Alliance Bank

Timur Issatayev
Chairman of the Management Board
JSC Alliance Bank

KEY TERMS AND DEFINITIONS

In this Information Memorandum:

“**2010 Restructuring**” has the meaning set out in “*Overview of the Bank and Background to the Restructuring – Background to the 2010 Restructuring*”;

“**Account Designation**” means the designation as specified in the Settlement Instructions of an Existing Account, Designated Account or Local Account into which a Claimant instructs deliveries under its Entitlement to be credited;

“**Accredited Investor**” means an accredited investor as defined in Rule 501(a) of Regulation D;

“**Accrued Interest**” means, in respect of any series of Existing Notes other than the Recovery Notes, all accrued but unpaid interest up to and including the Accrued Interest Date (in each case excluding all default interest) and calculated in accordance with “*Information for Shareholders and Claimants – Information for all Claimants regarding Voting Amounts and the Claimants’ Meeting*”;

“**Accrued Interest Date**” means 25 March 2014;

“**Advisers**” means Lazard Frères, Houlihan Lokey (Europe) Limited, White & Case LLP, White & Case Kazakhstan LLP, White & Case LLC, Dechert LLP, Dechert Kazakhstan Limited and their respective Affiliates and Subsidiaries;

“**Affiliate**” of a person means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that person;

“**ALCO**” means the Bank’s Asset and Liability Management Committee;

“**Approval Date**” means the date of the Claimants’ Meeting which approves the Restructuring Plan;

“**Approved Stock Exchange**” means a recognised stock exchange established in any member state of the European Economic Area;

“**Arbitration Law**” means the Law on International Commercial Arbitration as adopted by the Parliament of Kazakhstan on 28 December 2004;

“**ARO RFCA**” means the Agency for Regulation of the Operations of the RFCA;

“**Astana Finance**” means JSC Astana Finance;

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, permit, exemption, filing, notarisation or registration including the Bank’s Banking Licence, required in connection with the business of the relevant person or in connection with the Restructuring and/or Restructuring Documents including agreements and actions contemplated thereby;

“**Bank**” means JSC Alliance Bank (which, for the avoidance of doubt, means the Combined Bank where applicable);

“**Bank Financial Statements**” means the audited consolidated financial statements of the Bank as at and for the years ended 31 December 2013, 2012 and 2011 and the unaudited interim condensed financial statements of the Bank as at and for the six months ended 30 June 2014 incorporated by reference in this Information Memorandum;

“**Banking Law**” means the law of the Republic of Kazakhstan On Banks and Banking Activity in the Republic of Kazakhstan dated 31 August 1995, as amended;

“**Basel II**” means the report titled “International Convergence of Capital Measurement and Capital Standards: A Revised Framework” of the Basel Committee on Banking Supervision published in June 2004;

“**Basel III**” means the report titled “A Global Framework for more Resident Banks and Banking Systems” of the Basel Committee on Banking Supervision published in December 2010;

“**Beneficial Owner**” has the meaning set out in “*Information for Shareholders and Claimants—Information for Noteholders*”;

“**BIS Guidelines**” means the guidelines adopted by the Basel Committee on Banking Regulations and Supervisory Practices of the Bank for International Settlements;

“**Board of Directors**” or the “**Board**” means the board of directors of the Bank from time to time;

“**BTA**” means JSC BTA Bank;

“**Business Day**” means any day other than a Saturday, Sunday or any other day which is a public holiday in London, Almaty or New York City;

“**Cash Entitlement**” means a Claimant’s entitlements to receive cash;

“**Charter**” means the current charter of the Bank;

“**CIS**” means the Commonwealth of Independent States;

“**Claim**” means (i) in respect of the SK Deposits and the Existing Notes (other than the Recovery Notes), the principal amount of, and Accrued Interest on, the SK Deposits or such Existing Notes and (ii) in respect of the Recovery Notes, the RN IFRS Value;

“**Claim Form**” means the form set out in Schedule 2 (*Claim Form*) to this Information Memorandum or as may be otherwise agreed by the Bank in its sole discretion;

“**Claimant**” means any person with a Claim against the Bank, being the Noteholders (or the Trustee on their behalf) and Samruk-Kazyna in respect of the SK Deposits;

“**Claimant Release Authorisation**” means the authorisation granted to the Bank and/or the Trustee by a Claimant (whether through an Extraordinary Resolution or in such Claimant’s Settlement Instructions) to execute the Deed of Release on its behalf;

“**Claimants’ Meeting**” means the meeting of Claimants (including the Trustee) convened in accordance with the Initial Order to consider and, if thought fit, approve the Restructuring Plan, including any adjournment thereof;

“**Claims Submission Date**” means 10:00 a.m. (Almaty time) on 17 November 2014 or such other date as shall be notified to Claimants by announcement on a Regulatory Information Service or on the Bank’s website at www.alb.kz/en/investor_relations;

“**Clearing System**” means any or each of Euroclear and Clearstream, as appropriate;

“**Clearstream**” means Clearstream Banking, *société anonyme*;

“**Closing Date**” means, in respect of the New Notes, Common Shares and GDRs, the date on which such New Notes, Common Shares or GDRs are issued;

“**Coercive Practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or its property or to influence improperly the actions of another party;

“**Collusive Practice**” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

“**Combined Bank**” means (i) following the transfer of the shares in ForteBank and Temirbank to the Bank, the Bank and its Subsidiaries and (ii) following the completion of the Consolidation, the consolidated entity created as a result of the consolidation of ForteBank and Temirbank with the Bank and its Subsidiaries;

“**Common Depository**” means The Bank of New York Mellon in its capacity as book-entry depository for the New Notes and any successor thereto;

“**Common Shares**” means the common shares of the Bank;

“**Competition Committee**” means the Committee for Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy of the Republic of Kazakhstan;

“**Condition Precedent**” means a condition precedent to the Restructuring becoming effective as described in Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*);

“**Conditions**” means the terms and conditions of the New Notes as set out in Schedule 8 (*Terms and Conditions of the New Notes*);

“**Consolidation**” means the consolidation (*prisoyedineniye*) of Temirbank and ForteBank into the Bank whereby the property, rights and obligations of Temirbank and ForteBank will be transferred to the Bank on the basis of the Consolidation Agreements and Transfer Acts followed by the dissolution of Temirbank and ForteBank;

“**Consolidation Agreements**” means the agreements to be dated on or around 11 November 2014 between the Bank, Temirbank and ForteBank in relation to the Consolidation;

“**Convention**” means the 1958 New York Convention on Recognition and Enforcement of Arbitral Awards;

“**Corporate Governance Code**” means the current corporate governance code of the Bank;

“**Corrupt Practice**” means with respect to any person the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly its actions or the actions of another party including any of its directors, managers or employees;

“**Court**” means (i) prior to 4 April 2014, the Specialised Financial Court of Almaty and (ii) as of 4 April 2014, the Specialised Inter-district Economic Court of Almaty;

“**Custodian**” means the person appointed by the Depository to act as custodian in respect of the Shares held through the GDR Programme;

“**Damu Fund**” means JSC Fund for Development of Entrepreneurship Damu;

“**DBK**” means JSC Development Bank of Kazakhstan;

“**Deed of Release**” means the agreement to be entered into by the Bank following the Restructuring Date on behalf of Claimants and Related Parties pursuant to the Restructuring Plan, substantially in the form set out in the Annex (*Form of Deed of Release*) to Schedule 1 (*The Restructuring Plan*) to this Information Memorandum;

“**Default**” means an Event of Default under any of the Restructuring Documents or any event or circumstance as specified, in the case of the New Notes in Schedule 8 (*Terms and Conditions of the New Notes*) to this Information Memorandum which would (with the expiry of a grace period, the giving of notice, the making of any determination under the relevant Restructuring Documents or any combination of any of the foregoing) be an Event of Default;

“**Deposit Agreement**” means the deposit agreement dated 19 March 2010 between the Bank and the Depository in relation to GDRs representing Common Shares as amended, supplemented and/or restated from time to time (and as will be amended and restated on or prior to the Restructuring Date);

“**Depository**” means The Bank of New York Mellon as depository under the GDR Programme;

“**Deposited Shares**” shall have the meaning set out under “*Share Distribution and the GDR Programme—The GDR Programme*”;

“**Designated Account**” means the account specified by a Claimant in its Settlement Instructions into which deliveries under such Claimant’s Entitlement shall be deposited;

“**Designated Financial Indebtedness**” means the full principal amount of the Existing Notes and the SK Deposits plus accrued and unpaid interest and any amounts payable under the Recovery Notes, in each case, through to the Restructuring Date;

“**Direct Participant**” means an accountholder in Euroclear or Clearstream;

“**Discount Dollar Noteholder**” means a holder of Discount Dollar Notes;

“**Discount Dollar Notes**” means the Bank’s U.S.\$615,138,114 on issue 10.5 per cent. Notes due 2017;

“**Discount Noteholder**” means the Discount Dollar Noteholders and the Discount Tenge Noteholders;

“**Discount Notes**” means the Discount Dollar Notes and the Discount Tenge Notes;

“**Discount Tenge Noteholder**” means a holder of Discount Tenge Notes;

“**Discount Tenge Notes**” means the Bank’s KZT 966,814,140 on issue 14.5 per cent. Notes due 2017;

“**Distribution**” means in the Restructuring Plan, the distribution of cash, New Notes, Common Shares and GDRs or other deliverables in accordance with any Entitlement or Net Proceeds of Sale;

“**Distribution Agent**” means an agent to be appointed by the Bank as soon as practicable after the Approval Date to assist the Bank with the distribution of cash, New Notes, GDRs and Common Shares in accordance with the Restructuring Plan;

“**Distribution Agent Agreement**” means the agreement to be entered into between the Bank and the Distribution Agent pursuant to which the Distribution Agent will assist the Bank in the distribution of cash, New Notes, Common Shares and GDRs;

“**DTC**” means The Depository Trust Company of New York, a New York corporation;

“**EEA**” means the European Economic Area;

“**Electronic Instruction**” has the meaning set out in “*Information for Shareholders and Claimants – Information for Noteholders*”;

“**Eligible Investor**” means either an Accredited Investor or a QIB;

“**Entitlement**” means a Claimant’s entitlement to cash, New Notes, GDRs and/or Common Shares or to the New SK Deposit;

“**Equity Entitlement**” means a Claimant’s entitlements to receive Common Shares (or GDRs representing such Common Shares);

“**Equity Exchange Election**” means the option of holders of Discount Notes, Par Notes and Subordinated Tenge B Notes to elect to exchange all or a portion of their Equity Entitlements for New Notes Entitlements;

“**Equity Exchange Elector**” means a Noteholder who has made an Equity Exchange Election;

“**Equity for Cash Exchange Election**” means the option of holders of Discount Notes, Par Notes and Subordinated Tenge B Notes to elect to exchange all or a portion of their Equity Entitlements for Cash Entitlements;

“**Equity for Cash Exchange Elector**” means a Noteholder who has made an Equity for Cash Exchange Election;

“Equity for Cash Exchange Ratio” means KZT 80,000 (or U.S.\$434.78 using an exchange rate of KZT 184.00 per U.S.\$1.00) of Cash Entitlements for every KZT 100,000 of Equity Value in the Combined Bank (or 59,958 Common Shares) of Equity Entitlements;

“Equity Value” means the *pro forma* book value of the share capital of the Combined Bank following the Restructuring and the Consolidation determined on the basis of the Pro Forma Financial Information;

“Escrow Account” means an account into which Entitlements payable to certain Claimants’ who have not submitted Settlement Instructions may be placed on or after the Restructuring Date;

“Euro”, **“EUR”** or **“€”** means the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union and as further amended by the Treaty of Amsterdam;

“Euroclear” means Euroclear Bank SA/NV;

“Event of Default” has the meaning set out in Schedule 8 (*Terms and Conditions of the New Notes*);

“Exchange Ratios” means the ratios at which shareholders in Temirbank and ForteBank will, if the Consolidation is approved and becomes effective, exchange their shares in Temirbank and ForteBank for Common Shares as set out in *“The Consolidation – The Exchange Ratios”*;

“Exchangeable Equity Entitlements” means the portion of its Equity Entitlements that an Equity Exchange Elector has elected to exchange for Exchangeable New Notes Entitlements under its Equity Exchange Election;

“Exchangeable New Notes Entitlements” means the portion of its New Notes Entitlements that a New Notes Exchange Elector has elected to exchange for Exchangeable New Notes Entitlements under its Equity Exchange Election;

“Existing Account” means the account in any of the Clearing Systems through which a Noteholder holds Existing Notes;

“Existing Notes” means the Discount Notes, the Par Notes, the Subordinated Tenge B Notes and the Recovery Notes;

“Extraordinary Resolution” means the extraordinary resolution to be proposed at the relevant Noteholders’ Meeting to approve, among other things, the Restructuring Plan, requiring a majority of not less than 75 per cent. of the persons voting thereat upon a show of hands or, if a poll is duly demanded, then by a majority consisting of not less than 75 per cent. of the votes cast, save where such term is used in Schedule 8 (*Terms and Conditions of the New Notes*), in which case “Extraordinary Resolution” shall have the meaning as set out in the New Notes Trust Deed;

“Financial Adviser” means Lazard Frères, financial adviser to the Bank in connection with the Restructuring;

“Financial Indebtedness” has the meaning set out in Schedule 8 (*Terms and Conditions of the New Notes*);

“Financial Statements” means the Bank Financial Statements, the Temirbank Financial Statements and the ForteBank Financial Statements;

“Financing of Terrorism” means the act of providing or collecting funds with the intention that they be used, or in the knowledge that they are to be used, in order to carry out terrorist acts;

“Fitch” means Fitch Ratings Ltd.;

“FMSA” means the Agency of the Republic of Kazakhstan on the Regulation and Supervision of the Financial Market and Financial Organisations, the predecessor to the NBK as the regulator of the banking sector in Kazakhstan;

“FMSC” means the Committee for the Control and Supervision of the Financial Market and Financial Organisations of the National Bank of Kazakhstan;

“**Form of Proxy**” means the Form of Proxy for Claimants accompanying this Information Memorandum for use at the Claimants’ Meeting set out in Schedule 4 (*Form of Proxy*) to this Information Memorandum;

“**ForteBank**” means JSC ForteBank;

“**ForteBank Financial Statements**” means the audited consolidated financial statements of ForteBank as at and for the years ended 31 December 2013, 2012 and 2011 and the unaudited interim condensed financial statements of ForteBank as at and for the six months ended 30 June 2014 incorporated by reference in this Information Memorandum;

“**Fraudulent Practice**” means an act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

“**GDP**” means the gross domestic product of Kazakhstan;

“**GDR Holder**” means a person with the ultimate economic beneficial interest in any of the GDRs and holding such interest through one of the Clearing Systems from time to time, unless specifically stated otherwise;

“**GDR Programme**” means the global depositary receipt programme established in connection with the 2010 Restructuring in respect of the Shares of the Bank;

“**GDRs**” means global depositary receipts relating to Deposited Shares;

“**General Shareholders’ Meeting**” means the joint general meeting of the shareholders of the Bank, Temirbank and ForteBank to be held on 10 November 2014 at 10.00 a.m. (Almaty time) in order to approve, *inter alia*, the Consolidation and the Restructuring;

“**Global Note**” means either the Restricted Global Note or the Unrestricted Global Note;

“**Government**” means the government of the Republic of Kazakhstan;

“**Group**” means the Bank and each of its Subsidiaries from time to time, prior to the formation of the Combined Bank;

“**GSM Proxy Form**” means the form of proxy a GDR Holder must complete and submit to the Depository in order to instruct the Depository to vote the Shares in respect of the GDRs at the General Shareholders’ Meeting, the forms of which is set out at Schedule 7 (*GSM Proxy Form*) at Annex 1 in respect of the form of proxy for holders of GDRs representing Common Shares and at Annex 2 in respect of the form of proxy for holders of GDRs representing Preference Shares;

“**IFRS**” means International Financial Reporting Standards as promulgated by the International Accounting Standards Board;

“**IMF**” means the International Monetary Fund;

“**Independent Directors**” means the independent directors of the Bank;

“**Information Memorandum**” means this information memorandum, as amended and supplemented from time to time;

“**Initial Order**” means the order of the Court dated 3 March 2014 which initiated the Restructuring in accordance with the Restructuring Law;

“**Intermediary**” means any broker, dealer, bank, trust company or other nominee or custodian that holds Existing Notes on behalf of Beneficial Owners;

“**JSC Law**” means the law of the Republic of Kazakhstan On Joint Stock Companies dated 13 May 2003, as amended;

“**KASE**” means the Kazakhstan Stock Exchange;

“**Kazakhstan**” means the Republic of Kazakhstan;

“**KCD**” means Joint Stock Company Central Securities Depository, a central depository in Kazakhstan;

“**KDIF**” means Joint Stock Company Kazakhstan Deposit Insurance Fund;

“**KISC**” means the Kazakhstan Interbank Settlement Centre of the NBK;

“**LCIA**” means the London Court of International Arbitration;

“**Liability**” or “**Liabilities**” means any debt, liability or obligation whatsoever whether it is incurred as principal or surety or is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation and whether it arises at common law, in equity or by statute, or in any other manner whatsoever, but excluding any liability which is barred by statute or is otherwise unenforceable or arises under a contract which is void or, being voidable, has been duly voided;

“**Legal Reservations**” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts 1980 and the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of Kazakhstan or Russia as those referred to in paragraphs (a) and (b) above (to the extent applicable in Kazakhstan or Russia); and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any of the legal opinions to be delivered pursuant to Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*) to this Information Memorandum;

“**LIBOR**” means the London Inter-Bank Offered Rate as determined by the ICE Benchmark Administration Limited or any successor entity responsible for administration thereof;

“**Local Account**” means the account specified by a Claimant in its Settlement Instructions into which such Claimants’ Entitlement shall be deposited *provided that* such account is eligible to hold Tenge and/or Common Shares (as applicable);

“**Management Board**” means the management board of the Bank from time to time;

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole; or
- (b) the ability of the Bank or the Group (taken as a whole) to perform its obligations under the relevant Restructuring Documents; or
- (c) the completion of the Consolidation; or
- (d) the total equity or consolidated long term debt of the Bank; or
- (e) the validity or enforceability of any of the Restructuring Documents;

“**Model Insolvency Law**” means the 1997 UNCITRAL Model Law on Cross-Border Insolvency;

“Money Laundering” means:

- (a) the conversion or transfer of property, knowing it derived from a criminal offence, for the purpose of concealing or disguising its illegal origin or of assisting any person who is involved in the commission of the crime to evade the legal consequences of its actions which assistance has led or would be likely to, in the opinion of the New Notes Trustee, lead to a sanction, fine or reprimand from a competent authority or finding of guilt or liability by a competent court;
- (b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property knowing that it is derived from a criminal offence; or
- (c) the acquisition, possession or use of property knowing at the time of its receipt that it is derived from a criminal offence;

“Moody’s” means Moody’s Investors Service, Inc.;

“Mortgage State Finance Programme” means the KZT 120 billion programme adopted by the Government in February 2009 aimed at reducing the current interest rate on mortgage loans to 9 per cent. for social loans and 11 per cent. for other types of loans, converting foreign currency loans into Tenge and extending loan maturities up to 20 years;

“National Management Holding Companies” means Samruk-Kazyna and JSC National Management Holding KazAgro;

“NBK” means the National Bank of Kazakhstan, the central bank of Kazakhstan and the regulator of the banking sector in Kazakhstan;

“NBK Agreement” means the agreement dated 6 February 2014 between the Bank and the NBK in relation to the Restructuring, as supplemented or amended from time to time;

“Net Proceeds of Sale” means the proceeds of sale of the relevant New Notes and Common Shares and/or GDRs net of all associated commissions, transfer taxes and other costs, including the expenses and compensation of the Distribution Agent or the Bank, as the case may be, in effecting such sale;

“New Noteholders” means holders of some, or as the case may be, all of the New Notes;

“New Notes” means the U.S.\$236,570,000 11.75% Notes due 2024 to be issued by the Bank on or about the Restructuring Date;

“New Notes Entitlement” means a Claimant’s entitlements to receive New Notes;

“New Notes Exchange Election” means the option of holders of Discount Notes and Par Notes to elect to exchange all or a portion of their New Notes Entitlements for Equity Entitlements;

“New Notes Exchange Elector” means a Noteholder who has made a New Notes Exchange Election;

“New Notes for Equity Exchange Ratio” means U.S.\$10,000 of New Notes Entitlements for every 1,164,234 Common Shares in Exchangeable Equity Entitlements;

“New Notes Trust Deed” means the trust deed constituting the New Notes;

“New Notes Trustee” means BNY Mellon Corporate Trustee Services Limited as the trustee appointed under the provisions of the New Notes Trust Deed;

“New SK Deposit” means the KZT 220 billion principal amount of deposits to be placed with the Bank by Samruk-Kazyna on or about the Restructuring Date (including the principal amount of the SK Deposits) bearing interest at 4 per cent. per annum and maturing on or after the tenth anniversary of the Restructuring Date;

“Nominated Recipient” means the person specified as such in a Claimants’ Settlement Instructions;

“**non-Kazakhstan holders**” has the meaning as set out in “*Taxation*”;

“**Note Certificate**” means a Restricted Note Certificate or an Unrestricted Note Certificate;

“**Noteholder**” means a person with the ultimate economic beneficial interest in any of the Existing Notes and holding such interest through one of the Clearing Systems from time to time, unless specifically stated otherwise;

“**Noteholders’ Meeting**” means, in respect of each series of Existing Notes, a meeting of the holders of such series of Existing Notes to consider and, if thought fit, to approve the Extraordinary Resolution;

“**Notice of the General Shareholders’ Meeting**” means the notice convening the General Shareholders’ Meeting as set out in Schedule 6 (*Notice of General Shareholders’ Meeting*) to this Information Memorandum;

“**NSA**” means the National Statistics Agency of Kazakhstan;

“**Obstructive Practice**” means:

- (a) deliberately destroying, falsifying, altering or concealing evidence material to an investigation, or making false statements to investigators, in order to materially impede an investigation by such investigators into allegations of a Coercive Practice, Collusive Practice, Corrupt Practice or Fraudulent Practice, and threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an investigation or from pursuing an investigation into such matters; or
- (b) acts intended to materially impede the exercise of the New Notes Trustee’s contractual rights or access to information under the relevant Restructuring Documents;

“**OUSA**” means OUSA Alliance LLC;

“**Par Dollar Noteholder**” means a holder of Par Dollar Notes;

“**Par Dollar Notes**” means the Bank’s U.S.\$219,343,079 on issue 4.7 per cent. Notes due 2020 bearing interest at LIBOR plus 8.5 per cent. from 2017;

“**Par Noteholder**” means the Par Dollar Noteholders and the Par Tenge Noteholders;

“**Par Notes**” means the Par Dollar Notes and the Par Tenge Notes;

“**Par Tenge Noteholder**” means a holder of Par Tenge Notes;

“**Par Tenge Notes**” means the Bank’s KZT 1,248,534,571 on issue 9 per cent. Notes due 2020 bearing interest at 12.5 per cent. from 2017;

“**Paying Agency Agreement**” means the paying agency agreement to be entered into between the Bank, the Trustee, the Principal Paying and Transfer Agent, the Registrar and the other agents specified therein on or about the Restructuring Date in respect of the New Notes;

“**Permitted Security**” has the meaning set out in Schedule 8 (*Terms and Conditions of the New Notes*);

“**Preference Shares**” means the preference shares of the Bank;

“**Principal Paying and Transfer Agent**” means The Bank of New York Mellon, London Branch;

“**Pro Forma Financial Information**” means the unaudited pro forma financial information of the Bank, ForteBank and Temirbank as at and for the six months ended 30 June 2014 as set out in “*Pro Forma Financial Information*” adjusted to reflect the Restructuring and Consolidation as described and subject to the assumptions and limitations set forth herein;

“**Proceeding**” means any process, action, or other legal proceeding (including, without limitation, any demand, arbitration, alternative dispute resolution, judicial review, adjudication, execution, seizure, distraint, forfeiture, re-entry, lien, enforcement of judgment or enforcement of any security);

“**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State;

“**QIBs**” means qualified institutional buyers, as defined in Rule 144A under the Securities Act;

“**Qualified Investors**” means qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive;

“**Recovery Noteholder**” means a holder of Recovery Notes;

“**Recovery Notes**” means the Bank’s U.S.\$978,059 on issue 5.8 per cent. Notes due 2020 and “**Recovery Note**” means each recovery note with a nominal denomination of U.S.\$1;

“**Registrar**” means The Bank of New York Mellon (Luxembourg) S.A. as registrar under the New Notes;

“**Regulation D**” means Regulation D under the Securities Act;

“**Regulation S**” means Regulation S under the Securities Act;

“**Regulatory Information Service**” means any of: Business Wire Regulatory Disclosure provided by Business Wire; FirstSight provided by Romeike; Announce provided by Hugin ASA; New Release Express provided by CCNMatthews UK Limited; PR Newswire Disclose provided by PRNewswire; Bloomberg News provided by Bloomberg LP or any other international newswire service used by the Bank from time to time;

“**Release Date**” has the meaning set out in Clause 2.8 of Schedule 1 (*The Restructuring Plan*);

“**Relevant Event**” has the meaning set out in Schedule 8 (*Terms and Conditions of the New Notes*);

“**Restricted Global Note**” means a permanent global note representing beneficial interests in New Notes offered and issued to QIBs or Accredited Investors or subsequently sold in reliance on Rule 144A;

“**Restricted Note Certificate**” means a note certificate in definitive form which may be issued by Euroclear and/or Clearstream in exchange for an interest in the Restricted Global Note in accordance with the Conditions of the New Notes;

“**Restructuring**” means the proposed overall restructuring and/or cancellation of certain of the debts and other financial obligations of the Bank pursuant to, *inter alia*, the Restructuring Plan;

“**Restructuring Date**” means the date on which Entitlements are first distributed to Claimants following notification from the Steering Committee to the Bank that the conditions precedent listed in Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*) to this Information Memorandum are satisfied (for which purpose the Steering Committee shall be entitled to rely without further investigation on the officer’s certificate and supporting evidence provided pursuant to paragraph (s) of Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*) to this Information Memorandum);

“**Restructuring Documents**” means:

- (i) the Restructuring Plan;
- (ii) the Information Memorandum;
- (iii) the New Notes Trust Deed, the Global Notes and the Paying Agency Agreement;
- (iv) the amended and restated Deposit Agreement;
- (v) the Deed of Release;
- (vi) the escrow arrangements in respect of the Entitlements;
- (vii) the deposit agreement in respect of the New SK Deposit;

- (viii) the side letter from Samruk-Kazyna to the Bank undertaking not to withdraw the New SK Deposit prior to their maturity; and
- (ix) the undertaking by Mr. Bulat Utemuratov in respect of independent directors and tag-along rights.

“**Restructuring Law**” means the Law of the Republic of Kazakhstan dated 11 July 2009 On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Money Payments and Transfers, Accounting and Financial Reporting of Financial Organisations, Banking Activities, and Activities of the National Bank of Kazakhstan;

“**Restructuring Packages**” means the package of Entitlements to which holders of each series of Existing Notes are entitled under the Restructuring Plan as set out in “*Terms of the Restructuring Packages*”, subject to the exchange mechanisms set out in “*Terms of the Restructuring Packages – Exchange Mechanisms*”;

“**Restructuring Plan**” means the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out at Schedule 1 (*The Restructuring Plan*) to this Information Memorandum, with any modification, addition or condition approved by the Claimants in accordance with clause 7.2 of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank’s website prior to the Claims Submission Date;

“**RFCA**” means the Regional Financial Centre of Almaty;

“**RN Collection Account**” means the account charged in favour of the Trustee and opened with The Bank of New York Mellon, London Branch in the name of the Bank in accordance with the Trust Deed;

“**RN IFRS Value**” means U.S.\$72,423,913.04 (converted to U.S. Dollars on the basis of an exchange rate of KZT 184.00 per U.S.\$1.00), being the net present value of all likely payments under the Recovery Notes as at 30 June 2014 calculated in accordance with IFRS;

“**Rule 144A**” means Rule 144A under the Securities Act;

“**Russia**” means the Russian Federation;

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw Hill Companies;

“**Samruk-Kazyna**” means joint-stock company Sovereign Wealth Fund “Samruk-Kazyna”;

“**Samruk-Kazyna Bonds**” means KZT 105,000 million of bonds issued by Samruk-Kazyna, each with a denomination of KZT 1,000;

“**Samruk-Kazyna Undertaking**” means the deed poll executed by Samruk-Kazyna in connection with the 2010 Restructuring;

“**Securities Act**” means the United States Securities Act of 1933, as amended;

“**Settlement Instructions**” means the instructions to be given by all Claimants specifying such information as is necessary for the Distribution Agent or the Bank to distribute a Claimant’s Entitlement, including Designated Account details, details of Nominated Recipient (if applicable), and whether the Claimant elects to receive GDRs (if applicable);

“**Settlement Instructions Deadline**” means 5 December 2014 or such other date as the Bank may in due course announce on a Regulatory Information Service as being the date by which all Claimants must have submitted their completed Settlement Instructions to the Distribution Agent;

“**Shareholder**” means a registered holder of Shares;

“**Shares**” means the Common Shares and the Preference Shares;

“**Securities Entitlement**” means the entitlement to New Notes, Common Shares and GDRs of certain Claimants pursuant to the terms of the Restructuring Plan;

“**Security**” has the meaning set out in Schedule 8 (*Terms and Conditions of the New Notes*);

“**SK Deposits**” means the KZT 67,100 million of deposits placed with the Bank as at 30 June 2014 by Samruk-Kazyna bearing interest at between 8.0 per cent. and 10.5 per cent. interest per annum;

“**SME**” means small and medium-sized enterprises with annual sales of no more than U.S.\$25 million for which the Bank sets a financing limit of no more than U.S.\$10 million;

“**SME State Finance Programme**” means the KZT 305,200 million programme (disbursed in four tranches) adopted by the Government in 2007 aimed at providing financing to SMEs for the acquisition of new, and the modernisation of existing, material assets, the provision of working capital and the refinancing of existing loans made to SMEs by the Bank or other credit organisations;

“**Special Trade Platform**” means the special trade platform of the KASE functioning at the RFCA;

“**State Finance Programmes**” means the SME State Finance Programme, the Mortgage State Finance Programme, the Student Loans State Finance Programme and other state finance programmes established by the Government;

“**Steering Committee**” means Greylock Capital Management, LLC, J.P. Morgan Securities plc, LIM Advisors Limited, Pioneer Investment Management Limited and VR Capital Group Ltd.;

“**Student Loans State Finance Programme**” means the programme adopted by the Government in February 2009 aimed at increasing access to higher education for socially vulnerable people in Kazakhstan;

“**Subordinated Tenge B Noteholder**” means a holder of Subordinated Tenge B Notes;

“**Subordinated Tenge B Notes**” means the KZT 21,307,394,519 on issue 9.5 per cent. Notes due 2030 bearing interest at 12 per cent. from 2020 of the Bank;

“**Subsidiary**”:

- (a) an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership (and “control” for this purpose means the power to direct the management and policies of the entity whether through the ownership of voting capital, by contract or otherwise); or
- (b) an entity whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of another person,

and for these purposes, when determining whether an entity is a “Subsidiary” of another, the registration of any shares in such “Subsidiary” in the name of any nominee or any other person holding security over such shares shall be ignored so that such entity is deemed to be the Subsidiary of the person who created that security or on whose behalf the nominee holds the relevant shares (as the case may be);

“**Supermajority**” means in respect of a relevant matter at a general shareholders’ meeting of the Bank, that matter requires the approval of no fewer than four Shareholders who between them hold at least 75 per cent. of the Common Shares of the Bank.

“**Tax Code**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

“**Tax Code**” means the code of the Republic of Kazakhstan On Taxes and Other Obligatory Payments to the Budget dated 10 December 2008, as amended;

“**Temirbank**” means JSC Temirbank;

“**Temirbank Financial Statements**” means the audited consolidated financial statements of Temirbank as at and for the years ended 31 December 2013, 2012 and 2011 and the unaudited interim condensed financial

statements of Temirbank as at and for the six months ended 30 June 2014 incorporated by reference in this Information Memorandum;

“**Tenge**” or “**KZT**” means the Kazakhstan Tenge, the lawful currency of Kazakhstan;

“**Term Sheet**” means the non-binding term sheet dated 1 August 2014 between the Bank and the Steering Committee setting out the principal commercial terms of the Restructuring;

“**Transfer Acts**” means the transfer acts to be executed by the chairmen of the management bodies of the Bank, Temirbank and ForteBank and their chief accountants pursuant to which all property, rights and obligations of Temirbank and ForteBank will be transferred to the Bank;

“**Trust Deed**” means the trust deed dated 25 March 2010 between the Bank and the Trustee constituting the Existing Notes, as amended or supplemented from time to time;

“**Trustee**” means BNY Mellon Corporate Trustee Services Limited, or any successor trustee appointed in accordance with the provisions of the Trust Deed;

“**U.S. Dollars**”, “**Dollars**”, “**\$**” or “**U.S.\$**” means United States Dollars, the lawful currency of the United States;

“**U.S. GAAP**” means accounting principles generally accepted in the United States;

“**U.S. Person**” means a U.S. person as defined in Regulation S;

“**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**United States**” or the “**U.S.**” means the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;

“**Unrestricted Global Note**” means the permanent global note representing beneficial interests in the New Notes offered and issued in reliance on Regulation S;

“**Unrestricted Note Certificates**” means a note certificate in definitive form which may be issued by Euroclear and/or Clearstream in exchange for an interest in the Unrestricted Global Note in accordance with the Conditions of the New Notes;

“**Voting Instructions**” means the instructions given to a proxy in respect of a Noteholders’ Meeting; and

“**Voting Instructions Deadline**” in respect of each Noteholders’ Meeting shall be the time specified in the relevant Notice of Noteholders’ Meeting on 29 October 2014 (or 12 November 2014 in respect of any adjourned Noteholders Meeting).

TERMS OF THE RESTRUCTURING PACKAGES

Noteholders will be allocated to a Restructuring Package based on the series of Notes held by them.

Restrictions on Resale of the New Notes, Common Shares and GDRs

The New Notes that are being allocated are not and will not be registered under the Securities Act and, therefore, the New Notes, Common Shares and GDRs will be subject to restrictions on transfer. Any transfer or resale of the New Notes, Common Shares or GDRs must comply with the restrictions contained under the heading “*Issuance and Transfer Restrictions*”.

Eligibility to Participate

By electing to participate, a Noteholder will be deemed to agree to the restrictions (referred to above under the heading “*Restrictions on Resale of the New Notes, Common Shares and GDRs*”) and, unless in any instance the Bank agrees otherwise, to acknowledge and represent to the Bank, inter alia, that:

- it is not a U.S. Person or participating for the account or benefit of a U.S. Person and is located offshore in accordance with Regulation S; or

if it is a U.S. Person:

- it is an Accredited Investor and, if it is participating on behalf of one or more investor accounts, each of these investor accounts is an Accredited Investor, and it:
 - is receiving the New Notes, Common Shares and/or GDRs for investment, in the normal course of its business, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other applicable law;
 - invests in or purchases securities similar to the New Notes, Common Shares and GDRs and it has such knowledge and experience in financial and business matters that makes it capable of evaluating the merits and risks of receiving the New Notes, Common Shares and/or GDRs; and
 - is aware that it (or any of these investor accounts) may be required to bear the economic risk of an investment in the New Notes, Common Shares and/or GDRs for an indefinite period of time and it (or that investor account) is able to bear this risk for an indefinite period; or
- it is a QIB and, if it is participating on behalf of one or more investor accounts, each of these investor accounts is a QIB.

For further information on these transfer restrictions, see “*Issuance and Transfer Restrictions*”.

Terms of the Restructuring Packages

The terms of the Restructuring Packages are set out below. The Conditions of the New Notes are set out in Schedule 8 (*Terms and Conditions of the New Notes*).

Discount Notes Package

Holders of Discount Dollar Notes are to receive a *pro rata* share of cash, New Notes and Common Shares (or GDRs) such that, subject to the exchange mechanisms described under “— *Exchange Mechanisms*” below, such holders will receive:

- U.S.\$49,614,008.77 in cash representing accrued and unpaid interest on the Discount Dollar Notes at the contractual interest rate from 25 September 2013 to 25 October 2014;
- An additional U.S.\$4,352,571.47 in cash per month prorated for any period which is not a whole month from 25 October 2014 to the Closing Date;
- U.S.\$174,467,984 in principal amount of New Notes; and

- 6,796,733,195 Common Shares, representing KZT 11,335,642,513 of Equity Value of the Combined Bank.

Holders of Discount Tenge Notes are to receive a *pro rata* share of cash, New Notes and Common Shares (or GDRs) such that, subject to the exchange mechanisms described under “— *Exchange Mechanisms*” below, such holders will receive:

- KZT 79,561,863.07 in cash representing accrued and unpaid interest on the Discount Tenge Notes at the contractual interest rate from 25 September 2013 to 25 October 2014;
- An additional KZT 7,748,226.60 in cash per month prorated for any period which is not a whole month from 25 October 2014 to the Closing Date;
- U.S.\$1,101,082 in principal amount of New Notes; and
- 42,894,768 Common Shares, representing KZT 71,540,215 of Equity Value of the Combined Bank.

Par Notes Package

Holders of Par Dollar Notes are to receive a *pro rata* share of cash, New Notes and Common Shares (or GDRs) such that, subject to the exchange mechanisms described under “— *Exchange Mechanisms*” below, such holders will receive:

- U.S.\$7,516,556.04 in cash representing all accrued and unpaid interest (cash and capitalised) on the Par Dollar Notes at the contractual interest rate from 25 September 2013 to 25 October 2014;
- An additional U.S.\$768,965.18 in cash per month prorated for any period which is not a whole month from 25 October 2014 to the Closing Date;
- U.S.\$58,562,910 in principal amount of New Notes; and
- 2,281,429,878 Common Shares, representing KZT 3,804,985,833 of Equity Value of the Combined Bank.

Holders of Par Tenge Notes are to receive a *pro rata* share of cash, New Notes and Common Shares (or GDRs) such that, subject to the exchange mechanisms described under “— *Exchange Mechanisms*” below, such holders will receive:

- KZT 110,947,499.29 in cash representing all accrued and unpaid interest (cash and capitalised) on the Par Tenge Notes at the contractual interest rate from 25 September 2013 to 25 October 2014;
- An additional KZT 12,420,311.15 in cash per month prorated for any period which is not a whole month from 25 October 2014 to the Closing Date;
- U.S.\$2,438,024 in principal amount of New Notes; and
- 94,977,858 Common Shares, representing KZT 158,404,783 of Equity Value of the Combined Bank.

Recovery Notes Package

Holders of Recovery Notes are to receive their *pro rata* shares of a total of U.S.\$41,848,199.63 in cash for all outstanding Recovery Notes.

Subordinated Notes Package

Holders of Subordinated Tenge B Notes are to receive their *pro rata* shares of Common Shares (or GDRs) such that, subject to the exchange mechanisms described under “— *Exchange Mechanisms*” below, such holders will receive 750,449,219 Common Shares, representing KZT 1,251,604,826 of Equity Value of the Combined Bank.

Illustrative Entitlements

Below, for illustrative purposes only, are indicative Entitlements to be received by Noteholders on the basis of holding a given principal amount of Existing Notes of each series (assuming a Closing Date of 15 December 2014 and that such Noteholders do not elect to participate in the exchange mechanisms described under “— *Exchange Mechanisms*” below and excluding capitalised interest):

- For every U.S.\$10,000 in principal amount at issue of Discount Dollar Notes held, such holders will receive:
 - U.S.\$1,303.82 in cash, comprised of:
 - U.S.\$1,137.50 representing accrued and unpaid interest on the Discount Dollar Notes at the contractual interest rate from 25 September 2013 to 25 October 2014; and
 - An additional U.S.\$99.79 per month on a 30/360 basis from 25 October 2014 to the Closing Date;
 - U.S.\$4,000 in principal amount of New Notes; and
 - 155,828 Common Shares (or GDRs representing such Common Shares); and/or
- For every KZT 100,000 in principal amount at issue of Discount Tenge Notes held, such holders will receive:
 - KZT 18,308.40 in cash, comprised of:
 - KZT 15,708.33 representing accrued and unpaid interest on the Discount Tenge Notes at the contractual interest rate from 25 September 2013 to 25 October 2014; and
 - An additional KZT 1,529.77 per month on a 30/360 basis from 25 October 2014 to the Closing Date;
 - U.S.\$217 in principal amount of New Notes; and
 - 8,468 Common Shares (or GDRs representing such Common Shares).
- For every U.S.\$10,000 in principal amount at issue of Par Dollar Notes held, such holders will receive:
 - U.S.\$661.25 in cash, comprised of:
 - U.S.\$564.93, representing accrued and unpaid interest (both cash and capitalised interest) on the Par Dollar Notes at the contractual interest rate from 25 September 2013 to 25 October 2014; and
 - An additional U.S.\$57.79 per month on a 30/360 basis from 25 October 2014 to the Closing Date;
 - U.S.\$4,401 in principal amount of New Notes; and
 - 171,468 Common Shares (or GDRs representing such Common Shares); and/or
- For every KZT 100,000 in principal amount at issue of Par Tenge Notes held, such holders will receive:
 - KZT 13,877.78 in cash, comprised of:
 - KZT 11,695.62 in cash, representing accrued and unpaid interest (both cash and capitalised interest) on the Par Tenge Notes at the contractual interest rate from 25 September 2013 to 25 October 2014; and

- An additional KZT 1,309.30 per month on a 30/360 basis from 25 October 2014 to the Closing Date;
- U.S.\$257 in principal amount of New Notes; and
- 10,012 Common Shares (or GDRs representing such Common Shares).
- For each Recovery Note held, such holders will receive U.S.\$42.79 in cash.
- For every KZT 100,000 in principal amount at issue of Subordinated Tenge B Notes held, such holders will receive 3,607 Common Shares (or GDRs representing such Common Shares).

Exchange Mechanisms

New Notes for Equity Exchange

Holders of Discount Notes, Par Notes and Subordinated Tenge B Notes may elect (such holders being “**Equity Exchange Electors**”) in their Settlement Instructions to exchange all or a portion of their Equity Entitlements (“**Exchangeable Equity Entitlements**”) for New Notes Entitlements (an “**Equity Exchange Election**”), subject to the availability of Exchangeable New Notes Entitlements, by submitting such Settlement Instructions through the Clearing Systems on or before the Settlement Instructions Deadline. Holders of Discount Notes and Par Notes may elect (such holders being “**New Notes Exchange Electors**”) in their Settlement Instructions to exchange all or a portion of their New Notes Entitlements (“**Exchangeable New Notes Entitlements**”) for Equity Entitlements (a “**New Notes Exchange Election**”), subject to the availability of Exchangeable Equity Entitlements, by submitting such Settlement Instructions through the Clearing Systems on or before the Settlement Instructions Deadline. Holders who do not submit Settlement Instructions by the Settlement Instructions Deadline shall receive Entitlements as set forth above under their respective Restructuring Packages.

On the Restructuring Date, the Distribution Agent shall exchange Exchangeable Equity Entitlements of Equity Exchange Electors for Exchangeable New Notes Entitlements at a ratio set by the Bank of 1,164,234 Common Shares in Exchangeable Equity Entitlements for every U.S.\$10,000 of Exchangeable New Notes Entitlements¹ (the “**New Notes for Equity Exchange Ratio**”) with such Entitlements being rounded to the nearest U.S.\$1.00 in principal amount of New Notes or 1 Common Share, as applicable, provided that:

- (i) if the total amount of Exchangeable New Notes Entitlements exceeds the total amount of Exchangeable Equity Entitlements for which they can be exchanged at the New Notes for Equity Exchange Ratio:
 - (a) the Exchangeable New Notes Entitlements permitted to participate in the exchange shall be allocated from all New Notes Exchange Electors on a *pro rata* basis in the proportion that the amount of Exchangeable New Notes Entitlements held by each New Notes Exchange Elector bears to the total amount of Exchangeable New Notes Entitlements held by all New Notes Exchange Electors; and
 - (b) any portion of Exchangeable New Notes Entitlements not participating in the exchange by virtue of sub-paragraph (a) above will cease to be exchangeable and shall remain vested in the relevant New Notes Exchange Elector;
- (ii) if the total amount of Exchangeable Equity Entitlements exceeds the total amount of Exchangeable New Notes Entitlements for which they can be exchanged at the New Notes for Equity Exchange Ratio:
 - (a) the Exchangeable Equity Entitlements permitted to participate in the exchange shall be allocated from all Equity Exchange Electors on a *pro rata* basis in the proportion that the amount of Exchangeable Equity Entitlements held by each Equity Exchange Elector bears to the total amount of Exchangeable Equity Entitlements held by all Equity Exchange Electors; and
 - (b) any portion of Exchangeable Equity Entitlements not participating in the exchange by virtue of sub-paragraph (a) above will cease to be exchangeable and shall remain vested in the relevant Equity Exchange Elector.

¹ For indicative purposes, this exchange also implies that approximately every U.S.\$86 of Exchangeable New Notes Entitlements shall be exchanged for 10,000 Common Shares in Exchangeable Equity Entitlements.

Following the completion of this exchange, the respective Entitlements of the New Notes Exchange Electors and Equity Exchange Electors will be adjusted to reflect the reallocation of Exchangeable Equity Entitlements and Exchangeable New Notes Entitlements.

Equity for Cash Exchange

Holders of Discount Notes, Par Notes and Subordinated Tenge B Notes may elect (such holders being “**Equity for Cash Exchange Electors**”) in their Settlement Instructions to exchange all or a portion of their Equity Entitlements for Cash Entitlements (an “**Equity for Cash Exchange Election**”), subject to the limitations described below, by submitting such Settlement Instructions through the Clearing Systems on or before the Settlement Instructions Deadline. Holders who do not submit Settlement Instructions by the Settlement Instructions Deadline shall receive Entitlements as set forth above under their respective Restructuring Packages.

On the Restructuring Date, the Distribution Agent shall exchange the Equity Entitlements of Equity for Cash Exchange Electors for Cash Entitlements at a ratio of KZT 80,000.00 (or U.S.\$434.78, using an exchange rate of KZT 184.00 per U.S.\$1.00) of Cash Entitlements for every KZT 100,000 of Equity Value in the Combined Bank (or 59,958 Common Shares)² (the “**Equity for Cash Exchange Ratio**”) with such Cash Entitlements being rounded to the nearest Tenge or cent, as applicable, provided that the amount of Equity Entitlements available for exchange shall be limited to 40 per cent. of the total Equity Entitlements and if the total amount of Equity Entitlements offered by Equity for Cash Exchange Electors exceeds this limit:

- (a) holders of Subordinated Tenge B Notes shall be allocated Cash Entitlements for their Equity Entitlements on a priority basis;
- (b) thereafter, the Equity Entitlements of holders of Discount Notes and Par Notes permitted to participate in the exchange shall be allocated from all Equity for Cash Exchange Electors who are holders of Discount Notes or Par Notes on a *pro rata* basis; and
- (c) any portion of Equity Entitlements not participating in the exchange by virtue of sub-paragraph (b) above will cease to be exchangeable and shall remain vested in the relevant Equity for Cash Exchange Elector;

Following the completion of this exchange, the respective Entitlements of the Equity for Cash Exchange Electors will be adjusted to reflect the reallocation of Equity Entitlements and Cash Entitlements.

Equity Entitlements

Holders of Discount Notes, Par Notes, and Subordinated Tenge B Notes may elect in their Settlement Instructions whether to receive their Equity Entitlements in the form of Common Shares or GDRs, other than such holders who are Accredited Investors as such holders are only eligible to receive Common Shares. Subject thereto, if no such election is made in a holder’s Settlement Instruction, such holder will receive Common Shares, if holding Existing Notes denominated in Tenge, or GDRs, if holding Existing Notes denominated in U.S. Dollars.

Cash Entitlements

Noteholders will receive cash in the currencies in which their Existing Notes are denominated.

Existing Notes held by the Bank

The Bank has agreed with the Steering Committee that it will not be entitled to receive any Entitlements in respect of Existing Notes held by the Group.

² For indicative purposes, this implies that every 10,000 Common Shares in Equity Entitlements of Equity for Cash Exchange Electors shall be exchanged for approximately KZT 13,342.46 in Cash Entitlements.

INFORMATION FOR SHAREHOLDERS AND CLAIMANTS

If Shareholders and Claimants have any questions relating to this Information Memorandum, the Restructuring Plan or the Consolidation or the completion of the Form of Proxy, the Claim Form or the GSM Proxy Form they should contact Ms. Aliya Yeszhan at the Bank by emailing IR@alb.kz or by calling +7 727 258 4040, extension 52447. Information regarding these forms is also available on the Bank's website at www.alb.kz/en/investor_relations.

Overview

- Section 1 contains information for Noteholders regarding how votes may be cast at the Noteholders' Meetings and the necessary approvals required to pass the Extraordinary Resolutions.
- Section 2 contains information for all Claimants regarding the submission of Claim Forms, Forms of Proxy and voting at the Claimants' Meeting.
- Section 3 contains information for all Shareholders, including GDR Holders.
- Section 4 contains information regarding the distribution of Entitlements.
- Section 5 discusses the Court approval.
- Section 6 discusses the Deed of Release to be signed on behalf of Claimants.
- Section 7 discusses the approval of the Consolidation.

1. Information for Noteholders

Noteholders will vote at the applicable Noteholders' Meeting on an Extraordinary Resolution approving, among other things, the Restructuring Plan and instructing the Trustee to vote at the Claimants' Meeting as described below, in accordance with the notices to Noteholders in Schedule 5 (*Notices of Noteholders' Meetings*) to this Information Memorandum. If the relevant Extraordinary Resolutions are passed, the Trustee will submit a Claim Form in respect of the full outstanding principal amount plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value) of each series of Existing Notes. The relevant Forms of Proxy will instruct the Chairman of the Claimants' Meeting to vote in favour of the Restructuring Plan, as described below.

If the Extraordinary Resolution is passed in respect of a series of Existing Notes, at the Claimants' Meeting the Trustee representing that series of Existing Notes will vote the full outstanding principal amount of that series of Existing Notes plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value) in favour of the Restructuring Plan. Noteholders will therefore not be permitted to vote at the Claimants' Meeting since their votes for the Restructuring Plan will be submitted at the Claimants' Meeting by the Trustee on their behalf.

In the event the relevant Extraordinary Resolution is not passed at a Noteholders' Meeting in respect of a series of Existing Notes, the Bank will deem those votes cast in favour of or against the Extraordinary Resolution to have been cast in favour of or against the Restructuring Plan at the Claimants' Meeting and will deem the relevant Noteholders to have submitted a Claim Form in respect of the relevant principal amount of outstanding Existing Notes plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value) and/or to have instructed The Bank of New York Mellon, as delivery agent, to file a Claim Form in respect of the aggregate principal amount of Existing Notes held by Noteholders voting for or against the relevant Extraordinary Resolution plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value). **Noteholders should note that, if the relevant Extraordinary Resolution is not passed and they do not submit a vote for or against such Extraordinary Resolution at the relevant Noteholders' Meeting, they will not be able to submit a vote at the Claimants' Meeting unless such Noteholders submit a Claim Form and Form of Proxy to the Bank by no later than 10:00 a.m. (Almaty time) on 17 November 2014. Noteholders holding Existing Notes of a series in respect of which an Extraordinary Resolution has not been passed will also not be entitled to any Entitlements under the Restructuring Plan unless and until an Extraordinary Resolution has been passed cancelling such Existing Notes and such Noteholders have submitted Settlement Instructions.**

Noteholders should note that, where an Extraordinary Resolution is not passed at the relevant Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the agency agreement in respect of the Existing Notes and, for the avoidance of doubt, the Trustee and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by either of them in such circumstances.

The Noteholders' Meetings

The Noteholders' Meetings will be held in accordance with the provisions of the Trust Deed. A copy of the Trust Deed (certain relevant provisions of which are summarised below) and other relevant documents listed below are available for inspection by the relevant Noteholders during normal business hours at the office of the Trustee and the Principal Paying and Transfer Agent. In the case of any difference or inconsistency between these summaries and the provisions of the Trust Deed, the provisions of the Trust Deed shall prevail.

The following documents are available for inspection at any time during normal business hours on any weekdays (Saturdays, Sundays and bank and other public holidays excepted) at the office of the Trustee and the Principal Paying and Transfer Agent in advance of the Noteholders' Meetings and at the offices of White & Case LLP for 15 minutes before the Noteholders' Meetings:

- (a) the Trust Deed;
- (b) the agency agreement dated 25 March 2010 relating to the Existing Notes;
- (c) the cash management agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking;
- (e) this Information Memorandum and any supplements thereto;
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of the Notices of Noteholders' Meetings); and
- (g) the Notices of Noteholders' Meetings.

The Noteholders' Meetings will be convened to consider the Extraordinary Resolutions. An Extraordinary Resolution may only be considered at the relevant Noteholders' Meeting if such Noteholders' Meeting is quorate. The quorum and voting requirements are set out in the Noteholders' Meeting provisions set out in the Trust Deed, and are summarised under "*— Voting and Quorum*" below.

Timing for Voting Instructions

No Voting Instructions will be accepted after the Voting Instructions Deadline except in relation to an adjourned meeting unless the Bank at its sole discretion, decides otherwise.

No Brokerage Fees

Noteholders and Direct Participants will not be obliged to pay brokerage fees or commissions to the Financial Adviser or the Bank in connection with giving Voting Instructions or casting votes at the Noteholders' Meetings.

Procedures at the Noteholders' Meetings

Noteholders should note the quorum requirements for each Noteholders' Meeting set out below. Noteholders should be aware that if Noteholders present or represented at a Noteholders' Meeting are insufficient to meet these quorum requirements then the Extraordinary Resolution to be considered at such Noteholders' Meeting cannot be considered at such Noteholders' Meeting but will be considered at the relevant adjourned meeting, which will have lower quorum requirements; see "*— Voting and Quorum*" below.

Notices

The Notices of Noteholders' Meetings are set out in Schedule 5 (*Notices of Noteholders' Meetings*) to this Information Memorandum. The Notices of Noteholders' Meetings were issued on 9 October 2014.

Chairman

The chairman of each Noteholders' Meeting in respect of the relevant Existing Notes (who may, but need not, be a Noteholder) will be nominated in writing by the Trustee. If no such nomination is made or if the nominated chairman is not present at a Noteholders' Meeting in respect of the relevant Existing Notes within 15 minutes of the time fixed for such Noteholders' Meeting, then the Noteholders or their proxies who are present at such Noteholders' Meeting shall choose a chairman from the Noteholders or proxies present at such meeting. The chairman of an adjourned meeting does not have to be a Noteholder or an agent of a Noteholder or the same person as the chairman of the original meeting that was adjourned.

Voting and Quorum

The provisions governing the convening and holding of the Noteholders' Meetings are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, copies of which are available for inspection as described above. Each person (a "**Beneficial Owner**") who is the owner of a particular principal amount of the Existing Notes, as shown in the records of Euroclear or Clearstream, or its accountholders ("**Direct Participants**"), should note that such person will only be entitled to attend and vote at the Noteholders' Meeting or appoint a proxy to do so in accordance with the procedures set out below. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders' Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before the Voting Instructions Deadline (and within the time limit specified by the relevant Clearing System), a duly completed electronic instruction (an "**Electronic Instruction**") in accordance with the requirements of the relevant Clearing System and in the manner specified herein.

Direct Participants (directly or on behalf of Beneficial Owners) who have submitted Electronic Instructions to the Clearing Systems in accordance with the procedures set out in this Information Memorandum need take no further action in relation to voting at the relevant Noteholders' Meeting in respect of the Extraordinary Resolutions. By submitting or delivering a duly completed Electronic Instruction to the relevant Clearing System, the Direct Participant instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing the Principal Paying and Transfer Agent (or two of its employees nominated by it) to act as proxy and to vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in accordance with the instructions contained in the Electronic Instruction(s).

Noteholders and Direct Participants must take the appropriate steps through the relevant Clearing System to ensure that no transfers may be effected in relation to such blocked Existing Notes until the conclusion of the Noteholders' Meeting, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking its Existing Notes in the relevant Clearing System, each Noteholder and Direct Participant will be deemed to consent to the relevant Clearing System providing details concerning such Noteholder's and/or Direct Participant's identity to the Principal Paying and Transfer Agent.

Only Direct Participants may submit Electronic Instructions. If a Noteholder or Beneficial Owner is not a Direct Participant, it must arrange for the Direct Participant through which it holds Existing Notes to submit an Electronic Instruction on its behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System and the Voting Instructions Deadline.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Existing Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this section or by the relevant Clearing System and, if so, should follow those deadlines.

Noteholders and Beneficial Owners of Existing Notes that are held in the name of an Intermediary should contact such entity sufficiently in advance of the applicable Voting Instructions Deadline if they wish to vote for or against the Restructuring Plan and procure that the Existing Notes are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

Electronic Instructions submitted in respect of a Noteholders' Meeting adjourned for lack of quorum shall remain valid in respect of the adjourned Noteholders' Meeting unless validly revoked in accordance with "*— Revocation of Electronic Instructions*" below.

Revocation of Electronic Instructions

An Electronic Instruction may be revoked at any time prior to the 48 hours before the time fixed for the relevant Noteholders' Meeting.

Any notice of revocation with respect to an Electronic Instruction must indicate the relevant Electronic Instruction to be revoked and must be received prior to the applicable Voting Instructions Deadline in the same manner as the original Electronic Instructions. With respect to Electronic Instructions given in respect of Existing Notes held in Euroclear or Clearstream, Beneficial Owners who are not Direct Participants must arrange either directly or through their Intermediary to contact the Direct Participant through which they hold the Existing Notes to deliver notice of such revocation to the relevant Clearing System prior to the applicable Voting Instructions Deadline.

Such Beneficial Owners should give such directions to their Intermediary sufficiently in advance to ensure receipt by Euroclear or Clearstream of any such notice of revocation prior to the Voting Instructions Deadline and within the time limit specified by such Clearing System.

Attending and Voting

Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders' Meeting or any adjourned Noteholders' Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Existing Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Existing Notes from the Principal Paying and Transfer Agent by arranging for its Existing Notes to be blocked in an account with the relevant Clearing System (unless the Existing Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders' Meeting or any adjourned Noteholders' Meeting) not later than the Voting Instructions Deadline (and within the relevant time limit specified by the relevant Clearing System), upon terms that the Existing Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the relevant Clearing System of such surrender or the compliance in such other manner with the rules of such Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting).

A Direct Participant not wishing to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

In either case, Beneficial Owners must have made arrangements to vote with the relevant Clearing System by no later than 48 hours before the time fixed for the relevant Noteholders' Meeting in relation to the Existing Notes and within the relevant time limit specified by the relevant Clearing System and request or make arrangements for the Clearing System to block the Existing Notes in the relevant Direct Participant's account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent.

Notice of any adjourned meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned meeting.

Any Existing Note(s) so held or blocked for either of these purposes will be released to the Direct Participant by the relevant Clearing System on the earliest of: (i) the conclusion of the relevant Noteholders' Meeting (or, if later, the adjourned Noteholders' Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the relevant Clearing System of such surrender or the compliance in such other manner with the rules of such Clearing System or (iii) upon such Existing Note(s) ceasing in accordance with the procedures of the relevant Clearing System and with the agreement of the Principal Paying and Transfer Agent to be held to its order or under its control.

The Extraordinary Resolutions may only be considered at the relevant Noteholders' Meeting if the relevant Noteholders' Meeting is quorate. A Noteholders' Meeting will be quorate if two or more persons being entitled to vote (whether as a Noteholder or as proxy) are present at the relevant Noteholders' Meeting who together hold or represent the requisite principal amount of outstanding Existing Notes satisfying the quorum requirement as set out below.

Votes in favour of the Extraordinary Resolutions must represent a majority of not less than 75 per cent. of the persons voting thereat upon a show of hands or, if a poll is duly demanded, then by a majority consisting of not less than 75 per cent. of the votes cast, for the Extraordinary Resolutions to be duly passed.

If, within fifteen minutes after the time appointed for the relevant Noteholders' Meeting, a quorum is not present, such Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of such Noteholders' Meeting and approved by the Trustee prior to the adjournment of such Noteholders' Meeting. An adjourned Noteholders' Meeting will be subject to lower quorum requirements as set out below.

The quorum requirement for each Noteholders' Meeting is as follows:

<u>Noteholders' Meeting</u>	<u>Quorum Requirement</u>
Original Noteholders' Meeting	Two or more persons present in person holding Existing Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Existing Notes for the time being outstanding.
Adjourned Noteholders' Meeting	Two or more persons present in person holding Existing Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Existing Notes for the time being outstanding.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more persons representing 2 per cent. or more of the relevant Existing Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded. A poll demanded on the election of a chairman or on a question of adjournment, shall be taken at once.

On a show of hands every person who is present in person and who produces an Existing Note or a voting certificate or is a proxy has one vote. On a poll every such person has one vote for each U.S.\$100 of principal amount (in the case of the Discount Dollar Notes and the Par Dollar Notes), each U.S.\$1 of principal amount (in the case of the Recovery Notes) or each KZT 1,000 of principal amount (in the case of the Discount Tenge Notes, the Par Tenge Notes and the Subordinated Tenge B Notes) of Existing Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative.

2. Information for all Claimants regarding Voting Amounts and the Claimants' Meeting

Voting amounts

The quantum of Claims that the Bank will agree, for the express and sole purpose of the Restructuring, for the purposes of voting at the Claimants' Meeting and without prejudice to its rights in case the Restructuring should not for any reason be completed, are as set out in the following table under the heading "Total Voting Amounts":

Claim (in the currency of denomination)	Voting Amounts (in the currency of denomination)		
	Principal	Accrued Interest to 25 March 2014	Total Voting Amounts
Discount Dollar Notes (U.S.\$)	615,138,114.00	32,294,750.99	647,432,864.99
Discount Tenge Notes (KZT)	966,814,140.00	70,094,025.15	1,036,908,165.15
Par Dollar Notes (U.S.\$)	231,876,752.56	5,449,103.69	237,325,856.25
Par Tenge Notes (KZT)	1,476,043,862.18	66,421,973.80	1,542,465,835.98
Subordinated Tenge B Notes (KZT) .	25,410,158,794.70	1,206,982,542.75	26,617,141,337.45
Recovery Notes (U.S.\$)	N/A	N/A	72,423,913.04
SK Deposits (KZT)	65,073,349,368.69	308,117,187.13	65,381,466,555.82

Note: The total voting amount given in respect of the Recovery Notes is the RN IFRS Value.

For voting purposes, Claims denominated in U.S. Dollars will be converted into Tenge at the rate of KZT 181.80 per U.S.\$1.00 (the close-of-market spot rate shown on the relevant Bloomberg page as at 10 October 2014). The same exchange rates have been used to allocate the Entitlements between the various Claimants belonging to the same group, but holding claims denominated in different currencies. The section "Terms of the Restructuring Packages" in this Information Memorandum is conclusive as to the determination of the Claims and Entitlements included in any Restructuring Package.

Affected debt

The following table illustrates the estimated values of Designated Financial Indebtedness included in the Restructuring as at 15 December 2014 (assuming for the purposes of illustration that the Restructuring Plan has not been implemented by that date) except for that Designated Financial Indebtedness held by the Group, in respect of which no Entitlements will be distributed:

Designated Financial Indebtedness	Currency Denomination of the Series	Principal	Accrued Interest to 15 December 2014	Total
Discount Dollar Notes	U.S.\$	436,167,110.00	55,974,779.13	492,141,889.13
Discount Tenge Notes	KZT	506,494,619.00	89,762,101.92	596,256,720.92
Par Dollar Notes	U.S.\$	146,406,317.26	8,498,242.23	154,904,559.49
Par Tenge Notes	KZT	1,121,483,496.44	125,639,831.16	1,247,123,327.60
Subordinated Tenge B Notes	KZT	24,811,319,212.14	2,936,850,380.82	27,748,169,592.96
Recovery Notes	U.S.\$	N/A	N/A	72,423,913.04
SK Deposits	KZT	67,270,810,842.10	2,271,222,568.25	69,542,033,410.35

Note: The total amount given in respect of the Recovery Notes is the RN IFRS Value.

This table is included in the Information Memorandum for convenience purposes only and the information presented therein is not an indication of the voting amounts which will be used for the purposes of the Claimants' Meeting. Please refer to section "— Voting amounts" above for voting amounts which will be used in respect of the relevant Designated Financial Indebtedness for the purposes of voting at the Claimants' Meeting. The purpose of this table is solely to illustrate the amount of debt that will be subject to the Restructuring as it is expected to be as of 15 December 2014 (assuming for the purposes of illustration that the Restructuring Plan has not been implemented by that date).

Considerations concerning the Recovery Notes

Voting Amounts

Due to the contingent nature of the Claims of the Recovery Noteholders against the Bank and the fact that their nominal principal amount is substantially below the cash Entitlements proposed to be awarded to them, the Bank does not believe it to be appropriate to give the Recovery Noteholders a voting amount based on their outstanding principal amount plus Accrued Interest as is the case with the other series of Existing Notes. Instead, the Bank believes that a vote equal to the RN IFRS Value (i.e., the net present value of the likely amount of all payments that would be made to holders during the term of the Recovery Notes) is a fairer basis for the voting by the Recovery Noteholders at the Claimants' Meeting in respect of their Claims.

Allocation of Entitlements

Given the contingent nature of the Claims of the Recovery Noteholders against the Bank, the uncertainty as to the likely treatment of the Recovery Notes on an insolvency of the Bank and the difference between their nominal principal amount and the RN IFRS Value, the Bank believes that the Entitlements to be allocated to the Recovery Noteholders in the event the Restructuring Plan is approved are fair as between the Recovery Noteholders and the holders of the other senior Existing Notes (being the Par Noteholders and the Discount Noteholders).

Persons entitled to vote at the Claimants' Meeting

Assuming that the relevant Noteholders have passed an Extraordinary Resolution approving the Restructuring and instructed the Trustee so to vote, the Trustee or its duly authorised agent will vote at the Claimants' Meeting in respect of each Series of Existing Notes; if otherwise, see “— *Information for Noteholders*” above and “— *Voting by the Trustee and how holders of Existing Notes should express their support for the Restructuring Plan — Consequences of an Extraordinary Resolution not being passed*” below. Samruk-Kazyna will vote in respect of the SK Deposits.

Voting by the Trustee and how holders of Existing Notes should express their support for the Restructuring Plan

As described above in “— *Information for Noteholders*”, Noteholders are invited to vote at the applicable Noteholders' Meeting on an Extraordinary Resolution resolving to approve, among other things, the Restructuring Plan and to instruct the Trustee to vote at the Claimants' Meeting (or for such votes to be deemed to have been cast) in accordance with the Notices of Noteholders' Meetings, copies of which are set forth in Schedule 5 (*Notices of Noteholders' Meetings*) to this Information Memorandum.

Holders should express their support for the Restructuring Plan by submitting, or arranging to have submitted on their behalf, before the deadlines set by each Clearing System, a duly completed Electronic Instruction to the relevant Clearing System in accordance with the requirements of the relevant Clearing System as more particularly described in “— *Information for Noteholders — Voting and Quorum*”.

Consequences of an Extraordinary Resolution being passed

If the relevant Extraordinary Resolution is passed, the Trustee will vote the full principal amount of the relevant series of Existing Notes plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value) in favour of the Restructuring Plan at the Claimants' Meeting. Consequently, Noteholders will not be permitted to vote at the Claimants' Meeting because votes for the Restructuring Plan will be submitted at the Claimants' Meeting by the Trustee on their behalf.

Consequences of an Extraordinary Resolution not being passed

If the relevant Extraordinary Resolution is not passed at a Noteholders' Meeting in respect of a series of Existing Notes, the Trustee shall not cast any vote in respect of such Existing Notes. The Bank will deem those votes cast in favour of or against the Extraordinary Resolution to have been cast in favour of or against the Restructuring Plan at the Claimants' Meeting.

How Samruk-Kazyna should express its support for the Restructuring Plan

Samruk-Kazyna should express its support for the Restructuring Plan by filing a Claim Form by no later than the Claims Submission Date and voting at the Claimants' Meeting in person or by proxy as described below. **Samruk-Kazyna has indicated to the Bank that it will support the Restructuring Plan and vote in favour of it at the Claimants' Meeting.**

The Claimants' Meeting

The Restructuring Plan set forth at Schedule 1 (*The Restructuring Plan*) contains important information relating to all Claims. Claimants should read the Restructuring Plan carefully. Before the Restructuring Plan can become effective and binding on the Bank and the Claimants, a resolution to approve the Restructuring Plan must be passed by Claimants holding at least two-thirds by value of the Claims at the Claimants' Meeting convened pursuant to the order of the Court. The value of the Claims shall, for the express and sole purpose of the Restructuring and without prejudice to its rights in case the Restructuring should not for any reason be completed, be deemed to be an amount equivalent to that for which it is admitted for voting. See “— *Voting Amounts*” above.

The notice convening the Claimants' Meeting is set forth in Schedule 3 (*Notice of Claimants' Meeting*). Each Claimant or its duly authorised proxy will be required to register its attendance at the Claimants' Meeting prior to its commencement. Registration will commence at 10:00 a.m. (Almaty time) on the day before the Claimants' Meeting. Claimants or their proxies must be duly authorised to vote at the Claimants' Meeting.

The Claimants' Meeting will be chaired by Mr. Timur Issatayev.

Voting by Claimants

As part of this Information Memorandum at Schedule 4 (*Form of Proxy*) is the Form of Proxy. All Claimants (other than Noteholders represented by the Trustee or The Bank of New York Mellon as delivery agent) who wish to vote by duly authorised proxy at the Claimants' Meeting will need to complete a Form of Proxy.

In order to expedite the procedure for voting at the Claimants' Meeting, Claimants should return Forms of Proxy to the address shown on those forms as soon as possible and in any event by no later than 10:00 a.m. (Almaty time) on 17 November 2014. However, after this time, Forms of Proxy may be presented to the registration desk at the Claimants' Meeting or lodged with the Chairman, to be accepted at his sole discretion at any time prior to the Claimants' Meeting, provided they have been properly completed and signed.

If a Claimant wishes to appoint the Chairman to be its proxy, it must specifically direct the Chairman to vote either for, or against, the Restructuring Plan in the Form of Proxy. If the Chairman is appointed as proxy but is not given specific directions on how to vote, the amount of the Claim will be counted as an abstention.

If a Claimant wishes an authorised person to attend the Claimants' Meeting and vote on its behalf, that person must produce at the Claimants' Meeting a copy of the resolution or other appropriate documentation authorising him to do so. The copy should be sealed by the authorised body or certified as a true copy by a director or by the company secretary or by another authorised signatory.

The Bank recommends to each Claimant (or its duly authorised agent) that it should ensure that an original Form of Proxy is completed and submitted with reference to its Claim in accordance with the notes printed on the Form of Proxy, regardless of whether such Claimant intends to be present at the Claimants' Meeting, in order to direct how votes attributable to its Claims should be exercised in case such Claimant (or its duly authorised agent) is for any reason unable to attend the Claimants' Meeting in person.

Deadlines for Return of Forms of Proxy

Claimants should ensure that the Bank receives their Forms of Proxy by no later than 10:00 a.m. (Almaty time) on 17 November 2014. If not returned by this time, duly completed Forms of Proxy will only be accepted at the absolute discretion of the Chairman of the Claimants' Meeting at any time prior to the Claimants' Meeting and only upon production of appropriate, verifiable evidence that the person that completed that Form of Proxy is a Claimant (or its duly authorised agent) and has the right to vote in respect of its Claim.

Once a Form of Proxy is submitted, it may only be withdrawn by application to the Bank.

If any changes are made to the Restructuring Plan as set out in this Information Memorandum which are materially adverse to Claimants, the Bank shall, in a supplement to this Information Memorandum in which such changes are published, inform Claimants that they are entitled to revoke their Forms of Proxy and the supplement will contain information relating to the deadline for the submission of new Forms of Proxy applicable to Claimants that have so revoked their Forms of Proxy. Any notice of revocation must indicate the relevant Forms of Proxy to be revoked and must be received by the Bank in the same manner as the Forms of Proxy were required to be delivered originally.

The address, fax number and e-mail addresses of the Bank for the return of Forms of Proxy are specified on the Form of Proxy.

Attendance at the Claimants' Meeting; Verification of Identity

Each Claimant (or its duly authorised agent) wishing to attend and vote in person at the Claimants' Meeting should ensure that they indicate that this is their intention in the relevant part of the Form of Proxy. Admittance to the Claimants' Meeting will only be permitted to the person named in the Form of Proxy on the production of proof of personal identity, and, in the case of a corporation, the Form of Proxy must have been executed under its seal or signed on its behalf by its duly appointed attorney or a duly authorised officer or authorised signatory of the corporation. If the person so named cannot produce an appropriate proof of personal identity (for example, a passport), he will not be permitted to attend and vote at the Claimants' Meeting.

The Bank has the right to request additional documentation to confirm that a person who has completed a Form of Proxy is a Claimant (or its duly authorised agent). In the event that such additional documentation is not provided, or is insufficient, the Chairman may at his absolute discretion, for voting purposes only, reject a claim.

Questions

An opportunity will be given at the Claimants' Meeting for Claimants to raise any questions and to voice any objections they may have in relation to the Restructuring Plan.

Final Hearing

All Claimants are entitled to appear at the hearing of the application to the Court to approve the Restructuring Plan. The time and date of the hearing will be notified to Claimants by an announcement on a Regulatory Information Service and on the Bank's website at www.alb.kz/en/investor_relations.

3. Information for all Shareholders and GDR Holders

In addition to approval by Claimants at the Claimants' Meeting, the Restructuring Plan also requires Supermajority approval by Shareholders at a General Shareholders' Meeting, being the approval by four Shareholders who between them hold at least 75 per cent. of the Common Shares of the Bank.

At the General Shareholders' Meeting, Shareholders will also vote to approve the Consolidation, the completion of which the Bank's management believes is crucial to a successful outcome of the Restructuring. For the purposes of approving the Consolidation under Kazakhstan law, the General Shareholders' Meeting shall be held as a joint meeting of the Shareholders of the Bank and the shareholders of Temirbank and ForteBank as regards the resolutions relating to the Consolidation.

In order to vote at the General Shareholders' Meeting through the Depositary, GDR Holders must complete, execute and return the GSM Proxy Form, a copy of which is contained in Schedule 7 (*GSM Proxy Form*) to this Information Memorandum, to the Depositary by no later than 12:00 p.m. (EST) on 4 November 2014.

4. Entitlement to and Distribution of Cash, New Notes and/or Common Shares or GDRs

Distribution Agent

Before the Restructuring Date, the Bank will enter into the Distribution Agent Agreement appointing the Distribution Agent.

The Restructuring Plan provides that the Distribution Agent will be responsible for assisting with the distribution process on behalf of the Bank. The Distribution Agent may also be responsible for holding cash, New Notes, Common Shares or GDRs on behalf of certain Claimants pending distribution under the terms of the Restructuring Plan.

Distribution Agent Agreement

On execution of the Distribution Agent Agreement, the Bank will, conditional on the Restructuring Plan becoming effective, deliver cash, New Notes, Common Shares and/or GDRs to the Distribution Agent to be held on behalf of certain Claimants in accordance with the terms of the Distribution Agent Agreement.

Satisfaction of Entitlements

Entitlements will be satisfied by the distribution to Claimants of the appropriate number of New Notes, Common Shares or GDRs and/or amount of cash, as the case may be, on the Restructuring Date or as soon as possible thereafter.

Settlement Instructions

Settlement Instructions, which Claimants must complete in order to receive any Entitlements pursuant to the Restructuring, will be distributed to Claimants on or about 14 November 2014. By submitting Settlement Instructions, Claimants will be deemed to give the representations and undertakings contained in Schedule 10 (*Representations and Undertakings of Claimants*) to the Information Memorandum.

Settlement Instructions Deadline

The Settlement Instructions Deadline, by which Claimants must submit Settlement Instructions in order to receive Entitlements as soon as possible after the Restructuring Date is 10:00 a.m. (London time) on 5 December 2014.

Additional Information concerning Settlement Instructions of Noteholders holding Existing Notes in respect of which the relevant Extraordinary Resolution was not passed at the Noteholders' Meeting

In the event that the holders of any Series of Existing Notes do not pass the relevant Extraordinary Resolution approving the Restructuring Plan but the Restructuring Plan is nonetheless approved at the Claimants' Meeting, that Series of Existing Notes would be cancelled as a matter of Kazakhstan law on completion of the Restructuring but not as a matter of English law, which is the governing law of the Existing Notes. In order to avoid this situation, holders of any Series of Existing Notes in respect of which the Extraordinary Resolution was not passed will need to pass a subsequent Extraordinary Resolution cancelling that Series of Existing Notes before any holders of those Existing Notes may receive their Entitlements. The Settlement Instructions for such Noteholders will therefore be in the form of a Notice of Noteholders' Meeting and Noteholders will need to submit an Electronic Instruction (i) approving the Extraordinary Resolution cancelling the relevant Series of Existing Notes and (ii) containing such Noteholder's Settlement Instruction by the date and time specified in the relevant Notice of Noteholders' Meeting.

Distribution of cash, New Notes and/or Common Shares or GDRs to Claimants

Distribution of New Notes and Common Shares or GDRs

For all Claims, the Distribution Agent or the Bank, as the case may be, will transfer (or permit to be transferred) such number of New Notes, Common Shares and/or GDRs to either an Existing Account, a Designated Account or a Local Account specified in the Settlement Instructions. In due course the Bank will make available Settlement Instructions for Claimants. Each Settlement Instruction must contain such information as is required by the Distribution Agent or the Bank, as the case may be, to transfer the appropriate cash, New Notes, Common Shares and/or GDRs to the relevant Claimant (or its Nominated Recipient). By the submission of Settlement Instructions, Claimants will be deemed to have made the representations set out in Schedule 10 (*Representations and Undertakings of Claimants*) and to have authorised the Bank to enter into the Deed of Release on their behalf.

Direction to sell New Notes, Common Shares or GDRs

If, for any reason, a Claimant is unable to hold the New Notes, Common Shares and/or GDRs to which it is entitled, it may, in its Settlement Instructions, (i) direct the Distribution Agent or the Bank, as the case may be, to sell its Securities Entitlement and account to it for the Net Proceeds of Sale or (ii) to transfer the same to a third party who is not so affected. The price, terms, timing and manner of such sale will be on the best terms reasonably available at the time using a transparent open market process and shall be for cash and shall take place as soon as reasonably practicable after the Restructuring Date, and neither the Bank, the Steering Committee nor any of their respective advisers, or any person acting on behalf of all or any of them, will have any Liability for any loss or alleged loss arising from such sale or a failure to procure any purchaser for such New Notes, Common Shares and/or GDRs (or any of them).

Transfers of cash, New Notes, Common Shares or GDRs to Claimants may be restricted in certain jurisdictions

Cash, New Notes, Common Shares and/or GDRs will not be distributed pursuant to the Restructuring Plan to Claimants in jurisdictions where such distributions would be prohibited. Claimants in certain jurisdictions should refer to the discussion in “*Issuance and Transfer Restrictions*” and “*Risk Factors—Risks Relating to the New Notes, Common Shares and GDRs—Restrictions apply to a holder of GDRs or Common Shares if it is incorporated in a Prohibited Jurisdiction*” to determine whether this may affect them. Claimants to whom the distribution of New Notes, Common Shares and/or GDRs would be prohibited by applicable law (but not of cash) will instead be entitled to receive the Net Proceeds of Sale of the New Notes and Common Shares or GDRs to which they would otherwise be entitled.

If in the reasonable opinion of the Bank (having taken appropriate legal advice), the transfer of New Notes, Common Shares and/or GDRs pursuant to the Restructuring Plan to a Claimant, or a Claimant’s Nominated Recipient, may be prohibited by any relevant law then the Distribution Agent shall, if so directed by the Bank, or the Bank shall, sell, or procure the sale of, the same and pay the Net Proceeds of Sale from the sale of such New Notes, Common Shares and/or GDRs to that Claimant, or that Claimant’s Nominated Recipient, as the case may be, on the best terms reasonably available at the time using a transparent open market process and shall be for cash and shall take place as soon as reasonably practicable after the Restructuring Date, in full satisfaction of that Claimant’s rights under the Restructuring Plan.

Distribution of cash

Cash payments will be made by wire transfer to the Claimant in accordance with the account details as set out in such Claimant’s completed Settlement Instructions.

Escrow Account

In accordance with the Restructuring Plan the Bank is entitled to place Entitlements of Claimants who do not submit Settlement Instructions prior to the Settlement Instructions Deadline in the Escrow Account until such Settlement Instructions are submitted. If Settlement Instructions in respect of any Entitlements have not been received prior to the date falling three years after the Restructuring Date, such Entitlements shall be cancelled and/or returned to the Combined Bank (except Entitlements in respect of unclaimed, undistributed Existing Notes issued in connection with the 2010 Restructuring which have already been cancelled and/or returned to the Bank).

Certain Securities Held by the Group

The Bank has agreed with the members of the Steering Committee that the Bank and its subsidiaries will not be eligible to receive any Entitlements in respect of certain Existing Notes held by the Group.

5. Approval by the NBK and the Court

If the Restructuring Plan is approved at the Claimants’ Meeting, the Bank must submit the approved plan to the NBK in order to establish its conformity with the indicative restructuring and recapitalisation plan initially considered by the NBK on 3 March 2014.

The Court must approve the Restructuring Plan before it can become effective and binding on all relevant parties. Approval takes place at the Court hearing after the requisite majority of Claimants has approved the Restructuring Plan at the Claimants’ Meeting. The date of the Court hearing for approval of the Restructuring Plan

will be announced on a Regulatory Information Service and on the Bank's website at www.alb.kz/en/investor_relations in advance of such hearings. Claimants and Noteholders are entitled to attend and make representations at the Court hearing.

Further Conditions Precedent to the Restructuring Plan becoming effective are set forth in Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*) to this Information Memorandum, which include the receipt of all necessary approvals in relation to the Consolidation.

6. Deed of Release

The terms of the Restructuring Plan provide for the Bank to be given the authority to enter into the Deed of Release on behalf of all Claimants releasing the Bank and other persons named therein from all Liabilities to Claimants and Noteholders as more fully set out in the Annex (*Form of Deed of Release*) to Schedule 1 (*The Restructuring Plan*). Further, the Extraordinary Resolutions, if passed, instruct and authorise the Trustee to enter into the Deed of Release on behalf of the Noteholders. In the event an Extraordinary Resolution is not passed, the relevant Noteholders will be required to approve an Extraordinary Resolution at a separate meeting of Noteholders, cancelling the relevant series of Existing Notes and authorising the Trustee to enter into the Deed of Release on behalf of such Noteholders before they may receive any Entitlements.

7. Approval of the Consolidation

Pursuant to Kazakhstan law, the General Shareholders' Meeting to approve the Consolidation will be held as a joint general meeting of the Shareholders of the Bank and the shareholders of Temirbank and ForteBank. In order for the resolutions relating to the Consolidation to be approved at the General Shareholders' Meeting, they require the approval of 75% of all of the voting shares (being the Common Shares and Preference Shares and the common shares and preference shares in Temirbank and ForteBank, each of which have one vote). Furthermore, pursuant to the Samruk-Kazyna Undertaking the Consolidation is required to be approved by holders of at least 75 per cent. of the Common Shares and at least four different persons must vote in favour of the resolution.

THE CONSOLIDATION

Background to the Consolidation of the Bank, Temirbank and ForteBank

In order to achieve the aims of the Restructuring Plan, it is the intention of the Bank that Temirbank and ForteBank will be consolidated with the Bank as part of the restructuring process. The purpose of the Consolidation is to contribute Temirbank's and ForteBank's capital surplus to the restoration of the Bank's regulatory capital and the creation of a Combined Bank which is better positioned to compete in the Kazakhstan banking sector. See "*Strategy of the Combined Bank*".

On 15 May 2014, Mr. Bulat Utemuratov purchased 16 per cent. of the total number of outstanding Common Shares and Preference Shares from Samruk-Kazyna as well as 79.90 per cent of the common shares in Temirbank.

As part of separate private transactions with certain Shareholders and GDR Holders conducted in accordance with the tag-along provisions of the Samruk-Kazyna Undertaking, Mr. Utemuratov purchased an additional 5.63 per cent. of the total number of outstanding Common Shares and an additional 4.02 per cent. of the total number of outstanding Preference Shares.

Following the above acquisitions, Mr. Utemuratov was obliged to make a mandatory offer to minority shareholders in Temirbank, which was announced on 13 June 2014. In response to the mandatory offer, holders of 337,252,446 common shares and 295,199 preference shares in Temirbank tendered their shares.

The shareholding structure of Temirbank as at the date of this Information Memorandum is as follows:

Shareholder	Number of Common Shares	Percentage Ownership of Common Shares	Number of Preference Shares	Percentage Ownership of Preference Shares
Mr Bulat Utemuratov	18,637,983,446	93.19%	295,199	7.61%
Other shareholders	1,362,016,554	6.81%	3,585,671 ⁽¹⁾	92.39% ⁽¹⁾
Total	20,000,000,000	100.00%	3,880,870⁽¹⁾	100.00%⁽¹⁾

Note:

- (1) The number of preference shares excludes 1,119,130 preference shares repurchased by Temirbank prior to 30 June 2014 but includes the 2,883,589 preference shares repurchased subsequently.

The shareholding structure of ForteBank as at the date of this Information Memorandum is as follows:

Shareholder	Number of Common Shares	Percentage Ownership of Common Shares	Number of Preference Shares	Percentage Ownership of Preference Shares
Mr Bulat Utemuratov	7,395,000	80.86%	–	–
Mr Timur Issatayev	1,750,000	19.14%	–	–
Verny Investments Holding LLP	–	–	1,500,000	100.00%
Total	9,145,000	100.00%	1,500,000	100.00%

In accordance with Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*), the approval of the Consolidation by the General Shareholders' Meeting is a condition precedent to the Restructuring Plan becoming effective and no Entitlements shall be distributed unless and until the Consolidation is duly approved at those meetings and the other approvals or consents described elsewhere in this Information Memorandum have been obtained.

The Consolidation Process

The primary legislation governing the Consolidation comprises (i) Article 83 of the JSC Law, (ii) Articles 46 and 47 of the Civil Code of the Republic of Kazakhstan (the Common Part) No. 269-XII dated 27 December 1994 and (iii) Articles 60 and 60-1 of the Banking Law.

Pursuant to the applicable legislation, the process of the Consolidation consists of the following steps (some of which have already been taken on or prior to the date of this Information Memorandum):

- (i) on 29 September 2014, the Board of Directors approved the proposed Exchange Ratios (See "*The Exchange Ratios*" below) and resolved to call the General Shareholders' Meeting;

- (ii) on 29 September 2014, the board of directors of Temirbank approved the proposed Exchange Ratios and resolved to call the General Shareholders' Meeting;
- (iii) on 9 October 2014, the board of directors of ForteBank approved the proposed Exchange Ratios and resolved to call the General Shareholders' Meeting;
- (iv) the General Shareholders' Meeting will be held at 10.00 a.m. (Almaty time) on 10 November 2014 at the following address: 50 Furmanov Street, Almaty, 050004, Kazakhstan;
- (v) if the General Shareholders' Meeting approves the applicable resolutions relating to the Consolidation, the Bank, Temirbank and ForteBank will sign the Consolidation Agreements;
- (vi) the Bank, Temirbank and ForteBank will submit applications to the Competition Committee and the NBK for the approval of the Consolidation;
- (vii) subject to receipt of the applicable approvals (including from the Competition Committee and the NBK), on or about the Restructuring Date, the common shares and preference shares in Temirbank and ForteBank shall be transferred to the Bank and the Bank will in exchange issue to the holders of such shares its Common Shares the number of which shall be determined in accordance with the approved Exchange Ratios (See "*— The Exchange Ratios*");
- (viii) the Transfer Acts will be signed by the chairmen of the respective management boards and chief accountants of the Bank, Temirbank and ForteBank;
- (ix) the Bank, Temirbank and ForteBank will publish notification(s) in two republican newspapers and on their web-sites on the time, place and procedure for creditors to study the executed Transfer Acts;
- (x) Temirbank and ForteBank will apply to the NBK for the cancellation of their shares; and
- (xi) after the NBK approves the cancellation of Temirbank's and ForteBank's shares, Temirbank and ForteBank will publish notification of this on their websites.

Please note that the above is a summary only of the principal steps to be taken and is not a complete list.

Once the Consolidation becomes effective, the Bank will replace Temirbank and ForteBank, respectively, as principal debtor under each financing agreement to which Temirbank and ForteBank are party as a debtor. In respect of the Eurobonds issued by Temirbank in connection with its restructuring proceedings in 2010, the Bank will be substituted for Temirbank as the issuer of those Eurobonds in accordance with the substitution provisions of the trust deed constituting those Eurobonds.

Voting at the Joint General Shareholders' Meeting

Although the General Shareholders' Meeting has been called as a joint general shareholders' meetings, the business at each of the meetings will be conducted independently.

Pursuant to the Notice of the General Shareholders' Meeting, the holders of Common Shares and Preference Shares will be asked to consider and, if deemed appropriate, approve the resolutions set out as items 2 through 8 of the agenda in the Notice of the General Shareholders' Meeting which relate to the Consolidation. The matters proposed for consideration include, *inter alia*, approval of the Restructuring Plan, approval of the Consolidation, approval of the Exchange Ratios (See "*— The Exchange Ratios*"), approval of the increase of the number of authorised Common Shares and the approval of the cancellation of shares in Temirbank and ForteBank after the Consolidation.

In accordance with the provisions of the JSC Law, the resolution for the approval of the Consolidation (as set out as item 2 of the agenda in the Notice of the General Shareholders' Meeting) will be voted on by Shareholders holding Common Shares and Preference Shares as a single class. Each Common Share and each Preference Share shall carry one vote. In order to be passed, the resolution for the approval of the Consolidation must be approved by Shareholders holding at least 75% of the total number of voting shares. To be able to vote, holders of Common Shares and Preference Shares have to disclose their details in accordance with the applicable procedures of JSC "Unified Registrar of Securities". Shares or GDRs held by persons not eligible to hold Common Shares and/or

Preference Shares in accordance with the applicable provisions of the laws of the Republic of Kazakhstan (including the Banking Law) will not be able to vote.

Furthermore, pursuant to the Samruk-Kazyna Undertaking the Consolidation is required to be approved by holders of at least 75 per cent. of the Common Shares and at least four different persons must vote in favour of the resolution.

Right to Request Repurchase of Shares

Pursuant to the provisions of the JSC Law, holders of Common Shares, Preference Shares or common shares or preference shares in Temirbank or ForteBank who attend the General Shareholders' Meeting and vote against the Consolidation may, within the 30 calendar days following the meeting, request that the issuer of the relevant shares repurchases them by giving a notice to that effect to the relevant issuer. Should such right be exercised, the relevant bank will have 30 calendar days following receipt of the request to repurchase the shares from such shareholder at a price to be determined pursuant to the published methodology of the relevant issuer. The revised methodologies which will be used by the Bank, Temirbank and ForteBank will be available at the registered offices of the relevant banks and will be approved at the General Shareholders' Meeting. Shareholders should however note that, due to the fact that the Bank currently has negative capital, as a matter of Kazakhstan law it is not able to purchase its Shares and so Shareholders will not be able to exercise the right to request the repurchase of their Shares that they would otherwise have pursuant to the JSC Law.

The Exchange Ratios

As set out in the Notice of the General Shareholders' Meeting, the Board of Directors of the Bank and the boards of directors of Temirbank and ForteBank have all directed that the following Exchange Ratios be proposed for consideration and, if deemed appropriate, approval by the General Shareholders' Meeting in relation to the Consolidation:

- (i) the 20,000,000,000 common shares in Temirbank shall be exchanged for 59,613,086,095 Common Shares, meaning that for every X common shares in Temirbank held, shareholders shall receive $X * (59,613,086,095/20,000,000,000)$ Common Shares;
- (ii) the 5,000,000 preference shares in Temirbank shall be exchanged for 3,109,015,124 Common Shares, meaning that for every X preference shares in Temirbank held, shareholders shall receive $X * (3,109,015,124/5,000,000)$ Common Shares;
- (iii) the 9,145,000 common shares in ForteBank shall be exchanged for 23,630,674,189 Common Shares, meaning that for every X common shares in ForteBank held, shareholders shall receive $X * (23,630,674,189/9,145,000)$ Common Shares; and
- (iv) the 1,500,000 preference shares in ForteBank shall be exchanged for 916,662,639 Common Shares, meaning that for every X preference shares in ForteBank held, shareholders shall receive $X * (916,662,639/1,500,000)$ Common Shares.

Each shareholder in Temirbank and ForteBank shall receive a number of Common Shares rounded to the nearest Common Share (with .5 being rounded up and .4 being rounded down).

The proposed shareholding structure of the Combined Bank as of the Restructuring Date in terms of the respective participations of the shareholders of the Bank, Temirbank and ForteBank is expected to be as follows:

Shareholder/Category of Shareholder ⁽¹⁾	Number of Common Shares	Percentage Ownership of Common Shares	Number of Preference Shares	Percentage Ownership of Preference Shares
Shareholders of the Bank ⁽²⁾	9,980,122,360	10.34%	2,619,574	100.00%
Shareholders of Temirbank	62,026,222,800	64.24%	—	—
Shareholders of ForteBank	24,547,336,828	25.42%	—	—
Total	96,553,681,988	100.00%	2,619,574	100.00%

Note:

- (1) The table is based on the individual shareholding structures of Temirbank and ForteBank as set out in “— *Background to the Consolidation*” and assumes that (i) no shareholders of the Bank, Temirbank or ForteBank voting against the consolidation at the relevant general shareholders meeting will request that their shares be repurchased by the relevant bank, (ii) no Claimant exercises the right to swap its entitlement to Common Shares in the Combined Bank for cash as provided in the Restructuring Plan and (iii) there will be no issuance of any common shares or preference shares between the date of this Information Memorandum and the Restructuring Date. It is expected that 9,966,484,918 Common Shares will be distributed to Claimants on the basis of the assumptions set out above.
- (2) Amounts include the Common Shares to be issued to Claimants as part of the Restructuring.

The proposed shareholding structure of the Combined Bank as of the Restructuring Date in terms of participation of the relevant stakeholder groups is expected to be as follows:

Shareholder/Category of Shareholder ⁽¹⁾⁽²⁾	Number of Common Shares	Percentage Ownership of Common Shares	Number of Preference Shares	Percentage Ownership of Preference Shares
Mr Bulat Utemuratov	73,835,657,006	76.47%	524,408	20.02%
Mr Timur Issatayev	4,521,998,888	4.68%	—	—
Verny Investments Holding LLP	916,662,639	0.95%	—	—
Samruk-Kazyna	6,955,185	0.01%	1,335,989	51.00%
Claimants	9,966,484,918	10.32%	—	—
Other shareholders of Temirbank	7,302,191,370	7.56%	—	—
Other shareholders of the Bank	3,731,982	0.00%	759,177	28.98%
Total	96,553,681,988	100.00%	2,619,574	100.00%

Note:

- (1) The table is based on the individual shareholding structures of Temirbank and ForteBank as set out in “— *Background to the Consolidation*” and assumes that (i) no shareholders of the Bank, Temirbank or ForteBank voting against the consolidation at the relevant general shareholders meeting will request that their shares be repurchased by the relevant bank, (ii) no Claimant exercises the right to swap its entitlement to Common Shares in the Combined Bank for cash as provided in the Restructuring Plan and (iii) there will be no issuance of any common shares or preference shares between the date of this Information Memorandum and the Restructuring Date. It is expected that 9,966,484,918 Common Shares will be distributed to Claimants on the basis of the assumptions set out above.
- (2) Amounts include the Common Shares to be issued to Claimants as part of the Restructuring.

The Acquisition of Temirbank and ForteBank by the Bank

As described above, on or about the Restructuring Date the Bank will (subject to the conditions set out in this Information Memorandum, including in Schedule 12 (*Conditions Precedent to the Restructuring Plan becoming Effective*) hereto) issue Common Shares to holders of common shares and preference shares in Temirbank and ForteBank in exchange for their common shares and preference shares in Temirbank and ForteBank.

Following the acquisition of common shares and preference shares in Temirbank and ForteBank by the Bank, Temirbank and ForteBank will be wholly-owned subsidiaries of the Bank.

Until and unless the Transfer Acts are signed, the Bank, Temirbank and ForteBank, although being part of a single group, will continue to exist as separate legal entities. See “— *The Legal Consolidation*”.

The Legal Consolidation

The assets and liabilities of Temirbank and ForteBank will be transferred to the Bank on the date when the applicable Transfer Acts are signed by the chairmen of each of the Bank’s, Temirbank’s and ForteBank’s management boards and their respective chief accountants or on another date specified in such Transfer Acts or according to applicable legislation.

It is currently contemplated that the Transfer Acts will be signed on or around 31 December 2014 (and the Bank will covenant in the Conditions of the New Notes to complete the Consolidation before 31 January 2015). A second joint general shareholders’ meeting will be scheduled in order to approve the Transfer Acts and certain other administrative matters in relation to the Consolidation and will be convened once the Restructuring and Consolidation have been approved by shareholders and Claimants (as applicable).

Following the signing of the Transfer Acts and approval by the NBK of the cancellation of the shares of Temirbank and ForteBank, each of these banks will cease to exist on the day Temirbank and ForteBank are excluded from the National Registers of Business Identification Numbers.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial and Other Information

The Bank is required to maintain its books of account in Tenge in accordance with IFRS and with the relevant laws and regulations in Kazakhstan. The Bank is also required to submit certain compliance reports prepared in accordance with the regulations of the NBK.

The historical financial information of the Bank set forth herein has, unless otherwise indicated, been extracted without material adjustment from the Bank Financial Statements, prepared in accordance with IFRS. KPMG Audit LLC, independent auditors (acting as an auditor under licence No. 0000021, Type MFU-2, dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan), 180 Dostyk Avenue, 050051 Almaty, Republic of Kazakhstan, have audited the Bank's audited Bank Financial Statements and their audit reports are included in this Information Memorandum.

In making an investment decision, Claimants must rely upon their own examination of the Bank, the terms of the Restructuring and the financial information included in this Information Memorandum, and should consult their own professional advisers for an understanding of the differences between IFRS and U.S. GAAP and how these differences might affect the financial information in this Information Memorandum.

Pro Forma Financial Information

The financial information set forth herein also includes the Pro Forma Financial Information. The Pro Forma Financial Information was prepared by the Bank on the basis of IFRS, as indicated, to illustrate the effect of the Restructuring and Consolidation as if the Restructuring and Consolidation had been completed as at 30 June 2014 and as at 31 December 2013 and is based on data derived from the Financial Statements incorporated by reference in this Information Memorandum. The Pro Forma Financial Information is unaudited and presented on a consolidated basis, and it is presented for illustrative purposes only.

The Bank's management believes that the Pro Forma Financial Information may be useful in enabling Claimants to assess and understand the Restructuring and the Consolidation. The Pro Forma Financial Information is based upon certain assumptions and adjustments which the Bank's management believes are reasonable and necessary for a fair presentation of such information.

While the Bank has used all reasonable efforts to ensure that the Pro Forma Financial Information is correct, accurate and complete as at the date of this Information Memorandum, no representation or warranty (express or implied) is made as to the reliability, accuracy or completeness of the Pro Forma Financial Information. The assumptions and adjustments are based upon the Bank's preliminary analysis and based upon currently available information. The Pro Forma Financial Information does not take into account the potential adverse impact of certain negative developments since 30 June 2014, such as additional loan loss provisions, declining deposits and ongoing operational level losses resulting from the deteriorating financial condition of the Bank and instability aggravated by the on-going restructuring process.

Claimants are cautioned that *pro forma* financial information is inherently unreliable and that the Pro Forma Financial Information is not necessarily indicative of how the Combined Bank's consolidated capitalisation, statement of financial position or capital adequacy information as at 30 June 2014 and as at 31 December 2013 would have been presented had the Restructuring and Consolidation actually been completed as at those dates, nor is it necessarily indicative of the Combined Bank's consolidated capitalisation, statement of financial position or capital adequacy as at any future date. The unaudited Pro Forma Financial Information should be read in conjunction with the Financial Statements incorporated by reference in this Information Memorandum.

Currency Translations

Solely for the convenience of the reader, this Information Memorandum presents unaudited translations of certain Tenge amounts into U.S. Dollars at specified rates. Unless otherwise stated, any statement of financial position data in U.S. Dollars is translated from Tenge at the applicable exchange rate on the date of such statement of financial position (or, if no such rate was quoted on such date, the immediately preceding date) and any income statement data in U.S. Dollars is translated from Tenge into U.S. Dollars at the daily average exchange rate applicable to the period to which such income statement data relates, in each case calculated in accordance with the official exchange rates for U.S. Dollars on the KASE as reported by the NBK.

The Bank has translated the summary statement of financial position and income statement information as at and for the six months ended 30 June 2014 into U.S. Dollars at the rate of U.S.\$1.00 = KZT 183.51 and U.S.\$1.00 = KZT 176.23, respectively and has translated the summary statement of financial position and income statement information as at and for the year ended 31 December 2013 into U.S. Dollars at the rate of U.S.\$1.00 = KZT 154.04 and U.S.\$1.00 = KZT 153.81, respectively. As at 10 October 2014 (the latest practicable date prior to the date of this Information Memorandum), the official KZT/U.S.\$ rate of exchange reported by the NBK was KZT 181.80 = U.S.\$1.00.

The following table sets out year-end, high, average and low Tenge/U.S. Dollar official exchange rates for each year from 2008 through 2013 and period-end, high, average and low Tenge/U.S. Dollar official exchange rates for the first six months of 2014 and each month thereafter, in each case as reported by the NBK:

<u>Period ended</u>	<u>Period end</u>	<u>High</u>	<u>Average¹</u>	<u>Low</u>
31 December 2008	120.79	120.87	120.29	119.48
31 December 2009	148.46	151.40	147.59	120.79
31 December 2010	147.50	148.46	147.34	146.41
31 December 2011	148.40	148.40	146.62	145.17
31 December 2012	150.04	150.52	149.11	147.79
31 December 2013	154.04	154.04	153.81	150.51
30 June 2014	183.51	184.95	176.23	154.06
31 July 2014	183.53	183.52	183.53	183.52
31 August 2014	182.00	182.07	183.28	182.00
30 September 2014	181.90	182.00	176.10	181.88

Note:

(1) The weighted average rate reported by the NBK for each month, as applicable, during the relevant period.

No representation is made that the Tenge or U.S. Dollar amounts in this Information Memorandum could have been converted into U.S. Dollars or Tenge, as the case may be, at any particular rate or at all.

Certain figures which appear in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be the sum of the figures which precede them.

Statistical and Market Information

Certain statistical and market information presented in this Information Memorandum in the sections headed “*Risk Factors*”, “*The Bank*”, “*Temirbank*” “*Operating and Financial Review*” and “*The Banking Sector in Kazakhstan*” on such topics as the Bank’s competitors, the Kazakhstan banking sector, the Kazakhstan economy in general and other related subjects represents the Bank’s calculations based on information and official data of the NBK, the NSA and other third party sources. Specifically, information related to the Bank’s industry ranking and market share is derived from figures published by the NBK. The Bank has accurately reproduced such information and, so far as the Bank is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Claimants should note that some of the Bank’s estimates are based on such third party information. Claimants are advised to consider this data with caution. Official data published by Kazakhstan governmental or regional agencies is substantially less complete and less thoroughly researched than that of more developed countries. Further, official statistics, including those produced by the NBK and the NSA, may be produced on different bases than those used in more developed countries. Any discussion of matters relating to Kazakhstan itself in this Information Memorandum is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information.

FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Information Memorandum and include statements regarding the Bank’s intentions, beliefs or current expectations concerning, amongst other things, the Bank’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Claimants should be aware that forward-looking statements are not guarantees of future performance and that the Bank’s actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those statements made in or suggested by the forward-looking statements contained in this Information Memorandum. In addition, even if the Bank’s results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this Information Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- the Bank’s ability to successfully restructure its indebtedness;
- the stability of the banking sector in Kazakhstan;
- the state of the Bank’s retail, corporate and SME businesses;
- the quality and stability of its deposit base;
- future credit losses that the Bank may incur;
- the Bank’s ability to successfully implement a new core IT system;
- expectations as to the impact of projects undertaken to improve cost efficiencies and enhance liquidity and revenues;
- estimates and financial targets for increasing and diversifying the composition, as well as the quality, of the Bank’s loan portfolio; and
- the Bank’s ability to successfully integrate Temirbank and ForteBank to create the Combined Bank.

Factors that could cause actual results to differ materially from the Bank’s expectations include, among other things, the following:

- overall economic and business conditions;
- effects of the global financial crisis and international economic conditions;
- the level of demand for the Bank’s services;
- deposit outflows;
- competitive factors in the industries in which the Bank and its customers operate;
- changes in Government regulations and in the Government’s, the NBK’s or Samruk-Kazyna’s policies regarding support for the banking sector in Kazakhstan;
- the timing, impact and other uncertainties of unrecognised guarantees and pledges, if any;

- the timing, impact and other uncertainties of unidentified related party transactions concluded in the past, if any;
- changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- results of litigation or arbitration;
- interest rate fluctuations and other changing conditions in the capital markets;
- exchange rate fluctuations;
- economic and political changes in international markets, including governmental changes;
- hostilities and restrictions on the ability to transfer capital across borders; and
- the impact of valuation of derivatives and property and equipment.

The sections of this Information Memorandum entitled “*Risk Factors*”, “*Operating and Financial Review*”, “*The Bank*”, “*Temirbank*” and “*FortBank*” contain a more complete discussion of the factors that could affect the Bank’s (or the Combined Bank’s) future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking statements described in this Information Memorandum may not occur.

The Bank is not obliged to, and does not undertake any obligation to, update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Bank or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Memorandum.

ENFORCEMENT OF FOREIGN JUDGMENTS AND ARBITRAL AWARDS

The Bank is a joint stock company organised under the laws of Kazakhstan and substantially all of its operations are located in Kazakhstan. All or a substantial portion of the assets of the Bank and most of its directors and executive officers are located in Kazakhstan. As a result, it may not be possible (a) to effect service of process upon the Bank or any of its directors and executive officers outside Kazakhstan, (b) to enforce against any of them, in courts of jurisdictions other than Kazakhstan, judgments obtained in such courts or (c) to enforce against any of them, in Kazakhstan's courts, judgments obtained in jurisdictions other than Kazakhstan, including judgments obtained on the New Notes Trust Deed in the courts of England and judgments obtained in the United States predicated upon the civil liability provisions of the federal or state securities laws of the United States.

The New Notes and the New Notes Trust Deed will be governed by English law and will provide that any claims, disputes or differences regarding their existence, termination or validity or any non-contractual obligations arising thereunder are subject to arbitration in London, England. See Condition 19 (*Governing Law and Arbitration*) of Schedule 8 (*Terms and Conditions of the New Notes*).

Kazakhstan's courts will not enforce any judgment obtained in a court established in a country other than Kazakhstan unless there is a treaty in effect between such country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty. There is no such treaty in effect between Kazakhstan and the United Kingdom or the United States. However, Kazakhstan, the United Kingdom and the United States are parties to the 1958 New York Convention on Recognition and Enforcement of Arbitral Awards (the "**Convention**"), and, accordingly, such an arbitral award under the Convention should generally be recognised and enforceable in Kazakhstan provided the conditions to enforcement set out in the Convention and the laws of Kazakhstan are met.

The Law on International Commercial Arbitration (the "**Arbitration Law**") was adopted by the Parliament of Kazakhstan on 28 December 2004. The Arbitration Law is intended to resolve uncertainty created by prior decisions of the Constitutional Council of Kazakhstan regarding enforcement of the Convention in Kazakhstan that were effective on 15 February 2002 and 12 April 2002 and were cancelled by the Constitutional Council in February 2008. The Arbitration Law provides clear statutory guidelines for the enforcement of arbitral awards under the conditions set forth in the Convention.

RISK FACTORS

In addition to other information in this Information Memorandum, Claimants and Shareholders should carefully consider the following risk factors when considering the Restructuring Plan and the Consolidation. The risks and uncertainties described below are the principal risks relating to the Bank, the Restructuring, the Consolidation, the Kazakhstan banking sector and other relevant matters, however, they are not the only ones the Bank faces. Additional risks and uncertainties that the Bank is not aware of or that the Bank currently believes are immaterial may also adversely affect the Bank's (or the Combined Bank's) business, financial condition, cash flows or results of operations. If any of the risks or uncertainties described below come to fruition, the Bank's business, financial condition, cash flows or results of operations, among other things, could be materially and adversely affected.

The order in which these risk factors are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Bank's business, financial condition, cash flows or results of operations.

Risks Relating to the Bank and the Combined Bank

Any failure to reach and maintain the minimum capital adequacy ratios following the Restructuring and Consolidation could lead to conservation or liquidation of the Combined Bank.

The Bank is currently in breach of the minimum capital adequacy ratios established by the NBK. According to the Pro Forma Financial Information, had the Restructuring and the Consolidation been completed as at 30 June 2014, the Combined Bank's estimated K1-1 (Tier I capital to total assets) and K2 (own capital to total assets weighted for risk) ratios calculated in accordance with NBK regulations would be 19.4 per cent. and 21.3 per cent., respectively, as at 30 June 2014.

Following the Restructuring and Consolidation, the Combined Bank will be subject to the general minimum level requirements of 5 per cent. for K1-1 (Tier I capital to total assets) and K1-2 (Tier I capital to total assets weighted for risk) ratios and 10 per cent. for K2 (own capital to total assets weighted for risk) ratio. Any further deterioration in the quality of the Combined Bank's loan portfolio after the Restructuring and Consolidation and the consequent need to make impairment provisions may cause the Combined Bank's capital adequacy ratios to fall below the minimum levels.

Any failure to comply with the minimum capital adequacy ratios, whether because of the deterioration in the quality of the Combined Bank's loan portfolio or an increase in minimum capital adequacy requirements, could lead to sanctions and other measures being applied by the NBK, including forcing the Combined Bank into conservation or mandatory liquidation.

The Bank entered into an agreement with the NBK which restricts certain activities of the Bank.

On 6 February 2014, the Bank and the NBK entered into the NBK Agreement pursuant to which the Bank was obliged, among other things, to hold the Claimants' Meeting and complete the Restructuring by no later than 1 July 2014 (which deadline was subsequently amended to 1 November 2014 by a supplemental agreement to the NBK Agreement dated 1 August 2014). Furthermore, the NBK Agreement prevents the Bank from undertaking mass marketing campaigns aimed at attracting deposits from individuals and places the Bank under an obligation to obtain the consent of the Steering Committee in respect of disposals by the Bank of shares in its Subsidiaries until the completion of the Restructuring. See "*The Bank — Overview of the Bank and Background to the Restructuring — Post-2010 Restructuring*".

In the event that the Bank does not comply with its obligations under the NBK Agreement, the NBK may apply sanctions and other measures to the Bank, including forcing the Bank into conservation or mandatory liquidation.

As the Restructuring is not scheduled to be completed by 1 November 2014, the Bank has applied to the NBK to extend the completion date to 31 January 2015 and expects to enter into a second supplemental agreement to the NBK to document this extension sometime in the second half of October 2014. Whilst the Bank does not expect the NBK to have any opposition to this extension, no assurance can be given that the NBK will in fact grant this extension and that the second supplemental agreement will in fact be signed.

Samruk-Kazyna may demand early repayment of funds allocated to the Bank under the State Finance Programmes if the Bank breaches conditions for the utilisation of the funds.

The Bank has been allocated significant funds by Samruk-Kazyna under the State Finance Programmes, including KZT 20,000 million under the SME State Finance Programme (which has been fully utilised and KZT 12,462 million of which has been already repaid as at 30 June 2014), KZT 10,900 million under the Mortgage State Finance Programme (which has been fully utilised and KZT 1,557 million of which has been already repaid as at 30 June 2014) and KZT 1,000 million under the Student Loans State Finance Programme (of which KZT 556 million had been utilised and 130 million has been repaid as at 30 June 2014).

Under the SME State Finance Programme, Samruk-Kazyna has the right to demand early repayment of funds allocated to the Bank if (i) the Bank does not make timely repayments of debt or interest, (ii) the Bank does not use the proceeds in compliance with their stated purpose, (iii) the Bank's credit rating is downgraded by Fitch, S&P or Moody's by two or more notches, (iv) the Bank infringes the NBK's prudential requirements in two consecutive months or its license is suspended, (v) more than 10 per cent. of the Common Shares in the Bank are sold or transferred, if such transfer has a negative impact on the Bank's financial condition or (vi) the Bank reports negative financial results for two consecutive quarters. The Bank breached the NBK's prudential requirements for two months in succession during December 2013 and January 2014. As at the date of this Information Memorandum, the Bank has been assigned a "D" long-term issuer default rating by S&P (which is more than two notches lower than the rating assigned as at the date the funds were allocated). Although Samruk-Kazyna has not yet exercised its right to demand early repayment, it has not formally waived the Bank's breaches and there is therefore a risk that Samruk-Kazyna may demand early repayment at any time.

Under the Student Loans State Finance Programme, Samruk-Kazyna is entitled to unilaterally terminate the loan agreement at any time and demand repayment. Although Samruk-Kazyna has so far given no indication of an intention to exercise this termination right, there can be no assurance that it will not demand early repayment. Any demand for early repayment under either of the above two State Finance Programmes could have a material adverse effect on the Restructuring and the Bank's business, financial condition, results of operations and prospects generally.

The Bank may face litigation if the NBK applies any of its compulsory restrictive measures to the Bank.

The NBK may apply a number of compulsory restrictive measures to second tier banks (commercial banks) in financial distress or in breach of prudential or other mandatory regulations. See "*The Banking Sector in Kazakhstan — Financial Stability and Restructuring Reforms*" and "*The Banking Sector in Kazakhstan — The NBK's Powers under the Banking Law*" for a detailed description of such measures.

Were the NBK to apply any such measures, the Bank's shareholders, including investors holding the Shares in the form of GDRs and Claimants receiving Common Shares or GDRs in the Restructuring, could bring claims against the Bank and seek redress against the NBK's actions. Irrespective of the merit of such claims, if such shareholders' claims are successful, the Bank's financial position and the interests of the Claimants may be negatively affected.

Internal control weaknesses have been evidenced by several transactions in the past and other unusual transactions may be uncovered in the future.

In the course of the due diligence process commenced in February 2009, the former management of the Bank, which had at that time been recently appointed, identified transactions entered into by the Bank between 2006 and 2008 that had not been properly recorded on the Bank's balance sheet.

Although the Bank has improved its systems to address deficiencies and improve controls, there can be no assurance that such new systems will be effective and that the Bank will not suffer losses from the failure of these controls to detect or contain operational risk in the future. Similar to other Kazakhstan banks, the Bank is susceptible to, among other things, fraud by employees or outsiders, unauthorised transactions by employees and operational errors, including clerical or record keeping errors and errors resulting from faulty computer or telecommunications systems. Given the Bank's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. In addition, the Bank's management and financial reporting systems do not fully support its operations and a number of transactions are not fully automated, which may further increase the risk that human error or employee tampering or manipulation will result in losses that may be difficult to detect. Consequently, the inadequacy of the Bank's internal processes or systems may result in

unauthorised transactions and errors not being detected. Further, the Bank's insurance may not cover the Bank's losses from such transactions or errors, which may have a material adverse effect on the Bank's financial condition or results of operations.

Transactions with related parties may cause future losses.

Certain customers and counterparties of the Bank (particularly prior to the 2010 Restructuring) may not have been properly identified as related parties. Given the internal control weaknesses in the Bank, related party transactions with unusual terms not known as at the date of this Information Memorandum may be uncovered in the future and may have further adverse effects on the Bank's financial condition and recovery prospects.

Prior to the 2010 Restructuring, the Bank used to ratify related party transactions after their conclusion or approve certain standard types of transactions (for example the opening of current accounts and the issuance of debit cards) with related parties as a whole rather than on an individual basis. However, it is now the NBK's policy that a bank's board of directors must approve every single transaction deemed to be a related party transaction. Moreover, the board of directors before voting must consider all the terms of such transactions. Although the Bank has followed this policy of the NBK since the completion of the 2010 Restructuring, and has appointed a compliance officer to oversee the proper approval of related party transaction, there is a risk that ratifications or pre-approvals of related party transactions prior to the 2010 Restructuring may be treated as not being in compliance with the Banking Law, for which the NBK may impose certain sanctions including the revocation of the banking licence of the bank in question.

Declines in customer deposits, which are an important source of funding for the Bank, have had and may continue to have an adverse effect on the Bank's funding base.

The Bank has experienced significant outflows of customer deposits in 2013 and the first six months of 2014. The Bank's total customer deposits decreased by 8.8 per cent. during 2013 to KZT 307,544 million as at 31 December 2013 from KZT 337,238 million as at 31 December 2012. The Bank's deposits from individuals increased by 2.9 per cent. during 2013 to KZT 161,103 million as at 31 December 2013 from KZT 156,526 million as at 31 December 2012. The Bank's corporate and SME deposits (excluding Samruk-Kazyna's deposits) decreased by 28.1 per cent. during 2013 to KZT 78,302 million as at 31 December 2013 from KZT 108,887 million as at 31 December 2012.

The Bank's total deposits decreased by a further 19.0 per cent. during the first six months of 2014 to KZT 249,212 million as at 30 June 2014 from KZT 307,544 million as at 31 December 2013. The Bank's deposits from individuals decreased by 26.8 per cent. to KZT 117,903 million as at 30 June 2014 from KZT 161,103 million as at 31 December 2013.

If retail and private corporate and SME deposits continue to decline after the Restructuring and the Consolidation, the Combined Bank will face significant difficulties and may be unable to carry on its business as other sources of funding, both domestically and in the international markets, may not be readily available.

Concentration of the Bank's loan portfolio and deposit base and volatility in the real estate market subject the Bank to risks.

As at 30 June 2014 and 31 December 2013, the Bank's ten largest borrowers accounted for 27.6 per cent. and 48.9 per cent., respectively, of gross loans and advances compared to 47.5 per cent. as at 31 December 2012. Although the Bank believes the level of concentration in its lending base to be relatively low when compared with those of its competitors, following the Restructuring and Consolidation, the Combined Bank will need to monitor the concentration of its loan portfolio and if it does not do this effectively, its credit exposure could increase, which would have a material adverse effect on the Combined Bank's business, results of operations and financial condition.

Of the ten borrowers the Bank is most exposed to, some are involved in sectors that may be affected by the decline in the real estate market, particularly sectors relating to construction. In addition, a substantial amount of the Bank's loans to customers are secured by real estate. As at 30 June 2014 and 31 December 2013, 42.1 per cent. and 33.2 per cent., respectively, of net loans to customers were collateralised by real estate. Real estate prices in Kazakhstan and Russia, which increased rapidly from 2002 to 2007, have dropped sharply since June 2007.

The declines in the price of real estate in Kazakhstan since the global economic crisis of 2008-2009 have increased the price volatility and consequently have made it difficult to value certain collateral held by the Bank. The collateral value ultimately realised by the Bank in the event of foreclosure of these customer loans will depend on the fair value as determined at that time and may be materially different from the current or estimated fair value. Also, the real estate market in Kazakhstan suffers from low liquidity and the Bank may be unable to liquidate its real estate collateral in a reasonably short time frame. As a result, in the event that a portion of the Bank's loans to customers secured by real estate go into default, the Bank may not be able to recoup the full value of the loan by taking ownership and disposing of the underlying real estate, which may result in a material adverse impact on the Bank's results of operations and financial condition.

The Bank's loan portfolio has a significant geographical concentration in the Almaty region. As at 30 June 2014 and 31 December 2013, the Bank had loans originated in the Almaty region totalling KZT 167,990 million and KZT 181,709 million, respectively, which represented 25.0 per cent. and 33.7 per cent., respectively, of the Bank's gross loan portfolio.

In the Bank's deposit base, as at 30 June 2014 and 31 December 2013, its ten largest customers accounted for 18.5 per cent. and 18.4 per cent., respectively, of total liabilities, compared to 21.7 per cent. as at 31 December 2012. The concentration in the Bank's deposit base is primarily due to Samruk-Kazyna's deposits totalling KZT 77,560 million as at 30 June 2014 and KZT 68,139 million as at 31 December 2013, representing 31.1 per cent. and 22.2 per cent., respectively, of the Bank's total customer accounts. Other than Samruk-Kazyna's deposits, the Bank does not have significant concentrations in its deposit base. Notwithstanding the fact that Samruk-Kazyna's deposits are opened for a certain period, Samruk-Kazyna may withdraw some of its deposits by providing between one and five days prior notice.

Concentration of the Bank's loan portfolio and deposit base could adversely affect the Bank's business, financial condition, results of operations and prospects.

The continuing decline in value of the Bank's loan portfolio will likely lead to a gradual seasoning of the Bank's loan portfolio which may increase the proportion of loan defaults.

The Bank's net loan portfolio decreased by 18.4 per cent. to KZT 251,239 million as at 30 June 2014 from KZT 307,818 million as at 31 December 2013, and by 35.4 per cent. from KZT 388,930 million as at 31 December 2012. Because the Bank's loan portfolio is expected to continue to decline in value, and the Bank has not been originating new loans, it is likely that the Bank will experience a gradual seasoning of its loan portfolio, with the concentration of older loans in the portfolio becoming more significant. Therefore, as a result of the expected gradual seasoning of its loan portfolio, the Combined Bank could experience a further increase in the percentage of its loans which are non-performing after the Restructuring and Consolidation which could adversely affect the Combined Bank's business, financial condition, results of operations and prospects.

The Bank's focus on the retail and SME sectors could have an adverse effect on its business, results of operations and financial condition.

Historically, the Bank's strategy has been focused on the retail and SME sectors and these sectors will continue to represent a significant part of the Combined Bank's loan portfolio following the Restructuring and Consolidation. As a general rule, concentration of a bank's loan portfolio in the retail and SME sectors may increase such bank's credit risk. SME and retail customers typically are less financially resilient than larger borrowers and the recent financial crisis and other negative developments in Kazakhstan's economy could therefore adversely affect these customers to a greater degree than larger borrowers. Further, there is generally less financial information available about smaller companies and retail customers, and banks may have difficulty accurately assessing the creditworthiness of these customers.

During 2012 and 2013, there was a significant deterioration in the financial situation of the Bank. More than 35 per cent. of the Bank's loan portfolio remains non-performing as at the date of this Information Memorandum. The Bank believes that its existing level of provisions is insufficient to cover its expected losses.

Due to (i) the decline in collateral market value, (ii) the complexity and duration of legal liquidation proceedings and (iii) inefficient recovery and restructuring processes, leading to the Bank reducing its expected level of recoveries, the restoration and revitalisation of the Bank's non-performing loan portfolio has been significantly lower than expected. After the detailed analysis of the financial condition of the Bank carried out in the fourth quarter of 2013, the Bank created additional provisions in the amount of KZT 99,497 million as at 30

June 2014, of which KZT 77,299 million were created at the end of 2013 and KZT 22,198 million were created during the first six months of 2014.

However, further deterioration of the existing retail and SME portfolio of the Bank may cause further increases in provisions and there can be no assurance that the Bank's business and financial condition in the future will not be affected by a further weakening in the condition of its retail and SME customers.

The Bank faces significant competition, which may increase in the future.

The Bank is subject to significant competition from both domestic and foreign banks. As at 30 June 2014, there were 38 commercial banks in Kazakhstan, of which 17 were banks with foreign shareholders, including the subsidiaries of foreign banks. As at 30 June 2014, the Bank's assets constituted 2.63 per cent. of the total assets of the banking sector in Kazakhstan. As a result of the continued deterioration in its financial condition, the Bank faces greater competition from other banks. Medium-sized banks, including foreign banks that can take advantage of the weakness of large banks burdened with a significant amount of problem loans, are of particular concern to the Bank as these banks aim to increase their market shares in all sectors of the market. The Bank faces significant competition, in particular attracting and retaining corporate and SME customers. High levels of competition in the Kazakhstan banking sector, which is currently being driven in particular by the consolidation of various Kazakhstan banks, could pose a considerable obstacle to the realisation of the Bank's business plan which may have a material adverse effect on the Bank's business, financial condition, cash flows or results of operations.

Any failure of, interruption in, or breach of, the Bank's information systems, or any failure to properly implement or update such systems, may have a material adverse effect on the Bank's business, results of operations and financial condition.

The Bank relies heavily on information systems to conduct its business and is currently upgrading a number of its information technology systems relating to management and financial reporting, risk management and client relationship management. However, there can be no assurance that the improved information technology systems will be developed according to schedule or that the new systems will address all of the shortcomings of the current systems. In addition, competitors may develop their information technology more rapidly and successfully than the Bank. Furthermore, any failure of, interruption in, or breach in security of the Bank's systems could result in failures or interruptions in the Bank's risk management, deposit servicing and/or loan origination systems or errors in its accounting books and records. The Bank has developed back-up systems, including two back-up data centres in Almaty. However, if these back-up systems were to prove inadequate in the event of an information systems failure, the Bank might be unable to serve some customers' needs on a timely basis, might incur substantial information retrieval costs, might lose customers' business and might become liable to such customers as a result of any loss or damage suffered by such customers. In addition, any security breach of the Bank's automated credit scoring system could result in the inappropriate disclosure of confidential customer information, which could harm the Bank's reputation and subject it to the risk of litigation. Moreover, the Bank is exposed to the risk that the third parties on which it relies for a portion of its loan origination and other services experience failures, interruptions or breaches of their information technology systems. No assurance can be given that such failures or interruptions will not occur or that the Bank will adequately address them if they do occur. The occurrence of any failures or interruptions or the failure to properly implement or upgrade any of the Bank's information technology systems could have a material adverse effect on the Bank's business, results of operations and financial condition.

The Bank's risk management strategies and techniques expose the Bank to a number of unidentified or unanticipated risks.

Although the Bank expects to invest substantial time and effort in improving and monitoring its risk management strategies and techniques, it may nevertheless fail to adequately manage risks under certain circumstances, particularly when it is confronted with risks that it has not identified or anticipated. If circumstances arise that the Bank has not identified or anticipated in developing its statistical models, its losses could be greater than expected. If its measures to assess and mitigate risk prove insufficient, or if its models yield inaccurate results or incorrect valuations, the Bank may experience material unexpected losses.

The Bank is exposed to interest rate risk.

The majority of the Bank's loans are fixed-rate agreements. Although the agreements often contain clauses allowing the Bank to change interest rates, in October 2008 the Banking Law was amended to prohibit banks from changing interest rates unilaterally. These amendments have retrospective effect and apply to any loan agreements

entered into before and after their enactment. The Bank's ability to mitigate interest rate risks is therefore quite limited and its financial condition may be negatively affected.

The Bank is exposed to interest rate and foreign currency exchange risk.

The Bank, like other commercial banks in Kazakhstan, is exposed to risks resulting from mismatches between interest rates on its interest bearing liabilities and interest earning assets as well as risks resulting from fluctuations in the prevailing foreign currency exchange rates.

The Bank's success is dependent on the continued service of its key personnel and it may not be able to retain such personnel.

The Bank appointed new senior management in 2013 to oversee the implementation of its strategy and its day-to-day operations. The banking industry is relatively new in Kazakhstan and there is a limited number of experienced banking managers in the country. There is also a high level of competition for the services of these individuals. While the Bank believes it has been successful in attracting skilled and motivated employees and officers, it may be at risk of losing qualified personnel to its competitors. This risk is further compounded by the overall instability within the Bank as a result of the ongoing restructuring and financial difficulties faced by the Bank. The loss of the Bank's senior management for any reason could have a material adverse effect on the Bank's business, results of operations and financial condition.

Risks Relating to Operating within the Kazakhstan Banking Sector

Changes in the liquidity support for the Kazakhstan banking sector may have an adverse impact on the Bank.

The NBK and the Government have taken steps, including the provision of short-term liquidity support, to protect the Kazakhstan banking sector from the turmoil in the financial markets that began in 2007. Starting in the second half of 2008, the NBK adopted a number of measures aimed at providing additional liquidity to the banks. With effect from 31 May 2011, the minimum level at which second tier banks must maintain reserves was increased by the NBK to 2.5 per cent. with respect to domestic liabilities and 4.5 per cent. with respect to other liabilities. From 13 November 2012 the minimum level of reserves changed to 2.5 per cent. with respect to short-term domestic liabilities, zero per cent. for domestic long-term liabilities, 6 per cent. for external short-term liabilities, and 2.5 per cent. for external long-term liabilities. On 21 September 2012, the NBK reduced the obligatory reserve ratio requirement applicable to banks undergoing restructuring proceedings, including the Bank, to zero per cent. for both internal and external liabilities. The reduced ratio will remain in effect until the Restructuring process is finalised and the corresponding Court order on completion of the Restructuring enters into force, at which point the generally applicable ratios will again apply.

Also, in order to support the liquidity of the Tenge, starting from the second quarter of 2014, the NBK gave second-tier banks the opportunity to conclude long-term currency swaps with the NBK.

Additional measures taken include the deposit into local commercial banks of temporary excess cash of national companies, enterprises and joint stock companies which are wholly- or partially-owned by the State or controlled by the NBK and the establishment by the NBK of a non-performing loans fund to buy doubtful loans from commercial banks. Also, in 2011, 2012 and 2014, there were changes to tax and bank legislation that have relaxed the conditions attaching to non-performing loans, allowing them to be written off until the end of 2015 without additional tax charges. Further, under this legislation second tier banks are now permitted to create subsidiaries which acquire doubtful and non-performing claims and assets of their parent banks, manage the acquired claims and assets during certain limited periods (until January 2018 at the latest) and then liquidate or transfer such claims and assets to third parties. In May 2014 there were changes to tax legislation according to which, in respect of subsidiaries which acquire doubtful and non-performing claims and assets of their parent banks, the profit from acquiring such claims and assets would be considered equal to the positive difference between the amount paid by a debtor and the price paid for the acquired claim as opposed to the profit being recognised at the time of purchase of the claim/asset from the parent bank as the difference between the price paid for the acquired claim/asset and the nominal initial value of that claim/asset.

In March 2014, with a view to Samruk-Kazyna ceasing to be a shareholder in the Bank, BTA and Temirbank, amendments to the Banking Law were introduced allowing for the voluntary reorganisation of second tier banks, one of which had undergone a restructuring, to be effected by way of a consolidation (*prisoyedineniye*). The amendments established the procedures for such reorganisation, as well as granting such consolidated banks

exemptions from certain restrictions and requirements applicable to second tier banks' activities. In particular, the amendments lifted restrictions on the reorganised banks in respect of, *inter alia*, the amount of shares of a bank that could be acquired by another bank, the maximum amount of investments that banks are allowed to make into shares of legal entities and the amount of shares of a bank that an individual is allowed to acquire. Moreover, a bank eligible to take advantage of the consolidation framework is no longer required to notify all its creditors, depositors, clients, correspondents and borrowers of the contemplated consolidation.

If the NBK and the Government were to withdraw their liquidity support it would lead to decreased overall liquidity in the Kazakhstan banking sector. This decreased liquidity would likely result in an increase in the Bank's funding costs which would adversely in turn affect the Bank's business, financial condition, cash flows or results of operations.

Risks resulting from failures in Kazakhstan's banking industry could adversely affect the Bank.

Since the peak of the banking crisis at the beginning of 2009, BTA, Temirbank and the Bank, which collectively owned 34.6 per cent. of the total assets of the banking system in Kazakhstan as at 1 January 2009, have defaulted on their contractual payments and breached certain regulatory requirements of the FMSA. Astana Finance, which is a non-bank financial holding company that owns companies providing lease financing and commercial and residential mortgages and is more than 25 per cent. owned by the state, announced a moratorium on the repayment of its debts in May 2009.

During 2010, the restructuring of the financial liabilities of the Bank (in March), Temirbank (in June) and BTA (in September) were completed. BTA also completed a second restructuring of its financial liabilities in February 2013. Astana Finance announced on 10 July 2014 further delays to its financial restructuring beyond the deadline of 31 July 2014. Although, the Court has approved an extension of the deadline for the completion of its restructuring to 15 November 2014, a new timetable in respect of the restructuring has not yet been announced. The Kazakhstan banking system remains under stress with banks seeking to deleverage through partial repayments and debt restructurings. Further defaults and debt restructurings cannot be ruled out. This could in turn have an adverse effect on the Restructuring and the Bank's ability to receive support from Samruk-Kazyna, as the Government's resources may become strained and the Government may be required to allocate support and funds selectively.

The recent global financial crisis and deterioration of general economic conditions have adversely affected the Bank's results of operations and financial condition and could continue to cause them to decline.

The global economy and the global financial system have experienced a period of significant turbulence and uncertainty in recent years, particularly the severe disruption of the financial markets around the world that began in August 2007 and substantially worsened since September 2008 with adverse consequences for many large global commercial and investment banks, insurance companies and other financial institutions. This disruption has severely impacted general levels of liquidity and the availability of credit together with the terms on which credit is available. Governments around the world, including that of Kazakhstan, have sought to inject liquidity into banking systems and to recapitalise their banking sectors to reduce the risk of systemic failure and increase confidence in the financial markets. This market disruption has also been accompanied by a slowdown in many economies including that of Kazakhstan. These developments adversely affected the Bank's earnings and profits.

There was a relatively short period (from approximately the end of 2009 to the first half of 2011) of moderate economic recovery, during which the financial markets showed a trend of slow growth, despite the background of debt and budget crises in many major developed countries caused in part by high volatility in world financial and raw materials' markets. In 2010 and 2011, there was significant growth in the Kazakhstan economy. However, any positive effect in the Kazakhstan banking sector was limited, and was mainly limited to growth of the deposit base. At the same time, industries strongly represented in the loan portfolios of second tier banks could not recover fully after the crisis, as demonstrated by the continued growth of overdue indebtedness on loans and relatively weak loan activities of banks in the corporate and SME segments.

Kazakhstan's GDP grew 6.0 per cent. in real terms during 2013. Kazakhstan's real GDP growth is projected to reach 4.75 per cent. in 2014 according to the IMF. The main driving force of the economy in Kazakhstan in 2014 is expected to be the consumer sector, with consumption in Kazakhstan expected to be boosted primarily by retail lending. According to the Agency of Statistics of the Republic of Kazakhstan, Kazakhstan's GDP growth in the first quarter of 2014 was 3.8 per cent. The Government of Kazakhstan signed a Framework Partnership

Agreement with IBRD, IFC, MIGA on 1 May 2014, according to which, the World Bank will allocate U.S.\$2.5 billion to Kazakhstan for the diversification of and sustainable development of its economy.

Following the devaluation of the Tenge in February 2014, growth is forecast to remain unchanged at 6.0 per cent. in 2014 and to accelerate to 6.4 per cent. in 2015, mainly supported by higher investment and net exports.

In the near future, the Eurozone economies may continue to suffer significant financial difficulties, the crisis situation in the debt levels and budgets of developed countries will remain, sanctions imposed following the recent crisis in Ukraine have affected economic activity in Russian and the surrounding regions and there are obvious signs of a noticeable slowing down of economic growth in China. All this brings significant uncertainty in predicting economic growth in the global economy, and in Kazakhstan in particular. Continued general deterioration in the world economy, including plummeting production and services, business and consumer confidence, the plunging pace of growth of household income, unemployment trends, the state of the housing market, the commercial real estate sector, equity markets, bond markets, foreign exchange markets, counterparty risk, inflation, the availability and cost of credit, lower transaction volumes in key markets, the liquidity of the global financial markets and market interest rates, would further reduce the level of demand for, and supply of, the Bank's products and services, would lead to lower realisations as well as write-downs and impairments of investments and negative fair value adjustments of assets, and could materially and adversely impact the Bank's business, financial condition, cash flows or results of operations.

The Kazakhstan banking sector has been particularly affected by the lack of availability of international wholesale debt financing and the volatility of deposits. Kazakhstan banks have previously heavily relied on such financing and deposits as a source of funding. After significant repayments and several bank restructurings, the dependence of the Kazakhstan banking sector as a whole on wholesale debt financing has significantly decreased. However, at the same time, dependence on a short-term and volatile deposit base has significantly increased. If the Bank suffers from increased volatility of its deposit base, this could adversely affect the Bank's business, financial condition, cash flows or results of operations. The effect of any of these conditions may be exacerbated by the deterioration of the financial condition of other banks in Kazakhstan.

The full range and consequences of the risks faced by the Bank are difficult to predict and protect against in view of the fact that many of those risks are either partially or entirely outside the control of the Bank and may be exacerbated by the severity of the financial crisis.

The Bank faces risks related to the devaluation of the Tenge.

Although the Tenge is convertible for current account transactions, it is not a fully convertible currency for capital account transactions outside Kazakhstan. Since the NBK adopted a floating rate exchange policy for the Tenge in April 1999, the Tenge has fluctuated significantly. The Tenge had generally appreciated in value against the U.S. Dollar over the previous decade until its devaluation by the NBK in February 2009. After February 2009, the Tenge generally stabilised until 11 February 2014 when the Tenge was devalued further with the KZT/U.S.\$ exchange rate as published by the NBK increasing by 22.4 per cent. to KZT 184.50 per U.S.\$1.00 as at 13 February 2014, compared to KZT 150.74 per U.S.\$1.00 as at 31 December 2012. The NBK reported that the adjustment was made taking into consideration the situation in the global financial and commodity markets.

This devaluation of the Tenge has had a significant adverse impact on the Bank since a large proportion of the Bank's funding base is made up of borrowings denominated in currencies other than Tenge whereas the vast majority of its income is denominated in Tenge. Since an even larger portion of the Combined Bank's funding base will be denominated in currencies other than Tenge following the Restructuring and Consolidation, any further devaluation of the Tenge against the U.S. Dollar which further increases the cost of foreign borrowings for the Combined Bank would have a significant adverse effect on the Combined Bank. Such devaluation or depreciation of the Tenge against the U.S. Dollar or other foreign currencies could negatively affect the Combined Bank in a number of ways, including, among other things, by causing a further outflow of Tenge deposits, by increasing the actual cost to the Combined Bank of financing its U.S. Dollar-denominated liabilities and by making it more difficult for Kazakhstan borrowers to service their U.S. Dollar loans. In addition, there can be no assurance that the NBK will maintain its managed exchange rate policy. Any change in the NBK's exchange rate policy could have an adverse effect on Kazakhstan's public finances and economy. Any of these developments may have a material adverse effect on the Combined Bank's business, financial condition, cash flows or results of operations.

The lack of accurate statistical, corporate and financial information in Kazakhstan may limit the ability of the Bank to assess its credit risks accurately.

Kazakhstan's system for gathering and publishing statistical information relating to the Kazakhstan economy generally, or specific economic sectors within it, or corporate or financial information relating to companies or other economic enterprises, is not as comprehensive as those of many countries with established market economies. Moreover, the Bank may not have detailed financial information regarding the creditworthiness of many of its customers, particularly in the SME sector. Under reporting of income in Kazakhstan, which is common, also makes it more difficult for the Bank to make accurate credit assessments. Thus, the statistical, corporate and financial information, including annual financial statements and recognised debt rating reports, available to the Bank as well as other Kazakhstan banks relating to prospective and existing corporate borrowers or other clients makes the assessment of credit risk, including the valuation of collateral, more difficult. Although the Bank ordinarily estimates the net realisable value of collateral in determining any collateralisation requirements, the difficulties associated with accurately assessing the post enforcement value of collateral may result in the Bank extending loans without the necessary collateral to support them.

The First Credit Bureau is a private company that was created on 29 July 2004 by the Bank, Kazkommertsbank, Bank CenterCredit, Halyk Bank, Tsesna Bank, ATF Bank, Alliance Bank, Astana Finance and the Association of Financiers of Kazakhstan pursuant to the law "On Credit Bureaus and Credit History" of Kazakhstan dated 6 July 2004. The First Credit Bureau manages a database containing the credit histories of individuals and legal entities in Kazakhstan. The NBK requires all credit institutions to provide information about their borrowers to the First Credit Bureau. Commercial banks can then purchase information about potential or existing borrowers from the First Credit Bureau. The First Credit Bureau charges a case by case fee on each request made by a bank for information depending on the amount of detail requested by the bank with respect to the individual borrower. Although the requirement to provide information to the First Credit Bureau should ensure that the First Credit Bureau's records are comprehensive and up to date, there can be no assurance that all banks do indeed comply with this requirement or that the information is ultimately accurate and reliable.

Banking regulations in Kazakhstan are not as developed as in many Western countries and any further changes thereto might adversely affect the Bank's business.

The Bank operates in a highly regulated environment. However, like most of Kazakhstan's legislation regarding business activities, Kazakhstan's laws regarding banks and banking activities have been adopted only relatively recently and are subject to change, which could be rapid and unexpected. It is difficult to forecast how changes in banking and financial regulation may affect the Kazakhstan banking system, and no assurance can be given that the regulatory system will not change in a way that will impair the Bank's ability to provide a full range of banking and financial services, thus materially and adversely affecting the Bank's business, financial condition, cash flows or results of operations.

In addition, Claimants should understand that regulatory standards applicable to banks in Kazakhstan and the oversight and enforcement thereof by the relevant regulators may differ from those applicable to banking operations in countries with more developed regulatory regimes. As a result, Claimants may not have the benefit of all of the protections available in such other countries.

In February 2007, to reduce the risks associated with rapid growth in the external debt of Kazakhstan banks, the FMSA introduced certain amendments to Kazakhstan's capital adequacy regulations. These regulations limit the total amount of foreign borrowings which a bank may incur up to three times such bank's regulatory capital. Although the Bank fully complies with those particular regulations as of the date hereof, this limitation on the Bank's ability to access foreign lenders and the international capital markets may adversely affect the Bank's ability to secure adequate financing in the future. See "*The Banking Sector in Kazakhstan*".

The future implementation by the NBK of the requirements of Basel III, the first stage of which is currently scheduled for 1 January 2015, may impose constraints on the Bank's business which may materially and adversely affect the Bank's business, financial condition, cash flows or results of operations. See "*The Banking Sector in Kazakhstan — Banking Supervision*".

Risks Relating to Kazakhstan

Kazakhstan is subject to the risks associated with emerging markets generally.

Emerging markets such as Kazakhstan are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Claimants should also note that emerging economies such as that of Kazakhstan are subject to rapid change and that the information contained in this Information Memorandum may become outdated relatively quickly. Accordingly, Claimants should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their decision is appropriate. Claimants are urged to consult with their own legal and financial advisers before making any decision with respect to the Restructuring.

In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by the level of investor confidence in such markets as a whole and as such any factors that affect investor confidence (for example, a decrease in credit ratings or state or NBK intervention in one market) could affect the price or availability of funding for entities within any of these markets.

The Kazakhstan corporate governance and disclosure laws which apply to the Bank are different from those generally applicable to corporations organised in the United States, the United Kingdom and other jurisdictions.

The Bank's governance is regulated by the laws governing companies incorporated in Kazakhstan and by the Bank's Charter and Corporate Governance Code. Whilst the corporate governance regime in Kazakhstan is beginning to conform to corporate governance practice in the United States and the United Kingdom, the rights of shareholders and the responsibilities of members of the board of directors and the management board under Kazakhstan law are different from those generally applicable to corporations organised in the United States, the United Kingdom and other jurisdictions.

The Bank may be subject to money laundering risks.

The existence of "black" and "grey" market economies in Kazakhstan (typical in developing countries), inconsistent legislation and the lack of administrative guidance on its interpretation increase the risk of Kazakhstan's financial institutions being used as vehicles for money laundering.

The Law of the Republic of Kazakhstan "On the Prevention of Legalisation (Laundering) of Illegal Income and Terrorism Financing No. 191 IV" dated 28 August 2009 became effective on 9 March 2010. The law identifies various types of transactions that are to be subject to financial monitoring and establishes thresholds for each of them, such as (i) exchanges of cash equalling or exceeding the equivalent of KZT 7 million, (ii) withdrawing funds from, or crediting funds to, bank accounts equalling or exceeding the equivalent of KZT 7 million, (iii) insurance payments equalling or exceeding the equivalent of KZT 7 million, (iv) transactions in securities or immovable property equalling or exceeding the equivalent of KZT 45 million or KZT 150 million, respectively, and (v) receiving funds, including in electronic form, through the proceeds of betting, gambling in a gaming establishment or lottery equal to or more than the equivalent of KZT 1 million. Banks, pension funds, insurance and reinsurance companies and certain other financial institutions and individuals are obliged to monitor any such transactions entered into by their clients by conducting due diligence as outlined in the law with respect both to the clients and the transaction. If it is not possible to conduct such due diligence, the financial institution must prevent their clients from entering into such a transaction. The law requires any suspicious transaction to be reported to an authorised state body within 24 hours.

The Bank has implemented measures aimed at preventing it from being used as a vehicle for money laundering, including "know your client" policies and the adoption of anti-money laundering and compliance procedures in all its branches. In particular, the Bank has created an office for the introduction of a financial monitoring and internal control system whose task is to develop an appropriate programme to verify clients and other persons participating in bank operations, and a procedure for working with foreign public officials, to identify suspicious operations and operations requiring financial monitoring, and to provide training to employees of the Bank on anti-money laundering and financial terrorism issues. The Bank is currently not establishing business relationships with non-resident banks that do not have constantly active management bodies in the countries in which they are registered, is not opening accounts for potential clients who do not submit the necessary identification documents, and is closely monitoring relationships with residents of countries that have not fulfilled the Financial Action Task Force recommendations in full.

However, there can be no assurance that attempts to launder money through the Bank will not be made or that anti-money laundering measures implemented by the Bank will be effective. If the Bank were associated with money laundering, albeit only through the failure of its anti-money laundering measures, or if it were unable to comply with all of the relevant laws and internal policies regarding financial assistance or money laundering, it could be subject to significant fines as well as harm to its reputation, and its business, financial condition, cash flows or results of operations may be materially and adversely affected.

Most of the Bank's operations are conducted, and most of its assets are located, in Kazakhstan. Accordingly, the Bank's financial position and its results of operations are substantially dependent on the legal, economic and political conditions prevailing in Kazakhstan.

Kazakhstan became an independent sovereign state in 1991 as a result of the dissolution of the former Soviet Union. Since then, Kazakhstan has undergone significant change as it has emerged from a single party political system and a centrally controlled command economy to a market oriented, democratic model. The transition was initially marked by political uncertainty and tension, a recessionary economy marked by high inflation, instability of the local currency and rapid, but incomplete, changes in the legal environment.

Since 1992, Kazakhstan has actively pursued a programme of economic reform designed to establish a free market economy through privatisation of state enterprises. However, as with any transition economy, there can be no assurance that such reforms and other reforms described elsewhere in this Information Memorandum will continue or that such reforms will achieve all or any of their intended aims. Kazakhstan depends on neighbouring countries to access world markets for a number of its major exports, including oil, gas, steel, copper, ferro alloys, iron ore, aluminium, coal, lead, zinc and wheat. Kazakhstan is thus dependent upon good relations with its neighbours to ensure its ability to export and has taken various steps to promote regional economic integration among neighbouring countries. In September 2003, Kazakhstan signed an agreement with Ukraine, Russia and Belarus for the creation of a single economic zone, which was expected to result in common economic policies, harmonisation of legislation implementing such policies and the creation of a single commission on trade and tariffs. However, in practice this agreement has proved difficult to implement, particularly since the first half of 2008, when Ukraine's joining of the World Trade Organisation effectively precluded it from joining this single economic zone. Negotiations nevertheless continued on integrating the policies and legislation of the CIS countries and in 2009, Kazakhstan, Russia and Belarus created a customs union. The aim of this customs union is to create a free customs area within which member countries would enjoy free movement of goods, services, capital and labour. The member countries also intend to harmonise their fiscal, credit and currency policies to support further economic integration with the CIS countries and to assure continued access to export routes. However, should access to export routes be materially impaired, this could adversely affect the economy of Kazakhstan. Moreover, adverse economic factors in the markets of such member countries may adversely affect Kazakhstan's economy.

Although Kazakhstan has in the recent past enjoyed relative political stability, it could be adversely affected by political unrest in the Central Asian region and the CIS, in particular by the recent crisis in Ukraine and the sanctions applied to Russia as a result. Additionally, in common with other countries in Central Asia, Kazakhstan could be adversely affected by terrorism or by military or other action taken against sponsors of terrorism in the region.

According to figures compiled by the NSA, GDP grew significantly in real terms following the adoption of a floating exchange rate policy in April 1999 until 2007. In 2008 and 2009, GDP increased by only 3.3 per cent. and 1.2 per cent., respectively, but again enjoyed strong growth of 7.3 per cent. and 7.5 per cent. in 2010 and 2011, respectively.

In 2012, 2013 and the first half of 2014, the economy of Kazakhstan continued to develop despite the effect of the growing financial crisis in the world economy. Kazakhstan's GDP in 2012 and 2013 grew by 5.0 per cent. and 6.0 per cent., respectively, and grew by a further 3.9 per cent. in the first six months of 2014. The key internal factor that facilitated this favourable growth in the Kazakhstan economy was the increase of demand in the consumer market as a result of the growth of the state and private sectors. Inflation rates in Kazakhstan have also been favourable. In 2013, prices of consumer goods and services had increased by 4.8 per cent. over the past 12 months. At the same time, external demand has decreased and this has required the implementation of adequate responsive measures within Kazakhstan. In particular, strong growth has been encouraged and maintained through the commencement of large industrial projects that foresee additional capital injections and aim to strengthen the economy by providing employment and business for connected industries. Although the condition of the financial markets in Kazakhstan is expected to gradually improve throughout 2014, given the lingering economic and

financial risks, there is unlikely to be a sharp increase in the credit activity of banks (except for retail lending) or a material improvement in the quality of their credit portfolio, and the further development of the economy of Kazakhstan will depend on a variety of factors. Were the economic situation to deteriorate again, consequences would include higher unemployment, reduced corporate profitability, increased corporate insolvency rates, increased personal insolvency rates and increased interest rates. This in turn may reduce borrowers' ability to repay loans, cause prices of residential or commercial real estate or other asset prices to fall further, thereby reducing the value of the collateral securing many of the Bank's loans and increasing write-downs, and negatively affect the ability and willingness of companies and individuals to place deposits with domestic banks, including the Bank.

The Kazakhstan economy is highly dependent on oil exports and, as a result, is affected by oil price volatility.

Countries in the Central Asian region, including Kazakhstan, whose economies and state budgets rely in part on the export of oil, oil products and other commodities as well as the import of capital equipment and significant foreign investments in infrastructure projects, could be adversely affected by any volatility in oil and other commodity prices and by frustration or delay to any infrastructure projects caused by political or economic instability. In addition, any fluctuations in the value of the U.S. Dollar relative to other currencies may cause volatility in earnings from U.S. Dollar denominated oil exports. An oversupply of oil or other commodities in world markets or a general downturn in the economies of any significant markets for oil or other commodities or weakening of the U.S. Dollar relative to other currencies would have a material adverse effect on the Kazakhstan economy. This, in turn, could have an adverse effect on the business, financial condition, cash flows or results of operations of the Bank.

The sharp drop in world prices for oil and other commodities following the global financial crisis has had a negative impact on the growth prospects of the Kazakhstan economy.

The national budget for 2014–2016 projected revenues on the basis of world oil prices of U.S.\$95 per barrel. This should provide for a 7.0 per cent. annual growth of the economy, taking into account the realisation of investment projects and introduction of new productions. However, the current situation shows that even the continuation of favourable oil prices does not guarantee a high level of economic growth. Although oil prices recovered for a time, they have again been in decline since the end of 2013 and during 2014 and there can be no assurance that further revisions of the national budget will not be required in light of continuing oil price volatility.

The Kazakhstan regulatory and tax regime, as well as the judicial system, are not fully developed and therefore are unpredictable.

Although a large volume of legislation has come into force since early 1995 (including new tax codes in January 2002 and December 2008, laws relating to foreign arbitration in 2004, additional regulation of the banking sector and other legislation covering such matters as securities exchanges, economic partnerships and companies, state enterprise reform and privatisation), the legal framework in Kazakhstan is still in a relatively early stage of development compared to countries with established market economies. The judicial system, judicial officials and other government officials in Kazakhstan may not be fully independent of external social, economic and political forces. There have been instances of improper payments being made to public officials, administrative decisions have been inconsistent and court decisions have been difficult to predict.

Further, due to numerous ambiguities in Kazakhstan's commercial legislation, in particular in its tax legislation, the tax authorities may make arbitrary assessments of tax liabilities and challenge previous tax assessments, thereby rendering it difficult for companies to ascertain whether they are liable for additional taxes, penalties and interest. As a result of these ambiguities, as well as the lack of any established system of precedent or consistency in legal interpretation, the tax risks involved in doing business in Kazakhstan are substantially more pronounced than in jurisdictions with a more developed tax system. As a result, there can be no assurance that such authorities will not change the tax treatment of the Restructuring and the structure of the New Notes, Common Shares and GDRs in a way that might adversely affect the interests of the Bank and of its creditors.

There are risks associated with the underdevelopment of Kazakhstan's securities markets.

Kazakhstan has a less developed securities market than the United States, the United Kingdom and the rest of Western Europe, which may hinder the development of the Kazakhstan economy. An organised securities market was established in Kazakhstan only in the mid to late 1990s and the procedures for settlement, clearance and registration of securities transactions may therefore be subject to legal uncertainties, technical difficulties and

delays. Although significant developments have occurred in recent years, the sophisticated legal and regulatory frameworks necessary for the efficient functioning of modern capital markets have yet to be fully developed in Kazakhstan. In particular, legal protections against market manipulation and insider trading are not as well developed in Kazakhstan, or as strictly enforced, compared to the United States, the United Kingdom and other Western European countries, and existing laws and regulations may be applied inconsistently.

Kazakhstan’s president, Nursultan Nazarbayev, has been in office since 1991 and, if he were to step down, Kazakhstan could become unstable.

The President of Kazakhstan, Nursultan Nazarbayev, is 74 years old and has been in office since Kazakhstan became an independent sovereign state in 1991. As a result, Kazakhstan’s constitutional succession processes have never been tested. Under President Nazarbayev’s leadership, the foundations of a market economy have taken hold, including the privatisation of state assets, liberalisation of capital controls, tax reforms and pension system development. President Nazarbayev was re-elected by a 95.5 per cent. majority for a new five year term in elections which took place in early April 2011. In May 2007, Kazakhstan’s parliament voted to amend Kazakhstan’s constitution to allow President Nazarbayev to run in an unlimited number of elections. While this amendment will allow President Nazarbayev to seek re-election at the end of his term, there is no guarantee that he will seek or achieve re-election. Should President Nazarbayev leave office for whatever reason without a smooth transfer to a successor, Kazakhstan’s political situation and economy could become unstable and the investment climate in Kazakhstan could change, which could have a material adverse effect on the economy of Kazakhstan, which in turn could have a material adverse effect on the Bank’s business, financial condition, cash flows or results of operations.

Risks Relating to the Restructuring

Certain aspects of the Restructuring require the NBK to take steps over which the Bank has no control and which could delay or frustrate the restructuring process.

Under the Restructuring Law, if a restructuring plan has been approved by the requisite majority of the creditors, the NBK reviews the plan to determine its conformity with the plan originally submitted for the NBK’s consideration. If the NBK determines that the Restructuring Plan approved by the Claimants does not conform with the plan originally submitted to the NBK, the NBK may request that corresponding changes be made to the Restructuring Plan approved by the Claimants. In this case, the Bank will have to amend the Restructuring Plan, convene a new Claimants’ Meeting to approve the amended plan and submit such amended plan as approved by the Claimants to the NBK.

Despite the NBK’s cooperation with the restructuring process to date, there can be no assurance that the NBK will agree with a bank’s restructuring plan in the form in which it is approved by the creditors. Given that the Restructuring Law is in the early stages of implementation, it is possible that the NBK may take a substantial amount of time to familiarise itself with the Restructuring Plan or may have substantive comments to the Restructuring Plan, which would delay the restructuring process and could have a negative effect on the Bank’s financial condition and the interests of the Claimants.

Any indebtedness of the Bank cancelled as a result of the Restructuring will be subject to taxation in Kazakhstan.

Under the current tax law of Kazakhstan, corporate income tax will be assessed on the cancelled debt. As a result, the Bank will be liable to pay tax at the rate of 20 per cent. on the amount of the cancelled indebtedness.

Despite successful completion of the Restructuring and Consolidation the Combined Bank may become insolvent in the future.

The aim of the Restructuring and the Consolidation is to create an institution which is able to operate successfully in the long-term and create value for its stakeholders. However, even if the Restructuring and Consolidation are implemented successfully, no assurance can be given that the Combined Bank will not become insolvent at some point in the future. Such insolvency might be caused, or contributed to, by the failure of the Combined Bank and/or its management to implement the Combined Bank’s business plan or any new business plan adopted by it (See “—Risks Relating to the Consolidation—The Combined Bank’s Business Plan is subject to change and the Bank may fail to implement it successfully”). Furthermore, even if the Combined Bank’s business plan is implemented successfully, the Combined Bank may become insolvent or be liquidated because

of other factors, such as changes in banking regulations, accounting regulations or corporate laws. If the Combined Bank becomes insolvent after the implementation of the Restructuring, the Claimants will have the right to claim only amounts provided under the Restructuring Plan.

The Bank has historically been unable to fund its operations and the Combined Bank's level of indebtedness after the Restructuring and Consolidation will significantly reduce available cash, impact its ability to obtain additional financing and limit its flexibility.

The Bank historically has not been able to fund its operations and debt payment obligations and has therefore incurred substantial indebtedness. Had the Restructuring and Consolidation been completed on 30 June 2014, the Combined Bank and its subsidiaries would have had approximately KZT 291,872 million (or approximately U.S.\$1,586.3 million at an exchange rate of KZT 184.00 per U.S.\$1.00) in nominal amount of indebtedness outstanding as at 30 June 2014. The Combined Bank's level of indebtedness, and associated interest payment obligations, will:

- limit its cash flow available for general corporate purposes, including any acquisitions;
- limit its ability to obtain necessary financing for working capital, capital expenditure or business opportunities and to implement its business strategies;
- limit its flexibility in reacting to competitive and other changes; and
- expose it to the risk that a decrease in net cash flows due to economic developments or adverse developments in its business could make it difficult or impossible to meet senior debt payment obligations.

Although interest payments will be significantly reduced after partial cancellation of the existing financial indebtedness of the Bank as a result of the Restructuring, it is possible that the Combined Bank may continue to incur losses and may not achieve or sustain sufficient cash flows in the future for the payment of interest, principal and the meeting of expenditure needs or other purposes. If the Combined Bank's cash flow is not sufficient to meet its expenses, debt payment obligations and other requirements, the Combined Bank may be forced to raise cash or reduce expenses by doing one or more of the following:

- restructuring or refinancing its indebtedness prior to original maturity;
- delaying or reducing expenditures necessary to maintain its business and meet increased competition;
- disposing of some of its assets, possibly on unfavourable terms;
- revising or delaying the implementation of its strategic plans; or
- forgoing business opportunities.

The Bank cannot be sure that any of the above actions would be sufficient to fund its operations in the future.

Some provisions of the Restructuring Documents may discourage or prevent a takeover of the Bank, even if a takeover would be beneficial to its shareholders.

The Conditions of the New Notes contain a put option allowing holders to redeem the New Notes if a Relevant Event occurs. Such protection may have the effect of preventing an acquisition or merger in which the Combined Bank is acquired and may discourage potential equity investors from investing in the Combined Bank's shares.

Adverse publicity relating to the Restructuring and the financial condition of the Bank may adversely affect the Bank's customer relationships and the market perception of its business.

Adverse publicity relating to the 2010 Restructuring and the Restructuring and the financial condition of the Bank may make it difficult to convince customers to maintain relationships with the Bank and to attract new customers, which could materially adversely affect the Bank's business. Ongoing negative publicity may also have a long-term negative effect on the Bank's brand name, which could make it more difficult for the Bank to market its products and services in the future.

Approval of the Restructuring is not assured and, even if Claimants approve the Restructuring Plan, there is a risk that the Restructuring may not be completed.

The Restructuring is subject to a number of conditions and uncertainties, in addition to the approval of the Restructuring Plan by the Claimants, the NBK and the Court, over which the Bank has limited or no control. If any one of the conditions is not met, the Restructuring may not be completed, in which case the creditors may accelerate outstanding indebtedness, initiate bankruptcy proceedings and exercise other remedies. Under these circumstances, the Bank may be forced into conservation or mandatory liquidation.

For additional information on the conditions to the completion of the Restructuring see Schedule 1 (*The Restructuring Plan*) and Schedule 12 (*Conditions Precedent to the Restructuring Plan Becoming Effective*) to this Information Memorandum.

If the Restructuring does not occur, the NBK may institute proceedings for conservation or mandatory liquidation (including insolvent liquidation) of the Bank.

The current management has been able to permit the Bank to continue to do business in large measure as a direct result of the continued support of a majority of the Bank's creditors and of the current management's belief that the Restructuring is likely to be implemented. However, the current management is not certain that Noteholders will continue to refrain from declaring defaults if the Restructuring is not implemented or if it is not implemented in a timely manner. If the Bank loses the support of its creditors, the NBK may be empowered to take certain actions in order to protect the Bank's assets for the benefit of the Bank's creditors pursuant to relevant legislation, including either conservation or liquidation (including insolvent liquidation).

Liquidation procedures would result in a sale of the Bank's assets. Proceeds from that sale would likely be insufficient to repay outstanding indebtedness to all classes of the Bank's creditors. Historically, institutional creditors and shareholders of banks that were liquidated through mandatory liquidation procedures in the Kazakhstan banking system have received no compensation as a result of such liquidation.

The Bank has incurred, and will continue to incur, significant costs in connection with the Restructuring, substantially all of which must be paid regardless of whether the Restructuring occurs.

The Bank has incurred significant costs in connection with the Restructuring and will continue to do so until the Restructuring is completed. These costs principally relate to fees payable to the Bank's financial, legal and accounting advisers as well as the advisers to significant stakeholders that have been affected by the Bank's need to restructure. Pursuant to the terms of engagement with these advisers, substantially all of these costs will be paid regardless of whether the Restructuring occurs. The Bank currently expects that, if the Restructuring is completed by 31 December 2014, such costs in total will amount to approximately U.S.\$25.7 million.

In the event that the Restructuring is not completed on the terms disclosed in this Information Memorandum, substantial additional costs may be incurred as a result of the likely need to petition for an insolvency procedure.

Risks relating to the Consolidation

The Exchange Ratios will not be adjusted pursuant to fluctuations in the market price of the shares in the Bank, Temirbank or ForteBank.

Pursuant to the terms and conditions of the Consolidation, a fixed number of Common Shares are being offered to shareholders in Temirbank and ForteBank in consideration for the cancellation of such shares. Therefore, the market value of the Common Shares offered may be lower on the Restructuring Date than on the date of this Information Memorandum. The Exchange Ratios will not be adjusted to reflect fluctuations in the market price of the shares in the Bank, Temirbank or ForteBank.

The shares of a shareholder in Temirbank or ForteBank will be cancelled if the Consolidation is approved and becomes effective even if the shareholder votes against the Consolidation.

Shares owned by a shareholder in Temirbank or ForteBank who does not vote in favour of the Consolidation will, in the event the Consolidation is approved and becomes effective, be cancelled in consideration for new Common Shares in the Bank. The value of the Common Shares received by such shareholder may be lower than the value of the shares previously held in Temirbank or ForteBank.

The Combined Bank may not be able to realise some or any of the anticipated benefits of the Consolidation, or it may not be successful in integrating the business operations of Temirbank and ForteBank in the manner or within the timeframe currently anticipated.

Although the Bank's management believes that annual cost synergies can be achieved by combining the operations of the Bank, Temirbank and ForteBank, the Consolidation also presents challenges for all three banks. Achieving the anticipated benefits of the Consolidation will depend largely on the timely and efficient integration of the business operations of the Bank, Temirbank and ForteBank. The integration process involves certain risks and uncertainties, and there can be no assurance that the Combined Bank will be able to integrate the three business operations in the manner or within the timeframe currently anticipated.

Risks and challenges relating to the integration of the business operations of the Bank, Temirbank and ForteBank include, but are not limited to, the following:

- the placement of considerable demands on the Combined Bank's resources to manage the integration process, including requiring significant amounts of management time, which may impair management's ability to run the Combined Bank's business effectively during that process;
- the consolidation of corporate, financial, control and administrative functions, including cash management, internal and other financing, hedging of market risks, insurance, financial control and reporting, information technology, communications, compliance and other administrative functions;
- the transfer of all of the customer data of the three banks as well as accounting, HR and other information onto a single core IT platform;
- the implementation of a new business and organisational model;
- the process of integrating operations, including rationalising the branch network in the different geographic regions in which the Combined Bank operates;
- the retention of senior management and/or key employees of the Combined Bank;
- the coordination of research and development, marketing and other support functions; and
- the mitigation of contingent and assumed liabilities.

In addition, there can be no assurance that the Combined Bank will achieve any of the anticipated benefits of the Consolidation, including more streamlined administration and other synergy benefits described elsewhere in this Information Memorandum within the currently estimated timeframe, or that any such benefits can be achieved at all. There can also be no assurance that adverse developments in general economic conditions will not limit, eliminate or delay the Combined Bank's ability to realise anticipated benefits, which could have a material adverse effect on the Combined Bank's business, financial condition and results of operations.

Furthermore, the anticipated cost reductions and other benefits expected to arise from the Consolidation as well as related costs to implement such measures are derived from the Bank's estimates and such estimates are inherently uncertain. The estimates included in this Information Memorandum are based on a number of assumptions made in reliance on the information available to the Bank and its management's judgments based on such information, including, without limitation, information relating to the business operations, financial condition and results of operations of Temirbank and ForteBank. While the Bank believes these estimated synergy benefits and related costs are reasonable, the underlying assumptions are inherently uncertain and are subject to a wide variety of significant business, economic and competitive factors, risks and uncertainties that could cause the actual results to differ materially from those contained in the synergy benefit and related cost estimates.

The Consolidation may not be completed on the terms or in the manner as currently contemplated, which could adversely affect anticipated benefits of the Consolidation or the market price of the Common Shares and/or shares in Temirbank or ForteBank.

As described in "The Consolidation—The Consolidation Process", the completion of the Consolidation is conditional upon receipt of a number of approvals, including from the NBK and the Competition Committee. There can be no assurance that these approvals will be obtained. In addition, the terms and conditions of any

regulatory approvals related to the completion of the Consolidation may require, among other things, the divestment of assets anticipated to be part of the Combined Bank. In such case, the Bank may not be able to execute any such divestment within the required timeframe, at the desired price, or at all, and any such divestment may adversely affect the Combined Bank's ability to realise some or any of the anticipated benefits of the Consolidation. If the completion of the Consolidation is delayed due to the required conditions not being satisfied, the Consolidation is not completed, or the Bank, Temirbank or ForteBank become subject to any material conditions in order to obtain any approvals required to complete the Consolidation, this could have a material adverse effect on the Bank's and/or the Combined Bank's business, financial condition and results of operations and adversely affect the market price of the Common Shares.

The unaudited Pro Forma Financial Information for the Combined Bank may not accurately reflect what the Combined Bank's business, financial condition and results of operations would have been if Temirbank and ForteBank had been part of the Combined Bank during the relevant periods, and may not be indicative of the Combined Bank's future business, financial condition and results of operations.

In the past, the Bank, Temirbank and ForteBank have operated their respective businesses separately. The Combined Bank has no prior history as a combined entity and there are no consolidated financial statements available for it. The compilation of the Pro Forma Financial Information presented elsewhere in this Information Memorandum has required the aggregation of the financial information of the Bank, Temirbank and ForteBank to illustrate the hypothetical impact of the Consolidation, including adjustments reflecting, differences in the accounting policies applied by the Bank, Temirbank and ForteBank as well as differences in the presentation of the financial information, as discussed in more detail under "*Presentation of Financial and other Information—Pro Forma Financial Information*". There can be no assurance that the assumptions used in the preparation of the unaudited Pro Forma Financial Information will prove to be correct. The unaudited Pro Forma Financial Information for the Combined Bank is presented for illustrative purposes only, and it does not represent what the business, financial condition and results of operations of the Combined Bank would have been had Temirbank and ForteBank actually been part of the Combined Bank during the relevant period and is not indicative of the financial condition or results of operations of the Combined Bank at any future date or for any future period.

If the Combined Bank is unable to utilise its deferred tax assets, its net result could be reduced.

The Pro Forma Financial Information accounts for the recognition of deferred tax assets in the amount of KZT 25,510 million. There are tax loss carry-forwards that will be available to the Combined Bank to utilise against profits resulting in future tax benefits. These tax loss carry-forwards expire in between 2019 and 2023. The value of the deferred tax assets recognised in the Pro Forma Financial Information is based on the management's business plan that the Combined Bank will be able to generate profits taxable at a rate of 20 per cent. against which tax loss carry-forwards can be utilised before they expire.

As required by IFRS, management should assess the probability of tax benefits utilisation at each reporting date and reduce its value to the extent that it is no longer probable that the related tax benefit will be realised. The value of deferred tax assets is subject to the risk of being reduced if the Combined Bank is no longer able to generate taxable profits and should changes to the law and regulations take place which adversely affect the Combined Bank's ability to claim the deductions in future periods.

The Combined Bank's business plan is subject to change and the Combined Bank may fail to implement it successfully.

The Combined Bank's business plan is subject to change and any such change of the Combined Bank's business plan may have material consequences on the Combined Bank's prospects and future financial performance. Nothing in this Information Memorandum should be understood as a commitment on the part of the Combined Bank and its management to implement its business plan, except to the extent required under the Restructuring Documents.

Furthermore, the Combined Bank and its management may fail to successfully implement its business plan. This might be caused, or contributed to, by underperformance on the part of the Combined Bank or its management, or by other objective factors over which the Combined Bank has no control, and which may have a bearing on the assumptions underlying the business plan. The Bank has in the past failed to successfully implement a business plan and there is a material risk that this may also occur in the future. Such a failure of the Combined Bank to implement the business plan may have a material adverse effect on the Combined Bank.

Risks relating to the New Notes, Common Shares and GDRs

The market value of the New Notes, Common Shares and GDRs that the Claimants will receive in connection with the Restructuring may be less than the current value of the Claimants' Claims.

The value of the New Notes, Common Shares and GDRs will depend on the public trading price of the New Notes, Common Shares and GDRs after the Restructuring. The New Notes, Common Shares and GDRs will not trade publicly until the Restructuring is completed. As a result, Claimants will not know the market value of any New Notes, Common Shares and GDRs that they may receive in the Restructuring until the Restructuring is completed. There can be no assurance that the trading price of any New Notes, Common Shares and GDRs received by any Claimant will be related to the value of its Claims.

Due to the Bank's financial condition and the historical volatility in the price of shares in Kazakhstan banks, the market price of the New Notes, Common Shares and GDRs is likely to be volatile.

As a result of a number of factors, including the Bank's recent financial condition and its participation in markets that have experienced historical price volatility, the market price for the Bank's shares has historically been volatile and the market price for the New Notes, Common Shares and GDRs is also likely to be volatile, perhaps even more so than the stock market in general or the market for shares of other Kazakhstan banks. Claimants may not be able to sell their New Notes, Common Shares or GDRs at the desired terms or at attractive prices as a result of such volatility. Factors that could cause volatility in the market price for the New Notes, Common Shares and GDRs in the future may include, among other things:

- actual or anticipated variations in the Combined Bank's operating results;
- new products or services, whether the Combined Bank's or those of its competitors;
- success in the integration of the three banks and the creation of the Combined Bank;
- changes in financial estimates by analysts covering the Combined Bank;
- changes in the market valuations of other Kazakhstan banks;
- large increases or decreases in capital commitments;
- additions to, or departures of, its key personnel; and
- issues of new Common Shares by the Combined Bank.

Due to the Bank's troubled financial history and its participation in historically volatile markets, these factors may negatively affect the market price for the New Notes, Common Shares and GDRs to a greater extent than they would securities of other companies, in some cases regardless of the Combined Bank's actual operating performance.

Lack of established trading market.

The New Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, Claimants may not be able to sell their New Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the New Notes.

The New Notes may be subject to withholding tax.

Pursuant to Article 193 of the Tax Code, the payment of interest in respect of the New Notes would be made without withholding tax if the New Notes (at the moment of accrual of interest) were to be listed on the official category on the KASE.

Whilst the Combined Bank shall endeavour to ensure that, at the moment of accrual of interest, the New Notes will be listed on the KASE in the appropriate category to qualify for relief from local withholding tax, in the event that the New Notes are not so listed on the KASE at the moment of accrual of interest, the payment of interest in respect of the New Notes will be subject to withholding tax. Since the Combined Bank is obliged to gross up all payments subject to withholding tax, this would increase the amounts the Combined Bank would have

to pay under the New Notes which may have a material adverse effect on the Combined Bank's financial condition and cash flows.

The New Notes are subject to a less comprehensive covenant package than the Existing Notes

The covenant package contained in the Conditions of the New Notes is significantly less comprehensive than that contained in the Trust Deed constituting the Existing Notes. Whilst the Bank believes that this reduced covenant package will allow the Combined Bank's business to be run in a more efficient manner, New Noteholders will not enjoy the benefit of certain covenants in relation to, *inter alia*, corporate governance that are contained in the Trust Deed constituting the Existing Notes.

Restrictions apply to a holder of GDRs or Common Shares if it is incorporated in a Prohibited Jurisdiction.

Ownership of Common Shares is subject to certain legislative restrictions under Kazakhstan law. Specifically legal entities registered in any of the jurisdictions listed in "*Description of Share Capital, the Charter and Certain Matters of Kazakhstan Law—Disclosure of Beneficial Ownership*" may not directly or indirectly own voting shares in the capital of a Kazakhstan bank (except for subsidiaries of the international banks having a minimal required credit rating from certain rating agencies). Accordingly, Claimants registered in any of the jurisdictions listed in "*Description of Share Capital, the Charter and Certain Matters of Kazakhstan Law—Disclosure of Beneficial Ownership*" may not be able to directly or indirectly own, hold or dispose of the Common Shares if such claimants do not fall under exemption mentioned above.

Although the Bank has been advised that such restrictions would not prevent a holder of GDRs registered in any such jurisdiction from holding GDRs and exercising or benefiting from other rights (including the right to receive dividends and pre-emptive rights in respect of the GDRs), the Common Shares corresponding to the GDRs held by persons registered in any such jurisdiction may not be voted at any general shareholders' meeting of the Bank. There is also no guarantee that the NBK or any other relevant authority such as a Kazakhstan court will not take a view that persons registered in any such jurisdiction should be prohibited from holding GDRs or that such holders should be restricted from exercising or benefiting from other shareholder rights.

A person acquiring more than 10 per cent. of the voting shares or equivalent requires prior NBK approval.

Any person or legal entity becoming a "major shareholder" or, for legal entities, "bank holding" company in relation to the Bank must obtain prior written permission from the NBK. Furthermore, a foreign company may directly hold 25 or more per cent. of the voting shares of a bank only if such company is a financial organisation having certain required ratings and being subject to consolidated supervision in its home country. Definitions of the 'major shareholder' and 'bank holding company' are described in "*Description of Share Capital, the Charter and Certain Matters of Kazakhstan Law—Disclosure of Beneficial Ownership*" section.

Any person acquiring 10 per cent. or more of the voting shares of a bank is considered an affiliate of such bank and must disclose its identity to such bank. Information about the identity of an affiliate is publicly available information.

A major shareholder of a bank also assumes certain obligations including (i) an obligation to support the bank in remedying any financial problems the bank may incur, (ii) an obligation to obtain a credit rating and (iii) ongoing reporting obligations.

Holders of Common Shares and GDRs will not have the benefit of an extensive corporate governance package

In connection with the 2010 Restructuring, Shareholders and GDR Holders who received such Shares and GDRs pursuant to the 2010 Restructuring were granted the benefit of the Samruk-Kazyna Undertaking, pursuant to which Samruk-Kazyna, the Bank's majority shareholder, undertook, *inter alia*, to procure that certain matters could not be approved unless higher thresholds than usually applicable under Kazakhstan law were reached at the relevant general shareholders' meeting or board meeting and that certain matters, which ordinarily could be approved by the Board, would instead require shareholder approval. As the corporate governance provisions of the Samruk-Kazyna will be terminated pursuant to the Restructuring, Shareholders and GDR Holders will no longer benefit from these protections. Whilst Mr. Bulat Utemuratov, who will become the majority Shareholder in the Combined Bank prior to the Restructuring Date, will grant an undertaking to procure the appointment to the Board as an independent director of any one candidate nominated by a clear majority of GDR Holders, the scope of this undertaking will be much less comprehensive than that of the Samruk-Kazyna Undertaking.

THE BANK

History

The Bank was incorporated on 14 May 1993 under the laws of the Republic of Kazakhstan as an open joint stock company under the name IrtysBusinessBank OJSC. In 1999, IrtysBusinessBank OJSC merged with Semipalatinsk City Bank, another regional bank which was based in Eastern Kazakhstan. The combined bank primarily served large industrial enterprises in the Eastern Kazakhstan and Pavlodar regions.

In October 2001, a consortium of domestic companies led by Seimar Alliance Financial Corporation acquired a 64 per cent. interest in the Bank. Following the completion of the transaction, the Bank changed its name to JSC “Alliance Bank”.

Following the 2010 Restructuring (described below), Samruk-Kazyna became the Bank’s controlling shareholder, holding 67 per cent. of the Common Shares and Preference Shares.

The Bank’s banking licence was issued by the FMSA on 26 December 2007 under number 250. The Bank was registered with the Ministry of Justice on 13 March 2004, when the Bank was re-registered as JSC “Alliance Bank”, under number 4241-1900-AO. The head office of the Bank is located at 50 Furmanov Street, Almaty 050004, Republic of Kazakhstan and its telephone number is +7 727 258 4040.

The Bank’s group currently includes the Bank and its subsidiaries, Alliance Finance LLC and OUSA Alliance LLC, which have been wholly-owned by the Bank since June 2007 and February 2013, respectively, and which operate under the laws of the Russian Federation and the Republic of Kazakhstan, respectively. It is the Bank’s current intention that Alliance Finance LLC will be wound up within the next two to three years.

Pursuant to Article 3 of the Bank’s Charter, the Bank’s basic business objective is to generate income from the provision of banking services, conduct international financial transactions and improve and strengthen business cooperation with foreign financial institutions.

Overview of the Bank and Background to the Restructuring

Background to the 2010 Restructuring

In the period from 2004 to 2007, the Bank pursued an aggressive growth strategy and grew from being the tenth largest provider of retail loans in Kazakhstan to the largest such lender.

The growth of the Bank’s retail portfolio was supported by changes to the Bank’s distribution model and an agreement with JSC “Kazpost”, the state owned postal company, pursuant to which the Bank commenced offering its products through JSC “Kazpost” outlets in 2006. The Bank also expanded its branch network from nine branches and 25 cash offices as at 31 December 2004 to 24 branches and 199 cash offices as at 31 December 2007.

The Bank’s growth from 2004 to 2007 was primarily funded by short-term bank borrowings and debt securities issues in the international capital markets and was aided by the relatively easy availability of credit during that period. The proportion of funding through customer deposits remained relatively low. The external financing obtained by the Bank was used to fund rapid growth in unsecured customer lending using aggressive techniques to acquire customers. The Bank’s risk management policies at the time were inadequate to ensure the quality of the rapidly increasing loan portfolio.

Following the general deterioration in the financial markets since August 2007 and Kazakhstan’s credit rating downgrade in October 2007 by S&P from BBB to BBB- the Bank became unable to refinance its international debt, which in turn reduced its ability to make loans to customers. Uncollateralised retail lending was discontinued in November 2007. Furthermore, in the second half of 2007, the Kazakhstan banking system experienced a significant outflow of deposits and a migration of deposits within the banking system to banks perceived to be more stable. The Bank’s deposits decreased from KZT 235,575 million as at 31 December 2007 to KZT 189,044 million as at 31 December 2008. Throughout 2008, the Bank continued to lose its market share in all sectors. Despite aggressive marketing, the outflow of both corporate and retail deposits continued throughout 2008. The Bank’s market share in customer accounts decreased from 5.9 per cent. to 4.4 per cent. from 31 December 2007 to 31 December 2008. Due to the deterioration of its financial condition, the Bank

discontinued most of its retail lending at the beginning of 2008 and corporate lending was discontinued at the beginning of 2009.

The Bank recognised by the end of 2008 that its liquidity position was poor and that the rapid deterioration of its loan portfolio would significantly damage its capital position. The Bank hired financial advisers in February 2009 to restructure its debt. On 28 April 2009 the Bank and the FMSA signed an agreement to bring the Bank's prudential ratios into compliance with the regulatory requirements, as well as to establish certain limitations on the Bank's activities. A significant step within the restructuring process was the signing of a memorandum of understanding between the Bank and the steering committee of the Bank's creditors on 7 July 2009. The restructuring plan was approved by the FMSA on 21 July 2009, and on 18 September 2009 the Court approved the Bank's application to initiate the restructuring. The restructuring mechanism and the strategy of the Bank's development were described in a term sheet, which was signed by the Bank, Samruk-Kazyna and the Steering Committee on 5 October 2009.

Under the restructuring plan (which was approved by the creditors in respect of the 2010 Restructuring on 15 December 2009) it was agreed that the restructuring of the Bank's liabilities would be achieved by the cancellation of the Bank's debt, and its replacement by packages comprising a mix of cash, debt and equity securities. The restructuring was also supported by a KZT 129 billion capital injection by Samruk-Kazyna.

Subsequently, following the continuing violation of the prudential ratio and delay in the restructuring process, the FMSA adopted the resolution entitled "On forced buy out of the Bank's shares and their sale to Samruk-Kazyna". Under this resolution, 100% of common and preferred shares were sold to Samruk-Kazyna as a part of the restructuring at the end of December 2009.

The 2010 Restructuring of the Bank was carried out primarily in order to restore its regulatory capital, calculated in accordance with the NBK regulatory requirements. However, due to differences between IFRS and the NBK's requirements (due to which the size of the Bank's provisions, calculated in accordance with IFRS, was significantly higher than the size of its regulatory provisions, amongst other differences), while the Bank fully met the requirements of the NBK in terms of regulatory capital adequacy on the completion of the 2010 Restructuring, as at 31 December 2010, the Bank had a capital deficit under IFRS in the amount of KZT 105 billion.

As a result of the 2010 Restructuring, the level of debt of the Bank decreased to U.S.\$1.08 billion from U.S.\$4.5 billion, and Samruk-Kazyna became the owner of 67 per cent. of both the Common Shares and Preference Shares, while creditors owned the remaining 33 per cent.

Post-2010 Restructuring

The Bank had begun downsizing its operations in February 2009 but, after the completion of the 2010 Restructuring in March 2010, it again embarked upon a growth strategy and was, as at 31 December 2012, the eighth largest bank in Kazakhstan by total assets with a market share of 4.3 per cent.

During 2012 and 2013, the financial condition of the Bank deteriorated substantially. The Bank has been gradually losing its market positions: for example, from being the sixth largest bank in terms of total loans as at the end of 2010, it became the ninth largest as at the end of 2013. The Bank faced stiff competition in the retail market, both from new entrants and established participants, and its market share in retail loans as at the end of 2013 decreased to 9.0 per cent., compared to 11.3 per cent. as at the end of 2011.

Since the completion of the 2010 Restructuring, the Bank has been unable to generate the anticipated levels of operating income. In particular, non-performing loans have consistently comprised roughly half of the Bank's gross loan portfolio (with existing provisions being insufficient to fully cover the Bank's non-performing loans) and, due to the lengthy nature of bankruptcy procedures in Kazakhstan, the Bank has been unable to make as many recoveries on its bad loans as had been anticipated.

In 2013, as the Bank had limited access to the international capital markets the main sources of the Bank's liquidity were loan repayments, customer deposits, income from its banking operations and the sale of liquid assets. Due to the limited volume of funds available, the Bank had to decrease its issuance of new loans, resulting in an inability to develop a sufficiently large loan portfolio necessary for a positive interest margin. In 2013, the Bank was faced with a short-term funding gap in U.S. Dollars and in order to meet this liquidity shortage, the Bank had to raise funds through repurchase agreements with the NBK using the Samruk-Kazyna Bonds as collateral.

Furthermore, the Bank experienced certain difficulties due to the implementation by the NBK of changes to accounting requirements in light of the introduction of Basel II in Kazakhstan. This introduction made it necessary for second-tier banks to implement certain adjustments in their management accounting in order to ensure their regulatory financial accounting fully complied with the requirements of IFRS.

In order to comply with these NBK requirements, on 8 August 2013 the Bank signed with the NBK an agreement and action plan obliging the Bank to comply with the requirements of the NBK within a set time period.

At the beginning of 2013, it was announced that Samruk-Kazyna intended to exit the Kazakhstan banking sector and sell its shareholdings in the Bank, Temirbank and BTA. As a result of this announcement, in May 2013, Fitch downgraded the long-term issuer default rating of the Bank from “B-” to “CCC”. This caused an outflow of deposits of approximately KZT 30 billion over the course of 2013, which had a further adverse impact on the Bank’s liquidity position. In September 2013, S&P downgraded the long-term counterparty credit rating of the Bank from “B-” to “CCC+” on the basis that the Bank now had low systemic importance in the Kazakhstan banking sector.

On 10 October 2013, Samruk-Kazyna announced that it had signed a preliminary non-binding term sheet on the purchases of its shareholdings in Temirbank and the Bank with Mr. Bulat Utemuratov. According to the statement, Samruk-Kazyna would retain a controlling stake in the Bank for the time being. Following the announcement, a new senior management team of the Bank was appointed and Mr. Timur Issatayev was appointed as the Chairman of the Management Board. On 15 May 2014, Mr. Bulat Utemuratov completed the purchase of 16 per cent. of the Common Shares and Preference Shares from Samruk-Kazyna for a total purchase price of KZT 1,492 million.

After a preliminary financial and operational assessment of the Bank, the new management came to the conclusion that the Bank lacked sufficient economic and regulatory capital, that its balance sheet structure did not generate sufficient profitability to restore its capital, that its liquidity shortage prevented balance sheet growth and that the Bank’s overall financial condition could therefore deteriorate further. On the basis of this assessment, the Bank’s management outlined the below steps that needed to be taken

- restoration of the Bank’s capital;
- conservation of the Bank’s liquidity;
- improvement in the Bank’s operational efficiency (including rationalising headcount and the Bank’s branch network, implementing a single IT system, improving automation and standardising and simplifying the Bank’s internal processes and decision making); and
- a focus on ongoing litigation against defaulted borrowers and working with other borrowers in debt restructurings in order to increase recoveries.

In connection with the proposed capital restoration, the Bank appointed White & Case LLP as legal adviser and Lazard Frères as financial adviser and in December 2013, initiated discussions with stakeholders, in particular Samruk-Kazyna and the Bank’s creditors. After a further assessment of the financial condition of the Bank, including a detailed review of the Bank’s loan portfolio, management, in agreement with the Bank’s auditors, decided to create additional provisions amounting to KZT 77,299 million. The Bank, in agreement with the auditors, also derecognised the full amount of deferred tax assets of KZT 17,954 million from the Bank’s balance sheet. As a result, at the end of 2013, the Bank recorded a loss of KZT 84,848 million and an equity deficit of KZT 75,085 million.

In order to preserve its liquidity position, the Bank resolved in December 2013 to stop making payments into the RN Collection Account pursuant to the terms of the Recovery Notes. Accordingly, no payment was made on the Recovery Notes on 26 December 2013, which was the next scheduled due date for payment. The failure to make this payment caused certain liabilities with respect to the Recovery Notes to be classified as being overdue and the Bank was therefore deemed to be in breach of the NBK’s liquidity requirements. All interest payments under the other Existing Notes were suspended as of 26 March 2014.

On 30 January 2014, the Board of Directors approved the initiation of restructuring proceedings. The NBK approved the Bank’s indicative restructuring plan on 6 February 2014 and, on 3 March 2014, the Court ordered the initiation of the Restructuring. The NBK Agreement replaces the agreement the Bank signed with the NBK

on 8 August 2013 and contains a restriction on the Bank carrying out advertising programmes aimed at attracting retail deposits until after the Restructuring has been completed and places the Bank under an obligation to obtain the consent of the Steering Committee to the disposals of shares in the Bank's subsidiaries.

In February 2014, the Bank formed a Steering Committee of its creditors and the Steering Committee was formally appointed on 7 April 2014.

Strengths

The Bank believes that its strengths are:

- its extensive branch network;
- its centralised information technology platform and call centre;
- its existing customer base; and
- its experienced management team.

Extensive branch network

Even after the downsizing of its operations following the 2010 Restructuring and more recently in 2013, the Bank has one of the largest and most extensive branch networks in Kazakhstan, with 120 branches (including cash offices) and 705 ATMs as at 30 June 2014. The extensive branch network gives the Bank good access to retail and SME customers. In spite of the technology advances and implementation of certain new technologies, such as internet banking and call centres, the branch network remains the most important point of contact between the Bank and its customers.

Centralised information technology platform and call centre

The Bank has a centralised information technology platform which connects the Bank's head office and its branches and cash offices throughout Kazakhstan and permits real time communications between them. This system allows the Bank to provide loans expediently through branches and cash offices without compromising the Bank's centrally established risk management standards.

The Bank has also established a dedicated collection call centre to focus exclusively on non-performing retail loans. As at 30 June 2014 and 31 December 2013, the call centre had 52 and 54 employees, respectively. In the period from 1 January 2013 to 31 December 2013, the call centre handled queries or cases involving, in total 621,714 overdue loans, of which 554,693, or 89.2 per cent., were either repaid fully or partially to the extent that they were no longer overdue. Since the Bank began to resume its normal lending operations following the completion of the 2010 Restructuring, the call centre also assists the Bank with the marketing of its products and provides technical support to the Bank's customers.

Existing customer base

The Bank currently has 2.8 million customers, of which 98.8 per cent. are retail customers, and 1.2 per cent. are SMEs and large corporate clients. The Bank believes that this large customer base forms a good basis for the future development of the Combined Bank. The existing customer base also allows the Bank to increase revenue more efficiently by extending its offering by marketing new products which may be of interest to the existing customers.

Experienced management team

The Bank appointed a new senior management team in October 2013. The Bank's new management team has considerable experience in Kazakhstan's banking sector. In particular, a number of senior members of the management team have significant experience in key areas, such as the management of distressed assets and risk management, SME lending, retail development and information technology development. The management team also has extensive experience with foreign banks and plans to use this knowledge to improve the operations of the Combined Bank.

The Role of Samruk-Kazyna

Samruk-Kazyna is wholly-owned by the Government and is the national management holding company for substantially all state enterprises. Samruk-Kazyna's primary objective is to improve the competitiveness and stability of the Kazakhstan economy and alleviate the possible effects of changes in world markets on economic growth in Kazakhstan. It is not envisaged that Samruk-Kazyna will remain a Shareholder in the Combined Bank in the long-term.

Liquidity Support

As at 30 June 2014, Samruk-Kazyna had provided liquidity support to the Bank since January 2009 through the following measures:

- the Bank's participation in the SME State Finance Programmes whereby the Bank has received KZT 20,000 million, of which the Bank has utilised 100 per cent. and repaid KZT 12,462 million;
- the Bank's participation in the Mortgage State Finance Programme whereby the Bank has received KZT 10,900 million, of which the Bank has utilised 100 per cent. and repaid KZT 1,557 million;
- the Bank's participation in the Student Loans State Finance Programme whereby the Bank has received KZT 1,000 million, of which the Bank has utilised KZT 556 million and repaid KZT 130 million;
- exchanging bonds of the Bank into Samruk-Kazyna Bonds for a total value of KZT 105,000 million, allowing the Bank to use the Samruk-Kazyna Bonds as collateral for repurchase transactions with the NBK; and
- increasing the coupon of the Samruk-Kazyna Bonds from 4 per cent. to 6 per cent. on 14 December 2012.

As at 30 June 2014, the total funding provided by Samruk-Kazyna to the Bank including amounts on current accounts and deposits placed with the Bank and funding provided in relation to the Bank's participation in the State Finance Programmes amounted to KZT 85,104 million. The amount of funding received by the Bank in relation to the Bank's participation in the State Finance Programmes, excluding those funds received from Samruk-Kazyna, as at 30 June 2014 amounted to KZT 9,088 million, out of which 73.1 per cent. had already been utilised.

In addition to the above, to support the liquidity of the Bank, the NBK granted the Bank a loan on 19 February 2014 in the principal amount of KZT 40,000 million. The loan is denominated in Tenge, bears interest at a rate of 5.5 per cent. per annum and matures in February 2015.

Business of the Bank

Currently, the Bank's lending operations consist of student loans provided pursuant to the Student Loans State Finance Programme, mortgages under the Mortgage State Finance Programme and SME loans under the SME State Finance Programme to the extent it receives repayment proceeds of previously made Mortgage State Finance Programme loans and SME State Finance Programme loans, as well as salary card overdrafts, five retail products, namely uncollateralised consumer loans, mortgage loans, auto loans, collateralised consumer loans ("instant consumer needs"), credit cards and seven SME lending programmes financed from the Bank's own funds. The Bank also provides certain other banking services, including payment cards, foreign currency exchange operations, custody, clearing and safe keeping operations, correspondent banking and cash operations. The following table presents a breakdown of the Bank's net loan portfolio into the retail, SME and corporate banking sectors as at 30 June 2014 and 31 December 2013, 2012 and 2011 (calculated in accordance with IFRS):

	As at 30 June		As at 31 December					
	2014		2013		2012		2011	
	(unaudited)		(KZT million)	(per cent.)	(KZT million)	(per cent.)	(KZT million)	(per cent.)
Retail ⁽¹⁾⁽²⁾	193,024	76.8	220,594	71.7	232,660	59.8	184,789	56.2
Corporate ⁽²⁾	42,088	16.8	67,787	22.0	127,975	32.9	115,765	35.2
SME ⁽²⁾	16,127	6.4	19,437	6.3	28,295	7.3	28,230	8.6
Total	251,239	100.0	307,818	100.0	388,930	100.0	328,784	100.0

Notes:

- (1) Retail loans are defined as “loans to individuals” in the Bank Financial Statements. See Note 10 to the Bank Financial Statements as at and for the six months ended 30 June 2014 and Note 14 to the Bank Financial Statements as at and for the year ended 31 December 2013.
- (2) In the Bank Financial Statements as at and for the six months ended 30 June 2014, the Bank’s loan portfolio is divided into the loans to individuals, corporate loans that are individually significant and corporate loans that are not individually significant, in the table above Corporate are corporate loans that are individually significant and SME are corporate loans that are not individually significant. See Note 10 to the Bank Financial Statements as at and for the six months ended 30 June 2014.

The Bank offers its products and services through its own branch network as well as through alternative distribution channels.

Retail Banking

The Bank offers a wide range of retail banking products and services, including current accounts, term deposits, retail lending, debit and credit cards, money transfers and currency exchange. The Bank will continue to provide its retail banking services as part of the business strategy of the Combined Bank.

The following table provides certain information relating to the Bank’s retail banking activities as at 30 June 2014 and 31 December 2013, 2012 and 2011:

	As at 30 June	As at 31 December		
	2014 (unaudited)	2013	2012	2011
Retail loans				
Number of retail loans	299,674	352,076	290,337	191,774
Retail loans (gross) (KZT million) ⁽¹⁾	338,163	331,358	304,159	252,647
Market share of retail loans (per cent.) ⁽²⁾	8.2	9.0	11.0	11.3
Retail deposits				
Retail deposit accounts ⁽³⁾	669,856	757,935	844,978	963,207
Retail deposits ⁽³⁾⁽⁴⁾ (KZT million)	117,903	161,103	156,526	112,872
Market share of retail deposits (per cent.) ⁽²⁾	2.7	4.1	4.6	4.1

Notes:

- (1) Retail loans are defined as “loans to individuals” in the Bank Financial Statements.
- (2) Excludes loans to individuals classified as SMEs.
- (3) Includes term deposits, current accounts, demand deposits and guarantee deposits.
- (4) Retail deposits are defined as “retail” within “customer accounts and deposits from customers” in the Bank Financial Statements.

Retail Deposits

The Bank accepts deposits through its branches and cash offices. Retail deposits decreased to KZT 117,903 million as at 30 June 2014 from KZT 161,103 million as at 31 December 2013, which was a 2.9 per cent. increase compared to KZT 156,526 million as at 31 December 2012. Currently the Bank offers its retail customers the option of placing their funds in a multicurrency deposit “Alliance Deposit”. This product allows the Bank’s retail customers to deposit their funds in Tenge, U.S. Dollars and Euro. Of the deposits from individuals (including guarantee deposits and interest accrued), 9.0 per cent. were current accounts and demand deposits and 91.0 per cent. were term deposits and guarantee deposits with terms typically ranging from 12 to 36 months as at 30 June 2014. As at 30 June 2014, on the basis of management accounts, KZT 66,266 million (representing 62.1 per cent. of the Bank’s retail term deposits, including guarantee deposits) were denominated in Tenge, with the remaining 37.9 per cent. denominated in foreign currencies, primarily U.S. Dollars.

Customer Segmentation

The Bank divides its retail deposit customers into the following segments: VIP; Premium; and MASS depending on the amount of their deposits. VIP customers are depositors of over KZT 30 million. The Bank provides its VIP customers with certain services including deposit services, payment card services and safe deposit boxes. Premium customers include depositors of between KZT 0.8 million to KZT 30 million to whom more favourable interest rates and other terms are offered than are offered to MASS customers. MASS customers are all other customers, which typically include employees of companies participating in the Bank's salary programmes, pensioners, young professionals and students. The Bank offers MASS customers deposits, payment cards services, insurance products and other services. When granting loans, the Bank uses a loyalty programme, according to which the terms of loans offered to loyal clients differ from standard terms offered to usual clients. Loyalty is defined according to the credit history of the potential client and its relationship with the Bank.

Retail Lending

Since the completion of the 2010 Restructuring, the Bank has offered new product lines in order to meet the requirements of its targeted client segments, changed the documentary requirements and other criteria required of potential borrowers, implemented a new credit scoring system and recommenced its active retail lending activities. Currently, the Bank offers a wide range of retail lending products, including uncollateralised consumer loans, mortgage loans, auto loans, loans for education (financing of students), collateralised consumer loans and credit cards. The main retail lending product is uncollateralised consumer loans, which has the largest share in lending.

The following table provides a breakdown of gross retail loans by product as at 30 June 2014, 31 December 2013, 2012 and 2011:

	As at 30 June		As at 31 December					
	2014		2013		2012		2011	
	(KZT million)	(per cent.)	(KZT million)	(per cent.)	(KZT million)	(per cent.)	(KZT million)	(per cent.)
Mortgage loans	84,686	25.0	78,082	23.6	78,240	25.7	77,701	30.8
Consumer loans	150,779	44.6	161,632	48.8	135,363	44.5	81,497	32.3
Auto loans	3,482	1.0	3,179	1.0	3,163	1.0	3,651	1.4
Credit cards	4,145	1.2	3,400	1.0	1,380	0.5	1,552	0.6
Other loans to individuals	95,071	28.1	85,065	25.7	86,013	28.3	88,246	34.9
Total	338,163	100.0	331,358	100.0	304,159	100.0	252,647	100.0

Uncollateralised Consumer Loans

The Bank principally targets its consumer loans at individuals participating in salary programmes, employees of large businesses in Kazakhstan, employees of budget organisations, investors of pension funds, i.e. the employed population, having a steady income. Consumer loans are offered in amounts up to KZT 3 million. The maximum term of a consumer loan is 60 months and the average effective interest rate was 33.7 per cent. per annum as at 30 June 2014.

Analysis of the potential borrower and the decision to grant a n uncollateralised consumer loan is carried out using the Bank's automated systems through which the creditworthiness of potential borrowers are assessed.

As at 30 June 2014, the gross amount of outstanding consumer loans was KZT 150,779 million. The percentage of non-performing consumer loans as at 30 June 2014 was 26.6 per cent. of the total portfolio of consumer loans.

Collateralised consumer loans

Collateralised consumer loans are loans secured by liquid collateral in the form of real estate that meets the requirements of the collateral policy of the Bank. The minimum amount is KZT 150,000 and the maximum amount is determined by the value of the collateral provided by the potential borrower, but not more than KZT 30 million for Almaty, Astana, Aktau and Atyrau, and no more than KZT 15 million for other regions. The maximum term of the loan is 15 years. The interest rate depends on the level of customer loyalty and the term of the loan and varies between 13 per cent. to 20 per cent. per annum. Under this programme, the Bank charges a fee for arranging the loan at the rate of 2 per cent. to 3 per cent. of the loan amount. The average effective interest rate for the first six months of 2014 amounted to 20.2 per cent.

Mortgage loans

Currently the Bank offers two mortgage products to its clients, one from the Bank itself and a mortgage where the Bank's rights are subsequently transferred to JSC "Mortgage organization "Kazakhstan Mortgage Company". The Bank offers residential mortgages to its customers with a maximum term of 20 years with interest at rates between 11.5 per cent. and 15 per cent. per annum (depending on the lending programme and term of the loan). These mortgages require a down-payment equal to at least 10 per cent. of the purchase price of the property. The Bank also charges commissions ranging from 0.5 per cent. to 3.0 per cent. of the loan amount depending on the loyalty of the client. As at 30 June 2014, the gross amount of outstanding residential mortgages was KZT 84,686 million. Non-performing mortgages as at 30 June 2014 represented 69.8 per cent. of the Bank's total portfolio of mortgage loans as most of the mortgage loans were granted prior to the 2010 Restructuring pursuant to the less stringent application process that was in place at that time.

Refinancing of mortgage loans under the Mortgage State Finance Programme

Prior to September 2012, the Bank extended loans to refinance mortgage loans under the Mortgage State Finance Programme. Interest rates under this product were between 9 per cent. and 11 per cent. per annum depending on the social status of the borrower and loans had a maximum term of 20 years. As at 30 June 2014, the Bank had fully utilised the funds allocated under the Mortgage State Finance Programme totalling KZT 10,900 million.

Auto loans

The Bank issues loans to individuals to purchase cars, including second-hand cars. These loans have a maximum term of seven years and had an average effective interest rate of 21.1 per cent. per annum as at 30 June 2014. The Bank charges a commission of between 2 per cent. and 3 per cent. of the amount of the auto loan. As at 30 June 2014, the gross amount of outstanding auto loans was KZT 3,482 million. Non-performing auto loans represented 98.2 per cent. of the total portfolio of auto loans as at 30 June 2014, which can be explained by the fact that the majority of these loans were granted under the old auto loans programme that was discontinued in 2009 almost all of which are now non-performing.

Student Loans

Since March 2009, the Bank has issued student loans under the Student Loans State Finance Programme. Pursuant to this programme, the Bank must issue student loans to students residing and studying at certain universities in Kazakhstan. The loans carry an interest rate of 9 per cent. per annum and have a maximum term of 10 years from a student's graduation date. The loans are subject to grace periods during the period of the student's education and for six months following graduation. The grace period may be extended for one additional year in the event that the student joins the military and for up to three years for mothers following the birth of a child. The borrowers are required to provide collateral in the form of real estate or a guarantee by JSC Financial Centre, a state-owned company, for 100 per cent. of the loan amount. In order to finance this programme Samruk-Kazyna placed a deposit in the Bank for the amount of KZT 1 billion. As at 30 June 2014, the Bank had issued student loans totalling a net amount of KZT 556 million.

Payment Cards

The Bank began issuing Visa credit and debit cards in 2004 and MasterCard credit and debit cards in 2006. As at 30 June 2014, the Bank had issued 1,312,390 Visa cards and 283,146 MasterCard cards. As at 30 June 2014, the Bank had issued a total of 1,595,536 cards, of which 84.0 per cent. were debit cards.

Since June 2006, the Bank began to operate its own processing centre and its own ATM network, which in addition to supporting its issuance of a greater number of payment cards to its customers enabled the Bank to provide payment card processing services to other banks. As at 30 June 2014, the Bank had 705 ATMs. See "*Distribution Channels — ATM Network*".

Salary Programmes

Under the salary programmes, the Bank issues Visa and MasterCard cards to the staff of participating companies who, in return for signing a salary deposit agreement with the Bank, receive benefits (such as pre-approved credit lines) and reduced commissions on card payments. As at 30 June 2014, the Bank operated salary

programmes with 2,297 companies under which the Bank provided services to 198,989 employees of participating companies through issued and activated cards. Programmes for the issuance of cards for transfer of salaries strengthen customer loyalty to the Bank and increase cross-selling opportunities for the Bank's products offered through credit cards, as well as for the provision of services via the internet.

Retail Distribution Channels

ATMs and Self-Service Terminals

The Bank launched its own ATM network in June 2006 and, as at 1 June 2014, the Bank operated 705 ATMs. The Bank carried out a programme to optimise the network of ATMs in the least efficient points, which resulted in the number of ATMs decreasing by 23.3 per cent. during the first six months of 2014 from 919 ATMs as at 1 January 2014 to 705 as at 30 June 2014. In order to improve its competitiveness, the Bank is actively developing a network of self-service terminals. As at 1 June 2014, 70 self-service terminals are operated in the cash offices of the Bank. These terminals allow customers to repay loans and deposit funds into accounts. The expansion of the terminal network has allowed the Bank to reduce the amount of customers using its cash counters, as well as to reduce administrative costs. In turn, customers receive a quality service that helps reduce the time of customer service at the cash offices of the Bank.

Alternative Distribution Channels

The Bank's usage of alternative distribution channels, such as internet-banking, mobile phone payments (Handy Pay) and other electronic payment systems allows the Bank to serve "white collar" clients with access to the internet from their offices and homes. The Bank provides a wide range of retail banking services through the internet, including account management, cash operations, utility and mobile phone operator payments and money transfers. As at 30 June 2014, 23,078 of the Bank's retail customers utilised its internet banking services, a decrease of 6.0 per cent. compared 27,430 as at 31 December 2013, which, in turn, reflected an increase of 23.0 per cent. compared to 31 December 2012, and 347,646 of the Bank's retail customers utilised Handy Pay, an increase of 7.4 per cent. compared to 323,727 as at 31 December 2013, itself an increase of 59.9 per cent. compared to 31 December 2012. The development of these alternative distribution channels has allowed the Bank to increase the speed and quality of its services and to achieve a wide geographical spread of its services by providing access to its services for clients in rural areas without having to bear the cost of operating cash offices in those areas.

SME Banking

As at the date of this Information Memorandum, the Bank grants loans to SME customers from its own funds and through Damu Fund under State Finance Programmes.

As at 30 June 2014 and 31 December 2013, the Bank's SME loan portfolio included KZT 68,548 million and KZT 68,751 million, respectively in loans to SME customers, which represented 12.8 per cent. and 10.2 per cent., respectively, of its gross loan portfolio. As at 30 June 2014 and 31 December 2013, the Bank posted KZT 42,659 million and KZT 39,189 million, respectively, of provisions in respect of SME loans.

Customer Segmentation

In order to better serve SMEs, the Bank established its SME business department in early 2005. The Bank developed its SME classification to distinguish SMEs from large corporates which the Bank targets with more tailored products. The SME Good Bank portfolio includes loans issued to corporate clients (or an affiliated group) that have outstanding loans from the Bank in the amount of KZT 600 million or less in aggregate (or its equivalent in foreign currencies) on the date of the decision to issue such loans. The Government uses a different segmentation for SMEs under its SME State Finance Programme as discussed below.

Deposits

The Bank's IT system currently does not allow the Bank to report SME deposits separately from deposits of corporate clients. The SME deposits are reported as part of the corporate clients' deposits. See "*The Bank — Business of the Bank — Corporate Banking — Deposits*".

SME State Finance Programme Loans

The Bank is a participant in the SME State Finance Programme, under which the Bank is obliged to make loans to SMEs as defined under Kazakhstan law. Small businesses are defined as businesses with fewer than 50 employees and average annual profit of less than KZT 111 million. Medium businesses are defined as businesses with between 50 and 250 employees and average annual profit from KZT 111 million up to KZT 5,556 million.

In December 2007, the Bank received the first tranche of the SME State Finance Programme funding and started providing financing to SMEs in accordance with the programme. The second and third tranches of the SME State Finance Programme funding were received by the Bank in November 2008 and February 2009.

Under the terms of the second tranche of the SME State Finance Programme, the nominal interest rate charged by the Bank to its customers may not exceed 12.5 per cent. per annum and the annual effective rate should not be more than 14 per cent. per annum. In accordance with the terms of the third tranche, the annual effective rate should not exceed 12.5 per cent. per annum. The loans have a maturity period of up to seven years and a grace period of from six to 12 months. The total amount of indebtedness of each particular SME may not exceed KZT 750 million from each bank participating in the programme.

In addition to the SME State Finance Programme, in December 2009, the Bank became a participant in the Processing Industry Support Programme “Damu-Ondiris” designed to provide support to private companies in processing industries. The amount of funding received was KZT 2,000 million. Under the terms of the SME State Finance Programme, the maximum amount of a loan is KZT 750 million with a nominal interest rate not exceeding 8 per cent. per annum. The loans have a maturity of up to 84 months but not exceeding the tenor of the programme. The borrower may not receive loans under the programme from more than one bank participating in the programme.

Also, in May 2010, the Bank became a participant in the “Business Road Map 2020” programme designed for SME clients operating in the less developed sectors of Kazakhstan’s economy, such as production. Under this programme, SME clients benefit from subsidies and guarantees from Damu Fund on SME loans issued to them by the Bank. Under this programme, Damu Fund subsidises the SME loans, ensuring a nominal interest rate not exceeding 14 per cent., of which 7 per cent. or 6 per cent. are paid by the SME client, and the remaining part is compensated by Damu Fund, depending on the loan terms. The amount of such loans should not exceed KZT 4,500 million. Such loans have a term of between one and three years, with the possibility of a further extension of up to 10 years. Damu Fund also partially guarantees repayments under these loans. This guarantee is extended only to new SME loans, issued to new businesses and for the modernisation and expansion of production of existing businesses. The size of the guarantee is up to 50 per cent. of the loan amount in respect of loans to existing businesses and up to 70 per cent. in respect of loans to new SME businesses.

In November 2011, the Bank became a participant of the Asian Development Bank’s Investment Programme for the development of SME businesses. The amount of the loans issued under this programme should not exceed KZT 440 million. The maximum term of such loans is three years with a maturity date no later than 1 August 2016. The loans are intended to provide working capital and to fund investments (including the purchase and modernisation of fixed assets) as well as to refinance existing loans for investment and working capital purposes. The loans can take the form of term loans or revolving credit facilities. The loans bear interest at between 3 per cent. per annum (in respect of letters of credit and guarantees) to 13 per cent. per annum and can be denominated in both Tenge and U.S. Dollars. The loans are fully collateralised.

SME Lending from the Bank’s own Funds

As at the date of this Information Memorandum, the Bank also offers the following products to its SME clients from its own funds: “Start”. “Growth”, “Invest”, “Extra”, “Loans secured by cash on deposit” and “Overdrafts”.

“Start” loans

Start loans are issued in an amount not exceeding 0.02 per cent. of the Bank’s equity and feature a simplified approval process. The loans have a maximum term of four years. The loans are provided for working capital and investment purposes, taking the form of term loans and revolving credit facilities. “Start” loans can also be issued in the form of letters of credit and guarantees. The loans bear interest at rates between 3 per cent. per annum (in

respect of letters of credit and guarantees) and 17 per cent. per annum and can be denominated in either Tenge or U.S. Dollars. The loans are fully collateralised by residential or commercial property. As at 30 June 2014, the Bank had issued gross loans under this programme totalling KZT 165 million.

“Growth” loans

Growth loans are issued in an amount not exceeding 0.02 per cent. of the Bank’s equity (or KZT 100 million) and feature the Bank’s standard approval process. The loans have a maximum term of two years. The loans are provided for working capital purposes, taking the form of revolving credit facilities. The loans can also be issued in the form of letters of credit and guarantees. The loans bear interest at rates between 3 per cent. per annum (in respect of letters of credit and guarantees) and 14 per cent. per annum and can be denominated in either Tenge or U.S. Dollars. The loans are collateralised as to at least 70 per cent. of the value of the loan by residential or commercial property or by cash on deposit. As at 30 June 2014, the Bank had issued gross loans under this programme totalling KZT 227 million.

“Invest” loans

Invest loans/credit lines are issued in an amount not exceeding 0.02 per cent. from the Bank’s equity up to a maximum of KZT 200 million and feature the Bank’s standard approval process. The loans/credit lines have a maximum term of seven years. The loans are intended for investment purposes and are in the form of non-revolving credit lines. The loans can also be issued in the form of letters of credit and guarantees. The loans bear interest at rates between 3 per cent. per annum (in respect of letters of credit and guarantees) and 15 per cent. per annum and can be denominated in either Tenge or U.S. Dollars. The loans are collateralised as to at least 70 per cent. of the value of the loan by residential or commercial property or by cash on deposit. As at 30 June 2014, the Bank had issued gross loans under this programme totalling KZT 212 million.

“Extra” loans

Extra loans/credit lines are issued in a minimum amount of KZT 100 million but not exceeding KZT 600 million and feature the Bank’s standard approval process. The loans are intended for investment purposes (with a maximum term of seven years) and working capital purposes (with a maximum term of four years) and are in the form of revolving and non-revolving credit lines. The loans can also be issued in the form of letters of credit and guarantees. The loans bear interest at rates between 3 per cent. per annum (in respect of letters of credit and guarantees) and 14 per cent. per annum and can be denominated in either Tenge or U.S. Dollars. The loans are collateralised as to at least 70 per cent. of the value of the loan by residential or commercial property or by cash on deposit. As at 30 June 2014, the Bank had issued gross loans under this programme totalling KZT 436 million.

Loans secured by cash on deposit

Loans secured by cash on deposit are issued in an amount between KZT 0.5 million and KZT 600 million and feature a simplified approval process. The loans are intended for investment and working capital purposes, have a maximum term of three years and are in the form of revolving and non-revolving credit lines. The loans can also be issued in the form of letters of credit and guarantees. The loans bear interest at a minimum rate of 3 per cent. per annum and can be denominated in either Tenge or U.S. Dollars. The loans are collateralised as to at least 97.5 per cent. of the value of the loan by cash on deposit (the cash collateral should be in the same currency as the loan). As at 30 June 2014, the Bank had no outstanding loans under this programme.

“Overdrafts”

Overdraft facilities are granted up to a limit of between KZT 0.5 million and KZT 100 million and feature a simplified approval process. Overdrafts are intended for working capital purposes, have a maximum term of six months for credit lines and up to 30 days for tranches/one-time overdrafts. Overdrafts bear interest at a minimum rate of 15 per cent. per annum and can be denominated in either Tenge or U.S. Dollars. Overdrafts are uncollateralised. As at 30 June 2014, the Bank had issued gross overdrafts totalling KZT 435 million.

SME Distribution Channels

The Bank services its SME customers primarily through its own branch network. As at 31 March 2014, the Bank had 91 SME-dedicated specialist employees, of whom six were employed in the head office and 85 were

employed in the Bank's branches. For further details on the Bank's distribution channels, see "*— Distribution Channels*" below.

Corporate Banking

As at 30 June 2014 and 31 December 2013, the Bank's corporate loan portfolio included KZT 131,792 million and KZT 271,461 million, respectively, in loans to corporate customers (except SME customers), which represented 24.6 per cent. and 40.4 per cent., respectively, of its gross loan portfolio. As at 30 June 2014 and 31 December 2013, the Bank posted KZT 99,466 million and KZT 213,799 million, respectively, of provisions in respect of corporate loans (excluding SME loans).

Customer Segmentation

The Bank classifies corporate loans as loans of more than KZT 600 million made to companies. In addition, as described below, the Bank grants certain other financing products to its corporate clients, including factoring and forfeiting and trade finance products. A significant portion of the Bank's large corporate customers are former SME customers which have grown in size and now qualify as corporate customers.

Deposits

The deposit accounts of corporate customers (including those of Samruk-Kazyna) decreased by 19.0 per cent. to KZT 146,441 million as at 31 December 2013 from KZT 180,712 million as at 31 December 2012 and KZT 181,365 million as at 31 December 2011. The deposit accounts of corporate customers (including those of Samruk-Kazyna) further decreased by 10.3 per cent. to KZT 131,309 million as at 30 June 2014. These decreases were due to the outflow of corporate deposits following the downgrade of the Bank's credit ratings in 2013 due to the announcement of Samruk-Kazyna's plans to exit the Bank and rumours of a possible restructuring process of the Bank. On the basis of IFRS, of the corporate clients' deposit accounts, 15.1 per cent. were demand deposits and 84.9 per cent. were term deposits and guarantee deposits with standard terms ranging from 12 to more than 24 months as at 30 June 2014. According to management accounts, as at 30 June 2014, KZT 99,147 million, representing 89.5 per cent. of the Bank's corporate term deposits, were denominated in Tenge, with the remaining 10.5 per cent. denominated in foreign currencies, primarily U.S. Dollars. The Bank does not break down deposit accounts by SME and corporate clients and provides information on an aggregate basis.

Corporate Lending and Trade Finance

The Bank currently offers corporate loans to large corporate customers, including lending, leasing, financial leasing, project finance, overdrafts and unsecured tender guarantees for corporate customers.

Part of the Bank's corporate banking activities consists of providing trade finance and short-term credit facilities, including letters of credit, guarantees and working capital facilities. As part of its trade finance activities, the Bank maintains correspondent banking relationships with several leading international banks.

Corporate Distribution Channels

The Bank offers services to corporate clients through its head office and certain branches. For further detail on the Bank's distribution channels, see "*— Distribution Channels*" below.

Good Bank/Bad Bank

According to the Bank's strategy for 2009 and 2010, the Bank's loan portfolio was divided into a "good bank" portfolio (the "**Good Bank**") and a "bad bank" (the "**Bad Bank**"). All loans issued after the completion of the 2010 Restructuring were initially included in the Good Bank whilst loans issued prior to the completion of the 2010 Restructuring were initially allocated to the Bad Bank. Because of the Bank's increased lending activity after the 2010 Restructuring, an increasing number of loans have since become overdue by more than 90 days, and have subsequently been allocated to the Bad Bank.

As at 30 June 2014, the Good Bank's gross loan portfolio amounted to KZT 197,835 million, representing 36.7 per cent. of the total gross loan portfolio of the Bank in comparison to KZT 262,615 million as at 31 December 2013, representing 39.1 per cent. of the total gross loan portfolio of the Bank, and KZT 307,554 million or 45.8 per cent. of the total gross loan portfolio of the Bank as at 31 December 2012 and

KZT 254,914 million or 40.9 per cent. of the total gross loan portfolio of the Bank as at 31 December 2011, The following table shows the breakdown of the Bank's gross loan portfolio into the Good Bank and Bad Bank by segment.

	As at 30 June		As at 31 December					
	2014		2013		2012		2011	
	Gross Loans	Provisions	Gross Loans	Provisions	Gross Loans	Provisions	Gross Loans	Provisions
	(unaudited)		(KZT millions)					
Good Bank								
Retail	150,145	16,496	183,898	15,473	199,412	13,314	158,226	13,886
SME	17,011	1,794	20,382	1,732	59,146	2,261	56,029	3,659
Corporate	30,679	14,242	58,334	19,734	48,996	281	40,659	249
Total	197,835	32,532	262,614	36,939	307,554	15,856	254,914	17,794
Bad Bank								
Retail	188,018	128,643	147,460	95,291	104,747	58,185	94,421	53,850
SME	51,537	40,865	48,369	37,457	49,767	30,778	50,262	32,443
Corporate	101,113	85,224	213,127	194,065	210,168	178,487	223,210	189,814
Total	340,668	254,732	408,956	326,813	364,682	267,450	367,893	276,107
Total Portfolio								
Retail	338,163	145,139	331,358	110,764	304,159	71,499	252,647	67,736
SME	68,548	42,659	68,751	39,189	108,913	33,039	106,291	36,102
Corporate	131,792	99,466	271,461	213,799	259,164	178,768	263,869	190,063
Total	538,503	287,264	671,570	363,752	672,236	283,306	622,807	293,901

Retail Good Bank Loans

According to management accounts, the Bank's retail loan portfolio included KZT 150,145 million in retail Good Bank loans, representing 44.4 per cent. of the total retail loan portfolio as at 30 June 2014, compared to KZT 183,898 million, representing 55.5 per cent. of the total retail loan portfolio as at 31 December 2013, KZT 199,412 million, representing 65.6 per cent. of the total retail portfolio loan portfolio as at 31 December 2012 and KZT 158,226 million, representing 62.6 per cent. of the total retail loan portfolio as at 31 December 2011.

SME Good Bank Loans

According to management accounts, the Bank's SME loan portfolio included KZT 17,011 million in SME Good Bank loans, representing 24.8 per cent. of the total SME loan portfolio as at 30 June 2014, compared to KZT 20,382 million, representing 29.6 per cent. of the total SME loan portfolio as at 31 December 2013, KZT 59,146 million, representing 54.3 per cent. of the total SME loan portfolio as at 31 December 2012 and KZT 56,029 million, representing 52.7 per cent. of the total SME loan portfolio as at 31 December 2011.

Corporate Good Bank Loans

According to management accounts, the Bank's corporate loan portfolio included KZT 30,679 million in corporate Good Bank loans, representing 23.3 per cent. of the total corporate loan portfolio as at 30 June 2014, compared to KZT 58,334 million, representing 21.5 per cent. of the total corporate loan portfolio as at 31 December 2013, KZT 48,996 million, representing 18.9 per cent. of the total corporate loan portfolio as at 31 December 2012 and KZT 40,659 million, representing 15.4 per cent. of the total corporate loan portfolio as at 31 December 2011.

Retail Bad Bank Loans

According to management accounts, the Bank's retail loan portfolio included KZT 188,018 million in retail Bad Bank loans, representing 55.2 per cent. of the total Bad Bank loan portfolio as at 30 June 2014, compared to KZT 147,461 million, representing 36.1 per cent. of the total Bad Bank loan portfolio as at 31 December 2013, KZT 104,747 million, representing 28.7 per cent of the total Bad Bank loan portfolio as at 31 December 2012 and KZT 94,421 million, representing 25.7 per cent of Bad Bank loan portfolio as at 31 December 2011.

From 2009 and 2010, the Bank mostly used its internal capabilities to pursue recoveries with respect to the retail loan portfolio of the Bad Bank until the loan was overdue by more than 120-180 days in the case of

unsecured loans and more than 180 days overdue in the case of secured loans at which point the loan was transferred to collection agencies.

In 2011, with the increase of new non-performing unsecured loans, the rate of recovery on the Bank's non-performing retail loans began to decline, and the Bank made the decision to sell the pool of unsecured Bad Bank retail loans issued before March 2010 and to change its recoveries processes in respect of such loans:

- In respect of unsecured loans overdue by 60 days or less (subsequently increased to 90 days in order to facilitate restructuring and refinancings of the loans), the Bank engages in an independent collection process whereby the borrower is contacted by phone and SMS;
- In respect of unsecured loans overdue by more than 90 days or less, the loans are automatically transferred to collection agencies. The fees of the collection agencies vary depending on the number of days overdue the loan was at the moment of repayment.

In order to improve its rate of recovery on non-performing retail loans and to improve the quality of its loan portfolio, the Bank periodically offers favourable terms (such as writing off penalty fees and accrued interest, introducing grace periods and discounting the principal amount due) to encourage defaulted borrowers to repay their loans.

By 2014, the recovery rate on unsecured loans at the early stages of default had been improved. In order to increase the efficiency of recoveries on non-performing loans, the Bank engaged new collection agencies. As at the date of this Information Memorandum, the Bank uses five collection agencies.

The Bank has also transferred the benefit of court orders against defaulted borrowers to private and state bailiffs. As at 30 June 2014, more than 2,200 judgments in the amount of approximately KZT 32,600 million had been granted in favour of the Bank and approximately an additional 460 claims in the amount of approximately KZT 6,000 million had been filed with the courts by the Bank. Of these judgments, 827 in the amount of KZT 11,158 million have been transferred to private bailiffs and 780 loans in the amount of KZT 4,889 million have been transferred to state bailiffs.

The Bank's recoveries in respect of non-performing retail loans have not been as successful as anticipated due to a number of reasons. In particular, recoveries in respect of retail mortgages have been hampered due to, *inter alia*, the decline in the value of the real estate collateralising the loan (particularly since many of these mortgages were approved during the real estate boom prior to the global financial crisis), the devaluations of the Tenge in February 2009 and February 2014, bad publicity regarding the Bank when attempting to foreclose on retail mortgages and the lack of availability of refinancing to borrowers. Similarly, recoveries in respect of loans secured by vehicles have been impeded by the declining value of the vehicles securing the loans, many of which were manufactured between 1990 and 2005 and lack of insurance of the vehicles by borrowers.

Corporate and SME Bad Bank Loans

The Bank began to form the corporate and SME Bad Bank loan portfolio from the second quarter of 2009. Corporate and SME loans are transferred to the Bad Bank only when the relevant credit divisions are convinced of an inability to work with clients under traditional restructuring methods.

The corporate and SME Bad Bank loan portfolio include retail products issued to the management and shareholders of troubled companies, as well as receivables under letters of credit, guarantees and loans which are written off.

According to management accounts, the Bank's corporate and SME loan portfolio included KZT 152,650 million in corporate and SME Bad Bank loans, representing 44.8 per cent. of the total Bad Bank loan portfolio as at 30 June 2014, compared to KZT 261,495 million, representing 63.9 per cent. of the total Bad Bank loan portfolio as at 31 December 2013, KZT 259,936 million, representing 71.3 per cent of the total Bad Bank loan portfolio as at 31 December 2012 and KZT 273,472 million, representing 74.3 per cent of Bad Bank loan portfolio as at 31 December 2011.

In respect of its recoveries processes relating to its corporate and SME loan portfolio, the Bank takes an individual approach to each borrower, all loans and obligations of which are accumulated into one gross debt.

The Bank's analysis of the credit files and financial condition of its borrowers has revealed that the majority of non-performing corporate and SME loans were issued before 2010 to persons connected to the former shareholder of the Bank and its senior management prior to the commencement of the 2010 Restructuring proceedings. The Bank's analysis has shown that such loans were usually granted following numerous infringements of internal banking procedures, such as:

- the absence of an operating business of the borrower;
- loans granted without collateral;
- unsatisfactory (or absence of) monitoring of financial condition of the borrowers, including use of proceeds;
- proceeds of the loans being withdrawn through offshore zones;
- failure to register the loan agreement;
- the removal of security over property collateralising the loan on the basis of forged documents.

The Bank uses various methods to recover non-performing corporate and SME loans depending on the category of such non-performing loan, such as, *inter alia*, restructuring, enforcement of collateral, debt transfer, judicial proceedings, sale of the demand rights under the loan, transfer of a loan to collection agencies and filing of application to law enforcement bodies.

The table below illustrates the results of the Bank's recoveries work in respect of the corporate and SME Bad Bank loan portfolio between 2009 and 2014.

	2009	2010	2011	2012	2013	2014 Jan – June
	(KZT millions)					
Restructuring	282	81	4,117	5,841	3,871	5,691
Retail (affiliated persons)	–	–	–	164	61	872
SME	198	81	534	76	960	206
Corporate	84	–	3,583	5,601	2,850	4,613
Recovery (repayment)	19,575	17,080	11,274	12,413	9,848	4,851
Retail (affiliated persons)	0	599	117	214	870	92
SME	4,195	5,478	3,541	3,729	3,782	1,785
Corporate	15,380	11,003	7,616	8,470	5,196	2,974
Write-off from balance	415	64,234	20,238	7,986	191	114,489
Retail (affiliated persons)	0	0	0	0	0	1,635
SME	0	1,316	5,001	522	75	1,212
Corporate	415	62,918	15,237	7,464	116	111,642

OUSA Alliance LLC

In order to improve the asset quality of second tier banks, the law of the Republic of Kazakhstan “On amendments and additions to some legislative acts of Kazakhstan on regulation of banking and financial institutions in terms of risk minimisation” was adopted on 28 December 2011 and enacted, except for certain provisions, on 1 February 2012. This law provides for two methods of improving the quality of second tier banks’ assets: (i) the creation by the NBK of a problem loans fund that will be acquiring non-performing loans of the banks; and (ii) the creation by the banks of subsidiaries that will acquire doubtful and bad loans from such banks.

The Bank cannot benefit from the first method as it does not comply with certain requirements of the problem loans fund created by the NBK. Therefore, at the beginning of 2013, the Bank established a subsidiary, OUSA Alliance LLC (“OUSA”).

Due to the previously unfavourable tax regime applicable to the purchase of non-performing loans, OUSA has not yet been able to acquire any of the Bank’s non-performing loans, although now that the tax regime has now been amended (See “*Risk Factors — Risks Relating to Operating within the Kazakhstan Banking Sector — Changes in the liquidity support for the Kazakhstan banking sector may have an adverse impact on the Bank*”), the Bank is currently considering the possibility of commencing OUSA’s operations in order to transfer collateral on the balance sheet of the Bank, as well as for the purpose of the direct participation in bidding for collateral securing bad loans held by bailiffs and bankruptcy managers. The Bank believes that the direct participation of OUSA in this bidding will reduce the risk of the collateral being undervalued and will reduce taxes and other expenses of the Bank.

Capital Markets

The Bank’s primary activities in the capital markets consist of purchasing and selling highly liquid securities primarily in connection with the management of liquidity and other types of risk. The Bank’s treasury department conducts operations to manage the Bank’s liquidity requirements, including raising Tenge liquidity on the Kazakhstan market via repo transactions using its securities portfolio as collateral. These operations are conducted within the framework of established limits (of both the NBK’s regulations and the Bank’s internal controls) for financial operations.

In March 2009, Samruk-Kazyna and the Bank entered into a purchase and sale agreement for the Samruk-Kazyna Bonds for the total price of KZT 105,000 million. The Samruk-Kazyna Bonds are also used by the Bank as collateral to raise Tenge liquidity via repo transactions with the NBK. According to the sale and purchase agreement, the Bank is not allowed to conduct any other transactions with the Samruk-Kazyna Bonds without the permission of Samruk-Kazyna.

Distribution Channels

The Bank offers its products and services primarily through its own branches and cash offices.

Branch Network

As at 30 June 2014, the Bank had 19 branches and 101 cash offices located throughout Kazakhstan. The operations of each branch and cash office are subject to internal regulation and to oversight by the head office. Following the completion of the 2010 Restructuring, the Bank has centralised many of its functions in its head office, including credit decisions in respect of its retail products, and decentralised credit decisions. In comparison to branches, cash offices offer limited services appropriate to the geographical area in which they are located. Cash offices provide only basic operational services such as cash withdrawal, currency exchange and account services. Certain types of activities, including discount operations, trust operations, clearing operations, mortgage operations, issuance of payment cards, guarantee operations, issuance of securities, factoring and forfeiting are conducted by the Bank’s head office only.

The Bank has branches and cash offices in all regions across Kazakhstan. The following table provides details on the location of its branches as at 30 June 2014 and 31 December 2013, 2012 and 2011:

	As at 30 June		As at 31 December					
	2014		2013		2012		2011	
	Branches	Cash offices	Branches	Cash offices	Branches	Cash offices	Branches	Cash offices
Almaty	1	17	1	17	1	17	1	18
Atyrau	1	4	1	4	1	4	1	4
Astana	1	7	1	7	1	8	1	8
Aktau	1	5	1	5	1	6	1	6
Aktobe	1	3	1	3	1	3	1	4
Ekibastuz	1	1	1	2	1	2	1	2
Oskemen	1	10	1	10	1	10	1	10
Karaganda	1	11	1	12	1	12	1	12
Shymkent	1	11	1	12	1	12	1	12
Kostanay	1	5	1	5	1	5	1	6
Pavlodar	1	3	1	4	1	4	1	4
Petropavlovsk . .	1	1	1	1	1	1	1	1
Semey	1	6	1	6	1	6	1	6
Uralsk	1	5	1	5	1	5	1	4
Taldykorgan . . .	1	4	1	4	1	4	1	4
Taraz	1	2	1	2	1	2	1	2
Kyzylorda	1	1	1	1	1	1	1	1
Kaskelen	1	3	1	3	1	2	1	2
Kokshetau	1	7	1	2	1	2	1	2
Total	19	101	19	105	19	106	19	108

The Bank has closed some of its cash offices as part of its plan to optimise its operations after the completion of the 2010 Restructuring and intends to continue monitoring the performance of the branch network and may close additional branches or cash offices in the future.

ATM Network

The Bank began establishing its own ATM network during 2006. As a part of the Bank's plan to optimise its operations after the completion of the 2010 Restructuring, the Bank has decreased the number of its ATMs to 705 as at 30 June 2014 from 909 as at 31 December 2011.

Technology

The Bank has a centralised information technology platform which connects the Bank's head office and its branches and cash offices throughout Kazakhstan and permits real time communications between them. The Bank considers this centralised information technology platform to be one of its strengths. See "— Strengths". This system allows the Bank to provide loans expediently through branches and cash offices without compromising the Bank's centrally established risk management standards.

The Bank's information technology systems relating to management and financial reporting, risk management and client relationship management are not fully automated. The Bank is in the process of improving such systems and also plans to make additional investments in its IT and communications technology.

In 2010, the Bank implemented the accounting software system Colvir for accounting in respect of the Bank's corporate and SME customers.

During the next couple of years, the Bank plans to implement Colvir for accounting in respect of the Bank's retail customers, as well as, replacing the currently used accounting system, Athena. The majority of auxiliary modules will also be transferred to Colvir, so that the Combined Bank has a single information platform.

In 2013, the Bank implemented an industrial customer relationship management control system. At the first stage of its implementation, the system is used in cross-selling throughout the whole branch network of the Bank. The Bank is planning its further development and implementation as a key system throughout the Bank's network.

The Bank has developed several new IT initiatives, including the introduction of a Compass Plus system (an IT support system for payment cards) and internet banking. The Compass Plus system covers all functional needs of the Bank relating to payment cards. It includes TranzWare On-line, a system for processing credit card transactions in real time, TranzWare Card Factory, a customised module, and TranzWare Card Management System, a back office system for payment cards, as well as certain other modules. The migration to Compass Plus allowed faster processing of revolving cards and flexibility in the Bank's card management system. The Bank has also upgraded its internet and mobile banking systems. The Bank's internet banking system is completely integrated with Athena, being the core banking system and the Compass Plus system.

The Bank also implemented new software system for the recovery of non-performing loans during 2008. The new software helps the Bank to monitor accounts receivable on non-performing loans, the effectiveness of the Bank's relevant departments and external collection agencies. In December 2007, the Bank introduced a dedicated collection call centre to assist the Bank in the recovery process and collect information about each individual debtor's circumstances and agree on a realistic timeframe for repayment.

The Bank also implemented DataWarehouse (MIS) during 2008 and 2009 in order to consolidate all regulatory and management reporting. This system is based on enterprise technologies of Oracle, Informatica and Business Objectives.

The Bank's IT systems are equipped with internationally reputable and up-to-date anti-virus and security systems. The Bank's disaster recovery procedures comply with all national requirements. The Bank maintains two up-to-date data centres located in two different locations in Almaty and backs up data every 24 hours. In addition, on a weekly basis, data is recorded on magnetic tapes that are then transported for safe-keeping to a location in Astana and placed on two separate back-up servers.

Employees

The Bank had 3,302 full-time employees as at 30 June 2014 of which 2,508 were employed at the Bank's branches and cash offices. The Bank had 3,462 full-time employees as at 31 December 2013 of which 2,624 were employed at the Bank's branches and cash offices, compared to 3,716 full-time employees as at 31 December 2012, of which 2,619 were employed in branches and cash offices. As at 31 December 2011, the Bank had 3,727 full-time employees, of which 2,591 were employed in the Bank's branch and cash office network.

The following table presents a breakdown of the Bank's full time employees by head office and branches and cash offices as at 30 June 2014 and 31 December 2013, 2012 and 2011:

	As at 30 June	As at 31 December		
	2014	2013	2012	2011
Head office	794	838	1,097	1,136
Branches and cash offices	2,508	2,624	2,619	2,591
Total	3,302	3,462	3,716	3,727

The Bank has developed internal training programmes for employees at all levels covering topics such as customer service, retail lending, SME lending, the collection of non-performing loans and government lending programmes.

The Bank has never experienced industrial action or other work stoppages resulting from labour disputes. The employees of the Bank are not members of any trade unions.

The Bank does not have and has never had any schemes as part of which it would award shares in the Bank to its staff.

Security and Anti-Money Laundering

The Bank has implemented security procedures and policies for all of its locations. Each new branch and cash office is subject to oversight by the Bank's head office to ensure compliance with the Bank's procedures and policies.

The Bank maintains an anti-money laundering policy in relation to all of its customers. It has a Control Compliance Service which is responsible for the prevention of money laundering and financing of terrorism. This service monitors and analyses accounts and transactions of customers, investigates unusual and suspicious transactions and establishes compliance procedures for all internal standards and external bank regulation. The Bank has certain procedures for customer identification and the examination of customers' data upon the opening of a new account that are reviewed and improved on a continuing basis.

Insurance Cover

The Bank has a policy covering insurance of employees against accidents sustained in the workplace, as required by law. The Bank also has an insurance policy covering members of the Board of Directors and senior management of the Bank against liability in the event the Bank suffers losses as a result of their decisions or inaction. The Bank also insures risks related to banking risks, including risks resulting from burglary and robbery of money or equipment and cash transportation risks, as well as accident insurance, motor insurance and motor third-party liability insurance. All policies are renewable annually. The Bank does not have any credit risk insurance in relation to default by its customers and does not have insurance coverage against business interruption and IT failures. The Bank also does not have insurance policies covering premises owned or leased by the Bank.

Competition

Prior to 2007, international funding for domestic banks was readily accessible, creating an environment in which banks competed aggressively for retail, SME and corporate clients. These banks competed by increasing the size of available facilities, reducing their pricing and increasing their distribution networks.

Over the past few years, the competitive environment in Kazakhstan has changed significantly. Due to the global financial crisis, Kazakhstan banks no longer have ready access to international financing. As a result, many banks could not refinance their facilities or refinance the loans made to their customers, resulting in a liquidity deficit among corporate clients. At the same time, due to the negative public perception of domestic banks and fear of the effects of the global financial crisis, the banking system has experienced significant outflows of deposits from both retail and corporate clients which has exacerbated the liquidity deficit. The competitive landscape therefore shifted from banks competing for customers to banks competing for domestic funding. Domestic funding comes from primarily two sources: retail deposits and corporate and state-controlled company deposits.

Retail Market

For retail deposits, the Bank competes primarily with Halyk Bank, Kazkommertsbank and Bank CenterCredit. Halyk Bank has been able to take advantage of its legacy as the Savings Bank of the Union of the Soviet Socialist Republics and of its large branch network to obtain approximately a 21.5 per cent. share of retail deposits as at 30 June 2014 compared to a 20.2 per cent. share of retail deposits as at 31 December 2013. Kazkommertsbank, another major competitor, had approximately a 15.9 per cent. share of retail deposits as at 30 June 2014 compared to a 16.5 per cent. share of retail deposits as at 31 December 2013. Bank CenterCredit has also been successful in attracting retail deposits and had approximately a 7.4 per cent. share of retail deposits as at 30 June 2014 compared to a 8.6 per cent. share of retail deposits as at 31 December 2013. The Bank's market share of retail deposits as at 30 June 2014 was approximately 2.7 per cent. compared to a 4.1 per cent. share of retail deposits as at 31 December 2013.

The Bank is also starting to experience significant competition in the retail sector from foreign banks operating in Kazakhstan such as Sberbank, Alfa Bank and VTB Bank. The number of commercial banks in Kazakhstan has decreased from 130 in 1995 to 38 as at the date of this Information Memorandum, and the six largest banks accounted for 69.1 per cent. of the total assets of the Kazakhstan banking sector as at 30 June 2014. In the past, foreign banks present in Kazakhstan, including RBS Kazakhstan, Citibank Kazakhstan and HSBC Bank Kazakhstan, were not able to utilise their lower cost of funding as they were held to the same reserve requirements for foreign debt as domestic banks.

SME and Corporate Market

Companies in which the state owns a controlling stake are required by law to keep their working capital in certain financial products, including deposit accounts with at least three second-tier banks. Samruk-Kazyna's

majority ownership of the Bank has improved public perception of the Bank's stability and enhanced the Bank's competitive advantage for obtaining deposits of state-controlled companies.

For state-owned companies' deposits, the Bank competes primarily with Halyk Bank, Kazkommertsbank, Sberbank, Tsesna Bank and ATF Bank.

Within corporate lending, the Bank has in the past competed primarily with smaller banks, such as ATF Bank, which had approximately a 5.4 per cent. share of the corporate market and Tsesna Bank, which had approximately a 9.6 per cent. share of the corporate market, as well as with banks that have expertise in the SME market, such as Halyk Bank which had approximately a 16.2 per cent. share of the corporate market and Kazkommertsbank, which had a market share as at 30 June 2014 of approximately 16.2 per cent. of the corporate market. However, banks in Kazakhstan have begun to focus increasingly on lending to SMEs, which offer comparatively high interest margins compared to large corporate customers. Halyk Bank and Kazkommertsbank, which were traditionally focused on large corporate customers, have recently become more active in lending to SMEs. Foreign banks such as Sberbank, which had approximately a 9.8 per cent. share of the corporate market as at 30 June 2014, have also started to enter the corporate and SME market in Kazakhstan.

Property

The Bank owns its head office in Almaty. The Bank owns or leases the buildings used by its branches and cash offices depending on the specific circumstances of different locations. At the date of this Information Memorandum, the Bank owns the premises in which 17 of its branches and 33 of its cash offices are located and leases the premises where two branches and 68 cash offices are located. The Bank partly owns and partly leases the buildings in which one branch and one cash office are located.

Legal Proceedings

From time to time, and in the ordinary course of business, the Bank is subject to legal actions and complaints. As at the date of this Information Memorandum, however, the Bank was not and had not in the 12 months preceding the date of this Information Memorandum been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which may have, or have had in the 12 months preceding the date of this Information Memorandum, a significant effect on the financial position or profitability of the Bank, except as set forth below and described elsewhere in this Information Memorandum.

As described in the Bank's information memorandum in relation to the 2010 Restructuring, the Bank investigated whether it had any claims against two Russian financial institutions in relation to the provisions of KZT 136,972 million recognised in its financial statements as at and for the year ended 31 December 2008. Thereafter, in January 2014, the Bank obtained an arbitral award against a Cypriot subsidiary of one of the Russian financial institutions for an amount (including interest) of in excess of U.S.\$600 million. Due to the uncertainty as to collection of this award, the Bank has not recorded it as an asset in its financial statements. In any event, any amounts recovered by the Bank in respect of this award would not constitute recoveries that would be required to be shared with the Recovery Noteholders under the terms and conditions of the Recovery Notes. The Bank has separately filed a claim against the directors of the Cypriot subsidiary in Cyprus but these proceedings are still at a preliminary stage.

Recoveries Litigation

The Bank is currently engaged in various proceedings against defaulted borrowers in order to make recoveries in respect of its non-performing loans. Other than for the proceedings described below, none of these proceedings are individually material to the Bank's financial condition.

On 3 October 2014, the Bank announced that it had settled its claims against Kazakhstan Kagazy PLC in respect of Kazakhstan Kagazy's outstanding debts to the Bank of approximately KZT 15.3 billion. Under the terms of the settlement, Kazakhstan Kagazy will transfer selected non-core assets to the Bank, including land plots and warehouses, and in addition will pay between KZT 2.7 billion and KZT 5.4 billion to the Bank, depending on the outcome of Kazakhstan Kagazy's proceedings in London against the company's former shareholders.

The Bank has also recently issued a claim for approximately U.S.\$300 million in respect of certain of its -non-performing loans.

TEMIRBANK

Temirbank is a commercial bank operating in the Republic of Kazakhstan.

According to the NBK's data, as at 30 June 2014, Temirbank was the 13th largest commercial bank in Kazakhstan by total assets with a market share of 1.8 per cent. Temirbank's business is focused on the retail market and it has a presence in all regions of the country through a distribution network consisting of 87 full service branches, 11 banking centres which offer limited banking services and 329 ATMs, with branches in every city with a population of over 50,000 as at 30 June 2014.

Temirbank holds a banking licence from the NBK for banking operations in Tenge and foreign currencies, and for other operations allowed by the banking legislation. Temirbank's registration certificate number 4814-1900-AO was issued by the Kazakhstan Ministry of Justice on 16 January 2004 and its banking licence number 107 was issued on 24 January 2006. Temirbank's registered office is located at 68/74 Abai Avenue, 050008 Almaty, Republic of Kazakhstan and its telephone number is +7 727 258 78 88.

History

Temirbank was established on 26 March 1992 as the Joint Stock Company Commercial Railway Bank Temirbank to provide services to the railway industry in Kazakhstan. On 21 March 1996, Temirbank was re-registered as an Open Joint Stock Company Temirbank and on 16 January 2004 as Joint Stock Company Temirbank.

During the period from 2000 to 2002, interests in shares of Temirbank were acquired by the shareholders of BTA and, in December 2006, Temirbank became a direct, majority-owned subsidiary of BTA following its acquisition of over 50 per cent. of the shares of Temirbank's common stock. When Temirbank became a subsidiary of BTA it became subject to Kazakhstan legislation that prohibits a subsidiary of a financial institution from having its own subsidiaries. To comply with this legislation Temirbank transferred its minority interests in Temirleasing and CJSC Ineximbank and its 100 per cent. interest in Temir Capital B.V. to BTA.

Starting from 2005, Temirbank's strategy was primarily focused on the retail market, increasing its retail market share during the period from 2005 to 2007, while maintaining a stable market share in the corporate segment with a particular focus on SMEs. Temirbank's growth from 2005 to 2007 was primarily funded by short-term bank borrowings and U.S. Dollar-denominated debt securities issues in the international capital markets. The proportion of funding through customer deposits remained relatively low. The external financing obtained by Temirbank was used to fund rapid growth in customer lending using aggressive techniques to acquire customers.

From the second half of 2007, the Kazakhstan banking system experienced a significant outflow of deposits and a migration of deposits within the banking system to banks perceived to be more stable. Temirbank's deposits decreased, contributing to the severe liquidity problems Temirbank started experiencing in 2008 when funding from capital markets became unavailable. In the course of 2009, Temirbank obtained state support in the form of deposits from Samruk-Kazyna and BTA. The above liquidity problems were reinforced by the sharp increase in problem loans and provisions, as a result of a dramatic fall in real estate prices in Kazakhstan. This caused Temirbank's capital to turn negative. Consequently, on 23 November 2009, Temirbank started a restructuring process under the Restructuring Law which was completed on 30 June 2010. As a result of its restructuring, KZT 93.768 billion of Temirbank's existing Eurobonds were cancelled in consideration for U.S.\$155 million in cash, U.S.\$75 million of new bonds and 20 per cent. of the equity in Temirbank (in the form of GDRs). Samruk-Kazyna injected KZT 23.5 billion of fresh equity into Temirbank and became the majority shareholder with a 79.88 per cent. holding of Temirbank's common shares.

Following the restructuring, Temirbank resumed its lending operations to retail clients on 1 October 2010.

On 15 May 2014, Mr. Bulat Utemuratov acquired Samruk-Kazyna's entire shareholding in Temirbank.

As at the date of this Information Memorandum, Temirbank has a long term debt issuer rating of B- (stable outlook) from S&P.

Business of Temirbank

Temirbank offers most traditional retail and corporate banking products and services, including deposit taking, lending, issuing letters of credit, guarantees and promissory notes and payment cards, foreign currency exchange operations, broker-dealer transactions, custody, clearing and safe-keeping operations, financial leasing, correspondent banking, precious metal brokering, cash operations, remittances, trust, factoring and forfeiting operations and issuing securities. The following figures are shown for Temirbank's gross loan portfolio, meaning that figures are shown without accrued interest and provisions are not subtracted.

Retail Banking

Currently, Temirbank provides the following retail banking products:

Consumer loans

Temirbank offers a variety of collateralised and uncollateralised consumer loans in U.S. Dollars and Tenge. Loans collateralised by real estate have maturities of up to 10 years with a maximum loan amount of up to 70 per cent. of the market price of the real estate. As at 30 June 2014, the net outstanding amount of collateralised consumer loans was KZT 87.7 billion. Non-performing loans (90 days overdue and more) represented 46.9 per cent. of the gross outstanding collateralised consumer loan portfolio as at 30 June 2014. Also, Temirbank offers medium sized loans that are not collateralised by real estate with a maximum amount of KZT 3 million and a maturity of up to four years. As at 30 June 2014, the net outstanding amount of non-collateralised loans was KZT 21.4 billion. Non-performing loans represented 16.2 per cent. of the gross outstanding non-collateralised consumer loan portfolio as at 30 June 2014.

Mortgages

Temirbank also offers residential mortgages to its customers with a maximum term of 20 years in U.S. Dollars and 15 years in Tenge, with interest rates between 12 per cent. and 17 per cent. per annum (depending on the terms of the loan product). These mortgages require a down-payment equal to at least 20 per cent. of the purchase price of the real estate. Temirbank charges commissions of 2 per cent. of the loan amount. Temirbank also offered mortgages in conjunction with JSC Kazakhstan Mortgage Company and BTA Ipoteka, a mortgage arm of BTA, with a maximum term of 20 years and interest rates between 10 per cent. and 19.5 per cent. per annum (depending on the terms of the loan product), although this product has been discontinued. As at 30 June 2014, the net outstanding amount of mortgage loans was KZT 63.6 billion. Non-performing loans represented 38.9 per cent. of the gross outstanding mortgage loan portfolio as at 30 June 2014.

Car loans

Temirbank offers a loan product to finance the purchase of automobiles called "Auto in a moment". Under this programme, a loan may be in Tenge for a term of up to seven years. The maximum loan amount available is generally equal to the purchase price of the automobile to be acquired and Temirbank requires an initial down payment starting from 15 per cent. of the loan amount depending on the type of the automobile to be acquired. The loans are secured by the automobile to be acquired. Temirbank may charge an application fee, an arrangement fee and a monetisation fee. As at 30 June 2014, the net outstanding amount of car loans was KZT 3.1 billion. Non-performing loans represented 86.1 per cent. of the gross outstanding car loan portfolio as at 30 June 2014, which is explained by the fact that the current programme was only implemented in April 2014 and the majority of loans (which are non-performing) belong to the old car loan programme that was discontinued during Temirbank's restructuring proceedings in 2010.

Other retail loans

Temirbank also provides other types of retail loans. As at 30 June 2014, the net outstanding amount of other retail loans was KZT 222.0 million. Non-performing loans represented 3.6 per cent. of the gross outstanding loan within the other retail loan portfolio as at 30 June 2014.

Payment Cards

Temirbank became an associate member of the Visa International Payment System and started issuing its own cards in May 2002. In 2007, Temirbank started using its own full-function processing centre based on Compass

Plus solutions. In 2009, Temirbank completed the required certification and started issuing cards according to EMV specifications. In February 2010, Temirbank became a principal member of the MasterCard Worldwide International Payment System, and thereafter started to issue and service MasterCard and Maestro cards. In June 2012, Temirbank completed the required certification for improved membership and became a principal member of the Visa International Payment System. Thus, Temirbank had the opportunity to make direct settlement with Visa International and process transactions through its own processing centre. In order to improve payment cards data security, Temirbank has developed its own algorithms to prevent fraudulent transactions (Fraud Analyzer) and implemented advanced technologies developed by the International Payment Systems (CAMS Alert, Visa Risk manager). In 2013, Temirbank launched new money transfer services from card to card through ATMs, MasterCard, MoneySend and Visa Personal Payments. In the same year, Temirbank launched the Merchant Acquiring project of Visa and also released Visa Platinum premium cards. In the first half of 2014, Temirbank started offering a “Verified by Visa” service that provides additional security in the course of on-line transactions. Temirbank currently is in the process of completing its MasterCard Merchant Acquiring project. As at 30 June 2014, the total number of cards issued by Temirbank was approximately 444,000.

Corporate and SME Banking

Currently, Temirbank offers the following products to corporate and SME clients:

Overdrafts

Temirbank offers overdraft facilities to corporate and SME clients for a one month period in U.S. Dollars and Tenge. As at 30 June 2014, the amount of outstanding overdraft loans was KZT 750.0 million. Non-performing loans (90 days overdue and more) represented 7.9 per cent. of the gross outstanding overdraft loan portfolio as at 30 June 2014.

Short-term working capital loans

Temirbank offers short-term financing for working capital purposes in U.S. Dollars and Tenge for periods from three months up to three years. As at 30 June 2014, the net outstanding amount of working capital loans was KZT 32.1 billion. Non-performing loans represented 37.4 per cent. of the gross outstanding working capital loan portfolio as at 30 June 2014.

Long-term investment loans

Temirbank offers long-term financing for investment purposes in U.S. Dollars and Tenge for periods of up to seven years. Temirbank requires an initial down payment ranging from between 10 per cent. and 30 per cent. of the loan amount depending on the quality of collateral, ability of the client to pay and the type of investment. As at 30 June 2014, the net outstanding amount of investment loans was KZT 79.5 billion. Non-performing loans represented 48.8 per cent. of the gross outstanding investment loan portfolio as at 30 June 2014.

Temirbank is currently in the process of implementing new products for SME and Corporate clients that are expected to be finalised by 30 September 2014. Temirbank’s division of its corporate clients into the SME and corporate segments is based on the following criteria – annual turnover of KZT 2 billion and loan amount of KZT 600 million, but this segmentation was only implemented in May 2014.

Treasury Activities

Temirbank’s primary treasury activities involving capital markets instruments consist of the purchase of highly liquid securities primarily in connection with the management of Temirbank’s liquidity and other types of risk. Temirbank conducts repurchase transactions using its securities portfolio as collateral. These operations are conducted within the framework of established limits for bank counterparties on stock exchanges and over-the-counter markets.

Distribution Channels

Temirbank offers its products and services through its own branches and centres of banking services, as well as through its ATM network and electronic distribution channels such as internet, telephone and mobile banking channels.

Branches and Centres of Banking Services

As at 30 June 2014, Temirbank had 19 branches and 79 cash offices located throughout Kazakhstan. The operations of each branch are subject to internal regulation and to oversight by the head office. Although Temirbank's branches and cash offices provide a broad range of banking services, certain operations are conducted exclusively at Temirbank's head office. In comparison with branches, cash offices are primarily intended for retail customers and offer a limited number of banking operations such as utility payments, cash withdrawals and money transfers.

ATM Network and Point-of-Sale Terminals

To supplement its branches and cash offices, Temirbank also owns and operates 329 ATMs and 124 Terminals of service in order to enable its customers to have easier access to their deposits and loan accounts as well as other services. Temirbank also has 157 Point-of-Sale terminals (POS-terminals) installed at Temirbank's branches and 24 POS-terminals in trading outlets.

Internet, Telephone and Mobile Banking

Temirbank offers internet, telephone and mobile banking services to its customers. Internet banking provides Temirbank's customers with internet access to electronic banking services 24 hours, 7 days a week. This system, which was developed by Temirbank in 2007, offers a variety of financial services. In 2011, Temirbank launched its "HandyPay" service, providing an opportunity to Temirbank's customers to use a mobile phone at any time to pay for mobile services, internet services and cable television and also to make money transfers. In addition to basic banking services, Temirbank offers its customers a variety of services accessible on their mobile phones, including providing information services via SMS-messages allowing customers to manage their accounts, access information for banking products, view the balance of their accounts, pay municipal and other bills, and make card transfers to and from their accounts.

Technology

Temirbank has a centralised information technology platform which connects Temirbank's head office with its branches and cash offices throughout Kazakhstan and permits real time communications between them.

Temirbank's information technology systems are equipped with internationally reputable and up-to-date anti-virus and security systems. Temirbank maintains two up-to-date data centres and backs up data every 24 hours.

Temirbank's information technology systems relating to management and financial reporting, risk management and client relationship management are not fully automated. Temirbank is in the process of improving such systems and plans to upgrade its information technology infrastructure, having installed a new back-up system that was launched in August 2014.

Property

Temirbank has leased the premises at which its head office is located since 2000. In addition, Temirbank leases the buildings for 89 of its branches and owns the buildings for 9 of its branches. Generally, the terms of the leases are for one-year periods, renewable annually, and the current terms are due to expire on 31 December 2014.

Employees

As at 30 June 2014, Temirbank had 2,270 full-time employees, of which 1,615 were employed at Temirbank's branches and 655 were employed at Temirbank's head office, compared to 2,631 full-time employees as at 31 December 2013 of which 1,653 were employed at Temirbank's branches and 978 were employed at Temirbank's head office. To date, Temirbank has not experienced industrial action or other work stoppages resulting from labour disputes.

Security and Anti-Money Laundering

Temirbank has implemented security procedures and policies for all of its locations. Each branch and centre of banking service is subject to oversight by Temirbank's head office to ensure compliance with Temirbank's procedures and policies.

Temirbank maintains an anti-money laundering policy in relation to all of its customers. Temirbank monitors and analyses accounts and transactions of customers, investigates unusual and suspicious transactions and establishes compliance procedures for all internal standards and external bank regulation. Temirbank also maintains programmes for customer identification and the examination of customer's data upon the opening of a new account. Temirbank was registered as a FATCA member on 25 April 2014.

Insurance

Temirbank insures risks related to employer's liability insurance and motor insurance. All policies are renewable annually.

Competition

Since 2005, Temirbank's principal business focus has been on growing and maintaining retail banking operations within Kazakhstan. Accordingly, Temirbank largely competes with other banks within Kazakhstan which focus on banking products and services for retail customers. For retail deposits, Temirbank competes primarily with Kazkommertsbank, Halyk Bank, Bank CenterCredit, Nurbank and Bank Caspian. Temirbank had a 1.7 per cent. market share of retail deposits as at 30 June 2014 unchanged from approximately a 1.7 per cent. share of retail deposits as at 31 December 2013. To date, Temirbank has not experienced significant competition in the retail sector from foreign banks operating in Kazakhstan.

Temirbank also seeks to maintain its corporate banking offerings to SME customers. Although Temirbank competes with all participants in the Kazakhstan banking sector for SME customers, Temirbank does not actively focus on the corporate banking market for large corporate customers because Temirbank believes that larger domestic banks may be able to offer more favourable terms to large corporate customers.

FORTEBANK

ForteBank is a commercial bank operating in the Republic of Kazakhstan.

According to the NBK's data, as at 30 June 2014, ForteBank was the 30th largest commercial bank in Kazakhstan by total assets and the 27th by loan portfolio. ForteBank is focused on SMEs and mid-sized corporate clients and has a presence in 16 regions in Kazakhstan.

ForteBank holds a banking licence No. 1.1.256 for banking and other operations in Tenge and foreign currencies issued by the FMSC on 28 April 2012. ForteBank's re-registration certificate number 5019-1900-AO was issued by the Ministry of Justice of the Republic of Kazakhstan on 13 April 2012 and its Business Identification Number is 070940006465.

The registered address of ForteBank is: Triumph Business Center, 192, Dostyk Avenue, Almaty, 050051, Republic of Kazakhstan, and its telephone number is +7 (727) 259 99 99.

History

ForteBank was founded as Metrokombank Joint Stock Company by Mr. Igor Gekko and Mr. Gregory Noul Studer in 2007.

ForteBank developed as a predominantly retail bank under the previous Metrokombank JSC brand. During the period from 2007 to 2009, Metrokombank JSC opened 16 branches in Kazakhstan. Metrokombank JSC provided loans, including express-loans, to retail customers.

In 2010, the sale of Metrokombank JSC to Mr. Bulat Utemuratov and Mr. Timur Issatayev was completed. On the completion of this sale, a new senior management team was installed at Metrokombank JSC and the share capital of Metrokombank JSC has since been increased five times to its current level of KZT 9.1 billion as a result of the placement of 7,395,000 common shares. ForteBank currently has an authorised share capital of 10 million common shares.

In April 2010, Metrokombank JSC adopted a new strategy focusing on the rapidly growing SME sector and mid-sized corporate clients and was subsequently renamed as ForteBank JSC on 16 April 2012.

In September 2012, ForteBank opened its first "ForteOffice" in Almaty providing a unique client services format. ForteOffices are equipped with electronic cashier technology, "Plug & Play" self-service areas, automatic queue management systems, ForteBank Premier service areas and conference rooms that clients can use for their meetings.

In June 2012, ForteBank's Payroll Card Programme was launched and bank payment cards were issued.

In December 2012, S&P rated ForteBank as "kzBB" and in December 2013 ForteBank was named "The Most Innovative Bank of 2013" by Capital.kz.

At the beginning of 2014, ForteBank launched internet banking services for its retail customers.

Business of ForteBank

ForteBank is focused on SME and mid-sized corporate clients and their employees. ForteBank offers standard banking products and services, including loans and deposits for legal entities and individuals, issues of letters of credit, guarantees, promissory notes and a range of payment cards (from Electron to Infinity), currency exchange transactions, money transfers and cash-in-transit services.

Corporate and SME Banking

ForteBank provides loans to SME and corporate clients for working capital financing, project and investment financing, refinancing of existing indebtedness and trade finance. ForteBank also offers deposit programmes and full operational account services to SMEs. The term of the loans issued by ForteBank typically ranges from between three and five years. As at 30 June 2014, ForteBank's gross corporate and SME loan portfolio amounted to KZT 26.5 billion.

State Programmes for SME development

ForteBank participates in state programmes for the development of SMEs, particularly the Business Roadmap – 2020 and Mono-cities Development Programme for 2012-2020. The purpose of these programmes is to provide for the sustainable and balanced growth of regional businesses. Loans under these programmes are issued with interest rates of up to 14 per cent. per annum. State support is provided by the partial subsidy of interest rates under existing loans and a partial guarantee with respect to these loans. As at 30 June 2014, the net outstanding amount of these loans issued by ForteBank was approximately KZT 2.5 billion.

Overdraft

ForteBank provides overdrafts to its corporate and SME clients of up to 30 per cent. of the monthly average non-cash credit turnover of such clients over the previous six months. Overdraft interest rates vary from 16 per cent. to 22 per cent. per annum depending on the turnover of the settlement account and the financial standing of the relevant company. As at 30 June 2014, the net outstanding amount of overdrafts issued by ForteBank was KZT 160 million.

ForteTrust – Contractors Financing Programme

Loan facilities under this programme are provided to contractors on the basis of ongoing contracts with major international and local companies. Pre-financing of the contract, factoring (without commitment) and receivables financing are also available under this programme. The maximum term of loans under this programme is 12 months (not exceeding the contract term).

Deposits for Corporate and SME Clients

ForteBank offers deposits to corporate and SME clients providing for monthly interest payments, partial withdrawals on the condition of a minimum required balance of not less than KZT 30,000, as well as deposits without opening a savings account. Interest rates depend on the term, currency and conditions of deposit. As of 30 June 2014, the deposits of corporate and SME clients with ForteBank amounted to KZT 1.7 billion.

Payroll Projects and Salary cards

Pursuant to its Payroll Project, ForteBank issues payment cards enabling employees of partner-companies to withdraw cash free of charge from any ATM in the territory of Kazakhstan and pay for goods and services around the world. The cards are issued free of charge and there is no service charge for the first year of issue. The cards are subject to a credit limit determined according to the monthly salary received on the card by the retail customer.

ForteBank has been an associated member of the Visa International Payment System since June 2012. As at 30 June 2014, ForteBank had issued more than 24,000 debit cards. Most of the payment cards issued by ForteBank are salary cards provided to employees of ForteBank's corporate and SME clients.

“ForteBusiness” Corporate Cards

ForteBank's corporate cards enable its corporate and SME clients to use it as a cheque book, to manage their current accounts effectively and control business trips, operations and representation costs. The card is issued free of charge. There is no limit on the number of corporate cards to be issued to a corporate or SME client. As at 30 June 2014, there were 50 operating corporate cards.

Bank Guarantees

ForteBank issues payment guarantees under which ForteBank is obliged if necessary to pay the amount to the beneficiary on the terms negotiated. This banking product provides for issue of bid/tender guarantees and other unsecured guarantees, as well as guarantees secured by client funds and other types of collateral. As at 30 June 2014, the total net outstanding amount of guarantees issued by ForteBank amounted to KZT 2.5 billion.

Retail Banking

Currently ForteBank provides the following main retail banking products:

Unsecured Loans

ForteBank offers unsecured loans to employees of partner-companies within the Payroll Project: express-loans and credit limits on payment cards. Express-loans are provided for a maximum term up to four years, with an interest rate from 16.5 per cent. per annum. Credit limits on payment cards are provided in the amount of 120 per cent. of the salary amount with an interest rate of 24 per cent. per annum. As at 30 June 2014, the net outstanding amount of unsecured loans amounted to KZT 246 million.

Retail Deposits

ForteBank offers two types of deposits to its retail customers: “ForteLux” deposits with a minimum required deposit balance of KZT 15,000, U.S.\$100 or EUR 100 with a fixed interest rate for the whole deposit period; and “ForteElite” deposits created for Premier Banking clients exclusively, with attractive interest rates and flexible terms. As at 30 June 2014, the deposits of retail customers with ForteBank amounted to approximately KZT 2.8 billion.

Money transfer

ForteBank carries out money transfer operations under the “Golden Crown” money transfer system without requiring the opening of an account. The “Golden Crown” money transfer system has 40,000 service points in Kazakhstan and other CIS countries, Georgia, Abkhazia, Czech Republic, Mongolia, Israel, Nepal, China, Turkey and Vietnam. The system software enables money to be transferred almost immediately; the funds are available upon the deposit of money at the bank’s cash department.

Among other benefits of the system are cheap rates (the cost of service is paid by the remitter only), no-address transfer principle (the remittee independently chooses the most convenient service point to collect money) and attractive additional options (such as both the remitter and the remittee receiving free text notifications on cash transfer and receipt and the possibility of online tracking of the transfer status on the system’s website).

Treasury Activities

Treasury activities are mainly related to the management of ForteBank’s liquidity. Operations on attraction/placement of interbank deposits are also carried out within the liquidity management of ForteBank and operations in the currency market are also done to conduct conversion operations, providing ForteBank with necessary foreign currency, as well as for foreign exchange risk management.

Distribution Channels

ForteBank offers its products and services to corporate and SME clients and retail customers through its branches, client service centres and internet banking.

Branches and Centres of Banking Services

As at 30 June 2014, ForteBank had a broad branch network of 16 branches and six client service centres in Kazakhstan. The activities of each branch and client service centre is subject to internal regulation and supervision by the head office. Branches and client service centres provide full service banking, particularly loans, settlement and cash services, opening deposits and payment cards and many other services.

ATM Network and Point-of-Sale Terminals

ForteBank has no ATM network in order to avoid maintenance expenses. ForteBank was the first bank to introduce in Kazakhstan free cash withdrawals from all ATMs in Kazakhstan within the payroll project for the convenience of its clients. ForteBank has 47 Point-of-Sale terminals for cash withdrawals from salary cards installed at ForteBank’s branches.

Internet Banking

ForteBank offers both corporate and retail clients a range of internet banking services that enable clients to manage their accounts, make various payments and currency conversions among other services. The security of operations carried out via internet banking for corporate clients is guaranteed by an electronic digital signature accredited by the Certification Centre of the Kazakhstan Interbank Settlement Centre of the NBK (“KISC”). The security and confidentiality of retail internet banking is ensured by software encryption of transmitted information according to “Secure Socket Layer” protocol.

Corporate internet banking is a very popular service among ForteBank’s clients due to its convenience in remote servicing and the full range of non-cash transactions offered on bank accounts. Moreover, ForteBank offers lower tariffs and provides opportunities to reduce the service costs for both ForteBank and the client. Statistically, corporate and SME clients carry out approximately 80 per cent. of their transactions through internet banking. Retail internet banking is currently in the development stage. Its popularity among clients has been growing since its launch at the beginning of 2014.

Also in order to minimise its customers’ banking costs and reduce the borrowing costs of its subsidiaries, ForteBank offers a cash pooling system enabling corporate clients to manage bank accounts at its branches, consolidate cash flows into a unified position and improve the viability of liabilities by means of providing technical overdrafts by ForteBank during the banking day. The amounts of minimum required balance is written off at the end of the banking day from the head office account. This service is popular among the major corporate clients of ForteBank.

Technology

In 2012, ForteBank opened new offices equipped with the most up-to-date banking services for the convenience of its clients. Clients are provided with services in ForteOffices in individual rooms where the client may watch the process of its operations on a personal screen. An automatic queue management system is used in ForteOffices which was developed by ForteBank’s specialists. For the convenience of clients, there are special “Plug & Play” self-service areas in ForteOffices equipped with modern computers and free internet connection where the client can independently perform operations in internet banking, receive necessary information by means of a “E-gov” portal or just use the internet. ForteBank was the first bank in Kazakhstan to introduce cash receipt/disbursement technology by means of an electronic cashier device. The electronic cashier meets all safety requirements and reduces the number of operational errors of personnel due to the elimination of cash recounts by hands. Moreover, the electronic cashier identifies banknotes when receiving and dispensing cash, reducing service time and eliminates the risk of invalid banknotes receipt.

ForteBank has a centralised information technology platform enabling branches and client service centres to work and cooperate in real-time. The core of the information platform is an automated banking information system.

ForteBank is connected to the KISC and implemented electronic digital signature to internet banking in compliance with the laws “On electronic document and electronic digital signature” and “On banks and banking activity in the Republic of Kazakhstan”.

ForteBank has a modern solid network infrastructure. Reserve communication channels are provided to enable the business continuity of ForteBank.

Property

ForteBank has leased its head office in the Triumph Business Centre in Almaty since 2011. Additionally, ForteBank leases 21 of its branches and owns a further two of its branches. The terms of all of the leases owned by ForteBank are renewable upon expiration.

Employees

As at 30 June 2014, ForteBank had 481 full-time employees, 312 of which were employed at ForteBank’s branches, and 169 were employed at ForteBank’s head office. Compared to 31 December 2013, the number of employees has increased by 26 (the number of employees was 455, of which 292 were employed at branches and

163 at head office). Since its establishment, ForteBank has not experienced industrial action and/or work stoppages resulting from labour disputes.

Security and Anti-Money Laundering

ForteBank has implemented policies and procedures to comply with all legislative requirements of the Republic of Kazakhstan and FATF international standards of internal control. ForteBank carries out centralised implementation of anti-money-laundering and know-your-customer policies. ForteBank has policies in place that aim to prevent it from dealing with suspicious partners and clients or taking part in dubious transactions.

Insurance

ForteBank insures risks related to its civil liability as the employer and the vehicles owner. All insurance policies are renewable annually.

Competition

ForteBank provides services predominantly to SME and mid-sized corporate clients and primarily competes with Kazkommertsbank JSC, ATFBank JSC, Halyk Bank, BTA, Bank Center Credit JSC, Eurasian Bank JSC and other mid-level banks in this segment. ForteBank had a market share of 0.2 per cent. in terms of its loan portfolio as at 30 June 2014.

ForteBank does not focus on providing loans to large corporate clients and is also not engaged in mass retail banking. Therefore, ForteBank does not compete with banks concentrated in these sectors.

PRO FORMA FINANCIAL INFORMATION

The following information should be read in conjunction with “Presentation of Financial and Other Information—Pro Forma Financial Information” and the Financial Statements and the notes thereto incorporated by reference into this Information Memorandum.

The Pro Forma Financial Information was prepared by the Bank on the basis of IFRS to illustrate the effect of the Restructuring and Consolidation as if the Restructuring and Consolidation had been completed as at 30 June 2014 and is based on data derived from the Financial Statements for the first six months of 2014. The Pro Forma Financial Information is unaudited and is presented for illustrative purposes only. The Bank’s management believes that the Pro Forma Financial Information may be useful in enabling Claimants to assess and understand the effects of the Restructuring and the Consolidation in the context of the Combined Bank.

The key purpose of the Restructuring and Consolidation is to restore the Combined Bank’s Tier I capital ratio under Basel II. Therefore, the Pro Forma Financial Information based on IFRS is more indicative of whether the purpose of the Restructuring and Consolidation is likely to be achieved.

The Pro Forma Financial Information is based upon certain assumptions and adjustments which the Bank’s management believes are reasonable and necessary for a fair presentation of such information. The assumptions and adjustments are based upon the Bank’s preliminary analysis and based upon currently available information. While the Bank has used all reasonable efforts to ensure that the Pro Forma Financial Information is correct, accurate and complete as at the date of this Information Memorandum, no representation or warranty is made (express or implied) as to the reliability, accuracy or completeness of the Pro Forma Financial Information.

The Pro Forma Financial Information does not take into account the potential impact of any developments since 30 June 2014.

Claimants are cautioned that pro forma financial information is inherently unreliable and that the Pro Forma Financial Information is not necessarily indicative of how the Combined Bank’s consolidated capitalisation, statement of financial position, income statement or capital adequacy as at 30 June 2014 would have been presented had the Restructuring and Consolidation actually been completed at 30 June 2014, nor is it indicative of the Combined Bank’s consolidated capitalisation, statement of financial position, income statement or capital adequacy as at any later date. The unaudited Pro Forma Financial Information should be read in conjunction with the Financial Statements incorporated by reference into this Information Memorandum.

Assumptions

The Pro Forma Financial Information presented in this section of the Information Memorandum is based on the following assumptions:

- the Restructuring and Consolidation had been completed as at 30 June 2014;
- the accounting of the Consolidation has been done under the principle of common control (of Mr. Utemuratov);
- there have been no material transactions concerning the Bank, other than the transactions discussed herein;
- the terms of the Restructuring Plan, the Restructuring Packages and the Consolidation are the same as set out in this Information Memorandum;
- all amounts in U.S. Dollars in historical financial statements are translated using the Tenge/U.S. Dollar exchange rate as at 30 June 2014, as reported by the NBK, of KZT 183.52 = U.S.\$1.00. All amounts in U.S. Dollars pertaining to adjustments resulting from the Restructuring Plan are translated using a Tenge/U.S. Dollar exchange rate of KZT 184 = U.S.\$1.00;
- the IFRS value of new debt has been computed as if it had been issued on 30 June 2014, using an annual discount rate of 10.75 per cent. per annum (or the equivalent annualised semi-annual discount rate of 10.48 per cent. per annum);

- SK Deposits in a total amount of KZT 220,000 million are to be converted into the New SK Deposit of an aggregate amount KZT 79,178 million (including KZT 67,100 million of existing SK Deposits and KZT 12,078 million additional SK Deposits) at the Bank, KZT 74,894 million of existing SK Deposits at Temirbank and KZT 65,928 million new SK deposits at ForteBank. The New SK Deposit has a 10 year maturity with bullet repayment and bears interest at 4 per cent. per annum;
- the IFRS value of the New SK Deposit has been computed as if all SK Deposits to be converted had been transformed on 30 June 2014, using an annual discount rate of 10.75 per cent. per annum (or the equivalent annualised semi-annual discount rate of 10.48 per cent. per annum). The IFRS value of the New SK Deposit is KZT 132,910 million. The conversion of SK Deposits at the Bank, Temirbank and ForteBank has allowed the creation of a capital gain (“gain from restructuring”) of KZT 87,090 million (i.e. KZT 31,344 million, KZT 29,648 million and KZT 26,098 million, respectively for each bank);
- the Bank invests the KZT 12,078 million of additional deposits received from Samruk-Kazyna into “cash and cash equivalents”;
- ForteBank invests the KZT 65,928 million of additional deposits received from Samruk-Kazyna into securities classified as “financial instruments at fair value through profit or loss”;
- the exchange of preference shares of Temirbank and ForteBank into Common Shares of the Bank has resulted in a capital creation (accounted for as “additional paid-in capital”) of KZT 4,903 million as a result of the cancellation of the liability component of the preference shares of KZT 3,625 million and KZT 1,278 million, respectively for each of Temirbank and ForteBank;
- the prospective profitability of the Combined Bank as supported by the business plans prepared by the management of each bank has given rise to the recognition of additional deferred tax assets from the current stock of off-balance sheet available deferred tax assets at the Bank. The Consolidation has thus resulted in the creation of KZT 19,546 million in additional deferred tax assets such that the total amount of deferred tax assets recognised on the balance sheet of the Combined Bank has reached KZT 25,510 million;
- the adjustment of income tax of KZT 32,086 million recorded at the Combined Bank level represents a gross up of the income tax expense of KZT 12,540 million for pro forma purposes, mainly on the restructuring gain, presented at the Bank level and the creation of KZT 19,546 million of additional deferred tax assets; and
- the debt securities issued and subordinated debt of the Bank subject to the Restructuring are accounted at amortised cost in the Pro Forma Financial Information, not at nominal value as it was reported in the financial statements of the Bank for the year ended 31 December 2013 and for the six months ended 30 June 2014. It was achieved by making an adjusting entry in the pro forma interest expense as at 30 June 2014 to write off unamortised net discount on debt securities issued and subordinated debt as it would stand as at 30 June 2014 in the amount of KZT 2,122 million and KZT 4,436 million, respectively.

Under the accounting principle of common control, new Shares have been issued to Temirbank and ForteBank shareholders on the basis of the book value of the equity (excluding non-controlling interests) of each bank. The additional share capital of KZT 139,637 million also comprises, as per the Restructuring Plan, KZT 16,622 million of Equity Value attributed to the Claimants pursuant to the issuance of new Shares.

Adjustments

- elimination of the entries between the Bank and Temirbank for correspondent accounts;
- elimination of the entries in respect of Preference Shares of the Bank held by Temirbank previously recognised as impaired;
- elimination of the entries of Preference Shares and Common Shares of the Bank held by Temirbank; and
- elimination of the entries between the Bank and Temirbank for operating expense and other income.

Standalone Unaudited Pro Forma Statements of Financial Position

The following table sets out the historical and pro forma statements of financial position of the Bank, Temirbank and ForteBank prepared on the basis of IFRS as at 30 June 2014:

	Before restructuring			Restructuring adjustments			Standalone pro-formas		
	The Bank	Temirbank	ForteBank	The Bank	Temirbank	ForteBank	The Bank	Temirbank	ForteBank
		30 June 2014		30 June 2014		30 June 2014	30 June 2014		
Assets									
Cash and cash equivalents	46,323	17,326	16,568	(18,865)			27,458	17,326	16,568
Placements with banks	233	5,355	216				233	5,355	216
Financial instruments at fair value through profit or loss	4,708	22,192	3,508			65,928	4,708	22,192	69,436
Loans to customers	251,239	263,990	29,275				251,239	263,990	29,275
Available-for-sale financial assets	118,228	—	—				118,228	—	—
Investment securities held-to-maturity	—	6,859	—				—	6,859	—
Property, equipment and intangible assets	19,626	2,383	2,098				19,626	2,383	2,098
Current tax asset	72	18	6				72	18	6
Deferred tax asset	—	5,964	—				—	5,964	—
Other assets	8,443	8,521	111				8,443	8,521	111
Total assets	448,872	332,608	51,782	(18,865)	—	65,928	430,007	332,608	117,710
Liabilities									
Current accounts and deposits from customers									
– Individuals	117,903	75,182	9,510				117,903	75,182	9,510
– Legal entities	53,749	64,357	25,965				53,749	64,357	25,965
– SK deposits	77,560	74,894	—	(67,100)	(74,894)		10,460	—	—
– Special SK deposits	—	—	—	47,834	45,246	39,830	47,834	45,246	39,830
Loans from the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan	54,741	9,989	—				54,741	9,989	—
Deposits and balances from banks	190	6,624	712				190	6,624	712
Debt securities issued	129,386	15,336	—	(83,451)			45,935	15,336	—
Subordinated debt	26,612	22,773	3,073	(26,612)			—	22,773	3,073
Liability component of preference shares	2,304	3,625	1,278		(3,625)	(1,278)	2,304	—	—
Amounts payable under repurchase agreements	87,645	4,002	2,133				87,645	4,002	2,133
Other liabilities	3,162	1,103	796				3,162	1,103	796
Total liabilities	553,252	277,885	43,467	(129,329)	(33,273)	38,552	423,923	244,612	82,019

	Before restructuring		Restructuring adjustments		Standalone pro-formas	
	The Bank	Temirbank 30 June 2014	The Bank	Temirbank 30 June 2014	The Bank	Temirbank 30 June 2014
		ForteBank		ForteBank		ForteBank
Equity						
Share capital	273,090	59,547	273,090	59,547	273,090	9,382
Additional paid-in capital	19,070	—	19,070	—	19,070	1,278
Restructuring reserve	(25,981)	—	(25,981)	3,625	(25,981)	—
Revaluation surplus for property	1,976	—	1,976	—	1,976	—
Revaluation reserve for available-for-sale financial assets	(9,148)	—	(9,148)	—	(9,148)	—
Accumulated losses	(363,387)	(5,496)	(284,267)	(5,496)	(284,267)	(1,067)
Gain from restructuring	—	—	31,344	29,648	31,344	26,098
Non-controlling interests	—	672	—	672	—	—
Total equity	(104,380)	54,723	110,464	33,273	6,084	35,691
Total liabilities and equity	448,872	332,608	(18,865)	—	430,007	117,710

Combined Unaudited Pro Forma Bank Statement of Financial Position

The following table sets out the pro forma statement of financial position of the Combined Bank prepared on the basis of IFRS as at 30 June 2014:

	The Bank's equity	Sum	Merger adjustments	Shares issue	Elimination entry between the Bank and Temirbank for correspondent accounts	Elimination entry to liability component of preference shares of the Bank held by Temirbank	Elimination of preference and common shares held by Temirbank	Combined Bank
30 June 2014								
Assets								
Cash and cash equivalents		61,352	12,540		(411)			73,481
Placements with banks		5,804						5,804
Financial instruments at fair value through profit or loss		96,336						96,336
Loans to customers		544,504						544,504
Available-for-sale financial assets		118,228						118,228
Investment securities held- to-maturity		6,859						6,859
Property, equipment and intangible assets		24,107						24,107
Current tax asset		96						96
Deferred tax asset		5,964	19,546					25,510
Other assets		17,075						17,075
Total assets		880,325	32,086		(411)			912,000
Liabilities								
Current accounts and deposits from customers								
– Individuals		202,595						202,595
– Legal entities		144,071						144,071
– SK deposits		10,460						10,460
– Special SK deposits		132,910						132,910
Loans from the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan		64,730						64,730
Deposits and balances from banks		7,526			(411)			7,115
Debt securities issued		61,271						61,271
Subordinated debt		25,846						25,846
Liability component of preference shares		2,304				(1)		2,303
Amounts payable under repurchase agreements		93,780						93,780
Other liabilities		5,061						5,061
Total liabilities		750,554	—		(411)	(1)		750,142
Equity								
Share capital	273,090			139,637			(82)	412,645
Additional paid-in capital	19,070							19,070
Restructuring reserve	(25,981)							(25,981)
Revaluation surplus for property	1,976							1,976
Revaluation reserve for available-for-sale financial assets	(9,148)							(9,148)
Accumulated losses	(284,267)		32,086	(16,622)		1	82	(268,721)
Gain from restructuring	31,344							31,344
Non-controlling interests	—	672						672
Total equity	6,084	672	32,086	123,015	—	1	—	161,858
Total liabilities and equity	6,084	751,226	32,086	123,015	(411)	—	—	912,000

Standalone Unaudited Pro Forma Income Statements

The following table sets out the historical and pro forma income statements of the Bank, Temirbank and ForteBank prepared on the basis of IFRS for the six months ended 30 June 2014:

	Before restructuring			Adjustments			Standalone pro-formas		
	The Bank	Temirbank	ForteBank	The Bank	Temirbank	ForteBank	The Bank	Temirbank	ForteBank
		30 June 2014		30 June 2014		30 June 2014	30 June 2014		
Loans to customers	27,860	13,551	1,312	—	—	—	27,860	13,551	1,312
Available-for-sale financial assets	3,538	—	—	—	—	—	3,538	—	—
Investment securities held-to-maturity	—	153	—	—	—	—	—	153	—
Financial instruments at fair value through profit or loss	102	620	77	—	—	—	102	620	77
Placements with banks	5	140	—	—	—	—	5	140	—
Total interest income	31,505	14,464	1,389	—	—	—	31,505	14,464	1,389
Current accounts and deposits from customers	(10,252)	(6,115)	(232)	—	—	—	(10,252)	(6,115)	(232)
Debt securities issued	(5,579)	(945)	—	2,122	—	—	(3,457)	(945)	—
Amounts payable under repurchase agreements	(2,288)	(193)	(3)	—	—	—	(2,288)	(193)	(3)
Subordinated debt	(1,177)	(897)	(113)	4,436	—	—	3,259	(897)	(113)
Liability component of preference shares	—	(194)	(60)	—	—	—	—	(194)	(60)
Loans from the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan	(1,288)	(158)	—	—	—	—	(1,288)	(158)	—
Deposits and balances from banks	(43)	(169)	(1)	—	—	—	(43)	(169)	(1)
Total interest expense	(20,627)	(8,671)	(409)	6,558	—	—	(14,069)	(8,671)	(409)
Net interest income	10,878	5,793	980	6,558	—	—	17,436	5,793	980
Fee and commission income	2,454	1,315	448	—	—	—	2,454	1,315	448
Fee and commission expense	(585)	(111)	(27)	—	—	—	(585)	(111)	(27)
Net fee and commission income	1,869	1,204	421	—	—	—	1,869	1,204	421

	Before restructuring			Adjustments			Standalone pro-formas		
	The Bank	Temirbank	ForteBank	The Bank	Temirbank	ForteBank	The Bank	Temirbank	ForteBank
		30 June 2014			30 June 2014			30 June 2014	
Net gain on financial instruments at fair value	10	4	9				10	4	9
through profit or loss	—	265	—				—	265	—
Net gain from transactions with available-for-sale financial assets	(14,367)	377	532				(14,367)	377	532
Net foreign exchange (loss)/gain	3,002	—	—				3,002	—	—
Net gain from recovery notes	—	83	—				—	83	—
Dividend income	168	—	—				168	—	—
Net gain on repurchase of liabilities	(36)	335	44				(36)	335	44
Other operating (expense)/income									
Operating income	1,524	8,061	1,986	6,558	—	—	8,082	8,061	1,986
Gain from restructuring	—	—	—	85,102	—	—	85,102	—	—
General administrative expenses	(7,880)	(5,194)	(1,607)				(7,880)	(5,194)	(1,607)
(Charge for)/recovery of impairment losses	(22,606)	9,524	(102)				(22,606)	9,524	(102)
(Loss)/profit before income tax	(28,962)	12,391	277	91,660	—	—	62,698	12,391	277
Income tax expense	—	(1,508)	(82)	(12,540)	—	—	(12,540)	(1,508)	(82)
(Loss)/profit for the period	(28,962)	10,883	195	79,120	—	—	50,158	10,883	195

Combined Unaudited Pro Forma Income Statement

The following table sets out the pro forma income statement of the Combined Bank prepared on the basis of IFRS for the six months ended 30 June 2014:

	Sum	Merger	Elimination entry	Combined
	30 June 2014	adjustments	between the Bank	Bank
	30 June 2014	30 June 2014	and Temirbank	30 June 2014
	30 June 2014	30 June 2014	for operating	30 June 2014
	30 June 2014	30 June 2014	expense and	30 June 2014
	30 June 2014	30 June 2014	other income	30 June 2014
Loans to customers	42,723			42,723
Available-for-sale financial assets	3,538			3,538
Investment securities held-to-maturity	153			153
Financial instruments at fair value through profit or loss	799			799
Placements with banks	145			145
Total interest income	47,358	—	—	47,358
Current accounts and deposits from customers	(16,599)			(16,599)
Debt securities issued	(4,402)			(4,402)
Amounts payable under repurchase agreements	(2,484)			(2,484)
Subordinated debt	2,249			2,249
Liability component of preference shares	(254)			(254)
Loans from the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan	(1,446)			(1,446)
Deposits and balances from banks	(213)			(213)
Total interest expense	(23,149)	—	—	(23,149)
Net interest income	24,209	—	—	24,209
Fee and commission income	4,217			4,217
Fee and commission expense	(723)			(723)
Net fee and commission income	3,494	—	—	3,494
Net gain on financial instruments at fair value through profit or loss	23			23
Net gain from transactions with available-for-sale financial assets	265			265
Net foreign exchange loss	(13,458)			(13,458)
Net gain from recovery notes	3,002			3,002
Dividend income	83			83
Net gain on repurchase of liabilities	168			168
Other operating income	343		(3)	340
Operating income	18,129	—	(3)	18,126
Gain from restructuring	85,102			85,102
General administrative expenses	(14,681)		3	(14,678)
Charge for impairment losses	(13,184)			(13,184)
Profit before income tax	75,366	—	—	75,366
Income tax (expense)/benefit	(14,130)	32,086		17,956
Profit for the period	61,236	32,086	—	93,322

OPERATING AND FINANCIAL REVIEW

The following review should be read in conjunction with the Financial Statements and the notes thereto, prepared in accordance with IFRS and incorporated by reference in this Information Memorandum. The forward looking statements contained in this review are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such forward looking statements. Factors that may cause such a difference include, but are not limited to, those discussed in “Forward-Looking Statements” and “Risk Factors”. Operating results for the periods presented are not necessarily indicative of the results for any following period.

The Bank

Results of Operations for the Six-Month periods ended 30 June 2014 and 2013

Summary

The Bank recorded a net loss of KZT 28,962 million during the six month period ended 30 June 2014, compared to net income of KZT 114 million during the six month period ended 30 June 2013. The net loss for the six month period ended 30 June 2014 compared to the profit for the corresponding period in 2013 was primarily a result of higher impairment charges for loan losses and the negative impact of the devaluation of the Tenge in February 2014.

Net Interest Income

The following table sets out the principal components of the Bank’s net interest income for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Interest income		
Loans to customers	27,860	23,831
Available-for-sale assets	3,538	3,514
Financial instruments at fair value through profit or loss	102	273
Placements with banks	5	7
Total interest income	31,505	27,625
Interest expense		
Current accounts and deposits from customers	(10,252)	(13,481)
Debt securities issued	(5,579)	(5,386)
Amounts payable under repurchase agreements	(2,288)	(1,916)
Loans from the National Bank of Republic of Kazakhstan and the Government of the Republic of Kazakhstan	(1,288)	(628)
Subordinated debt	(1,177)	(1,353)
Deposits and balances from banks	(43)	(280)
Total interest expense	(20,627)	(23,044)
Net interest income	10,878	4,581

The Bank’s net interest income increased to KZT 10,878 million for the six month period ended 30 June 2014 compared to KZT 4,581 million for the six month period ended 30 June 2013, mainly as a result of a 16.9 per cent. increase in interest income on loans to customers to KZT 27,860 million for the six months ended 30 June 2014 from KZT 23,831 million for the same period in 2013 due to an increase in the average effective interest rates earned by the Bank on its loan portfolio. The effective interest rates for Tenge-denominated loans during this period increased from 16.5 per cent. during the six month period ended 30 June 2013 to 24.5 per cent. during the six month period ended 30 June 2014 due to the launch of new products reflecting the substantial growth of the Bank’s commission fee, which is part of interest income. The Bank’s interest income growth during the first six months of 2014 was partially offset by a decline in interest income on financial instruments at fair value through profit or loss by KZT 171 million mostly due to the maturity of treasury bills of the Ministry of Finance of the Republic of Kazakhstan.

Total interest expense decreased by 10.5 per cent. during the six month period ended 30 June 2014 to KZT 20,627 million from KZT 23,044 million for the same period of 2013. The decrease in interest expense over the period was largely due to the 24.0 per cent. decrease in interest expense on current accounts and deposits from customers, mostly because the Bank experienced a net outflow of deposits of approximately KZT 55 billion following the devaluation of the Tenge in February 2014. Interest expense on deposit and balances from banks decreased by 84.6 per cent. during the six month period ended 30 June 2014 to KZT 43 million from KZT 280 million for the same period of 2013, mostly due to the maturity in 2014 of a deposit placed by DBK in the amount of U.S.\$50 million. The deposit was denominated in U.S. Dollars and bore an interest rate of 6.8 per cent. per annum. The interest expense on loans from the NBK and the Government increased by 105.1 per cent. during the six month period ended 30 June 2014 compared with the same period in 2013, since in February 2014 the Bank received a loan from the NBK in the amount of KZT 40 billion, which bears interest at 5.5 per cent. per annum and matures in 2015.

Net fee and commission income

During the six month period ended 30 June 2014, net fee and commission income decreased by 61.8 per cent. to KZT 1,869 million from KZT 4,895 million for the six month period ended 30 June 2013. The Bank derives its fee and commission from providing services including settlement operations, foreign exchange and security operations, guarantee and letters of credit issuances. Net fee and commission income decreased during the six month period ended 30 June 2014 compared to the six month period ended 30 June 2013 mainly due to the removal in February of commissions for cash withdrawals of 7 per cent. of the amount withdrawn under an unsecured retail credit product and due to the decreased level of banking activities undertaken by the Bank as a result of the decline of the Bank's customer base.

Other operating (expense)/income

The following table sets out certain information on the Bank's other operating (expense)/income for the periods indicated:

	<u>Six months ended 30 June</u>	
	<u>2014</u>	<u>2013</u>
	<u>(KZT millions, unaudited)</u>	
Net gain on financial instruments at fair value through profit or loss	10	7
Net foreign exchange (loss)/gain	(14,367)	294
Net gain from Recovery Notes	3,002	831
Net gain on repurchase of liabilities	168	91
Other operating expense	(36)	(917)
Other operating (expense)/income	(11,223)	306

The Bank had total other operating expenses of KZT 11,223 million for the six months ended 30 June 2014 compared to other operating income of KZT 306 million for the six months ended 30 June 2013, primarily due to the negative impact of the devaluation of the Tenge in February 2014.

Charge for/Recovery of Impairment Losses

The Bank's impairment charge for the six months ended 30 June 2014 was KZT 22,606 million compared to an impairment charge of KZT 1,141 million for the six months ended 30 June 2013 as a result of a significant increase in the Bank's provision for impairment losses due to the deterioration of the credit quality of its loan portfolio and a change in estimates also affected the loan impairment allowance.

The Bank also revised certain assumptions applied in preparation of its financial statements for the six month period ended 30 June 2014 compared to the assumptions used previously (such as the discount of collateral, collateral sale period, efficiency of restructuring and the discounting of recovery rate).

General Administrative Expenses

General administrative expenses for the six months ended 30 June 2014 decreased by 2.8 per cent. to KZT 7,880 million from KZT 8,110 million for the six months ended 30 June 2013. This decrease is mainly attributable to the decrease in payroll and related taxes due to a 13.7 per cent. decrease in the number of employees from 3,399 as at 30 June 2013 to 2,932 as at 30 June 2014. The decrease in payroll and related taxes was partially

offset by an increase in professional services expenses during the six months ended 30 June 2014 to KZT 659 million from KZT 341 million for the six months ended 30 June 2013, largely due to the increased fees paid in connection with the Restructuring.

Results of Operations for the Years ended 31 December 2013 and 2012

Summary

For the year ended 31 December 2013, the Bank reported a net loss of KZT 84,848 million or KZT 6,222 per basic and diluted share, compared to a net profit of KZT 640 million or KZT 46.9 per basic and diluted share for the year ended 31 December 2012. The net loss in 2013 was primarily a result of a significant increase in the Bank's provision for impairment losses due to the deterioration in the credit quality of the Bank's loan portfolio and changes in estimates resulting in the recognition of additional impairment losses. The Bank revised certain assumptions applied in the preparation of its financial statements for the year ended 31 December 2013 compared to assumptions used previously (discount of collateral, collateral sale period, efficiency of restructuring and discounting of recovery rate, etc). Another reason was the derecognition of deferred tax assets. Future tax benefits will only be realised if profits will be available against which unused tax losses can be utilised and there are no changes to the law and regulations that adversely affect the Bank's ability to claim the deductions in future periods. These future tax benefits were not recognised as at 31 December 2013 due to uncertainties concerning their realisation.

Net Interest Income

The following table sets out the principal components of the Bank's net interest income for the periods indicated:

	<u>Year ended 31 December</u>	
	<u>2013</u>	<u>2012</u>
	(KZT millions)	
Interest income		
Loans to customers	57,549	46,393
Available-for-sale assets	7,015	4,966
Financial instruments at fair value through profit or loss	505	691
Placements with banks	19	26
Amounts receivable under reverse repurchase agreements	16	7
Total interest income	65,104	52,083
Interest expense		
Current accounts and deposits from customers	(26,460)	(26,495)
Debt securities issued	(12,994)	(11,769)
Subordinated debt	(7,364)	(2,643)
Amounts payable under repurchase agreements	(4,180)	(3,276)
Loans from the Government of the Republic of Kazakhstan	(1,188)	(1,459)
Deposits and balances from banks	(578)	(94)
Total interest expense	(52,764)	(45,736)
Net interest income	12,340	6,347

Interest income mainly comprises income on loans to customers, interest income on available-for-sale assets and financial instruments at fair value through profit or loss, interest on placements with banks and amounts receivable under reverse repurchase agreements. Total interest income increased by 25.0 per cent. to KZT 65,104 million for the year ended 31 December 2013 from KZT 52,083 million for the year ended 31 December 2012, largely as a result of a 24.0 per cent. increase in interest on loans to customers to KZT 57,549 million for the year ended 31 December 2013 from KZT 46,393 million for the year ended 31 December 2012 due to an increase in the average effective interest rates earned by the Bank on its loan portfolio. The effective interest rates for Tenge-denominated loans during this period increased from 18.3 per cent. during the year ended 31 December 2012 to 24.2 per cent. during the year ended 31 December 2013 due to the launch of new products reflecting the substantial growth of the Bank's commission fee, which is part of interest income. and the issuance of retail loans with a higher interest rate. The interest income on available-for-sale assets also increased by 41.3 per cent to KZT 7,015 million for the year ended 31 December 2013 from

KZT 4,966 million for the year ended 31 December 2012 due to an increase on 14 December 2012 of the coupon on the Samruk-Kazyna Bonds from 4 per cent. to 6 per cent.

Interest expense mainly comprises interest expenses on current accounts and deposits from customers, interest expenses on debt securities issued, amounts repayable under repurchase agreements, interest expense on subordinated debt, interest expense on loans from the Government and interest on deposits and balances from banks. For the year ended 31 December 2013, interest expense increased by 15.4 per cent. to KZT 52,764 million from KZT 45,736 million for the year ended 31 December 2012. This increase was a result of the write-off of unamortised net discount relating to debt securities issued in the amount of KZT 1,995 million and unamortised net discount of subordinated debt in the amount of KZT 4,585 million to bring them to par value in connection with the proposed Restructuring. On 23 January 2014, the Bank's management indicated to its creditors that it would have to restructure the Existing Notes. Due to the contractual terms of the Existing Notes, as a result of this event, all Existing Notes were categorised as on demand as at 31 December 2013.

Net Fee and Commission Income

Net fee and commission income increased by 77.5 per cent. to KZT 9,904 million for the year ended 31 December 2013 from KZT 5,581 million for the year ended 31 December 2012 due to increased fee income for cash withdrawals from card accounts by customers. In turn, these commissions have grown due to the increased issuance of retail loans and the introduction in May 2013 of a new loan product "Alliance Credit Bonus", on which the commission for cash withdrawal is 7 per cent. of the amount withdrawn.

Other Operating Income

The following table sets out certain information on the Bank's other operating income for the periods indicated:

	<u>Year ended 31 December</u>	
	<u>2013</u>	<u>2012</u>
	(KZT millions)	
Net (loss)/gain on financial instruments at fair value through profit or loss	(86)	498
Net foreign exchange (loss)/gain	(160)	1,199
Net gain/(loss) from Recovery Notes	7,096	(923)
Net gain on repurchase of liabilities	254	3,085
Other operating (expenses)/income	(204)	578
Other Operating Income	<u>6,900</u>	<u>4,437</u>

Other operating income for the year ended 31 December 2013 increased by 55.5 per cent. to KZT 6,900 million from KZT 4,437 million for the year ended 31 December 2012. This increase was mainly attributable to a substantial gain in respect of the Recovery Notes of KZT 7,096 million due to the re-calculation of the expected payments on the Recovery Notes.

Charge for/Recovery of Impairment Losses

The Bank's impairment charge for the year ended 31 December 2013 was KZT 78,405 million compared to a recovery of KZT 2,773 million for the year ended 31 December 2012. The Bank's charge for impairment losses on loans to customers for the year ended 31 December 2013 was KZT 77,299 million compared to a recovery of impairment losses on loans to customers of KZT 3,086 million for the year ended 31 December 2012. The charge for 2013 was primarily attributable to the slower-than-expected recovery of real estate markets, a reduction in the ability of borrowers to service their debt and the growing number of defaults by corporate clients.

General Administrative Expenses

General administrative expenses for the year ended 31 December 2013 decreased by 6.2 per cent. to KZT 17,397 million from KZT 18,540 million for the year ended 31 December 2012. This decrease is mainly attributable to lower costs for legal services, payroll expenses, depreciation expense of property, plant and equipment and intangible assets and expenditure on advertising and marketing.

Income Tax

Income tax expense for the year ended 31 December 2013 increased by KZT 18,232 million to KZT 18,190 million from an income tax benefit of KZT 42 million for the year ended 31 December 2012. The increase in income tax expense was a result of the de-recognition of deferred tax assets due to uncertainties concerning the realisation of future tax benefits.

Financial Condition as at 30 June 2014, 31 December 2013 and 31 December 2012

The following table sets out certain information on the Bank's financial position as at the periods indicated:

	As at	As at 31 December	
	30 June 2014	2013	2012
	(unaudited)	(KZT millions)	
Assets			
Cash and cash equivalents	46,323	16,077	17,143
Placements with banks	233	197	329
Financial instruments at fair value through profit or loss	4,708	4,700	14,695
Loans to customers	251,239	307,818	388,930
Available-for-sale financial assets	118,228	118,811	121,222
Property, equipment and intangible assets	19,626	19,618	21,150
Current tax asset	72	71	81
Deferred tax asset	—	—	17,954
Other assets	8,443	8,476	8,505
Total assets	448,872	475,768	590,009
Liabilities			
Current accounts and deposits from customers	249,212	307,544	337,238
Loans from the Government of the Republic of Kazakhstan and the NBK	54,741	15,600	19,001
Deposits and balances from banks	190	8,742	1,234
Debt securities issued	129,386	108,909	111,768
Subordinated debt	28,916	27,806	21,800
Amounts payable under repurchase agreements	87,645	80,084	85,830
Other liabilities	3,162	2,168	1,991
Total liabilities	553,252	550,853	578,862

Total Assets

As at 30 June 2014, the Bank's total assets were KZT 448,872 million compared to KZT 475,768 million as at 31 December 2013, reflecting a decrease of 5.7 per cent. The decrease in total assets as at 30 June 2014 compared to 31 December 2013 was caused primarily by a 18.4 per cent. decrease in loans to customers, mostly due to a surplus of loan repayments compared to new loan issuances in an amount of KZT 53,570 million and by the KZT 30,246 million increase in cash and cash equivalents due to the increase in the correspondent account at the NBK.

As at 31 December 2013, the Bank's total assets were KZT 475,768 million compared to KZT 590,009 million as at 31 December 2012, reflecting a decrease of 19.4 per cent. The decrease in total assets as at 31 December 2013 compared to 31 December 2012 was caused primarily by a 20.9 per cent. decrease in loans to customers due to an increase in provisions from KZT 283,306 million as at 31 December 2012 to KZT 363,752 million as at 31 December 2013 as a result of the deterioration in the credit quality of the Bank's loan portfolio and changes in some of the key estimates used in determining the amount of provisions and the de-recognition of all deferred corporate income tax assets due to uncertainties concerning realisation of future tax benefits.

Total Liabilities

As at 30 June 2014, the Bank's total liabilities were KZT 553,252 million compared to KZT 550,853 million as at 31 December 2013, representing a 0.4 per cent. increase. This increase was primarily attributable to the loan

received from the NBK and the effect of exchange rate increase for liabilities denominated in U.S. Dollars, which was offset by the 19.0 per cent. decrease in current accounts and deposits from customers following the devaluation of the Tenge in February 2014.

As at 31 December 2013, the Bank's total liabilities were KZT 550,853 million compared to KZT 578,862 million as at 31 December 2012, representing a 4.8 per cent. year-to-year decrease. This decrease was primarily attributable to a 8.8 per cent. decrease in current accounts and deposits from customers due to the outflow of corporate funds following the downgrade of the rating of the Bank in 2013.

Shareholders' Equity

The following table sets out a breakdown of the Bank's shareholders' equity as at the dates indicated:

	As at	As at 31 December	
	30 June 2014	2013	2012
	(unaudited)	(KZT millions)	
Shareholders' Equity			
Share capital	273,090	273,090	273,090
Restructuring reserve	(25,981)	(25,981)	(25,981)
Additional paid-in capital	19,070	19,070	19,070
Revaluation surplus for property	1,976	2,025	1,739
Revaluation reserve for available-for-sale assets	(9,148)	(8,815)	(7,028)
Accumulated losses	(363,387)	(334,474)	(249,743)
Total (deficit)/equity	(104,380)	(75,085)	11,147

The total equity deficit as at 30 June 2014 amounted to KZT 104,380 million compared to KZT 75,085 million as at 31 December 2013. The decrease in total shareholders' equity as at 30 June 2014 compared to 31 December 2013 primarily reflected the substantial increase in accumulated losses which increased by 8.6 per cent. to KZT 363,387 million for the six month period ended 30 June 2014 from KZT 334,474 million for the year ended 31 December 2013.

The total equity deficit as at 31 December 2013 amounted to KZT 75,085 million compared to total shareholders' equity of KZT 11,147 million as at 31 December 2012. The decrease in total shareholders' equity as at 31 December 2013 compared to 31 December 2012 primarily reflected the substantial increase in accumulated losses which increased by 33.9 per cent. to KZT 334,474 million for the year ended 31 December 2013 from KZT 249,743 million for the year ended 31 December 2012.

As at 30 June 2014, the authorised share capital of the Bank consisted of 20,000,000 Common Shares and 3,000,000 Preference Shares. Out of the total authorised share capital of the Bank, 13,637,563 Common Shares and 2,619,626 Preference Shares were issued and outstanding as at 30 June 2014. The composition of authorised and issued share capital was identical as at 31 December 2013 and 2012.

Capital Adequacy

The Bank is currently in breach of the minimum capital adequacy ratios established by the NBK.

Following the Restructuring and the Consolidation, the Combined Bank will become subject to the minimum level requirements of 6 per cent. for K1-1 (Tier I capital less investments to total assets less investments) and K1-2 (Tier I capital less investments to the sum of credit and market risk-weighted assets and contingent liabilities and a quantitative measurement of operational risk) ratios and 12 per cent. for K2 (own capital to the sum of credit and market risk-weighted assets and contingent liabilities and a quantitative measurement of operational risk) ratio. See "*Risk Factors—Risks Relating to the Bank and the Combined Bank—Any failure to reach and maintain the minimum capital adequacy ratios following the Restructuring and Consolidation could lead to conservation or liquidation of the Combined Bank*".

The Bank expects that the Combined Bank will be able to comply with the relevant minimum capital ratio requirements following the successful completion of the Restructuring and the Consolidation by virtue of the economic gain it will achieve from the reduction of the principal amount of the Bank's indebtedness and the positive capital contribution to the Combined Bank of Temirbank and ForteBank.

Recent Developments

There have been no developments since 30 June 2014 which have had a material effect on the financial position or prospects of the Bank.

Temirbank

Results of Operations for the Six-Month periods ended 30 June 2014 and 2013

Summary

For the six months ended 30 June 2014, Temirbank reported a net profit of KZT 10,883 million or KZT 0.54 per diluted share, compared to net loss of KZT 4,359 million or KZT 0.22 per diluted share for the six months ended 30 June 2013. The gain in the first half of 2014 was due primarily to a significant reversal in allowances for impairment on interest bearing assets of KZT 9,476 million.

Net Interest Income

The following table sets out the principal components of Temirbank's net interest income for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Interest income		
Loans to customers	13,551	12,306
Amounts due from credit institutions	140	168
Investment securities held-to-maturity	153	262
Trading securities	620	728
Total interest income	14,464	13,464
Interest expense		
Amounts due to credit institutions	(520)	(379)
Eurobonds issued	(788)	(670)
Amounts due to customers	(6,115)	(5,183)
Debt securities issued	(1,248)	(1,256)
Total interest expense	(8,670)	(7,488)
Net interest income	5,794	5,976

Interest income principally comprises income on loans to customers, interest income on amounts due from credit institutions, income on investment securities held-to-maturity and interest income on trading securities. Total interest income increased by 7.4 per cent. to KZT 14,464 million for the six months ended 30 June 2014 from KZT 13,464 million for the six months ended 30 June 2013, largely as a result of the growth in the amount of new loans issued.

Interest expense principally comprises interest expenses on amounts due to credit institutions, Eurobonds issued, interest on amounts due to customers and interest on debt securities issued. For the six months ended 30 June 2014, interest expense increased by 15.8 per cent. to KZT 8,670 million from KZT 7,488 million for the six months ended 30 June 2013. The increase in interest expense over the period was largely due to an increase in the amount of deposits placed by Temirbank's customers as well as an increase in interest rates on certain deposit products and an increase in interest expenses on Eurobonds issued due to the devaluation of the Tenge in February 2014.

Fees and Commissions

Temirbank's fees and commission income for the six months ended 30 June 2014 decreased by 0.7 per cent. to KZT 1,315 million from KZT 1,325 million for the six months ended 30 June 2013, primarily due to the fact that less guarantees were issued in the six months ended 30 June 2014 than in the corresponding period for 2013. Fees and commission expenses for the six months ended 30 June 2014 increased by 29.1 per cent. to KZT 111 million from KZT 86 million for the six months ended 30 June 2013.

Non-Interest Income

The following table sets out certain information on Temirbank's non-interest income for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Net gain from repurchase of debt securities and Eurobonds	—	68
Net gain from trading securities	4	31
Net gains from foreign currencies	377	242
Dividend income	83	96
Gain from sale of loans	—	—
Net gain on investment securities available-for-sale	265	—
Other income	334	165
Non-interest income	1,063	601

Non-interest income for the six months ended 30 June 2014 increased by 76.8 per cent. to KZT 1,063 million from KZT 601 million for the six months ended 30 June 2013. This increase was mainly attributable to a 56.2 per cent. increase in gains from foreign currency transactions as well as an increase in gains on investments available-for-sale.

Non-Interest Expense

The following table sets out certain information on Temirbank's non-interest expense for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Personnel expenses	(2,634)	(2,878)
Administrative and other operating expenses	(1,684)	(2,011)
Deposits insurance costs	(259)	(417)
Depreciation and amortisation	(459)	(389)
Taxes other than corporate income tax	(158)	(129)
Other provisions	48	(116)
Non-interest expense	(5,146)	(5,941)

Non-interest expense for the six months ended 30 June 2014 decreased by 13.5 per cent. to KZT 5,146 million from KZT 5,941 million for the six months ended 30 June 2013. This decrease was mainly attributable to the optimisation of operational expenses by closing unprofitable cash offices, the cancellation of paid vacation leave for Temirbank's staff and a reduction in headcount at Temirbank's head office.

Results of Operations for the Years ended 31 December 2013 and 2012

Summary

For the year ended 31 December 2013, Temirbank reported a net loss of KZT 5,519 million or KZT 0.28 per diluted share, compared to net gain of KZT 3,470 million or KZT 0.17 per diluted share for the year ended 31 December 2012. The loss in 2013 was due to a significant increase in allowances for impairment on interest bearing assets of KZT 7,839.5 million and corporate income tax expenses of KZT 2,077.4 million.

Net Interest Income

The following table sets out the principal components of Temirbank's net interest income for the periods indicated:

	Year ended 31 December	
	2013	2012
	(KZT millions)	
Interest income		
Loans to customers	26,256	23,228
Amounts due from credit institutions	381	304
Investment securities held-to-maturity	371	277
Trading securities	1,322	1,401
Total interest income	28,330	25,209
Interest expense		
Amounts due to credit institutions	(840)	(803)
Eurobonds issued	(1,348)	(1,818)
Amounts due to customers	(10,842)	(9,714)
Debt securities issued	(2,504)	(2,802)
Total interest expense	(15,533)	(15,137)
Net interest income	12,797	10,072

Interest income principally comprises income on loans to customers, interest income on amounts due from credit institutions, income on investment securities held-to-maturity and interest income on trading securities. Total interest income increased by 12.4 per cent. to KZT 28,330 million for the year ended 31 December 2013 from KZT 25,209 million for the year ended 31 December 2011, largely as a result of a 13.0 per cent. year-to-year increase in interest on loans to customers to KZT 26,256 million for the year ended 31 December 2013 from KZT 23,228 million for the year ended 31 December 2012 due to the growth in new loans issued.

Interest expense principally comprises interest expenses on amounts due to credit institutions, Eurobonds issued, interest on amounts due to customers and interest on debt securities issued. For the year ended 31 December 2013, interest expense increased by 2.6 per cent. to KZT 15,533 million from KZT 15,137 million for the year ended 31 December 2012. The increase in interest expense over the period was largely due to a 11.6 per cent. increase on interest expenses on amounts due to customers to KZT 10,842 million for the year ended 31 December 2013 from KZT 9,714 million for the year ended 31 December 2012 due to the growth in the deposit base as a result of an active marketing campaign to attract new deposits, partially offset by 25.9 per cent. and 10.6 per cent. decreases in interest expenses on Eurobonds issued and debt securities issued, respectively.

Fees and Commissions

Temirbank's fees and commission income for the year ended 31 December 2013 increased by 20.8 per cent. to KZT 2,897 million from KZT 2,398 million for the year ended 31 December 2012, primarily due to a growth in commissions from guarantees issued in favour of Temirbank's customers. Fees and commission expenses for the year ended 31 December 2013 increased by 21.6 per cent. to KZT 197 million from KZT 162 million for the year ended 31 December 2012.

Non-Interest Income

The following table sets out certain information on Temirbank's non-interest income for the periods indicated:

	Year ended 31 December	
	2013	2012
	(KZT millions)	
Net gain from repurchase of debt securities and Eurobonds	72	1,240
Net loss from trading securities	(47)	(581)
Net gains/(losses) from foreign currencies	650	770
Dividend income	96	140
Gain from sale of loans	—	2,045
Other income	652	209
Non-interest income	1,424	3,824

Non-interest income for the year ended 31 December 2013 decreased by 62.8 per cent. to KZT 1,424 million from KZT 3,824 million for the year ended 31 December 2012. This decrease was mainly attributable to a gain from the sale of loans in 2012 of KZT 2,045 whereas there was no such gain in 2013.

Non-Interest Expense

The following table sets out certain information on Temirbank's non-interest expense for the periods indicated:

	Year ended 31 December	
	2013	2012
	(KZT millions)	
Personnel expenses	(5,837)	(5,102)
Administrative and other operating expenses	(4,589)	(4,538)
Deposits insurance costs	(666)	(750)
Depreciation and amortisation	(874)	(539)
Taxes other than corporate income tax	(463)	(372)
Other provisions	(204)	(102)
Non-interest expense	(12,634)	(11,404)

Non-interest expense for the year ended 31 December 2013 increased by 10.8 per cent. to KZT 12,634 million from KZT 11,404 million for the year ended 31 December 2012. This increase was mainly attributable to a 14.4 per cent. increase in personnel expenses to KZT 5,837 million for the year ended 31 December 2013 from KZT 5,102 million for the year ended 31 December 2012 due to the introduction in January 2013 of paid vacation leave.

Income Tax

Temirbank paid KZT 2,077 million in income tax for the year ended 31 December 2013, a decrease of 11.3 per cent. compared to the year ended 31 December 2012, during which Temirbank paid KZT 2,343 million in income tax. This decrease was primarily attributable to the fact that Temirbank made a loss in 2013 as opposed to a profit in 2012, although Temirbank still paid tax in 2013 due to a change in tax law which resulted in certain tax deductible expenses no longer being recognised as such.

Financial Condition as at 30 June 2014, 31 December 2013 and 31 December 2012

The following table sets out certain information on Temirbank's financial position as at the periods indicated:

	As at 30 June 2014	As at 31 December	
	(unaudited)	2013	2012
	(KZT millions)		
Assets			
Cash and cash equivalents	17,326	19,237	19,804
Trading securities	21,955	22,193	26,301
Amounts due from credit institutions	5,355	3,468	3,436
Loans to customers	263,990	230,691	211,211
Goodwill	298	—	—
Investment Property	1,287	—	—
Derivative financial instruments	236	163	155
Investment securities held-to-maturity	6,859	6,875	8,706
Current corporate income tax assets	18	3	3
Deferred corporate income tax asset	5,964	7,472	9,549
Property and equipment	2,383	2,581	2,571
Other assets	6,937	8,611	5,406
Total assets	332,608	301,294	287,143
Liabilities			
Amounts due to credit institutions	20,615	9,829	22,544
Amounts due to customers	214,433	195,561	163,322
Eurobonds issued	11,333	9,729	9,519
Debt securities issued	30,401	30,401	30,621
Deferred corporate income tax liabilities	45	—	—
Other liabilities	1,058	895	739
Total liabilities	277,885	246,416	226,746

Total Assets

As at 30 June 2014, Temirbank's total assets were KZT 332,608 million compared to KZT 301,294 million as at 31 December 2013, reflecting an increase of 10.4 per cent. The increase in total assets as at 30 June 2014 compared to 31 December 2013 was caused primarily by a 14.4 per cent. increase in loans to customers due to an increase in new loan issuance, a growth of demand for loans and an active media campaign as well as the devaluation of the Tenge in February 2014.

As at 31 December 2013, Temirbank's total assets were KZT 301,294 million compared to KZT 287,143 million as at 31 December 2012, reflecting an increase of 4.9 per cent. The increase in total assets as at 31 December 2013 compared to 31 December 2012 was caused primarily by a 9.2 per cent. increase in loans to customers due to an increase in new loan issuance, a growth of demand for loans and an active media campaign.

Total Liabilities

As at 30 June 2014, Temirbank's total liabilities were KZT 277,855 million compared to KZT 246,416 million as at 31 December 2013, representing a 12.8 per cent. increase. This increase was primarily attributable to a 9.7 per cent. increase in amounts due to customers due to the growth in Temirbank's deposit base as well as a 109.7 per cent. increase in amounts due to credit institutions due to the placement of KZT 8,500 of funds from Damu Fund with Temirbank in respect of the SME State Finance Programme.

As at 31 December 2013, Temirbank's total liabilities were KZT 246,416 million compared to KZT 226,746 million as at 31 December 2012, representing a 8.7 per cent. year-to-year increase. This increase was primarily attributable to a 19.7 per cent. increase in amounts due to customers due to the growth in Temirbank's deposit base, which was partially offset by a 56.4 per cent. decrease in amounts due to credit institutions due to the repayments of loans to JSC "Kazakhstan Mortgage Company" in the amount of KZT 930 million.

Shareholders' Equity

The following table sets out a breakdown of Temirbank's shareholders' equity as at the dates indicated:

	As at 30 June 2014 (unaudited)	As at 31 December	
		2013	2012
		(KZT millions)	
Shareholders' Equity			
Common shares	59,183	59,183	59,183
Preferred shares	543	543	543
Treasury preferred shares	(179)	(179)	(179)
Additional paid-in capital	0	0	0
Reserve for revaluation of available-for-sale securities	265	265	153
(Accumulated deficit)/retained earnings	(5,496)	(4,933)	697
Total equity attributable to shareholders of Temirbank	54,051	54,879	60,398
Total equity	672	—	—
Total equity	54,723	54,879	60,398

Total equity as at 30 June 2014 amounted to KZT 53,998 million compared to total equity of KZT 54,879 million as at 31 December 2013. The decrease in total shareholders' equity as at 30 June 2014 compared to 31 December 2013 was primarily due to the payment of a dividend on Temirbank's common shares in the amount of KZT 11.4 billion, as well as adjustments to accounting measures in the 2013 financial statements of Temirbank.

Total equity as at 31 December 2013 amounted to KZT 54,879 million compared to total equity of KZT 60,398 million as at 31 December 2012. The decrease in total shareholders' equity as at 31 December 2013 compared to 31 December 2012 was primarily due to the net loss of KZT 5,519 million for 2013.

As at 30 June 2014, the authorised share capital of Temirbank consisted of 20,000,000,000 common shares and 5,000,000 preference shares, all of which were issued and outstanding as at 31 December 2013. The composition of authorised and issued share capital was identical as at 31 December 2013 and 31 December 2012.

Capital Adequacy

As at 30 June 2014, Temirbank met all prudential standards.

Recent Developments

Deposits in the total amount of KZT 40.0 billion were placed with the Bank by JSC "GNPF" (State Pension Fund) during August and September 2014.

ForteBank

Results of Operations for the Six-Month periods ended 30 June 2014 and 2013

Summary

For the six months ended 30 June 2014, ForteBank reported a net gain of KZT 196 million, an increase of 72.7 per cent. compared to a net gain of KZT 113 million for the six months ended 30 June 2013. The gain for the six-month period in 2014 was due to an increase in interest income on loans to customers in the amount of KZT 197 million.

Net Interest Income

The following table sets out the principal components of ForteBank's net interest income for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Interest income		
Loans to customers	1,312	1,094
Amounts due from other banks	—	18
Held-to-maturity investment securities	—	5
Cash and cash equivalents	—	0
Trading securities	77	75
Total interest income	1,389	1,118
Interest expense		
Subordinated debt	(173)	(173)
Amounts due to customers	(232)	(255)
Amounts due to other banks	(1)	—
REPO agreements	(3)	—
Total interest expense	(409)	(428)
Net interest income	980	764

Interest income principally comprises income on loans to customers, interest income on amounts due from other banks, income on held-to-maturity investment securities, interest on cash and cash equivalents and interest income on trading securities. Total interest income increased by 24.2 per cent. to KZT 1,389 million for the six months ended 30 June 2014 from KZT 1,118 million for the six months ended 30 June 2013, largely as a result of a 19.9 per cent. year-to-year increase in interest on loans to customers to KZT 1,312 for the six months ended 30 June 2014 from KZT 1,094 million for the six months ended 30 June 2013 due to the expansion of ForteBank's loan portfolio.

Interest expense principally comprises interest expenses on subordinated debt and interest on amounts due to customers. For the six months ended 30 June 2014, interest expense decreased by 4.4 per cent. to KZT 409 million from KZT 428 million for the six months ended 30 June 2013 due to a decrease in clients' deposits with ForteBank.

Non-Interest Income

The following table sets out certain information on ForteBank's non-interest income for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Net commission income	421	359
Net gains from trading securities	9	22
Net gains from foreign currencies	532	510
Other income	44	124
Non-interest income	1,006	1,014

Non-interest income for the six months ended 30 June 2014 decreased by 0.2 per cent. to KZT 1,006 million from KZT 1,014 million for the six months ended 30 June 2013 due to a 65.5 per cent. decrease in other income due to a decrease in the quantity of structured transactions ForteBank was involved in.

Non-Interest Expense

The following table sets out certain information on ForteBank's non-interest expense for the periods indicated:

	Six months ended 30 June	
	2014	2013
	(KZT millions, unaudited)	
Personnel expenses	(801)	(779)
Other operating expenses	(403)	(447)
Rent expenses	(233)	(246)
Depreciation and amortisation	(125)	(107)
Taxes other than corporate income tax	(45)	(64)
Other provisions	0	0
Non-interest expense	(1,607)	(1,643)

Non-interest expense for the six months ended 30 June 2014 decreased by 2.2 per cent. to KZT 1,607 million from KZT 1,643 million for the six months ended 30 June 2013 primarily due to a 9.8 per cent. decrease in administrative expenses.

Income Tax

ForteBank paid KZT 82 million in income tax for the six months ended 30 June 2014, an increase of 70.8 per cent. compared to the six months ended 30 June 2013, during which ForteBank paid KZT 48 million in income tax. This increase was primarily attributable to changes in the deferred tax balance.

Results of Operations for the Years ended 31 December 2013 and 2012

Summary

For the year ended 31 December 2013, ForteBank reported a net gain of KZT 560 million, an increase of 158.1 per cent. compared to net gain of KZT 217 million for the year ended 31 December 2012. The gain in 2013 was due to increase of interest income on loans to customers in the amount of KZT 641 million and other income in the amount of KZT 187 million.

Net Interest Income

The following table sets out the principal components of ForteBank's net interest income for the periods indicated:

	Year ended 31 December	
	2013	2012
	(KZT millions)	
Interest income		
Loans to customers	2,311	1,670
Amounts due from other banks	20	16
Held-to-maturity investment securities	5	1
Cash and cash equivalents	2	30
Trading securities	151	102
Total interest income	2,489	1,819
Interest expense		
Subordinated debt	(346)	(346)
Amounts due to customers	(494)	(320)
Total interest expense	(840)	(666)
Net interest income	1,649	1,153

Interest income principally comprises income on loans to customers, interest income on amounts due from other banks, income on held-to-maturity investment securities, interest on cash and cash equivalents and interest income on trading securities. Total interest income increased by 36.8 per cent. to KZT 2,489 million for the year ended 31 December 2013 from KZT 1,819 million for the year ended 31 December 2012, largely as a result of a 38.4 per cent. year-to-year increase in interest on loans to customers to KZT 2,311 million for the year ended 31 December 2013 from KZT 1,670 million for the year ended 31 December 2012, due to the expansion of ForteBank's loan portfolio.

Interest expense principally comprises interest expenses on subordinated debt and interest on amounts due to customers. For the year ended 31 December 2013, interest expense increased by 26.1 per cent. to KZT 840 million from KZT 666 million for the year ended 31 December 2012. The increase in interest expense over the period was due to a 54.4 per cent. increase on interest expenses on amounts due to customers to KZT 494 million for the year ended 31 December 2013 from KZT 320 million for the year ended 31 December 2012 due to an increase in the amount of clients' deposits.

Non-Interest Income

The following table sets out certain information on ForteBank's non-interest income for the periods indicated:

	Year ended 31 December	
	2013	2012
	(KZT millions)	
Net commission income	813	645
Net gains from trading securities	29	10
Net gains from foreign currencies	1031	818
Other income	540	353
Non-interest income	2,413	1,825

Non-interest income for the year ended 31 December 2013 increased by 32.2 per cent. to KZT 2,413 million from KZT 1,825 million for the year ended 31 December 2012. This increase was mainly attributable to increases of 53.0 per cent., 26.0 per cent. and 26.0 per cent. in other income, net gains from foreign securities and net commission income, respectively.

Non-Interest Expense

The following table sets out certain information on ForteBank's non-interest expense for the periods indicated:

	<u>Year ended 31 December</u>	
	<u>2013</u>	<u>2012</u>
	(KZT millions)	
Personnel expenses	(1,528)	(1,461)
Other operating expenses	(939)	(662)
Rent expenses	(490)	(447)
Depreciation and amortisation	(227)	(142)
Taxes other than corporate income tax	(120)	(72)
Other provisions	0	0
Non-interest expense	<u>(3,305)</u>	<u>(2,783)</u>

Non-interest expense for the year ended 31 December 2013 increased by 18.8 per cent. to KZT 3,305 million from KZT 2,783 million for the year ended 31 December 2012. This increase was mainly attributable to a 41.8 per cent. increase in other operating expenses to KZT 939 million for the year ended 31 December 2013 from KZT 662 million for the year ended 31 December 2012 due to an increase of expenses on professional services and advertising/marketing services in the amount of KZT 207 million.

Income Tax

ForteBank paid KZT 195 million in income tax for the year ended 31 December 2013, an increase of 192.7 per cent. compared to the year ended 31 December 2012, during which ForteBank paid KZT 67 million in income tax. This increase was primarily attributable to changes in the deferred tax balance.

Financial Condition as at 30 June 2014, 31 December 2013 and 31 December 2012

The following table sets out certain information on ForteBank's financial position as at the periods indicated:

	<u>As at</u>	<u>As at 31 December</u>	
	<u>30 June</u>	<u>2013</u>	<u>2012</u>
	(unaudited)	(KZT millions)	
Assets			
Cash and cash equivalents	16,568	7,513	18,744
Trading securities	3,508	3,398	3,510
Amounts due from other banks	216	27	1,044
Loans to customers	29,275	24,695	21,377
Held-to-maturity investment securities	—	—	315
Current corporate income tax assets	6	6	6
Property and equipment	1,958	2,042	1,468
Intangible assets	139	137	143
Deferred corporate income tax asset	—	—	160
Other assets	111	132	177
Total assets	<u>51,781</u>	<u>37,951</u>	<u>46,944</u>
Liabilities			
Amounts due to other banks	712	702	1,940
Amounts due to customers	35,475	24,152	32,440
Subordinated debt	4,351	4,290	4,351
Repurchase Agreement	2,133	—	—
Deferred corporate income tax liabilities	117	35	—
Other liabilities	678	651	655
Total liabilities	<u>43,466</u>	<u>29,832</u>	<u>39,386</u>

Total Assets

As at 30 June 2014, ForteBank's total assets were KZT 51,781 million compared to KZT 37,951 million as at 31 December 2013, reflecting an increase of 36.4 per cent. The increase in total assets as at 30 June 2014 compared to 31 December 2013 was caused primarily by a 120.5 per cent. increase in cash and cash equivalents due to an increase in deposits of ForteBank's clients.

As at 31 December 2013, ForteBank's total assets were KZT 37,951 million compared to KZT 46,944 million as at 31 December 2012, reflecting a decrease of 19.2 per cent. The decrease in total assets as at 31 December 2013 compared to 31 December 2012 was caused primarily by a 59.9 per cent. decrease in cash and cash equivalents due to the partial withdrawal of funds by ForteBank's customers of KZT 8,861 million.

Total Liabilities

As at 30 June 2014, ForteBank's total liabilities were KZT 43,466 million compared to KZT 29,832 million as at 31 December 2013, representing a 45.7 per cent. increase. This increase was primarily attributable to a 46.9 per cent. increase in amounts due to customers due to the increase in ForteBank's deposit portfolio.

As at 31 December 2013, ForteBank's total liabilities were KZT 29,832 million compared to KZT 39,386 million as at 31 December 2012, representing a 24.3 per cent. year-to-year decrease. This decrease was primarily attributable to a 25.6 per cent. decrease in amounts due to customers due to the decrease in ForteBank's deposit portfolio.

Shareholders' Equity

The following table sets out a breakdown of ForteBank's shareholders' equity as at the dates indicated:

	As at 30 June 2014	As at 31 December	
	(unaudited)	2013	2012
	(KZT millions)		
Shareholders' Equity			
Common shares	9,145	9,145	9,145
Preferred shares	237	237	237
General reserve	646	646	450
Accumulated deficit	(1,713)	(1,909)	(2,273)
Total equity	8,315	8,119	7,559

Total equity as at 30 June 2014 amounted to KZT 8,315 million compared to total equity of KZT 8,119 million as at 31 December 2013. The increase in total shareholders' equity as at 30 June 2014 compared to 31 December 2013 was primarily due to the net profit of KZT 196 million for the six months ended 30 June 2014.

Total equity as at 31 December 2013 amounted to KZT 8,119 million compared to total equity of KZT 7,559 million as at 31 December 2012. The increase in total shareholders' equity as at 31 December 2013 compared to 31 December 2012 was primarily due to the net profit of KZT 560 million for 2013.

As at 30 June 2014, the authorised share capital of ForteBank consisted of 17,000,000 common shares and 3,000,000 preference shares. Out of the total authorised share capital of ForteBank, 9,145,000 common shares and 1,500,000 preference shares were issued and outstanding as at 30 June 2014. The composition of authorised and issued share capital was identical as at 31 December 2013 and 2012.

Capital Adequacy

As at 30 June 2014, ForteBank met all prudential standards.

Recent Developments

There have been no developments since 30 June 2014 which have had a material effect on the financial position or prospects of ForteBank.

STRATEGY OF THE COMBINED BANK

The Combined Bank will focus its activities primarily on the Kazakhstan market and the Bank estimates that the Consolidation will create the third largest bank by equity, seventh largest bank by net loans and eighth largest bank in Kazakhstan by total assets and deposits (calculated on the basis of the NBK's data as of 1 September 2014). In the short- and medium-term, the Combined Bank aims to develop a full-service offering, providing banking services to retail, SME and corporate clients. The main goals of the Combined Bank's strategy will be the restoration of the viability of the Combined Bank and the creation of one of the leading banks in Kazakhstan. To achieve these objectives in the medium-term the Combined Bank will from 2014 through 2016 embark on an integration plan focused on realising the operational efficiencies resulting from combining the operations of the three banks, it being expected that the benefits of the integration might be realised starting in 2017.

The integration plan involves several principal steps. First, it is expected that there will be an optimisation of the Combined Bank's staff structure. This may result in a decrease of the total number of employees by approximately 20 to 30 per cent. as a result of optimisation processes and consolidation of the banks' operations (including consolidation of the branch network and headquarters). These changes will be combined with an improved employee incentivisation programme with the aim of creating a streamlined, high-performing and engaged workforce focused particularly on improved customer service. Second, the Combined Bank will invest in a substantial upgrade of its existing IT systems, including investing in automation, installing more sophisticated risk management systems and streamlining internal processes (for example, decision-making protocols). Third, the Combined Bank will make a particular effort to improve customer service by implementation of changes to the front and middle office procedures for management of customer relationships, including by consolidating customer databases, formulating a distinct target customer model and launching a customer matching mechanism. The ultimate goal of the integration plan is to produce a single set of efficient and effective risk management, origination, and internal audit management policies and procedures to align with a fully integrated front and back office operation. The Bank believes that such new policies and procedures will form the fundamentals on the basis of which the Combined Bank will be in a position to realise the efficiencies of the Consolidation and improve its corporate culture across all aspects of its business and operations.

The Bank believes that the implementation of the strategy to "restore and upgrade" will allow the Combined Bank to strengthen its position in the Kazakhstan banking market and to achieve a strong financial and operating performance. The four key strategic goals of the Combined Bank are:

- the restoration of the Combined Bank's market position in the Kazakhstan banking sector and the strengthening of its competitive position in all business areas;
- the restoration of the Combined Bank's liquidity position in order to be able to increase lending to businesses as well as retail customers in Kazakhstan;
- the recovery of the Combined Bank's capital and an improvement in its business efficiency; and
- the reduction in operating costs through the combination of the three banks' branch networks, as well as a reduction in staff, the improvement of IT systems and the automation of internal processes.

The Bank believes that the Combined Bank will primarily aim to improve and develop in the below areas:

- an improvement in customer service and developing leadership in this area;
- the development of a modern risk management system;
- the development of managerial and operational processes and systems which are adequate for the requirements and scope of the Combined Bank's IT platform;
- the development of a corporate culture shared by all employees of the Combined Bank aimed at self-improvement and growth in productivity;
- highly professional motivated staff;
- a recognisable "positive" brand; and
- a high degree of customer loyalty.

The successful achievement of these goals should contribute to the growth of the Combined Bank's financial condition and the recovery of the Combined Bank's market positions.

Development Strategy of the Corporate Business

The Combined Bank's corporate business development will be focused on selected mid-market and large corporate customers, particularly those active in less capital-intensive and steady-growth industries. A particular focus will be on those customers to whom the Combined Bank can cross-sell its retail offerings.

The Bank believes that the Combined Bank's principal sources of competitive advantage in the corporate segment will be a combination of (i) the Combined Bank's resource base, (ii) the opportunity for developing a large client base due to the Combined Bank's large distribution network and (iii) the existing staff and infrastructure of the Combined Bank which should allow the development of a quality sales and services organisation for corporate customers. To achieve these goals, the development of the Combined Bank's corporate business will be focused on the following main areas:

- the detailed segmentation of the customer base and adjustment of products to target particular groups of customers;
- the creation of a new approach to customer service and product targeting that will focus on maximisation of income per customer on an aggregate basis for the Combined Bank as a whole rather than focussing on income per customer in each particular product area;
- the modernisation of the Combined Bank's risk management system and optimisation of credit processes; and
- the development of new non-credit products to increase fee and commission generation and offer improved services to its customer base.

The main objectives for the Combined Bank's corporate business are:

- improving of the quality of, and growth in, the Combined Bank's corporate loan portfolio;
- maintaining and increasing the Combined Bank's corporate deposit base; and
- increasing profitability, including an increase in non-interest income from settlement and cash services.

Corporate Loan Portfolio

Improving the performance of the Combined Bank's corporate loan portfolio is intended to be achieved by (i) working individually with each customer in respect of non-performing loans in order to see whether a potential restructuring of that non-performing loan is feasible and (ii), in the event that such restructuring is not reasonably possible, realising the collateral securing non-performing loans and improving the procedures and policies for realisation of the collateral to maximise the net proceeds of each realisation. One of the Combined Bank's most important tasks will be to expand its portfolio of loans to corporate clients, in particular by providing funding through participation in the various Government state finance programmes, as such participation will enable the Combined Bank to provide customers with financing on favourable terms and will help to retain customers of the Combined Bank.

Corporate Deposit Base

One of the most important objectives of the Combined Bank's corporate business will be to attract and retain deposits of large corporate customers, as well as restoring the Combined Bank's level of customer confidence and historical market share.

Developing a strategy based on international best practice, retaining current and regaining former large corporate depositors and obtaining new corporate depositors will allow the Combined Bank to improve its funding base.

The interest rate policy of the Combined Bank with respect to corporate deposits will be structured so as to allow the corporate customers a choice from a range of products with different terms and will take into account the total income per customer from across the various product areas rather than looking only individually on profitability of deposits.

For large investors who predominantly deposit funds for short periods of time, the Combined Bank plans to introduce specific financial instruments which it intends to be beneficial both to the Combined Bank and to its corporate customers.

Corporate Customer Cash Management Services

As part of its cash management services, the Combined Bank plans to offer its customers a full range of banking products and services.

The Combined Bank's main principles in servicing its corporate clients are to meet the needs of each corporate client by taking an individual approach to each client in order to tailor its banking products to the requirements of each client and focussing on long-term cooperation with each client. In an effort to provide competitive services, the Combined Bank will adapt its banking products to the needs of customers through expanding and improving the Combined Bank's product portfolio.

In addition the Combined Bank intends to focus on improving the quality of dialogue with customers, the client-focus of its staff, ensuring decisions are taken quickly and maintaining information transparency.

Development Strategy of the SME Business

The Combined Bank's SME business development will be focused on customers in non-cyclical and steady-growth industries, distinguishing itself on the ability to tailor a standard product offering to meet individualised needs. A particular focus will be on those customers with whom the Combined Bank can develop relationships in cash management banking and salary projects.

The Bank believes that the Combined Bank's principal sources of competitive advantage in the SME segment will be (i) a focus on the organisation of competitive products and sales into customer segments: small and medium-sized businesses (including micro business), (ii) the redistribution of its resource base into the regions and (iii) a focus on those industry sectors in Kazakhstan which have shown a relatively high and stable growth over the past five years.

To achieve these objectives within the strategy of the Combined Bank, the development of the Combined Bank's SME business will be focused on the following main areas:

- the division of sales and services into customer segments: small and medium-sized businesses (including micro) business;
- actively marketing a standard set of competitive products for SMEs through the Combined Bank's regional network, improving the quality of service and realising an individual approach to SME service;
- aligning the terms and conditions of the existing products of the Combined Bank with those of the leading banks in the SME market in Kazakhstan and creating new highly profitable products which appeal to customer segments the Bank has previously not attached;
- optimising the Combined Bank's procedures and customer service processes;
- developing remote service and sales channels, particularly via the internet and mobile devices;
- developing cooperation with Government institutions to support SMEs, primarily through Damu Fund.

These activities are expected to contribute to revenue growth and increase shareholder value and the Combined Bank market share in the SME banking sector in Kazakhstan.

SME Loan Portfolio

By optimising the Bank's current business processes on lending to SME businesses, the Combined Bank plans to substantially increase its SME loan portfolio. Additionally, through its participation in the Government's State Finance Programmes, the Combined Bank plans to attract new customers from Kazakhstan's real economy. The introduction of new banking products for SMEs should allow the Combined Bank to cover the whole of the SME market segment.

SME Deposits

In order to minimise risks arising from and associated with the formation of the Combined Bank's SME deposit base, the Combined Bank intends to standardise the terms of the deposit products that it will offer. The Combined Bank intends to attract deposits in mainly small amounts and for longer periods from SME customers. This diversification will help to protect the Combined Bank from the risks of customers withdrawing funds due to liquidity problems and, at the same time, allow the Combined Bank to focus on attracting less risky long-term funds from SMEs.

SME Cash Management Services

As with the corporate business of the Combined Bank, the SME business plans to increase its non-interest income by attracting medium-sized customers to its non-credit products and services. Improving the corporate business of the Combined Bank should also have the positive impact of increasing the profitability of the SME business by attracting counterparties of the Combined Bank's corporate customers. The Combined Bank plans to focus on the standardisation of its products and the provision of high quality services to its customers. Customer focus and efficiency will be key principles of the Combined Bank.

Development Strategy of the Retail Business

The Combined Bank's retail business development will be focused on both affluent customers and middle class mass market customers with stable earnings, with an increased reliance on sophisticated risk management models to mitigate exposure to higher risk individuals. A particular focus will be to distinguish the Combined Bank's retail offering on the basis of innovation and simplicity in product offerings. Efforts will be made to cross-sell products within the retail segment.

The main focus of the Combined Bank's retail business development will be the transition from offering customers individual banking products and services to the formation of an integrated product offering that meets most of the needs of the Combined Bank's retail customers.

Central to the success of the Combined Bank's retail strategy will be a customer-focused retail business model with a focus on specific target segments using different approaches (from differentiation to cost leadership), depending on the particular segment. The Combined Bank's retail strategy includes the following key elements:

- the detailed segmentation of its customer base and the development of products and services specific to each customer segment;
- providing a "package service" offering competitive with other banks in Kazakhstan and converting current product users of the Combined Bank into long-term customers;
- upgrading its risk management system to more accurately assess risk taken by the Combined Bank;
- the standardisation of products and automisation of most processes; and
- optimising the existing branch network and developing alternative distribution and sales channels.

Retail Deposits

The Combined Bank intends to expand its retail deposit base by focussing on attracting new depositors and deposits. An increase in the retail deposit base should allow the Combined Bank to maintain liquidity in its retail lending activities. In order to achieve this, the Combined Bank intends to:

- focus on payroll projects on both a company and on an individual level;
- offer competitive current account and term deposit products to its customers; and
- provide flexible terms on the term and withdrawal options of such deposits.

Retail Lending

The Combined Bank intends to grow its retail loan portfolio by:

- continuing to grant express-loans and credit cards to individuals;
- continuing to provide secured loan facilities (including mortgages and auto loans);
- providing specific lending programmes for payroll customers of the Combined Bank; and
- improving its collection efforts through, among other methods, negotiation with borrowers and restructurings of their loans.

Settlement and Cash Services

Settlement and cash services are one of the additional high-margin services and one of the highly profitable areas of cash management services that the Combined Bank intends to focus on.

Currency Exchange Transactions

The Combined Bank also plans to increase the number of its retail customers by offering competitive retail rates on currency exchange transactions, as well as by reducing the cost of foreign exchange transactions and increasing its operations turnover through cross-selling.

Payment Cards

The Combined Bank intends to increase its payment cards product offering by:

- increasing cross-selling among corporate clients and their employees through the development of loyalty programmes jointly with the corporate business unit;
- restoring its leading market position in credit cards by introducing automated underwriting procedures and implementation of a new scoring system;
- running a partner programme to distribution and retail companies on automation of mutual settlements through business-cards;
- restoring relationships with high net worth customers by introducing relationship managers in the Combined Bank's branches and providing them with the appropriate tools to attract and retain customers;
- upgrading the current payment card system in order to expand functionality and ensuring a competitive product line;
- enhancing functionality in the monitoring of operational risks; and
- developing its point-of-sale terminal infrastructure for corporate and business cards.

MANAGEMENT AND CORPORATE GOVERNANCE

The general shareholders' meeting of the Bank is the highest corporate governing body of the Bank. The Charter provides that the Bank and the Combined Bank, respectively, shall have a Board of Directors and a Management Board. The JSC Law vests in the Board of Directors the final approval of the majority of corporate decisions, although the final approval of certain major corporate decisions is vested in the general shareholders' meeting. In accordance with Kazakhstan legislation, members of the Board of Directors are elected and their powers may be terminated early at any time by the general shareholders' meeting. The Chairman of the Board of Directors and Members of the Management Board are elected and their term of office may be terminated early by the Board of Directors. The appointment of the Chairman, members of the Board of Directors and the Chairman and members of the Management Board is subject to the consent of the NBK.

Management and Corporate Governance Following the Restructuring and Consolidation

Management anticipates that the composition of the Board of Directors, the Management Board and their respective committees will change following the completion of the Restructuring and the Consolidation. It is not currently anticipated that any material changes will be made to the Charter or the Corporate Governance Code in connection with the implementation of the Restructuring and Consolidation.

Undertaking by Mr. Utemuratov

Mr. Bulat Utemuratov will give an undertaking in favour of the Shareholders and GDR Holders pursuant to which, in addition to the tag-along rights as described in "*Share Distribution and the GDR Programme – The GDR Programme – Rights of GDR Holders in respect of Deposited Shares – Tag-Along Rights*", for a period of three years following the Restructuring Date, a clear majority of GDR Holders shall have the right to nominate one candidate to be appointed to the Board as an Independent Director and Mr. Utemuratov shall exercise the votes attributable to the Shares held by him to procure the appointment of such candidate to the Board.

Current Management and Corporate Governance

Board of Directors

The Board of Directors is a permanent body involved in the general management of the Bank's activities during the periods between general shareholders' meetings except for the matters specifically reserved by the legislation of the Republic of Kazakhstan and the Charter as being within the exclusive competence of the general shareholders' meeting. The responsibilities of the Board of Directors include determining the strategy of the Bank, defining the investment, credit and other policies of the Bank, nominating the Chairman and members of the Management Board, approving material contracts, convening general shareholders' meetings, approving the Bank's budget, establishing and closing branches and representative offices, adopting decisions on the Bank's acquisition of 10 per cent. or more of the shares in another legal entity and increases in the Bank's liabilities in excess of 10 per cent. of its equity capital. In addition, the JSC Law provides that at least one-third of the members of a company's Board of Directors must be independent.

The Charter requires that the Board of Directors consists of at least six members and that at least 30 per cent. of the members of the Board of Directors are independent. The term of office of each of the current members of the Board of Directors expires on 31 December 2014. The business address of all members of the Board of Directors is 50, Furmanov Street, Almaty 050004, Republic of Kazakhstan.

The Board of Directors consists of the following six members as at the date of this Information Memorandum:

<u>Name</u>	<u>Position</u>	<u>Director Since</u>
Saodat Tashpulatova	Chairperson of the Board of Directors, Independent Director	30 December 2013
Nadezhda Buchukina	Member of the Board of Directors	11 October 2013
Pandza Hubert	Independent Director	12 February 2010
Thomas Grasse	Independent Director	25 March 2010
Timur Issatayev	Member of the Board of Directors (Chairman of the Management Board)	30 December 2013
Aydar Ryskulov	Member of the Board of Directors	30 December 2013

Saodat Tashpulatova – Chairperson of the Board of Directors (44). Mrs. Tashpulatova was appointed as an independent director of the Board in December 2013 and became chairperson of the Board in January 2014. Mrs. Tashpulatova is also currently a general director of RSDC LLC, Moscow. Prior to that, between 2008 and 2011, Mrs. Tashpulatova worked as a member of the supervisory board and chairperson of the board of directors of Kamkor Management LLP and Kedentransservice LLP, respectively. Between 2006 and 2007, Mrs. Tashpulatova served as a vice president for economics and finance at Kazakhstan Temir Zholy National Company JSC and between 1991 to 2006 she held positions ranging from senior specialist to general director, chairperson of the management board at the Agriculture and Food Products Ministry of Kazakhstan, Salt-Brock KKP, Astana-Holding Corporation, Temirbank, KazTransGas CJSC, Kazstroyservice CJSC and Mercury LLP. Mrs. Tashpulatova graduated from the Moscow Institute of Applied Biotechnology, Russian Federation in 1991.

Nadezhda Buchukina – Member of the Board of Directors, representative of Samruk-Kazyna (38). Ms. Buchukina was appointed to the Board of Directors as a representative of Samruk-Kazyna in October 2013. Ms. Buchukina is also currently a managing director of Samruk-Kazyna Finance LLP. From March to October 2013, Ms. Buchukina was a director in the legal department of Samruk-Kazyna Finance. Before that, between 2008 and 2013, she worked in the legal support and state procurement unit of State Organisation “Passenger Transportation and Roadway Network of Southern Kazakhstan Region”. In 1999, Ms. Buchukina graduated from Southern Kazakhstan Open University, Kazakhstan, with a degree in law.

Thomas Grasse – Independent Director (59). Thomas Grasse was appointed as an independent director of the Board in March 2010. Mr. Grasse has extensive experience as a manager in the financial services industry. He has been a member of the boards of directors and supervisory councils in several banks in Europe and the CIS. Mr. Grasse has worked as a manager since 1974 with UniCredit Group/HypoVereinsbank AG. Mr. Grasse graduated from the Banking Academy in Frankfurt, Germany, with a Bachelor degree in banking.

Hubert Pandza – Independent Director (66). Mr. Pandza was appointed as an independent director of the Board in February 2010. In the period from 2006 to 2010, he held various positions in East European commercial banks and corporations as an independent director and as an adviser to international companies on investment issues. Between 2002 and 2006, Mr. Pandza served as the business group director for the Russia & Central Asia and SME Group at the European Bank for Reconstruction and Development in London. Previously, Mr. Pandza spent 26 years at Deutsche Bank, serving in a variety of positions including as chief executive of the Moscow office and CIS regional head and as a vice-president in the Frankfurt office. He earned a master’s degree in international economic relations from the University of Saarland, Germany.

Timur Issatayev – Member of the Board of Directors, Chairman of the Management Board of the Bank (45). Mr. Issatayev was appointed as the chairman of the Management Board of the Bank in October 2013 and joined the Board of Directors in December 2013. Prior to joining the Bank, between 2012 and 2013 he was the CEO of ForteBank. Mr. Issatayev is one of the founders of the investment company “Verny Capital” and served as chairman of its board of directors from 2007 to 2013. Between 2003 and 2006, Mr. Issatayev was chairman of the board of directors of ATF Bank JSC. From 2001 to 2003, Mr. Issatayev was first deputy chairman of Temirbank and from 1999 to 2001 he served as first deputy general manager of DAB ABN AMRO Bank Kazakhstan JSC. From 1996 to 1999, Mr. Issatayev headed the office of ING Barings in Almaty and for three years between 1993 and 1996 he worked at the IMF as adviser to the CEO. Mr. Issatayev graduated from the faculty of philosophy and economics of Kazakhstan State University and holds a master of arts in development economics degree from Yale University, USA.

Aydar Ryskulov – Member of the Board of Directors, representative of Samruk-Kazyna (33). Mr. Ryskulov was appointed as a member of the Board of Directors in December 2013. Since March 2012 he has also held the position of financial assets management department head at Samruk-Kazyna. Prior to that, Mr. Ryskulov was a member of the board of directors in several companies, namely DBK, Investment Fund of Kazakhstan JSC, Kazyna Capital Management JSC and KazExportGarant Export Credit Insurance Corporation. From March 2009 to March 2012, Mr. Ryskulov worked at KazAgro National Managing Holding as a deputy head of the investment projects department. Before that, Mr. Ryskulov held different positions at a number of second-tier banks in Kazakhstan. In 2006, Mr. Ryskulov graduated from Karaganda Economic University, Kazakhstan, with a degree in law and in 2002 he graduated from Karaganda State University, Kazakhstan with a bachelor degree in finance and credit.

The Bank expects that the current members of the Board of Directors will be replaced after the Restructuring Plan is approved and the Consolidation is completed by new members who will form the Board of Directors of the Combined Bank.

Committees of the Board of Directors

The committees of the Bank's Board of Directors are the Audit, Risks and Recovery Committee, the Credit Committee, the Strategic Planning and Corporate Governance Committee and the Human Resources, Remuneration and Social Affairs Committee. The membership of the committees described below is as at the date of this Information Memorandum.

Audit, Risks and Recovery Committee

As at the date of this Information Memorandum, the members of the Audit, Risks and Recovery Committee are:

<u>Name</u>	<u>Position</u>
Thomas Grasse	Chairman of the Committee (Independent Director)
Nadezhda Buchukina	Member of the Committee
Aidar Ryskulov	Member of the Committee
Saodat Tashpulatova	Member of the Committee (Independent Director)
Timur Issatayev	Member of the Committee (Chairman of the Management Board)
Marat Dzhaukenov	Expert (CRO, Deputy Chairman of the Management Board – member of the Management Board)
Aydin Auezkanov	Expert (Deputy Chairman of the Management Board – member of the Management Board)

The committee chairman is an independent director.

In order to provide recommendations to the Board of Directors, the committee's major functions include pre-considering issues of the Bank's financial statements, the system of internal control and risk management of the Bank, internal audit activities and problem loans of the Bank, issues regarding activities of the Bank's divisions responsible for internal audit, internal control and risk management issues, quality and completeness of financial and accounting statements of the Bank and qualification and independence of the Bank external auditor, as well as it provides the Board of Directors with recommendations as regards the optimisation of the Bank's non-performing loan portfolio.

Credit Committee

As at the date of this Information Memorandum, the members of the Credit Committee are:

<u>Name</u>	<u>Position</u>
Thomas Grasse	Chairman of the Committee (Independent Director)
Nadezhda Buchukina	Member of the Committee
Aidar Ryskulov	Member of the Committee
Saodat Tashpulatova	Member of the Committee (Independent Director)
Timur Issatayev	Member of the Committee (Chairman of the Management Board)
Talgat Kuanyshev	Expert (Deputy Chairman of the Management Board – member of the Management Board)
Marat Dzhaukenov	Expert (Deputy Chairman of the Management Board (CRO) – member of the Management Board)

The committee chairman is an independent director.

In order to provide recommendations to the Board of Directors, the Credit Committee is responsible for pre-considering issues regarding ensuring the maximum profit and growth in assets of the Bank, protecting the rights and legitimate interests of the Bank, corporate business and SME portfolios quality monitoring, control over compliance with policies and procedures as to issue of credit instruments in excess of 5 per cent. of the Bank's equity, determination of the best possible conditions and ensuring efficient use of resources of the Bank. The Credit Committee also monitors compliance of the Bank's lending activities with the laws of the Republic of Kazakhstan and banking supervision requirements.

Strategy Planning and Corporate Management Committee

As at the date of this Information Memorandum, the members and expert of the Strategy Planning and Corporate Governance Committee are:

<u>Name</u>	<u>Position</u>
Hubert Pandza	Chairman of the Committee (Independent Director)
Thomas Grasse	Member of the Committee (Independent Director)
Nadezhda Buchukina	Member of the Committee
Aidar Ryskulov	Member of the Committee
Saodat Tashpulatova	Member of the Committee (Independent Director)
Timur Issatayev	Member of the Committee (Chairman of the Management Board)
Talgat Kuanyshev	Expert (Deputy Chairman of the Management Board – member of the Management Board)

The committee chairman is an independent director.

In order to provide recommendations to the Board of Directors, the committee's major functions include pre-considering issues regarding the identification of priority activities of the Bank, developing the strategy of the Bank and measures aimed at improving the profitability of the Bank, developing of the Corporate Governance Code and developing the Bank's corporate governance practices.

Human Resources, Remuneration and Social Affairs Committee

As at the date of this Information Memorandum, the members of the Human Resources, Remuneration and Social Affairs Committee are as follows:

<u>Name</u>	<u>Position</u>
Hubert Pandza	Chairman of the Committee (Independent Director)
Nadezhda Buchukina	Member of the Committee
Aidar Ryskulov	Member of the Committee
Saodat Tashpulatova	Member of the Committee (Independent Director)
Timur Issatayev	Member of the Committee (Chairman of the Management Board)

The committee chairman is an independent director.

In order to provide recommendations to the Board of Directors, the Human Resources, Remuneration and Social Affairs Committee is responsible for pre-considering issues in the area of the Bank's motivation and remuneration of persons belonging to the Board of Directors, the Management Board and employees of the Internal Audit, Corporate Secretary, Compliance Controller, as well as subsidiaries and affiliated companies, in which the Bank acts as the shareholder, control of compliance of the Bank's policy on motivating and rewarding with the development strategy of the Bank, the Bank's financial position and the situation on the labour market.

The Bank expects that the current members of the committees of the Board of Directors will be replaced after the Restructuring Plan is approved and the Consolidation is completed by new members who will form the committees of the Board of Directors of the Combined Bank.

Management Board

The Management Board is responsible for the day-to-day management and administration of the Bank's activities. The Management Board has executive powers, in contrast to the Board of Directors' supervisory role. The Management Board's responsibilities include making executive business decisions, implementing the Bank's business strategy, appointing senior management and branch representatives of the Bank and dealing with all other matters not reserved to the Board of Directors or the general shareholders' meeting.

All members of the Management Board are elected for a term set by the Board of Directors. The business address for all members of the Bank's Management Board is 50 Furmanov Street, Almaty 050004, Republic of Kazakhstan.

As at the date of this Information Memorandum, the members of the Management Board are:

<u>Name</u>	<u>Position</u>
Timur Issatayev	Chairman of the Management Board
Talgat Kuanyshyev	Deputy Chairman of the Management Board
Aydin Auezkanov	Deputy Chairman of the Management Board
Marat Dzhaukenov	Deputy Chairman of the Management Board, CRO
Sholpan Nurumbetova	Deputy Chairman of the Management Board
Aida Derevyanko	Member of the Management Board, CFO
Yerlan Tuyakbayev	Managing Director, Member of the Management Board

Talgat Kuanyshyev – Deputy Chairman of the Management Board (41). In October 2013, Mr. Kuanyshyev was appointed as Deputy Chairman of the Management Board. Mr. Kuanyshyev is also a member of the board of directors of ForteBank and Kazakh Economy University named after T. Ryskulov. Prior to joining the Bank, Mr. Kuanyshyev worked for five years at Bank Kassa Nova JSC as the chairman of the management board. In the period from 2008 to 2009 he was chairman of the board of directors and adviser to the chairman of ATF Leasing JSC. Prior to that, Mr. Kuanyshyev held various positions with ATF Bank JSC, where he started from the position of head of the bill circulation division in 1997 and became chairman of the management board in 2006. Mr. Kuanyshyev received his MBA degree from Aston Business School, UK in 2006.

Aydin Auezkanov – Deputy Chairman of the Board (36). Mr. Auezkanov joined the Bank in October 2013 as a Deputy Chairman of the Management Board. Between 2006 and 2009 he held the positions of Managing Director and Member of the Management Board at JSC ATF Bank and Chairman of the Board of Directors at JSC ATF Leasing. Prior to that, Mr. Auezkanov worked at Bank Sibir Subsidiary Bank (Russian Federation) as a Member of the Board of Directors, Halyk Bank of Kazakhstan as a Corporate Business Deputy Director and EBRD as a Senior Bank consultant in the Small and Medium Business Program. Mr. Auezkanov holds a doctorate from Kazakh Economy University named after T. Ryskulov which received in 2009. In 2008 he graduated from Kazakh National Technical University named after K. Satpayev in the Oil and Gaz Development field. Prior to that Mr. Auezkanov studied banking at Kazakh State Academy of Management and graduated from there in 1998.

Marat Dzhaukenov – Deputy Chairman of the Management Board, Chief Risk Officer (44). Mr. Dzhaukenov was appointed as Deputy Chairman of the Management Board, Chief Risk Officer of the Bank in November 2013. In the period from 2007 to 2013, Mr. Dzhaukenov served as a deputy chairman of the management board of Eurasian Bank of Development. During the same period he held the position of an independent director at a number of companies, including Centras Insurance for three years. Prior to that, Mr. Dzhaukenov held various positions in a number of second-tier banks, including nine years at HSBC Bank Kazakhstan (1998 – 2007), where he started from the position of financial controller and became deputy chairman of the management board. He received his degree in international economic relations from Kazakh State Academy of Management, Almaty, Kazakhstan.

Sholpan Nurumbetova – Deputy Chairman of the Board (34). Mrs. Nurumbetova has more than twelve years of experience in the banking sector. She joined the Bank in September 2014 and was appointed as Deputy Chairman of the Management Board. At the same time, Mrs. Nurumbetova holds the position of Managing Director of Temirbank, director of Astana branch of Temirbank. Prior to joining the Bank, from December 2013 she worked as a Deputy Chairman of the Management Bank of Temirbank. Between 2009 and 2013, Mrs. Nurumbetova worked at the Bank as a Deputy Chairman of the Management Board. In early 2009, Mrs. Nurumbetova worked as Deputy Chairman of the Board of Damu Fund for Entrepreneurship Development. Between 2001 and 2009, Mrs. Nurumbetova held various positions at JSC ATF Bank, OJSC Tsesna Bank and BTA, in positions ranging from leading economist to Head of Branch. Mrs. Nurumbetova received a degree in Finance from the Kazakh State Management Academy in 2000.

Aida Derevyanko – Chief Financial Officer, Member of the Management Board (52). Before joining the Bank in June 2014, Mrs. Derevyanko worked at several second-tier banks in Kazakhstan, including ATF Bank JSC in the period from 1996 to 2014, where she held positions from deputy chief accountant to chief accountant – financial director. Mrs. Derevyanko graduated from the Institute of National Economy of Alma-Ata in 1987 with a degree in economics.

Yerlan Tuyakbayev – Managing Director, Member of the Management Board (52). Mr. Tuyakbayev joined the Bank as a Managing Director in November 2013. Before that Mr. Tuyakbayev was a director at Prof IT Global LLP for three years. From 1998 to 2010, he held various positions at ATF Bank JSC, Halyk Bank of Kazakhstan

JSC, Nauryz Bank Kazakhstan JSC, Bank Center Credit JSC in positions ranging from chief engineer to director of the information systems department. Mr. Tuyakbayev obtained his degree from Kazakh Polytechnic Institute.

The Bank expects that the current members of the Management Board will be replaced after the Restructuring Plan is approved and the Consolidation is completed by new members who will form the Management Board of the Combined Bank.

Committees of the Management Board

Asset and Liability Management Committee (“ALCO”)

As at the date of this Information Memorandum, the members of the ALCO are as follows:

<u>Name</u>	<u>Position</u>
Timur Issatayev	Chairman of the Management Board
Marat Dzhaukenov	Deputy Chairman of the Management Board, CRO
Tatiana Belova	Senior Banker, Retail Business. Retail Banking Group
Asyl Dautbayev	Senior Banker, Treasury, Financial Services Group
Elmira Daueshova	Senior Banker, Corporate Business, Corporate and Premier Banking Group
Aliya Yeszhan	Senior Banker, International Relations, Financial Services Group
Oksana Kameneva	Senior Banker, Financial analysis and planning, Financial Management Group

The ALCO implements the asset and liability management policies and controls relevant procedures in the Bank. The ALCO is authorised to make decisions regarding liquidity control and management, profitability control and management, risk control and management and strategic performance. The ALCO meets as frequently as business needs require, but no less than once every week.

Credit Committee of the Head Office

As at the date of this Information Memorandum, the members of the Credit Committee of the Head Office are as follows:

<u>Name</u>	<u>Position</u>
Timur Issatayev	Chairman of the Management Board
Marat Dzhaukenov	Deputy Chairman of the Management Board, CRO
Talgat Kuanyshv	Deputy Chairman of the Management Board
Aydin Auezkanov	Deputy Chairman of the Management Board
Elmira Daueshova	Senior Banker, Corporate Business, Corporate and Premier Banking Group

The Credit Committee of the Head Office is a permanent collegial body of the Head Office, which implements the development strategy of the corporate business and the credit policy of the Bank and has authority within limits granted by the Management Board.

Tariff Committee

As at the date of this Information Memorandum, the members of the Tariff Committee are:

<u>Name</u>	<u>Position</u>
Oksana Kameneva	Senior Banker, Financial analysis and planning, Financial Management Group
Azamat Esmagambetov	Associate Banker, Operational Service, Corporate and Premier Banking Group
Elmira Daueshova	Senior Banker, Corporate Business, Corporate and Premier Banking Group
Dmitry Korostelev	Senior Banker, Cash Management, Technologies Group
Zhanar Medetbekova	Associate Banker, Retail Business, Retail Banking Group

The Tariff Committee is responsible for ensuring a consistent level of income from banking and other operations and services sufficient to maintain the strong financial position of the Bank, through the flexible and reasonable application of tariffs.

IT committee

As at the date of this Information Memorandum, the members of the IT Committee are:

<u>Name</u>	<u>Position</u>
Yerlan Tuyakbayev	Managing Director
Kairulla Hasenov	Senior Banker, IT Support, Technologies Group
Oksana Kameneva	Senior Banker, Financial analysis and planning, Financial Management Group
Lubov Kireeva	Senior Banker, Accounting Department, Financial Management Group
Zhanar Medetbekova	Associate Banker, Retail Business, Retail Banking Group
Maksim Sveshnikov	Associate Banker, Security, General banking support Group

The IT Committee is responsible for information and technical support for all internal and external operations and business processes in the Bank.

Retail Credit Committee of the Head Office

As at the date of this Information Memorandum, the members of the Retail Credit Committee of the Head Office are:

<u>Name</u>	<u>Position</u>
Tatiana Belova	Senior Banker, Retail Business. Retail Banking Group
Rubina Lozovaya	Senior Banker, Risk Management, Risk Management Group
Galina Matveeva	Senior Expert, Individuals, Problem indebtedness recovery Group

The Retail Credit Committee of the Head Office is an authorised permanent collegial body of the Head Office, which implements the development strategy of the retail business and credit policy of the Bank, and has authority within limits approved by the Management Board.

Small and Medium Business Credit Committee of the Head Office

As at the date of this Information Memorandum, the members of the SME Credit Committee of the Head Office are:

<u>Name</u>	<u>Position</u>
Talgat Kuanyshev	Deputy Chairman of the Management Board
Yuriy Voronin	Associate Banker, Risk Management, Risk Management Group
Naslizat Sagalieva	Senior Banker, Legal Entities, Problem indebtedness recovery Group

The SME Credit Committee of the Head Office is an authorised permanent collegial body of the Head Office, which implements the development strategy of the SME business and credit policy of the Bank, and has authority within limits approved by the Management Board.

Non-Performing Loans Committee of the Head Office

As at the date of this Information Memorandum, the members of the Non-Performing Loans Committee of the Head Office are:

<u>Name</u>	<u>Position</u>
Aydin Auezkanov	Deputy Chairman of the Management Board
Marat Dzhaukenov	Deputy Chairman of the Management Board, CRO
Talgat Kuanyshev	Deputy Chairman of the Management Board
Saulebek Kungozhinov	Executive Director
Nurlan Zhumagulov	Senior Banker, Individuals, Problem indebtedness recovery Group
Naslizat Sagalieva	Senior Banker, Legal Entities, Problem indebtedness recovery Group
Askar Hazhiev	Associate Banker, Legal Services, General banking support Group

The Non-Performing Loans Committee of the Head Office is responsible for the organisation, implementation and control of activities related to the recovery of non-performing loans.

Non-Performing Loans Small Committee of the Head Office

As at the date of this Information Memorandum, the members of the Non-Performing Loans Small Committee of the Head Office are:

<u>Name</u>	<u>Position</u>
Nurlan Zhumagulov	Senior Banker, Individuals, Problem indebtedness recovery Group
Yuriy Voronin	Associate Banker, Risk Management, Risk Management Group
Mirat Bori	Associate Banker, Legal Services, General banking support Group
Alexander Kulinich	Director, Security, General banking support Group
Ernar Tashenov	Senior Banker, Legal Entities, Problem indebtedness recovery Group

The Non-Performing Small Loans Committee of the Head Office is responsible for the organisation, implementation and control of activities related to the recovery of non-performing loans up to an amount of KZT 70 million.

The Bank expects that the current members of the committees of the Management Board will be replaced after the Restructuring Plan is approved and the Consolidation is completed by new members.

Senior Management Team

The Bank's senior management team comprises the individuals responsible for the day-to-day management of their respective departments or divisions. The Bank's senior management team reports to the Management Board and certain members report directly to the Chairman of the Management Board and the Deputy Chairman. Any member of the senior management team can be called to attend a meeting of the Board of Directors as appropriate.

As at the date of this Information Memorandum, the senior management team consists of the following persons:

<u>Name</u>	<u>Position</u>	<u>Sphere of responsibility</u>
Vitaly Kim	Managing Director	Personal – banking
Saulebek Kungozhinov	Executive Director	Security

Vitaly Kim – Managing Director (33). Before joining the Bank in 2014, Mr. Kim worked for one year at the representative office of ING Bank in Kazakhstan as a relationship manager. Before that, he worked at ATF Bank

JSC for six years, as head of the corporate VIP clients division and in a number of other companies. He holds a bachelor degree from the State Institute of oriental studies, Kazakhstan.

Saulebek Kungozhinov – Executive Director (62). Before joining the Bank in October 2013, Mr. Kungozhinov worked in the Department for execution of judicial acts of the Ministry of Justice of the Republic of Kazakhstan in a number of senior positions from 2011. Prior to that, for 28 years he worked in Internal Affairs Agencies of Ministry of Internal Affairs of the Republic of Kazakhstan. Mr. Kungozhinov graduated from High School of Ministry of Internal Affairs of the Republic of Kazakhstan of Karaganda with a speciality in legal science.

Corporate Governance

Corporate governance best practice in Kazakhstan is set out in the Kazakhstan Corporate Governance Code, which is based on existing international best practice in the area of corporate governance and sets out recommendations for the application of the principles of corporate governance by Kazakhstan joint stock companies. The Kazakhstan Corporate Governance Code was developed in 2005 by the Association of Financiers of Kazakhstan and approved by the FMSA. The Bank's current Corporate Governance Code was adopted by the shareholders of the Bank on 9 March 2010 following the completion of the 2010 Restructuring. The Corporate Governance Code incorporates provisions of the Kazakhstan Corporate Governance Code and otherwise complies with the JSC Law in all material respects. In addition, the Corporate Governance Code also covers the following areas not specifically required by the Kazakhstan Corporate Governance Code or the JSC Law:

- the Board of Directors' role and responsibilities, including independence of directors, establishment of a remuneration committee, clear policies for risks and controls and clear terms of reference for key Board of Directors' committees;
- competence of Board of Directors' members, including their selection and election criteria, training, individual and collective evaluation of performance, rotation and reappointment and effective supervision;
- internal controls and risk management, including a sound system of internal controls and financial reporting, risk-based management approach and risk-based capital management, identification and control of risks, quality of management information, restrictions on related party transactions and approval structures and limitations; and
- disclosure and reporting, including director remuneration, Board of Directors' activities, financial reporting, communication with shareholders and external stakeholders, and evidence of embedded principles, standards and processes.

Management Remuneration

In accordance with the Charter, the remuneration and compensation of the members of the Board of Directors are determined by the general shareholders' meeting of the Bank, while the remuneration and compensation of the Chairman of the Management Board and members of the Management Board are determined by the Board of Directors. According to management accounts, the Bank paid KZT 293 million for the year ended 31 December 2013 and KZT 115 million in aggregate during the six months ended 30 June 2014 to members of the Management Board and its senior management. None of the employment contracts of members of the senior management team or the Management Board provide for benefits upon termination of employment. The Bank paid KZT 57 million in aggregate during the year ended 31 December 2013 and KZT 43 million during the six months ended 30 June 2014 to the independent directors on its Board of Directors. The Bank did not pay the non-independent directors in either period for their services as members of the Board of Directors.

As at 30 June 2014, the Bank had no loans outstanding to the members of the Board of Directors or Management Board.

The decision to grant loans to members of the Bank's management teams is made by the Credit Committee of the Head Office of the Bank. However, these loans are considered transactions with persons associated with the Bank by "special relations" and accordingly must be approved by the Bank's Board of Directors. These loans are then notified to the Credit Committee of the Head Office of the Bank and the General Accounting, Financial Management Group.

Conflicts of Interest

There are no potential conflicts of interest between duties owed to the Bank by any of the members of the current management team and their private interests and/or other duties.

A director may not vote on or be counted in the quorum in relation to a resolution of the Board of Directors, or of any committee of the Board of Directors, concerning any contract, arrangement, transaction or proposal with the Bank or in which the Bank is otherwise interested and in which he or any Affiliate, has an interest which may reasonably be regarded as likely to give rise to a material conflict of interest.

Litigation Statement

As at the date of this Information Memorandum, for at least the last five years, none of the current members of the Board of Directors or the Management Board:

- (i) has had any convictions in relation to fraudulent offences;
- (ii) has held an executive function in the form of a senior executive officer or a member of the administrative, management or supervisory bodies, of any company at the time of or preceding any bankruptcy, receivership or liquidation; nor
- (iii) has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

Pre-Restructuring

The Bank's controlling shareholder is currently Samruk-Kazyna, which holds approximately 51 per cent. of the Shares in the Bank as at the date of this Information Memorandum. The other major shareholder in the Bank, Mr. Bulat Utemuratov, holds approximately 21.63 per cent. of the Common Shares and 20.02 per cent. of the Preference Shares in the Bank as at the date of this Information Memorandum.

Samruk-Kazyna

Samruk-Kazyna is wholly owned by the Government and is the national managing holding company for substantially all state-owned companies. Samruk-Kazyna was created in 2008 pursuant to the Presidential Edict No. 669, dated 13 October 2008, and the Resolution of the Government No. 962, dated 17 October 2008, by way of the merger of JSC "Kazakhstan Holding for Management of State Assets" "Samruk" and JSC "Sustainable Development Fund" "Kazyna". Samruk-Kazyna is a joint stock company whose shares are held by the Ministry of Finance's Committee of State Property and Privatisation on behalf of the Republic of Kazakhstan.

Samruk-Kazyna's primary objective is to manage shares (participatory interests) of legal entities it owns with a goal of maximising long term value and increasing competitiveness of such legal entities in world markets.

The governance of Samruk-Kazyna's activities is subject to general corporate governance applicable to all joint stock companies in Kazakhstan. Accordingly, the corporate governance structure of Samruk-Kazyna is as follows: the Government, as the sole shareholder, constitutes the supreme governing body, the board of directors constitutes the managing body, and the management board constitutes the executive body.

Members of Samruk-Kazyna's board of directors are appointed by the Government, and its members are, among others, the Minister of Economy and Budget Planning, the Minister of Finance, the Minister of Energy and Mineral Resources, the Minister of Industry and Trade, independent directors and the chairman of the management board of Samruk-Kazyna. The board of directors is chaired by the Prime Minister of the Republic of Kazakhstan.

Mr. Bulat Utemuratov

Mr. Utemuratov (57) is a Kazakhstan businessman and a major shareholder in a number of financial institutions, being Nova Leasing JSC, Kassa Nova Bank JSC, ForteBank, Temirbank and the Bank. Before Mr. Utemuratov's acquisition of his shareholdings in the Bank and Temirbank in May 2014, his major project was the development of ATF Bank between 1995 and 2007, which was subsequently sold to the Italian group UniCredit. During this period, ATF Bank grew from a small financial institution into a large multi-regional and multi product financial services group with 160 offices. After the financial crisis of 2009, Mr. Utemuratov created Kassa Nova (Kazakhstan's first microcredit bank) and acquired a majority stake in ForteBank (formerly JSC Metrokombank). Mr. Utemuratov graduated from the National Economy Institute of Almaty. From 2010, Mr. Utemuratov has been a special representative of the President of the Republic of Kazakhstan in respect of relations with the Kyrgyz Republic. Prior to that he has held the positions of Adviser to the President of the Republic of Kazakhstan, Head of the Department of Affairs of the President of Kazakhstan (2006 – 2008), Secretary of the Security Council of the Republic of Kazakhstan (2003 – 2006), Assistant to the President of the Republic of Kazakhstan on foreign policy and economic issues (1999 – 2003), Extraordinary and Plenipotentiary Ambassador of the Republic of Kazakhstan in Switzerland, Permanent Representative to the United Nations Office and other International Organizations in Geneva (1996-1999), Ambassador-at-Large of the Ministry of Foreign Affairs of the Republic of Kazakhstan (1995-1996), First deputy minister of Industry and Trade of the Republic of Kazakhstan (1994-1995) and Deputy Minister of Foreign Economic Relations of the Republic of Kazakhstan (1993 – 1994).

Post-Restructuring

Following the completion of the Restructuring, the Bank's controlling shareholder will be Mr. Bulat Utemuratov, who will own (based on the same assumptions as set out in the "*The Consolidation — The Exchange Ratios*") approximately 76.47 per cent. of the Common Shares in the Combined Bank.

Related Party Transactions

During the periods covered by the Bank Financial Statements, the Bank has entered into related party transactions with Samruk-Kazyna, the NBK and other state-owned companies in the ordinary course of the Bank's business as well as transactions with members of the Bank's management. For more information concerning the related party transactions entered into by the Bank, please see Note 19 to the Bank Financial Statements for the six months ended 30 June 2014 and Note 33 to the Bank Financial Statements for the years ended 31 December 2013 and 2012.

THE BANKING SECTOR IN KAZAKHSTAN

Introduction

Since mid-1994, Kazakhstan has adhered to a strict macro-economic stabilisation programme, combining tight budgetary discipline, stringent monetary policy and structural economic reforms. These policies have sharply reduced inflation and lowered interest rates.

Kazakhstan has a two-tier banking system with the NBK comprising the first tier and all other commercial banks comprising the second tier (with the exception of the Development Bank of Kazakhstan (“**DBK**”), which as a state development bank has a special status and belongs to neither tier). Generally, all credit institutions in Kazakhstan are required to be licensed and regulated by the NBK. From 2004 until April 2011, these functions were carried out by the FMSA and, prior to 2004, and since April 2011, these functions have been carried out by the NBK.

Effects of the Global Financial Crisis and Anti-Crisis Measures

Kazakhstan’s banking sector has been particularly adversely affected by the global financial crisis. Between 2000 and 2007, while the Kazakhstan economy was experiencing rapid growth, banks in Kazakhstan incurred high levels of foreign debt in order to fund a rapid expansion of credit, largely concentrated in the construction and real estate sectors. Following the onset of the global financial crisis which began in 2008, credit growth stopped due to the lack of availability of wholesale debt financing, deposits were volatile and property prices significantly decreased. Oil prices significantly declined, which had an adverse impact on the Kazakhstan economy. These factors caused significant losses for Kazakhstan banks and a general destabilisation of Kazakhstan’s banking sector in 2008 and 2009. The banking sector experienced considerable asset quality deterioration in 2009, with non-performing loans in the banking sector increasing to 36.5 per cent. as at 1 January 2010 from 8.1 per cent. as at 1 January 2009.

In response to the pressure faced by major banks in 2008 and 2009, new banking legislation was introduced related to financial stability and bank restructurings. See “—*Financial Stability and Restructuring Reforms*” below.

In 2009, following the discovery of substantial fraud by the former management of BTA and the Bank, the Government effectively nationalised these banks. In February 2009, the FMSA entered into an agreement with the Government relating to the acquisition of approximately 75.1 per cent. of BTA’s shares, which were subsequently acquired by Samruk-Kazyna pursuant to the financial stability legislation. In March 2009, Samruk-Kazyna purchased newly issued Common Shares of the Bank in the amount of KZT 24.0 billion, to support its financial stabilisation and to provide further capitalisation. Both BTA and the Bank defaulted on their debt in April 2009. On 31 December 2009, Samruk-Kazyna purchased 100 per cent. of the outstanding Common Shares and Preference Shares of the Bank. The restructuring of the Bank was completed in April 2010. After such restructuring, Samruk-Kazyna held 67 per cent. of the outstanding Common Shares and 67 per cent. of the outstanding Preference Shares of the Bank. The restructuring of BTA was completed on 31 August 2010, cancelling approximately U.S.\$8.6 billion of BTA’s financial indebtedness. In 2012, BTA underwent a second restructuring, in which its financial indebtedness was reduced from U.S.\$11.1 billion to U.S.\$3.3 billion, and its average debt maturity was extended from three to 12 years. The second restructuring was completed in December 2012. Following this restructuring, Samruk-Kazyna owned an approximately 97.2 per cent. equity holding in BTA.

In May 2009, JSC Astana Finance defaulted and announced a moratorium on the repayment of its debt. In November 2009, Temirbank defaulted and announced a moratorium on the repayment of its debts.

The Government has taken a number of steps to support Kazakhstan’s banking sector, including significant capital injections. The Government’s capital injections into the Kazakhstan banking sector have been estimated at 6.4 per cent. of Kazakhstan’s GDP in 2009, compared, for example, to the United Kingdom and the United States where, according to the IMF, capital injections represented 3.9 per cent. and 2.2 per cent., respectively.

The National Fund of the Republic of Kazakhstan also allocated KZT 1,946.1 billion to putting into effect the Plan of Joint Actions of the Government, the NBK and the FMSA for the Stabilisation of the Economy and the Financial System for 2009 and 2010.

For a discussion of the various risks associated with the banking sector and banking regulation in Kazakhstan, see “*Risk Factors — Risks relating to Operating within the Kazakhstan Banking Sector*”.

The NBK

The NBK is the central bank of Kazakhstan and the state authority performing state regulation, control and supervision of the financial markets and financial organisations. Although it is an independent institution, it reports directly to the President of the Republic of Kazakhstan. The President of the Republic of Kazakhstan appoints the Chairman of the NBK with the consent of the Senate (upper chamber of Parliament) and the Deputy Chairmen upon the recommendation of the Chairman. The President approves the NBK’s annual reports and has the right to demand any information relating to its activity. The President of the Republic of Kazakhstan appointed Mr. Kairat Kelimbetov as the Chairman of the NBK in October 2013, who replaced Mr. Grigoriy Marchenko at that position. The principal governing bodies of the NBK are the executive board and the board of directors. The executive board, the highest governing body of the NBK, consists of nine members, including the Chairman, five other representatives of the NBK, a representative of the President of the Republic of Kazakhstan and two representatives of the Government of Kazakhstan.

The NBK is empowered to develop and implement state monetary policy, organise the functioning of payment systems, conduct currency regulation and currency control, ensure the stability of the financial system and to protect the rights and interests of the consumers of financial services.

The NBK is responsible for most of the supervisory and regulatory functions in the financial sector. These functions were performed by the FMSA from 2004 until April 2011, when they were transferred back to the NBK on the basis of a decree of the President of the Republic of Kazakhstan. The NBK’s supervisory and regulatory roles in the financial sector until early 2014 were performed by the FMSC, which was a sub-division of the NBK, and currently these roles are distributed among different departments within the NBK.

In addition, in April 2011, the NBK took responsibility for the regulation of the operations of the Almaty Regional Financial Centre (the “**RFCA**”), a role previously performed by the Agency for Regulation of the Operations of the RFCA (the “**ARO RFCA**”).

Moreover, under the Law on provision of pensions adopted on 21 June 2013 (the “**Pension law**”), the NBK was appointed as the custodian bank, trust manager of shares and assets of Single Accumulative Pension Fund JSC. Under the Pension law, all pension assets and liabilities of pension funds were transferred to Single Accumulative Pension Fund JSC, which is owned by the Kazakhstan Government. The said transfer was completed in March 2014.

The Competition Committee is the competition authority in Kazakhstan and its responsibilities include, *inter alia*, the supervision of compliance with anti-monopoly legislation within the banking sector. However, certain issues of anti-monopoly regulation are under the jurisdiction of both the Competition Committee and the NBK. For example, certain transactions with a value exceeding certain thresholds require the prior consent of the Competition Committee. Such thresholds for the purposes of regulated financial organisations are established jointly by the Competition Committee and the NBK.

Banking Supervision

Banking Reform and Supervision

Reform of the banking sector started in 1995 with the introduction of international prudential standards, including capital adequacy requirements and liquidity ratios to regulate and protect the banking system, transparency requirements as to the auditing of banks by local and international auditors, harmonisation of local accounting practices with IFRS, and personnel training programmes.

In addition, to strengthen the banking industry, promote stability and move towards internationally accepted practices, the NBK required commercial banks to adopt recapitalisation and corporate enhancement plans with the aim of enhancing their ability to attract long-term, private investors. In 2000, guidelines were established for bank inspections and for periodic reporting by commercial banks to the NBK, and then to the FMSA. In 2003, all banks were required to develop and install internal risk management systems.

The objective of these reforms was to bring supervisory practices closer to international standards to allow for a more transparent view of banks' levels of capitalisation and exposure to financial risks.

Capital Adequacy

The FMSA redefined its capital adequacy and credit exposure standards in September 2005, and set limits and rules for calculating capital adequacy, single party exposure, liquidity ratios and open currency positions.

In November 2005, new regulations regarding regulatory capital and risk management came into effect in Kazakhstan. These regulations represent a substantial step towards the implementation of the Basel accord. In particular, the new regulations introduce the concepts of hybrid capital eligible to be included in Tier I and Tier II capital, Tier III capital (a qualified subordinated debt) and operational and market risks, and include rules for calculating risk with respect to derivatives.

The NBK requires banks to maintain a K1-1 (Tier I capital to total assets) and K1-2 (Tier I capital to total assets weighted for risk) capital adequacy ratio of 6 per cent., compared with the BIS Guidelines' recommendation of 4 per cent. The K2 (own capital to total assets weighted for risk) capital adequacy ratio requirement is 12 per cent. compared with the BIS Guidelines' recommendation of 8 per cent. For banks with a bank holding company or a bank parent company among their shareholders and state-controlled banks, the K1-1 (Tier I capital to total assets) and K1-2 (Tier I capital to total assets weighted for risk) capital adequacy ratio requirement is 5 per cent. while the K2 (own capital to total assets weighted for risk ratio) is 10 per cent. of risk weighted assets.

Furthermore, the NBK regulations require a bank which does not have amongst its shareholders an individual holding directly or indirectly at least 10 per cent. of such bank's shares to comply with higher capital adequacy ratios. Such ratios are 7 per cent. for the K1-1 (Tier I capital to total assets) and K1-2 (Tier I capital to total assets weighted for risk) ratios and 14 per cent. for the K2 (own capital to total assets weighted for risk) ratio. In addition, where a bank is deemed a "systemic bank" pursuant to NBK regulations, such bank may be subject to specific prudential requirements determined by the NBK.

In February 2007, to reduce the risks associated with the substantial growth in the external debt of Kazakhstan's banks, the FMSA introduced amendments to the capital adequacy regulations which imposed limits on levels of foreign borrowings or "external liabilities" which a bank can incur as a multiple of such bank's "own capital" as calculated both including and excluding debt securities issued.

These amendments mean that banks are not permitted to increase borrowings from non-domestic holders (subject to certain exceptions) to a level in excess of certain multiples of regulatory capital. If banks exceed the prescribed ratios they have to either repay foreign sourced debt or increase their regulatory capital. The ratios that apply to banks currently are (i) two times own capital for external liabilities excluding debt securities issued by special purpose subsidiaries of the bank guaranteed by the bank (K8 ratio) and (ii) three times own capital for external liabilities including issued debt securities (K9 ratio).

In order to control the rapid growth of consumer lending, in 2014 the NBK introduced a maximum growth rate of consumer loans. Growth rate of consumer loans in the loan portfolio of the bank is set at no more than 0.30 and is calculated as the ratio of growth in consumer loans portfolio on the balance sheet date from the beginning of the current calendar year to the portfolio of consumer loans at the end of the calendar year, taking into account the allowances made for international financial reporting standards (K10 ratio).

In order to strengthen capital requirements on bank liquidity and bank leverage, the NBK plans to implement the standards of the Basel Committee on Banking Supervision with respect to bank capital adequacy, stress testing and market liquidity risk (Basel III) in Kazakhstan starting from 2015, however, as at the date of this Information Memorandum, the regulatory framework has not yet been put in place. The process of transition to the new standards for the Kazakhstan banking sector is incremental, the duration of which is expected to be four years. In this case, a gradual increase in capital requirements as such, will be made after the exclusion of instruments that do not meet the standards of Basel III and introduction of the conversion buffer. In addition, the Basel III standards provide for the establishment of the systemic bank buffer, the size of which is determined for each bank separately depending on the systemic importance of the bank. Countercyclical capital buffer accumulation is aimed at levelling out the financial cycle by restraining excessive credit growth during the financial boom. In order to identify the condition variables which can signal the onset of economic growth and contraction, the NBK has reviewed the macroeconomic indicators and indicators of the banking activity. The Basel III standards provide for the use of deviation from its long-run trend of the ratio of loans in the economy to GDP as the main indicator to

determine the financial boom period. Basel III strengthens bank capital requirements and introduces new regulatory requirements.

Reserve Requirements

Starting in the second half of 2008, the NBK adopted a number of measures aimed at providing additional liquidity to banks. With effect from 3 March 2009, the minimum level at which second tier banks must maintain reserves had been decreased from 2 per cent. to 1.5 per cent. with respect to domestic liabilities and from 3 per cent. to 2.5 per cent. with respect to other liabilities. These measures were abolished in May 2011. From 31 May 2011, the minimum level at which second tier banks were obliged to maintain reserves has been increased from 1.5 per cent. to 2.5 per cent. with respect to domestic liabilities and from 2.5 per cent. to 4.5 per cent. with respect to other liabilities.

On 21 September 2012, the NBK set the applicable rate of the reserve requirements for banks undergoing restructuring proceedings to zero per cent. for both domestic and other liabilities. The rate applies from the date of the order of the Court commencing the restructuring to the date on which the Court order on the completion of the restructuring comes into force.

Effective from 13 November 2012, the minimum level at which the banks must maintain reserves is 2.5 per cent. for domestic short-term liabilities, zero per cent. for domestic long-term liabilities, 6 per cent. for foreign short-term liabilities and 2.5 per cent. for foreign long-term liabilities.

Deposit Insurance

In December 1999, a self-funded domestic deposit insurance scheme was established and, as at 1 October 2014, 37 banks, including the Bank, were covered by this scheme. The insurance coverage is presently limited to individual term deposits in any currency and current accounts up to a maximum amount per customer of KZT 5 million at any given bank. From January 2012, the maximum guaranteed amount was increased from KZT 1 million to KZT 5 million. Only banks participating in the deposit insurance scheme are authorised to open accounts and take deposits from private individuals.

Acquisition of Interests in Kazakhstan Banks

Current legislation requires the NBK to approve any acquisition of a direct or indirect shareholding of 10 per cent. or more (whether held independently or jointly with another legal entity) in a Kazakhstan bank. This requirement does not apply to Samruk-Kazyna and the Government. Furthermore, subject to certain limited exceptions, a foreign entity directly or indirectly holding 10 per cent. or more of the shares in a Kazakhstan bank must have a minimum required credit rating from one of the approved rating agencies. Where a foreign legal entity directly holds 25 per cent. or more shares of a bank, such foreign legal entity must be a financial organisation having a minimum required rating and being subject to consolidated supervision in its home country.

Other Regulations

In June 2006, the FMSA implemented measures to restrict Kazakhstan banks from having outstanding external short-term financings which exceed a bank's regulatory capital. These measures may limit a bank's ability to enter into short-term loan facilities causing it to look for longer term financings or customer deposits to replace such short-term facilities.

To address concerns about currency mismatches and, more precisely, to manage banks' liquidity, the FMSA also tightened requirements regarding open/net currency positions and introduced various limits on currency liquidity.

Effective from 1 January 2013, certain amendments to the Banking Law have resulted in the abolition of the provisions requirements that were previously based on classification of assets in accordance with the NBK's rules, and the introduction of the following two requirements: (i) to create a mandatory dynamic reserve; and (ii) to create mandatory reserves (other than a dynamic reserve) under IFRS and not under the NBK's rules. The amendments to banking legislation were further supported by respective changes to the NBK's regulations, including the Rules for Formation of Dynamic Reserve and Establishment of Minimum Size Dynamic Reserve, Size for Expected Losses No. 127 dated 27 May 2013 (the "**Reservation Rules**"). On 7 July 2013, NBK Resolution No. 73 dated 25 February 2013 "On Approval of Rules on Application of Measures of Early Reaction

and Methodology for Determination of Factors Having Adverse Influence on Financial Position of a Second Tier Bank” came into effect. From 1 January 2014, a commercial bank’s non-performing loans must not exceed 15 per cent. of its total loan portfolio (excluding its reserves) which is a decrease from the previous mandatory ratio of 20 per cent., which has been in effect until 1 January 2014. Banks that exceed the 15 per cent. threshold are required to work with the NBK to take measures to improve their financial stability.

Almaty Regional Financial Center

The RFCA was established in June 2006 for the purpose of developing Kazakhstan’s securities market, integrating it into the international capital markets and attracting investment into Kazakhstan’s economy. The RFCA is governed by regulations regarding the relations between its participants and relations between foreign and local participants. The NBK controls and supervises the activities of the RFCA, as well as registering its participants. Prior to April 2011, these functions were performed by the ARO RFCA. The inaugural trade on the special trade platform (the “**Special Trade Platform**”) of the KASE functioning at the RFCA occurred on 27 February 2007. In November 2009, the Special Trade Platform was merged into the main trading platform of the KASE. As at 6 December 2013, 17 companies were registered as RFCA participants.

Commercial Banks

According to the NBK, as at 30 June 2014, there were 38 commercial banks in Kazakhstan, excluding DBK and the NBK, compared to 184 in mid-1994. This decrease is largely a result of the NBK’s stringent policy towards increased capitalisation and liquidity of the banking system. The general reduction in the number of banks has largely been at the expense of small and medium-sized banks.

According to data published by the NBK, as at 30 June 2014, 36 of the 38 second-tier banks had capital of over KZT 5,000 million and two banks had capital below KZT 5,000 million. Since 1 October 2009, any bank whose own capital (i.e. shareholders’ equity) falls below KZT 5,000 million (or KZT 2,000 million for banks registered outside of Astana and Almaty and complying with certain other conditions) was required to apply to the NBK for a reorganisation into a credit partnership. Starting from 1 July 2011, the minimum capital requirements were set at KZT 10,000 million for banks, including newly-created banks, KZT 5,000 million for residential construction savings banks and KZT 4,000 million for banks registered and carrying out a significant part of their operations outside Astana and Almaty (and complying with certain other conditions).

The total capital of commercial banks increased to KZT 2,078 billion as at 1 April 2014 compared to capital of KZT 2,063 billion as at 1 April 2013 and KZT 1,163 billion as at 1 April 2012. During the same period, the total assets of the banks increased to KZT 16,878 billion as at 1 April 2014 from KZT 14,649 billion as at 1 April 2013 (compared to approximately KZT 13,299 billion as at 1 April 2012). The aggregate liabilities increased to approximately KZT 14,801 billion as at 1 April 2014 from KZT 12,586 billion as at 1 April 2013 and KZT 12,136 billion as at 1 April 2012. The banking system recorded a net loss amounting to KZT 14,572 billion for the first three months of 2014 compared to a net profit of KZT 60,891 billion for the same period in 2013.

The NBK decreased its refinancing rate from the 10 per cent. rate set in 2008 to 5.5 per cent. which came into effect on 6 August 2012. The NBK stated that the reason for the rate cut was a decrease of inflation and the stimulation of the market rates to fall.

In 2001, the Government established the DBK to provide medium and long term financing for, and otherwise facilitate, industrial projects in Kazakhstan. The DBK was established with a charter capital of KZT 30,000 million that was subsequently increased to KZT 250,000 million in March 2014. The DBK has its own legal status which does not fall within either tier of the Kazakhstan banking system. The DBK does not currently accept commercial or retail deposits or provide payment services. The DBK is not treated as a commercial bank for the purposes of market share data and ranking in this Information Memorandum.

Foreign banks, which include Citibank (Kazakhstan), RBS (Kazakhstan), BCC (Kookmin), Sberbank (Kazakhstan), Alfabank (Kazakhstan) and VTB (Kazakhstan), have established relatively strong positions and compete in the retail and particularly in the corporate segments of the banking sector in Kazakhstan. Since some of these banks may have significantly greater resources and a cheaper funding base than the Bank, such banks, together with the larger local banks, may become the Bank’s primary long-term competitors. Foreign banks also bring international experience in customer service and target the best domestic and foreign companies operating in Kazakhstan.

Foreign Capital in the Banking Sector

The liberalisation of the economy in Kazakhstan in recent years has resulted in a number of foreign companies, including banks, establishing operations in Kazakhstan through direct investment and by otherwise participating in the banking and financial services sector. Foreign banks are prohibited from opening branches in Kazakhstan. Accordingly, foreign banks must establish a Kazakhstan subsidiary or joint venture in order to provide banking services in Kazakhstan.

As at 1 January 2014, there were 17 banks with foreign participation operating in Kazakhstan, including RBS (Kazakhstan), Citibank (Kazakhstan), Sberbank (Kazakhstan) and VTB (Kazakhstan). Under relevant legislation, a bank with foreign participation is defined as a bank whose share capital is more than one third foreign-owned. Banks whose share capital is less than one-third directly or indirectly foreign-owned are considered domestic banks. A number of foreign banks have opened representative offices in Kazakhstan, including JP Morgan Chase Bank N.A., Deutsche Bank AG, Commerzbank AG, ING Bank N.V., Landesbank Berlin AG, The Bank of Tokyo-Mitsubishi UFJ Ltd, Standard Chartered Bank and Société Générale.

Financial Stability and Restructuring Reforms

Financial Stability Laws

On 23 October 2008, new legislation relating to the stability of the Kazakhstan financial system was adopted.

Under this law, in the event of (i) a breach by a bank of capital adequacy or liquidity ratios or (ii) two or more breaches by a bank in any consecutive twelve-month period of any other prudential or other mandatory requirements, the Government may, with the agreement of the NBK, acquire, either directly or through a national management holding company (which are currently Samruk-Kazyna, JSC National Management Holding KazAgro and JSC National Management Holding Baiterek (the “**National Management Holding Companies**”)), the shares of any bank in Kazakhstan to the extent necessary (but not less than 10 per cent. of the total amount of placed shares of such bank, including those to be acquired by the Government or a National Management Holding Company) to improve such bank’s financial condition and ensure compliance with prudential or other mandatory requirements. Under the law, the Government may acquire shares in a bank with the purpose of protecting the interests of creditors of an affected bank and procuring the stability of the Kazakhstan banking system, but only if measures previously applied by the NBK to the affected bank did not improve such bank’s financial condition. The law provides that the management and shareholders of an affected bank are not granted any right to approve any such acquisition, and any shares issued as part of any such acquisition may be issued without granting pre-emptive rights to existing shareholders. Following such an acquisition, the state body authorised to manage state property or a National Management Holding Company is authorised to appoint no more than 30 per cent. of the members of the board of directors and the management board of the affected bank.

The main objectives of the financial system stability law are to improve early detection mechanisms for risks in the financial system, to provide the Government with the power to acquire shares in commercial banks that face financial problems and to improve the overall condition of financial institutions in Kazakhstan. The law also consolidates the authority to oversee second-tier Kazakhstan banks and provides additional mechanisms for supervising commitments made by banks and other financial institutions.

The Government or a National Management Holding Company must sell the acquired shares within a period of time determined by the Government to a third party investor or investors by way of direct sale or through the stock exchange.

On 2 February 2009, the FMSA agreed with the Government on the acquisition of 75.1 per cent. of the shares in BTA by Samruk-Kazyna within the new financial stability measures. In March 2009, Samruk-Kazyna signed a deposit agreement for the deposits of KZT 24,000 million with the Bank to support its financial stabilisation and further capitalisation. These measures proved to be insufficient and both the Bank and BTA defaulted on their debt in April 2009.

On 30 December 2009, FMSA issued a resolution on mandatory buyout of 100 per cent. of the Common Shares and Preference Shares of the Bank and their sale to Samruk-Kazyna. After the restructuring of the debts of the Bank, Samruk-Kazyna became its largest shareholder, holding 67 per cent. of the Common Shares and 67 per cent. of the Preference Shares in the Bank.

The NBK plans to introduce the Basel III requirements starting from 2015 with respect to capital adequacy, stress testing and market liquidity risk ratios (including liquidity ratio and net stable funding ratio). The process of transition to the new standards for the Kazakhstan banking sector is incremental, the duration of which is expected to be four years.

The Restructuring Law in Kazakhstan

Prior to July 2009, when Kazakhstan's parliament adopted a law, amending certain legislative acts, No.185-IV dated 11 July 2009 (the "**Restructuring Law**"), there was no statutory framework allowing the restructuring of banks' indebtedness on the basis of approval of a majority of the relevant classes of creditors. Creditors not wishing to participate in a restructuring had the ability to set off their claims against a bank's assets or bring litigation in any jurisdiction where any of those assets were located.

Temirbank defaulted and announced a moratorium on the repayment of its debt in November 2009. Astana Finance, a diversified financial services company, defaulted and announced a moratorium on the repayment of its debt in May 2009, and other banks faced increasing pressure due to the growing number of non-performing loans. In response to the pressure faced by major banks in Kazakhstan in 2008 and 2009, Kazakhstan's parliament adopted the Restructuring Law with the twin aims of enabling consensual financial restructurings approved by a majority of creditors and of revising the existing framework for good bank/bad bank reorganisations.

The completion of the restructuring of the Bank was announced in March 2010, restructuring and/or cancelling over U.S.\$4.5 billion of the Bank's financial indebtedness. The completion of the restructuring of Temirbank was announced in June 2010, restructuring approximately U.S.\$1.5 billion of Temirbank's financial indebtedness. The restructuring of BTA was completed on 16 September 2010, cancelling approximately U.S.\$16.7 billion of its financial indebtedness. BTA's second restructuring was completed on 24 December 2012, restructuring 93.8 per cent. of its total financial indebtedness.

Financial Restructurings

The Restructuring Law introduced a procedure for restructuring the financial indebtedness of a bank in the following general format. The bank first decides to restructure its debt and enters into an agreement with the NBK with respect to such restructuring. The bank then submits a restructuring plan to the NBK for its consideration. The restructuring plan should describe the process for and period of the restructuring, list the bank's assets and liabilities to be restructured, actions and measures to be taken in the restructuring, expected financial results of the restructuring, and describe limitations on any future activities of the bank. The bank then applies to the Court to initiate the process described in the restructuring plan. If the Court approves the restructuring process, then, with immediate effect, all relevant claims of the bank's creditors are stayed, the bank's property is protected from execution and attachment, and the bank's obligations and performance under agreements for the sale of assets and other agreements for the alienation of the bank's assets or signing of credit agreements and any other financing agreements relating to credit risk may be suspended in whole or in part.

The bank must convene a meeting of its relevant creditors to approve the restructuring plan. If creditors holding at least two-thirds in value of the bank's obligations subject to the restructuring vote in favour of the restructuring plan, the restructuring plan is approved. The bank then submits the approved restructuring plan to the NBK to establish its conformity with the plan originally submitted to the NBK. If the NBK determines that the restructuring plan approved by the creditors does not conform with the plan originally submitted to the NBK, the NBK may request that corresponding changes be made to the restructuring plan approved by the creditors. In this case, the bank will have to amend the plan, convene a new creditors' meeting to approve the amended plan and submit such amended plan as approved by creditors to the NBK.

The restructuring plan is then submitted to the Court for final approval. If the restructuring plan is approved by the Court, it becomes binding on all creditors with claims subject to the restructuring.

Completion of the bank's restructuring will be achieved when the restructuring plan has been carried out to the satisfaction of the Court and the NBK. Upon completion of the restructuring, the relevant liabilities of the bank included in the restructuring plan are cancelled and any claims in relation to them are discharged and replaced by appropriate restructured claims. Completion of the restructuring is confirmed by a decision of the Court upon the NBK's application. If after completion of the restructuring new bankruptcy proceedings are initiated against the bank, the creditors whose claims were included in the restructuring plan will have the right to claim only the amounts provided under the restructuring plan.

The restructuring process set out in the Restructuring Law is designed to be fair to the affected creditors and should ensure that a restructuring effected under it is capable of international recognition in countries (such as the United Kingdom and the United States) which have adopted legislation based on the Model Insolvency Law. At the date of this Information Memorandum, the application of the Restructuring Law has been tested in practice five times, in the restructurings of the Bank, Temirbank and Astana Finance and the two restructurings of BTA.

Pursuant to the amendments to the Banking Law dated 19 March 2014, a bank is allowed to acquire control (i.e. over 50 per cent. of shares) over another bank that was subject to restructuring without any applicable thresholds. Moreover, establishment or acquisition of a subsidiary in connection with such acquisition will not require the NBK's prior consent.

Good Bank/Bad Bank Reorganisations

The second principal feature of the Restructuring Law is the amendment to the existing legislative framework allowing for the segregation of the "good" assets from the liabilities of a distressed bank and the transfer of them to another bank (or several banks) or to a specialised stabilisation bank. The good bank/bad bank structure could be used in a number of different circumstances. For example:

- the process could be initiated by a bank itself if other efforts to restructure itself have failed or if it does not wish or cannot, for whatever reason, achieve a financial restructuring following the process described above;
- if a bank has already been placed in conservation, the reorganisation may be initiated by a temporary manager appointed by the NBK; or
- if a bank's license has been revoked, the reorganisation may be initiated by a temporary manager appointed by the NBK to manage the bank's assets pending the court-ordered compulsory liquidation taking effect.

Any transfer under these new procedures requires the NBK's consent and the consent of depositors and creditors. Depositors and creditors are notified of the proposed transfer by an announcement published in Kazakhstan's mass media and any depositor or creditor may object to it by the timely filing of a written objection.

Stabilisation Banks

The Restructuring Law also makes provision for the establishment of stabilisation banks. These could be used as the "good" bank in the reorganisation of a bank. A stabilisation bank would be a special purpose company established by the NBK on an ad hoc basis and would have a special status under the Banking Law and a limited scope of business compared to ordinary commercial banks. Due to its special status and purpose, a stabilisation bank would not be subject to normal capital adequacy and other prudential requirements. Its main role would be to hold "good" assets while the segregation of the "good" and "bad" assets of the distressed bank was in progress. The Restructuring Law does not require the consent of any of the bank's creditors to transfer the bank's assets to the stabilisation bank. Upon completion of the segregation process, the stabilisation bank would transfer the "good" assets and liabilities to another bank designated by the NBK, subject to the consent of the depositors and other creditors of the stabilisation bank. The procedures for obtaining this consent would be similar to the procedures for obtaining the depositors' and creditors' consent to the initial transfer of "good" assets from the distressed bank.

The Restructuring Law provides that once the stabilisation bank passes on the assets to an acquiring bank, it may either be liquidated or be sold to an investor, provided the investor can procure a recapitalisation of the stabilisation bank and bring it into compliance with the requirements applicable to ordinary commercial banks. This is because, following a sale, the stabilisation bank would lose its special status and become subject to the general banking legislation applicable to an ordinary bank.

As at the date of this Information Memorandum, it is unclear whether a stabilisation bank can be used as a holding vehicle for "good" assets of several distressed banks.

Consolidation of Banks

Under the JSC Law, consolidation (*prisoyedineniye*) of banks is one of the forms of voluntary bank reorganisation which is recognised as the dissolution of the bank that is consolidated, with a transfer of its property, rights and obligations to another bank on the basis of the consolidation agreement and transfer act. In accordance with the Banking Law, a consolidation of banks is subject to approval by the NBK.

The board of directors of a bank that is being consolidated into another bank shall submit to the general meeting of its shareholders for consideration the matter of reorganisation in the form of consolidation with another bank, the procedure and terms of the shares sale. The board of directors of the bank into which another bank is consolidated shall submit to the general meeting of its shareholders for consideration the matter of the consolidation with such other bank, the procedure and terms of the shares placement.

The resolution on consolidation shall be adopted by the joint general meeting of shareholders of the reorganised banks by a qualified majority of votes of the shareholders of each bank. Such resolution of the general meeting of shareholders shall contain the name and legal address of each bank participating in consolidation, the procedure and other conditions of consolidation.

The consolidation agreement shall be signed by the chairmen of the management bodies of the reorganised banks. The transfer act is signed by the chairmen of the management bodies and chief accountants of the banks.

The amendments to the Banking Law dated 19 March 2014 allow for voluntary reorganisation of banks in the form of consolidation where one of the banks is subject to a restructuring.

The NBK's Powers under the Banking Law

Under the Banking Law, the NBK may apply a number of compulsory restrictive measures to banks in financial distress or in breach of prudential or other mandatory regulations. Articles 45, 46, 47 and 47-1 of the Banking Law allow the NBK to apply, *inter alia*, the following compulsory measures to second tier banks (commercial banks) in Kazakhstan and their shareholders which are major participants, bank holding companies or organisations included in a bank conglomerate (for these purposes, a “bank conglomerate” is a group of companies consisting of a bank holding company, a bank and organisations in which the bank holding company or the bank has a substantial shareholding; however, Samruk-Kazyna is specifically exempted from the definition of “bank conglomerate” under the Banking Law):

- issuing a warning and mandatory written instructions to a bank;
- entering into an agreement with a bank setting out measures to be taken by the bank to remedy any identified breaches;
- instituting the NBK special regime in a bank and requiring the bank to develop an action plan to restore such bank's financial condition;
- suspending or revoking a bank's license for all or certain banking operations;
- mandatory purchase of a bank's shares;
- removing the management of a bank;
- forcing a bank to reorganise into a credit partnership;
- forcing a bank into conservation procedures;
- forcing a bank into mandatory liquidation; and
- forcing a bank into segregating such bank's “good” assets from its liabilities and to make a mandatory transfer of such assets and liabilities to another bank or a stabilisation bank, following the revocation of the bank's license or the bank being put into conservation, pursuant to the Restructuring Law.

Where a bank's shareholders include a major participant or a bank holding company, the NBK may require such shareholders to decrease their direct or indirect ownership of the relevant shares in the bank to less than 10 per cent. of the bank's voting shares in the case of a major participant and less than 25 per cent. of the bank's voting shares in the case of a bank holding company shareholder. Such measures can be applied to a bank's shareholder when, for example, the bank's shareholders which are major participants or bank holding companies are in an unstable financial condition which may negatively affect the bank concerned.

Furthermore, the NBK may put into conservation a bank holding company which is resident in Kazakhstan and which holds directly or indirectly more than 50 per cent. of the shares in a bank. The NBK may put the bank holding company into conservation when, for example, the bank holding company has negative equity capital.

The NBK Special Regime

Article 45.2 of the Banking Law provides for "measures of early response" which the NBK may apply to a bank or a bank holding company under certain circumstances. These are discretionary measures that the NBK may take with respect to a bank or a bank conglomerate that is in financial distress. For example, if a bank's liquidity ratio is lower than usual, the NBK may require such bank to develop and deliver to the NBK for approval a plan of action in which the bank must undertake to improve its financial stability. If the NBK does not approve the plan, it may apply certain early response measures including replacing the bank's or a bank holding company's management and restructuring the bank's assets.

Reorganisation into a Credit Partnership

Under Article 47 of the Banking Law, the NBK may require a bank to reorganise into a credit partnership if the bank's capital adequacy ratios fall to a level below 50 per cent. of the minimum requirements. Shareholders of a bank being reorganised receive participation interests in a credit partnership in proportion to their shares in the reorganised bank. A credit partnership is not allowed to carry out normal banking activities and is allowed to carry out only certain limited banking operations and services for its participants.

Mandatory Purchase of Shares

The Banking Law provides that the NBK may, with the Government's consent, effect a mandatory purchase of all of a bank's shares from such bank's shareholders at a price determined by the NBK in the event that the bank's own capital (i.e., shareholders' equity) is negative. According to the Banking Law, after such purchase the NBK must sell the shares to a new investor which can procure an increase of the bank's regulatory capital and restore the bank's normal operations.

Conservation

Conservation is a compulsory measure which may be applied by the NBK to a Kazakhstan second tier bank (i.e., not upon such bank's discretion) or a bank holding company, which is a resident of Kazakhstan and which holds directly or indirectly more than 50 per cent. of the shares in the bank, when, among other things, such bank or bank holding company is in breach of prudential norms, or has negative equity capital. When a bank or a bank holding company is put into conservation, the authority to manage the bank is transferred to a temporary manager appointed by the NBK. The bank or the bank holding company put into conservation may carry out its operations in its regular manner but specific restrictions may be imposed by the NBK (for example suspending contingent liabilities of the bank or the bank holding company).

Conservation does not involve an automatic stay. The bank's creditors have the right to bring court actions against the bank and seek enforcement of court judgements or arbitral awards during conservation. However, during the conservation, the NBK (acting through a temporary administration which replaces the bank's management) may suspend the bank's obligations under deposit agreements or terminate or unilaterally amend the bank's contracts obliging the bank to invest funds. There have not yet been many examples of banks being put into conservation in the Kazakhstan banking sector.

Financial institutions that have gone through conservation include Nauryz Bank in 2004 (the successor to Kazagroprombank, which itself went through conservation in 2001) and JSC Valut Transit Bank. Both these institutions were unable to improve their financial condition during the conservation period. At present, these institutions are in the process of liquidation.

Bankruptcy Regime

Any creditor has the right to initiate insolvency proceedings against a Kazakhstan entity (including a bank) if the entity has failed to pay its debt within four months after the debt became due and payable, provided that the amount owed by the debtor is more than 150 times the monthly calculation index (approximately U.S.\$1,526) (in relation to tax claims) and 1,000 times the monthly calculation index (approximately U.S.\$10,175) (in relation to all other claims of creditors) if the entity has failed to pay its debt within three months after the debt became due and payable. The court will declare the entity bankrupt if the entity fails to prove its solvency.

However, in respect of banks, it is not the court but the NBK which will determine whether the bank is insolvent. Thus, under the Banking Law, a court cannot declare a bank insolvent unless the NBK consents. The NBK will determine whether the bank is solvent on the basis of its own calculations, taking into account the applicable capital requirements and other factors.

If the NBK decided that the bank was not insolvent, then the bankruptcy proceedings would be effectively terminated. In this case, the NBK may decide to put the bank into conservation. However, if the NBK decided that the bank was indeed insolvent and this decision was confirmed by the court, then the court would have a liquidator appointed by the NBK and there would be a liquidation of the bank in accordance with the order of priority set out under the Banking Law. Article 74-2 of the Banking Law provides that administrative and legal expenses of bankruptcy are paid before any distributions to creditors of an insolvent bank. The proceeds of the bankruptcy estate of an insolvent bank should be distributed among its creditors in the following order:

- administrative and legal expenses incurred in course of the bankruptcy proceedings;
- payments for tort claims involving harm to life or health;
- payments due to employees as a result of their employment and related social security, obligatory alimony, pension payments and payments due under copyright agreements;
- claims of the organisation carrying out the obligatory guaranteeing of deposits (equal to the compensation paid or payable by such organisation);
- claims relating to bank deposits or settlement accounts of individuals, deposits comprising pension assets and deposits of life insurance companies;
- settlements with charitable and other similar organisations;
- claims of entities secured by pledge (to the extent of the value of the collateral);
- tax and other obligatory payments to the budget and repayment of borrowings to the budget; and
- settlements with other creditors in accordance with general legislation.

Accordingly, under current Kazakhstan bankruptcy law, in the event of the bankruptcy of the Bank, claims with respect to the repayment of the amounts outstanding under its debt securities which are not secured would be treated as claims of creditors as identified in the last item above.

DESCRIPTION OF SHARE CAPITAL, THE CHARTER AND CERTAIN MATTERS OF KAZAKHSTAN LAW

Share Capital

The Bank's authorised share capital consists of 23,000,000 total Shares, including 20,000,000 Common Shares and 3,000,000 Preference Shares. As at the date of this Information Memorandum, the Bank had 13,637,563 Common Shares issued and outstanding and 2,619,626 Preference Shares issued and outstanding. Both Common Shares and Preference Shares are all fully paid-up.

The Bank's Preference Shares are convertible into Common Shares at a 1:1 ratio. Any holder of Preference Shares may convert them into Common Shares by notification to the Bank at least 10 business days prior to the contemplated conversion. Following the receipt of such notice, the Bank files the amendments to the prospectus with the NBK. Conversion may be made at any time starting from five business days after relevant amendments to the prospectus have been registered with the NBK.

All Shares are in registered form in the share register of the Bank, maintained by a unified registrar. The registrar is JSC "Unified Registrar of Securities" and its address is Abylay Khan str. 141, Almaty, Republic of Kazakhstan.

In order to effect the Restructuring Plan and Consolidation, in the event they are both approved, the Bank's authorised share capital will be increased to 150,003,000,000 total Shares, consisting of 150,000,000,000 Common Shares and 3,000,000 Preference Shares.

Summary of the Charter

The Bank approved its current charter (the "**Charter**") by a resolution of its sole shareholder dated 9 March 2010. The Charter was approved by the NBK on 17 March 2010 and registered with the Ministry of Justice on 18 March 2010. The Charter was subsequently amended on 25 August 2011, 22 August 2012 and 30 December 2013. These amendments mainly reflected changes introduced to Kazakhstan legislation applicable to joint stock companies. The amendment adopted on 25 August 2011 also included a decrease of the annual dividend on the Bank's Preference Shares to KZT 100 per Preference Share. On 22 August 2012, the Bank amended its Charter in accordance with the amendments to the legislation of the Republic of Kazakhstan related to regulation of banking activity and financial organisations as to the minimisation of risks, as well as for the purposes of increasing the transparency of banks and banking conglomerates regarding their operations and investments. On 30 December 2013, the Bank amended its Charter in relation to the terms of the annual dividends payment, that is within 15 business days after holding the annual general shareholders' meeting.

The Charter includes, *inter alia*, general information on the Bank, provides for the scope of its activities, the classes of shares which may be issued by the Bank, the rights of Shareholders and issues related to the governing bodies of the Bank.

The Charter provides that the Bank's principal objective is to earn profit through providing banking services, establishing direct contacts with international financing institutions with the purpose of developing foreign economic relations and improving and strengthening business cooperation with foreign businesses and companies. The Bank's objects are set out in full in Clause 3 of the Charter.

The Bank may issue Common Shares, Preference Shares, bonds and convertible securities. Subject to the provisions of the JSC Law and the Charter, the increase of the number of authorised Common Shares must be approved by the general shareholders' meeting, while a decision on placement of authorised Common Shares that have not yet been placed may be taken by the Board of Directors.

The Charter provides that the governing bodies of the Bank are the general shareholders' meeting, the Board of Directors, the Management Board, and the Internal Audit Department.

Voting Rights

Subject to any rights or restrictions attached to any class of Shares by or in accordance with the Charter, on a show of hands with respect to procedural issues, such as election of the chairman of the general shareholders'

meeting, each holder of Common Shares present in person or by proxy has one vote. A minority holder of Common Shares (that is, a Shareholder having less than 10 per cent. of the Common Shares) is permitted to join its votes with other Shareholders on the terms set out in the agreement between the Bank and the registrar.

Every holder of Common Shares present in person or by proxy has one vote for each fully paid Common Share of which he is a holder, except in the following cases: (i) a restriction of the maximum number of votes on shares granted to one shareholder in the case specified by Kazakhstan legislation; (ii) cumulative votes on the election of members of the Board of Directors; and (iii) one vote is granted to each person who has the right to vote at the general shareholders' meeting, for voting on procedural issues of conducting the general shareholders' meeting.

Holders of Preference Shares are not be entitled to vote except in the circumstances set out below under “—*Rights of Holders of Preference Shares*”.

No resolution of shareholders in writing/or at a general shareholders' meeting shall be effective without a quorum (which is persons holding collectively 50 per cent. or more of the voting share capital of the Bank) or, at an adjourned meeting called in absence of the 50 per cent. quorum, persons holding collectively 40 per cent. or more of the voting share capital of the Bank including absentee-voter shareholders.

Dividends and Other Distributions

The JSC Law sets out the procedure for determining dividends that may be distributed by the Bank to its shareholders. Subject to the provisions of the JSC Law and the Charter, the general shareholders' meeting may declare dividends to be paid to holders of the Bank's Common Shares by simple majority vote. Under the JSC Law, the Bank may distribute dividends to the holders of its Common Shares annually or based on its quarterly or semi-annual results (subject to all JSC Law requirements).

The JSC Law prohibits the payment of dividends if the Bank's “own capital” is negative or would become negative as a result of such payment or if the Bank is insolvent under Kazakhstan bankruptcy legislation or would become so as a result of such a payment. No dividend may be paid to the holders of any Common Share unless all outstanding dividends declared to be payable to the holders of the Preference Shares have been paid in full.

The JSC Law provides that the payment of dividends on Preference Shares does not require a decision from the Bank's authorities.

The Charter sets out when dividend payments must be made and a dividend rate on the Preference Shares. The dividend rate on Preference Shares cannot be less than the dividend rate on Common Shares accrued for the same period of time.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Bank's Shares will, under the JSC Law, be entitled to participate in any surplus assets on a winding-up in proportion to their shareholdings.

For details of dividends on Preference Shares, see “— *Rights of Holders of Preference Shares*” below.

Variation of Rights

Under the JSC Law, the rights of holders of Common Shares and Preference Shares may be extended by the Bank's Charter (although the Charter does not extend such rights), but these rights cannot be restricted.

Rights of Holders of Preference Shares

As of the date of this Information Memorandum, a Preference Share gives to its holder:

- a pre-emptive right before the holders of Common Shares for a fixed annual dividend of not less than KZT 100 per Preference Share, *provided always that* it shall be not less than the dividend paid on Common Shares in the same period; and

- the right to participate in the Bank's assets on a winding up after satisfaction of the claims of the Bank's creditors. The holders of the Preference Shares will receive payment of that entitlement prior to the holders of Common Shares and after satisfaction of the Bank's obligations to buy back its shares.

A Preference Share does not give its holder the right to vote at a general shareholders' meeting, except:

- at a general shareholders' meeting that considers any matter which may restrict the rights of holders of Preference Shares. A decision on such matter shall be deemed to be adopted only if holders of no less than two thirds of the total number of outstanding Preference Shares voted for such restriction;
- at a general shareholders' meeting that considers the matter of a restructuring or liquidation of the Bank;
- at a general meeting of shareholders concerning the approval of amendments to the valuation methodology with respect to the determination of the price of Preference Shares for the purpose of their buy back by the Bank other than on an organised securities market; and
- if the dividend on Preference Shares is not paid in full for three months from the date of expiry of the period established for its payment.

Each holder of Preference Shares who has the right to vote at a general shareholders' meeting and is present in person or through his representative shall have one vote for each Preference Share held.

Transfer of Shares

To transfer a Share on the over-the-counter market, the holder (or its representative) must sign a written order and submit it to the registrar or its nominee for execution, or give suitable electronic instructions as permitted by Kazakhstan law. The other party to the transaction or its nominee will execute a buy order by pairing it with a sell order. Transfers of Shares on the organised securities market must be done in accordance with the rules of such market.

All dealings in the Shares must be registered by way of making entries in the personal accounts in either the registry system, the nominee's books or with the KCD. Legal title to a Share vests from the moment when the transaction is so registered (unless each party to the transaction has a different nominee, in which case legal title transfers at the moment when the transaction is registered in the personal accounts of each nominee in the KCD).

An extract from the personal account of a Shareholder in either the registry system, a nominee's books or with the KCD is evidence of that holder's legal right to a Share.

A registrar or a nominee can refuse to register a transfer of Shares if the documents submitted do not conform to legislative requirements and its internal requirements.

In addition, the NBK has the right (by notifying the relevant issuer, the registrar and the KCD) to suspend trading in securities by blocking all or certain personal accounts in the registry or nominee systems if legal requirements establishing (i) the rights and interests of investors when acquiring securities; or (ii) the terms and procedures for trading securities have been violated.

A fee will ordinarily be payable to the registrar or nominee for registering the transfer.

Authority to Allot Shares

Under the JSC Law, the Board of Directors may allot Shares by a resolution of the Board of Directors. Any decision must state the number and the price of the Shares and the manner of their placement.

Alteration of Share Capital

The Bank may from time to time by a three-quarters majority vote of holders of the voting share capital of the Bank at a general shareholders' meeting (but by no other method) increase its authorised share capital. After obtaining approval from the general shareholders' meeting, the Board of Directors has a right to place Shares up to the authorised number of Shares.

Unpaid and Bought-Back Shares

The JSC Law states that, until a Share is paid in full, the Bank must not instruct the registrar to credit the Share to the personal account of the would-be acquirer. Instead, the Share will be credited to the personal account of the Bank itself with the registrar. Therefore, a Share cannot be placed unless it is fully paid-up.

Shares which have been bought back by the Bank are credited to another special account of the Bank with the registrar.

No dividends accrue or are payable on issued Shares that have not yet been placed or Shares bought back by the Bank. Such Shares are not counted for the purposes of determining a quorum and do not carry the right to vote.

Purchase of Own Shares

Subject to the JSC Law and without prejudice to any relevant special rights attached to any class of Shares, the Bank may purchase any of its own placed Shares of any class in any way and at any price (whether at par or above or below par) using a valuation methodology which has been approved in advance by a general shareholders' meeting. Any such purchase must be effected with the consent of the relevant Shareholder. Shares purchased by the Bank will be credited to the Bank's account with the registrar.

The Bank cannot purchase any of its Shares which are being placed in a primary offering, and cannot conclude contracts (purchase a derivative security), whose terms provide the right or obligation of the Bank to redeem the Bank's placed shares.

In addition, the Bank is prohibited from purchasing its own placed shares *inter alia*:

- before the first general shareholders' meeting;
- before confirmation by the NBK of the results of the placement of Shares;
- if as a result of the purchase of Shares the size of the Bank's own capital will be less than the minimum authorised capital;
- if as of the time of the purchase the Bank is insolvent in accordance with Kazakhstan legislation or will become insolvent after such purchase; and
- if there is a resolution of a court or the general shareholders' meeting on a winding up of the Bank.

In certain circumstances described in the JSC Law, a Shareholder may request the Bank to buy back Shares belonging to such shareholder and the Bank must repurchase such Shares within 30 days of receipt by it from the Shareholder of a duly formalised request.

Shares being bought back by the Bank cannot exceed 25 per cent. of the total number of issued Shares of the Bank, and the purchase price paid for such buy back in the aggregate cannot exceed 10 per cent. of the size of the Bank's own capital.

Pre-emption Rights

Under the JSC Law, a Shareholder of the Bank has a pre-emptive right to acquire Shares of the Bank (during the placement of authorised Shares or the sale of previously bought back Shares). Accordingly, holders of Common Shares have pre-emptive rights in respect of Common Shares or Preference Shares or other securities convertible into Common Shares and holders of Preference Shares have pre-emptive rights in respect of Preference Shares.

Within 10 days from the date upon which the Bank takes a decision to issue new Shares, it must make an offer to each existing Shareholder (either by written notification or by way of publication in the mass media) to acquire the new Shares *pro rata* to its shareholding at the placement price established by the Bank in the decision. Each Shareholder then has 30 days from the date of such notification or publication to submit an application to acquire such Shares (i.e., to exercise its pre-emptive right). Upon the expiry of such period, the right to submit such an application will lapse.

General Shareholders' Meeting

The Bank holds extraordinary general shareholders' meeting convened by the Board of Directors and annual general shareholders' meeting in accordance with the requirements of the JSC Law. The Board of Directors may call extraordinary general shareholders' meeting at such times as it determines. In addition, pursuant to Articles 37 and 38 of the JSC Law, an extraordinary general shareholders' meeting should be convened by the Board of Directors upon receipt of a written request of any holder of Shares representing not less than 10 per cent. of the issued Shares.

Shareholders are entitled to receive not less than 30 (45 in the event of a meeting in absence or mixed meeting) days' notice of any forthcoming general shareholders' meeting. In case the agenda of the general shareholders' meeting includes a question concerning the increase of the amount of authorised Shares in order to comply with prudential ratio requirements such notice must be sent 10 (15 in the event of a meeting in absence or mixed meeting) working days prior to the date of the general shareholders' meeting pursuant to Article 41 of the JSC Law.

Under the Charter, the general shareholders' meeting has exclusive competence to determine certain matters, including, but not limited to, the following:

- (1) Any amendments to the Bank's Charter or the approval of a new Charter; as well as the approval of the Corporate Governance Code and amendments thereto;
- (2) A voluntary reorganisation or liquidation of the Bank;
- (3) Adoption of a decision to increase the number of the Bank's authorised Shares or to alter the class of any authorised but un-issued Shares of the Bank;
- (4) The determination of the terms of and procedure for conversion of the Bank's securities as well as any modifications thereof;
- (5) Adoption of a decision to issue securities convertible into Common Shares;
- (6) Adoption of a decision to exchange placed Shares of one class of Shares for a different class, as well as the determination of the terms and procedure for such exchange;
- (7) Determining the number and term of office of the Audit Committee, the election of its members and premature termination of their powers;
- (8) Determining the number, term of office of the Board of Directors, election of its members and premature termination of their powers, as well as determination of the amount and terms of payment of remuneration and reimbursement of the expenses to members of the Board of Directors for fulfilment by them of their duties;
- (9) Appointment of the auditor of the Bank;
- (10) Approval of the annual financial statements;
- (11) Approval of the procedure for the distribution of the Bank's net income for the reporting financial year, as well as the adoption of a decision on the payment of dividends on Common Shares and approval of the dividend amount per Common Share;
- (12) Adoption of a decision on non-payment of dividends on Common Shares;
- (13) Adoption of a decision concerning voluntary delisting of the Bank's Shares;
- (14) Adoption of a decision on the Bank's participation in the formation or activities of other legal entities or withdrawal from participating in other legal entities by way of a transfer of a part or several parts of assets constituting in aggregate 25 or more per cent. of all the assets owned by the Bank;
- (15) Determining the form of the Bank's notice to shareholders for convening the general shareholders' meeting and adoption of a decision on the publication of such information;

- (16) Approval of amendments to methodology (approval of methodology, unless it is approved by foundation meeting) for the valuation of Shares when such Shares are purchased by the Bank other than on a recognised securities market in accordance with the JSC Law;
- (17) Approval of the agenda of the general shareholders' meeting;
- (18) Determining the procedure for disclosure to Shareholders of information on the Bank's activities, in particular, selection of mass media, unless such procedure is defined by the Bank's Charter;
- (19) Introduction and annulment of "golden share"; and
- (20) Other issues the adoption of which falls under the exclusive competence of the general shareholders' meeting according to the JSC Law and the Charter.

Decisions of the general shareholders' meeting on the issues indicated in paragraphs (1) – (3) and (16) above shall be taken by a qualified majority of the Bank's voting shares present at the meeting.

The general shareholders' meeting has the right to abolish any decision of any of the Bank's other bodies on the issues which are recognised as the Bank's internal affairs.

Directors

Under the Charter the Board of Directors must be comprised of not less than six persons, of which not less than 30 per cent. must be independent directors. Election of the Board members is carried out by cumulative vote. A Shareholder has the right to give votes conferred by his Shares in full for one candidate or to distribute them between several Board member candidates. Candidates who won the greatest number of votes are elected to the Board of Directors. If two or more Board member candidates receive an equal number of votes, an additional cumulative vote shall be held for those candidates.

Quorum for conducting a Board meeting shall not be less than half of the Board members. Each member of the Board of Directors has one vote. Decisions of the Board of Directors are made by a simple majority of votes of the members present at the meeting.

The general shareholders' meeting has the right to terminate at any time the powers of all or any members of the Board of Directors. Premature termination of the office of a Board member upon his initiative is carried out on the basis of a written notice to the Board of Directors. The powers of such Board member shall be terminated from the time of receipt of such notice by the Board of Directors.

Under the Charter the following issues are within the exclusive competence of the Board of Directors:

- (1) Determining priority areas of the Bank's business and the Bank's development strategy or a plane of development of the Bank in cases stipulated under Kazakhstan legislation;
- (2) Taking decisions on convening annual and extraordinary general shareholders' meetings;
- (3) Adoption of a decision on placement (or sale), including the number of shares to be placed (or sold) within the number of declared shares, as well as the method and price of their placement (or sale);
- (4) Adoption of a decision concerning buy-back of outstanding shares and other securities by the Bank and buy-back price;
- (5) Preliminary approval of the Bank's annual financial statements;
- (6) Approval of the regulations of the Bank's Board of Directors committees;
- (7) Determining conditions for and adoption of decisions on debentures and derivative securities issues by the Bank;
- (8) Determining the number of members and the term of office of the Management Board, the election of its chairman, deputy chairmen and members, as well as the premature termination of their authorities;

- (9) Defining the amount of salaries and terms of labour remuneration and bonuses for the chairman and members of the Management Board;
- (10) Determination of the number of members and term of office of the Internal Audit Department, the appointment of its chief executive and members, and also the premature termination of their powers, the determination of working procedure of the Internal Audit Department, amounts and conditions of labour remuneration and bonus plan to employees of the Internal Audit Department;
- (11) Appointment and determination of the term of office of the Bank's corporate secretary, the premature termination of his powers, as well as the determination of an amount of official salary and labour remuneration terms for the corporate secretary;
- (12) Appointment and determination of the term of office of the Bank's compliance officer, the premature termination of his powers, as well as the determination of an amount of official salary and labour remuneration terms for compliance officer;
- (13) Determination of the amount for payment of services of an auditing organisation for the audit of the Bank's financial statements, as well as of an appraiser for assessment of the market value of assets transferred in payment for the Bank's Shares or being a subject matter in a major transaction;
- (14) Approval of documents regulating the Bank's internal activities (except for documents adopted by the Management Board for the purposes of organising the Bank's business), particularly but not exclusively internal documents establishing terms of and procedure for conducting auctions and subscriptions in respect of the Bank's securities;
- (15) Adoption of decisions on the formation and closure of branch and representative offices of the Bank and the approval of their statutes;
- (16) Adoption of a decision concerning the purchase (or sale) by the Bank of 10 per cent. or more of the shares (participatory interest in the authorised capital) in other legal entities;
- (17) Adoption of decisions related to the competence of the general shareholders' meeting of a legal entity, 10 per cent. or more of whose shares are held by the Bank;
- (18) Increase of the Bank's liabilities by an amount in excess of 10 per cent. of its equity capital;
- (19) Defining information on the Bank or its activities which is recognised as for internal use only, commercial or other type of secret protected by law;
- (20) Adoption of a decision on conclusion of major transactions and interested party transactions;
- (21) Adoption of a decision on delisting of the Bank's bonds;
- (22) Adoption of a decision on the conclusion of a joint-venture or profit sharing agreement by the Bank;
- (23) Approval of the annual audit plan for the Internal Audit Department;
- (24) Determination of the terms and procedures in relation to updating the Board of Directors on the Bank's activity, including financial information;
- (25) Approval of the annual budget of the Bank and amendments to the annual budget;
- (26) Approval of the organisational structure of the Bank and amendments to the organisational structure;
- (27) Determination of the composition of the committees of the Board of Directors;
- (28) Adoption of a decision on the Bank's restructuring; and
- (29) Other issues specified by the JSC Law and/or the Charter, which are not recognised as the exclusive competence of the general shareholders' meeting.

Remuneration of Directors

The amount and terms of payment of remuneration to the Board members fall within an exclusive competence of the general shareholders' meeting. The Chairman of the Board of Directors shall inform the Bank's Shareholders of amount and composition of remuneration to members of the Board of Directors and executive bodies of the Bank.

Conflicts of Interest of Directors

In accordance with the JSC Law, the Board of Directors must monitor and eliminate where possible potential conflicts of interests at the level of officers and shareholders including unlawful use of the Bank's property and abuse in related party transactions. A member of the Board of Directors is recognised as interested in a transaction entered into by the Bank, when:

- (1) he/she is a party to the transaction or participates in it as a representative or intermediary; or
- (2) he/she is an affiliated person of the legal entity being a party to the transaction or participating in it as a representative or intermediary.

A decision on the Bank's conclusion of a transaction, in which a director is interested, must be made by a simple majority of votes of the members of the Board of directors who are not interested in the transaction. A decision on the Bank's conclusion of a transaction, in which a Director is interested, must be made by the general shareholders' meeting by a majority of votes of shareholders who are not interested in the transaction, in the following cases:

- (1) where all the members of the Board of Directors are interested in the transaction; or
- (2) where the Board of Directors fails to make a decision on the conclusion of the transaction in the absence of the number of votes required to approve such a decision.

Disclosure of Beneficial Ownership

The list of shareholders entitled to take part in the general shareholders' meeting and vote at it is compiled by the Bank's registrar on the basis of information of the Bank's system of registers of shareholders.

Ownership of the Shares is also subject to certain legislative restrictions under Kazakhstan law. Specifically, legal entities registered in certain specified offshore jurisdictions such as Andorra, Liechtenstein, Liberia, Monaco and the Marshall Islands (61 offshore jurisdictions in total) may not own and (or) hold and (or) dispose directly or indirectly the voting Shares of the Bank (except for subsidiaries of the international banks having a minimal required credit rating from certain rating agencies). Accordingly, holders of the Shares falling under the above condition are not entitled to vote at meetings of shareholders and cannot own, hold or dispose of the Bank's Shares.

In addition, any individual or legal entity becoming a "major shareholder" or, for legal entities, a "bank holding company" in relation to the Bank should obtain a prior written permission of the NBK. A "major shareholder" means a person or a legal entity directly or indirectly owning or holding 10 per cent. or more of the placed shares (deducting preference and bought out shares) or who can (a) vote directly or indirectly by 10 per cent. or more of the voting shares of the Bank or (b) influence on the decisions of the Bank on the basis of an agreement or otherwise as set out by the banking legislation. A "bank holding company" means a legal entity directly or indirectly owning or holding 25 per cent. or more of the placed shares (deducting preference and bought out shares) or who can (a) vote directly or indirectly by 25 per cent. or more of the voting shares of the Bank or (b) determine the Bank's decisions on the basis of an agreement or otherwise or have control.

A person or a legal entity independently or together with other persons cannot own, use or dispose of 10 or more per cent. of the placed shares (deducting preference and bought out shares) as well as have control or influence on the decisions of the Bank in the amount of 10 or more per cent. of the placed shares (deducting preference and bought out shares) without obtaining prior written permission of the NBK.

In addition, any person or legal entity acquiring 10 per cent. or more of the voting shares of the Bank is considered an affiliate of the Bank and must disclose its identity to the Bank. Information about the identity of an affiliate is public information.

Mandatory Offers

Under the JSC Law a person either alone or jointly with its affiliated persons who acquired 30 per cent. or more of the voting Shares is required to make an offer to the remaining shareholders to buy out their Shares at no less than the market price. Any failure by the acquirer to make such an offer would result in the acquirer being obliged to alienate to non-affiliated persons with it those parts belonging to it shares exceeding 29 per cent. of the voting shares.

Related Party and Interested Party Transactions

The JSC Law provides that in the event that a member of the board of directors has a conflict of interest in relation to an investment project or other transaction, such member must inform the board of directors of the conflict and shall not participate in the vote to approve such transactions. Any vote shall then be passed by a majority of the remaining non-conflicted members. Only if all members of the board of directors have interest in an investment project or transaction or in case of failure of the board of directors to make a decision due to lack of enough votes, a decision to approve a transaction shall be taken by the general shareholders' meeting.

In case an issue on entering into interested party transaction is being considered, information on transaction shall include details on parties to transaction, terms and conditions for performance of transaction, character and volumes of participatory interests of persons involved.

TAXATION

The following summary covers only certain taxation matters in Kazakhstan and does not cover taxation matters in any other jurisdiction.

The following summary of certain Kazakhstan taxation matters is based on the laws and practice in force as at the date of this Information Memorandum and is subject to any changes in the law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of New Notes and Common Shares, and does not purport to deal with the tax consequences applicable to all categories of Claimants, some of which may be subject to special rules. Save as otherwise indicated, this summary addresses only the position of Claimants who do not have any connection with Kazakhstan other than a holding of New Notes or Common Shares.

Each Claimant is urged to consult its own tax adviser as to the particular tax consequences to such Claimant relating to the Restructuring Plan, including the applicability and effect of tax laws or tax treaties in any relevant jurisdiction, and of pending or proposed changes in applicable tax laws as at the date of this Information Memorandum, and of any actual changes in applicable tax laws after such date, and to seek specialist Kazakhstan tax advice as necessary.

This summary discusses the Kazakhstan tax consequences of the acquisition, ownership and disposal of New Notes and Common Shares. In general, Kazakhstan tax legislation with respect to the taxation of securities and financial instruments is not well developed, and in many cases the exact scope of Kazakhstan tax, compliance rules and enforcement mechanisms is unclear or open to different interpretations.

The only tax that may under certain circumstances apply in Kazakhstan to the above transactions is income tax. No other taxes or duties should be levied in Kazakhstan with respect to the above transactions. For all relevant purposes of this summary, except as noted below (e.g., in relation to treaty relief in respect of dividends), legal entities and individuals are subject to similar income tax treatment.

Common Shares

Tax Residence

Non-resident persons will not become resident in Kazakhstan for Kazakhstan tax purposes by reason only of the acquisition, ownership or disposal of the Common Shares. Therefore, under Kazakhstan tax law, holders of the Common Shares should be taxed only on their income earned from sources in Kazakhstan, rather than their worldwide income.

References to holders of the Common Shares in this summary mean legal owners of such Common Shares. This summary assumes that no holders of the Common Shares are resident in Kazakhstan for tax purposes.

Disposals of Common Shares

Under the Tax Code, generally all disposals and acquisitions of the Common Shares are exempt from any tax payment, reporting or compliance requirements in Kazakhstan, save for the cases when the transferor owns Common Shares for not more than three years (in such cases, a withholding tax of 15 per cent. will apply in relation to the gain). Disposals to a Kazakhstan resident (or a non-resident with a permanent establishment in Kazakhstan) by a transferor registered in a country with a favourable tax regime (e.g., Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta, Aruba, etc.) are subject to withholding tax at the rate of 20 per cent. Any income derived from the sale of the Common Shares through open trade on a Kazakhstan stock exchange or foreign stock exchange is tax exempt, *provided that* such Common Shares are admitted to the official lists of such stock exchanges at the time of sale.

Taxable Disposals of Common Shares

Non-resident buyers and their successors (including recipients of gifts or inheritances) of the Common Shares are not subject to Kazakhstan income tax upon acquisition of the Common Shares. It is unclear from currently applicable tax regulations in Kazakhstan whether capital gains from the disposal of GDRs will be subject

to taxation in Kazakhstan. Therefore, independent tax advice should be sought in relation to each disposal of GDRs.

Holders of Common Shares who are resident in countries with which Kazakhstan has bilateral taxation treaties may be exempt from Kazakhstan withholding tax applicable to capital gains on the disposal of Common Shares.

Taxation of Dividends

Under the Tax Code, dividends paid on the Common Shares are exempt from any tax payment, reporting or compliance requirements in Kazakhstan if the Common Shares are admitted to the official list of a Kazakhstan stock exchange on the date of the accrual of such dividends. There is a risk that tax authorities in Kazakhstan may interpret applicable provisions of the Tax Code to apply withholding tax to dividends paid on GDRs which are not listed on a stock exchange operating in Kazakhstan at the date of accrual of such dividends.

If a holder of the Common Shares has been holding such Common Shares for longer than three years, dividends payable on the Common Shares become exempt from any withholding tax in Kazakhstan. If dividends paid on the Common Shares are not exempt, such dividends are subject to withholding tax at the rate of 15 per cent. If a holder of the Common Shares is registered in a country with a favourable tax regime, dividends payable on the Common Shares are subject to withholding tax at the rate of 20 per cent. The withholding tax is applied to the gross amount of dividends without allowance for any deductions and satisfies all Kazakhstan income tax obligations with respect to dividends. Holders of Common Shares should not be subject to any other tax reporting, payment, registration or compliance requirements with respect to dividends paid on the Common Shares.

Holders of Common Shares who are resident in countries with which Kazakhstan has bilateral taxation treaties may be entitled to a reduced rate of withholding tax. Depending on the country of residence and satisfaction of certain other conditions, the dividend withholding tax rates under Kazakhstan's bilateral tax treaties in effect as at the date of this Information Memorandum may be between 5 per cent. and 15 per cent. Under bilateral tax treaties effective on the date of this Information Memorandum, reductions below 10 per cent. may be available only to beneficial owners that are legal entities.

In order to avail themselves of this relief, eligible holders must provide the Bank with a document (legalised or apostilled) issued by the competent authority of their country of residence confirming their residence in a treaty jurisdiction.

If the above document is not made available to the Bank, then the Bank should apply withholding tax at a standard 15 per cent. rate and account for the withheld amounts to the relevant authority. Holders who are eligible for a lower withholding tax rate should later be able to claim a refund of overpaid tax from the Bank. In doing so, they should provide the Bank with a tax residence confirmation.

Similarly, holders of GDRs who are resident in countries with which Kazakhstan has bilateral taxation treaties may be entitled to a reduced rate of withholding tax. In order to avail themselves of this relief, eligible GDR holders must provide the Bank with a document (legalised or apostilled) issued by the competent authority of their country of residence confirming their residence in a treaty jurisdiction and at the same time the Bank has to be provided by the depositary with a register of GDR holders which contains the identities of the entitled GDR holders, information on the amount of GDRs owned by entitled holders and references to the documents certifying the identities of holders.

If the Bank applies withholding tax, GDR holders who are eligible for a lower withholding tax rate should be able to claim a refund of overpaid tax from the Bank. In doing so, they should provide the Bank with a document (legalised or apostilled) confirming their residence in the relevant treaty country and documents confirming their ownership of GDRs.

New Notes

Interest

Payments of interest on the New Notes by the Bank to an individual who is a non-resident of Kazakhstan for tax purposes or to a legal entity that (i) is not established in accordance with the legislation of Kazakhstan, (ii) does not have its actual governing body (place of actual management) in Kazakhstan, (iii) does not maintain a

permanent establishment in Kazakhstan and (iv) otherwise has no taxable presence in Kazakhstan (together, “**non-Kazakhstan holders**”) should be subject to withholding tax at a rate of 15 per cent. Payments of interest on the New Notes to non-Kazakhstan holders registered in certain countries with a favourable tax regime should be subject to withholding of Kazakhstan tax at a rate of 20 per cent.

The conditions of the New Notes provide that the Bank will gross up any payments due under the New Notes to the extent such payments are subject to withholding tax. See Condition 9(a) (*Taxation*) of Schedule 8 (*Terms and Conditions of the New Notes*) and “*Risk Factors—Risks Relating to the New Notes, Common Shares and GDRs—The New Notes may be subject to withholding tax*”.

Under Kazakhstan law presently in effect, the withholding tax on interest should not apply if the New Notes are, as at the date of accrual of interest, on the official list of a Kazakhstan stock exchange.

Non-Kazakhstan holders who are resident in countries with which Kazakhstan has bilateral taxation treaties may be entitled to a reduced rate of withholding tax. In order to avail themselves of this relief, eligible holders must provide the Bank with a document (legalised or apostilled) confirming their tax residence in a treaty jurisdiction.

Gains

Gains realised by non-Kazakhstan holders derived from the disposal, sale, exchange or transfer of the New Notes should be subject to withholding tax at a rate of 15 per cent. If the disposal of the New Notes is made to a Kazakhstan holder and the transferor is registered in a country with a favourable tax regime, gains derived from such a disposal should be subject to withholding tax in Kazakhstan at the rate of 20 per cent. However, Kazakhstan tax legislation does not define procedures to collect withholding tax where payment is made by a non-resident without taxable presence in Kazakhstan.

Any gains realised by non-Kazakhstan holders in relation to the New Notes which are listed as of the date of sale on the official list of a Kazakhstan stock exchange or foreign stock exchange and sold through open trades on such stock exchanges should not be subject to withholding tax. Also, the withholding tax on the gains may be reduced under an applicable double taxation treaty. In order to avail themselves of this relief eligible holders must provide the purchaser with a document (legalised or apostilled) confirming their residence in a treaty jurisdiction.

Debt Cancellation

Partial cancellation of indebtedness, including as a result of an exchange of the existing debt instruments into new instruments, will be a taxable event for the Bank. The Bank is therefore liable to pay tax at the rate of 20 per cent. on the amount of the cancelled indebtedness. See “*Risk Factors—Risks Relating to the Restructuring—Any indebtedness of the Bank cancelled as a result of the Restructuring will be subject to taxation in Kazakhstan*”.

Under Kazakhstan law, an exchange of the existing debt instruments into new instruments of the Bank would not have any tax consequences for the Claimants.

ISSUANCE AND TRANSFER RESTRICTIONS

United States

The New Notes, Shares and GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (i) to a person who is located outside the United States and is not a U.S. Person, in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act or (ii) in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. Any future sale, offer, pledge or transfer of the New Notes, Common Shares and GDRs will also be subject to (i) and (ii) above.

Therefore, by electing to receive New Notes, Common Shares or GDRs, a Noteholder will be required in its Settlement Instructions, unless in any instance the Bank otherwise agrees, to represent, acknowledge and agree that:

- (1) the New Notes, Common Shares and GDRs have not been and will not be registered under the Securities Act or any other securities laws and are being offered in transactions not involving any public offering in the United States within the meaning of Section 4(2) of the Securities Act;
- (2) unless so registered, the New Notes, Common Shares and GDRs may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws;
- (3) it is either:
 - (i) not a U.S. Person or acting for the account or benefit of a U.S. Person, it is located outside the United States and it acknowledges that until the expiration of the period which expires on and includes the 40th day after the later of the commencement of the offering of the New Notes, Common Shares and GDRs and the Closing Date (the “**distribution compliance period**”), any offer or sale of these New Notes, Common Shares or GDRs shall not be made by it except (a) to a person whom it reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A or (b) to a person that is not a U.S. Person or acting for the account or benefit of a U.S. Person in an offshore transaction in accordance with Rule 903 or 904 of Regulation S; and, in each case, accordance with any applicable securities laws of any state or other jurisdiction of the United States; or
 - (ii) an Accredited Investor or a QIB and, if it is participating on behalf of one or more investor accounts, each of these investor accounts is an Accredited Investor or a QIB, and it:
 - (a) is acquiring the New Notes, Common Shares and GDRs for investment, in the normal course of its business, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act;
 - (b) invests in or purchase securities similar to the New Notes, Common Shares and GDRs and it has such knowledge and experience in financial and business matters that makes it capable of evaluating the merits and risks of acquiring the New Notes, Common Shares and GDRs; and
 - (c) is aware that it (or any of these investor accounts) may be required to bear the economic risk of an investment in the New Notes, Common Shares and GDRs for an indefinite period of time and it (or that investor account) is able to bear this risk for an indefinite period; or
- (4) it understands that the New Notes, Common Shares and GDRs offered pursuant to an exemption from the Securities Act other than Regulation S will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. BY ACCEPTANCE OF THIS SECURITY, EACH BENEFICIAL OWNER OF

ANY INTEREST HEREIN REPRESENTS AND AGREES, FOR THE BENEFIT OF THE ISSUER THAT (A) IT IS EITHER (I) NOT A U.S. PERSON AND IS LOCATED OUTSIDE THE UNITED STATES AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OR (II) IN THE CASE OF THE INITIAL BENEFICIAL OWNER OF THAT INTEREST ONLY, AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT (AN “**ACCREDITED INVESTOR**”) OR (III) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**QIB**”), (B) NO BENEFICIAL INTEREST IN THIS SECURITY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) TO THE ISSUER, (II) OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S, (III) WITHIN THE UNITED STATES IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB OR (IV) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (C) THE BENEFICIAL OWNER WILL, AND EACH SUBSEQUENT BENEFICIAL OWNER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY (OR INTEREST HEREIN) FROM IT OF THE RESTRICTIONS REFERRED TO IN (A) AND (B) ABOVE. TRANSFERS IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE.

THIS SECURITY AND ALL RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS SECURITY THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

- (5) if it is a QIB or an Accredited Investor, it understands that the New Notes offered pursuant to an exemption from the Securities Act other than Regulation S will be represented by a Restricted Global Note and before any interest in a Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws;
- (6) if it has elected to participate in compliance with Regulation S, it understands that the New Notes will be represented by an Unrestricted Global Note and prior to the expiration of the distribution compliance period, before any interest in the Unrestricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest the a Restricted Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws; and
- (7) the Bank, the Registrar, the New Notes Trustee and the Principal Paying and Transfer Agent and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Transfer Restrictions

The New Notes, Common Shares and GDRs issued to persons in the United States are transferable in the United States only to QIBs in a transaction meeting the requirements of Rule 144A or pursuant to another available exemption from the registration requirements of the Securities Act or outside the United States under Regulation S. Because of the following restrictions, such persons are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such New Notes, Common Shares or GDRs.

Each subsequent purchaser or transferee of the New Notes, Common Shares or GDRs in the United States or that is a U.S. Person will be deemed to have represented, agreed and acknowledged as follows:

- (i) in respect of transfers pursuant to Rule 144A, the purchaser (a) is a QIB, (b) is acquiring the New Notes, Common Shares and GDRs for its own account or for the account of such a QIB, (c) such person is aware that the sale of the New Notes, Common Shares and GDRs to it is being made in reliance on Rule 144A and (d) if it is receiving such New Notes, Common Shares and GDRs for the account of one or more QIBs, it has sole investment discretion with respect to each such amount and it has full power to make (and does make) the acknowledgements, representations and agreements herein on behalf of each such account;
- (ii) in respect of a transfer otherwise than pursuant to Rule 144A, the purchaser and the transferor shall have complied with such procedures (including delivery of legal opinions) as may be required by the Registrar in accordance with the Paying Agency Agreement;
- (iii) the New Notes, Common Shares and GDRs have not been and will not be registered under the Securities Act or any other securities laws and are being offered in transactions not involving any public offering in the United States and are restricted securities within the meaning of the Securities Act;
- (iv) unless so registered, the New Notes, Common Shares and GDRs may not be reoffered, resold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, except in accordance with the restrictions set forth above;
- (v) it understands that the New Notes offered pursuant to an exemption from the Securities Act will be represented by a Restricted Global Note. Before any interest in any Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws;
- (vi) each Restricted Global Note and any Restricted Note Certificates issued in exchange for an interest in a Restricted Global Note will bear the same legend as set forth in above, unless the Bank determines otherwise in accordance with applicable law;
- (vii) the Information Memorandum in respect of the New Notes is solely for the benefit of Claimants and no reliance may be placed on by the purchaser; and
- (viii) the Bank, the Registrar, the New Notes Trustee and the Principal Paying and Transfer Agent and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each subsequent purchaser or transferee of the New Notes, Common Shares and GDRs in re-sales in reliance on Regulation S under the Securities Act during the distribution compliance period will be deemed to have represented, agreed and acknowledged as follows (terms used in this paragraph that are defined in Regulation S are used herein as so defined):

- (i) it is, or at the time the New Notes, Common Shares and GDRs are purchased will be, the beneficial owner of such New Notes, Common Shares and GDRs and it is not a U.S. Person and it is located outside the United States (within the meaning of Regulation S);
- (ii) it understands that such New Notes, Common Shares and GDRs have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell pledge or otherwise transfer such New Notes or Common Shares, except (a) to a person whom it reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A or (b) to a person that is not a U.S. Person or acting for the account of benefit of a U.S. Person in an offshore transaction in accordance with Rule 903 or 904 of Regulation S; and, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

- (iii) it understands that the New Notes will be represented by an Unrestricted Global Note. Prior to the expiration of the distribution compliance period, before any interest in any Unrestricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws;
- (iv) the Information Memorandum in respect of the New Notes is solely for the benefit of Claimants and no reliance may be placed on by the purchaser; and
- (v) the Bank, the Registrar, the New Notes Trustee and the Principal Paying and Transfer Agent and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

If you wish to participate in the Restructuring Plan, and you are a Claimant who is a U.S. Person and are not an Eligible Investor, please contact the Bank on zhaisanov@bta.kz or +7 727 3124671.

This Information Memorandum is only addressed to and directed at persons in member states of the European Economic Area (the “EEA”) who are “Qualified Investors” within the meaning of Article 2(1)(e) of the Prospectus Directive. The New Notes, Common Shares and GDRs are only available to Qualified Investors, unless in any instance the Bank otherwise agrees. This Information Memorandum and its contents should not be acted upon or relied upon in any member state of the EEA by persons who are not Qualified Investors. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in each relevant member state.

FORM OF THE NEW NOTES AND PROVISIONS RELATING TO SUCH NOTES IN GLOBAL FORM

The following information relates to the form of the New Notes and to such New Notes when in global form.

1. Form of the New Notes

All New Notes will be in registered form, without interest coupons attached. New Notes offered and sold outside the United States in reliance on Regulation S to persons who are not U.S. Persons will be represented by interests in an Unrestricted Global Note, in definitive fully registered form, without interest coupons attached, which will be deposited on or about the Closing Date with the Common Depositary, acting through its London branch, as common depositary for Euroclear and Clearstream, and registered in the name of its nominee, as nominee for such common depositary in respect of interests held through Euroclear and Clearstream.

New Notes allocated to Eligible Investors will be represented by interests in a Restricted Global Note, in fully registered form, without interest coupons attached, which will be deposited on or about the Closing Date with the Common Depositary, acting through its London branch, as common depositary for Euroclear and Clearstream, and registered in the name of its nominee, as nominee for such common depositary in respect of interests held through Euroclear and Clearstream. Each Restricted Global Note (and any Note Certificates issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such New Note as set forth under paragraph (4) in the section entitled “*Issuance and Transfer Restrictions*”.

No application will be made for New Notes to be cleared and settled through DTC.

Each Unrestricted Global Note will have an ISIN number and a Common Code and each Restricted Global Note will have a separate CUSIP number.

For the purposes of the Restricted Global Note and the Unrestricted Global Note, any reference in the Conditions to “Note Certificate” or “Note Certificates” shall, except where the context otherwise requires, be construed so as to include the Restricted Global Note or, as the case may be, the Unrestricted Global Note and interests therein.

2. Notices

So long as any New Note is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holder of such New Note may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders except that so long as the New Notes are listed on an Approved Stock Exchange and the rules of such Exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg.

3. Payments

Each payment in respect of a Global Note will be made to the person shown as the holder in the Register at the close of business (in the place of the relevant clearing system) on the business day before the due date for such payment.

4. Transfers between Global Notes

On or prior to the 40th day after the Closing Date, a beneficial interest in the Unrestricted Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through the Restricted Global Note only upon receipt by the Registrar of a written certification from the transferor (in the form provided in the Paying Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such 40th day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of the Restricted Global Note, as set out in “*Issuance and Transfer Restrictions*”.

A beneficial interest in the Restricted Global Note may also be transferred to a person who wishes to take delivery of such beneficial interest through the Unrestricted Global Note only upon receipt by the Registrar of a written certification from the transferor (in the form provided in the Paying Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any beneficial interest in either the Restricted Global Note or the Unrestricted Global Note that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Note will, upon transfer, cease to be a beneficial interest in such Global Note and become a beneficial interest in the other Global Note and, accordingly, will thereafter be subject to the transfer restrictions set out in the section entitled “*Issuance and Transfer Restrictions*” and other procedures applicable to a beneficial interest in such other Global Note for so long as such person retains such an interest.

5. Exchange of Interests in Global Notes for Note Certificates

The Restricted Global Note will become exchangeable, free of charge to the holder, in whole but not in part, for Restricted Note Certificates if (i) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so or (ii) an Event of Default (as defined and set out in Condition 11 (*Events of Default*) in the Conditions of the New Notes) occurs. In such circumstances, such Restricted Note Certificates shall be registered in such names as Euroclear and Clearstream shall direct in writing, and the Bank will procure that the Registrar notify the holders as soon as practicable after the occurrence of the events specified in (i) and (ii).

An Unrestricted Global Note will become exchangeable, free of charge to the holder, in whole but not in part, for Unrestricted Note Certificates if (i) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so or (ii) an Event of Default occurs. In such circumstances, such Unrestricted Note Certificates will be registered in such names as Euroclear and Clearstream shall direct in writing, and the Bank will procure that the Registrar notify the holders as soon as practicable after the occurrence of the events specified in (i) and (ii).

In the event that the Restricted Global Note is to be exchanged for Restricted Note Certificates or the Unrestricted Global Note is to be exchanged for Unrestricted Note Certificates, the relevant Global Note shall be exchanged in full for the relevant Note Certificates, and the Bank will, without charge to the holder or holders thereof, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatever nature that may be levied or imposed in connection with such exchange, cause sufficient Note Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant New Noteholders.

On exchange, a person having an interest in a Global Note must provide the Registrar with (i) a written order containing instructions and such other information as the Bank and the Registrar may require to complete, execute and deliver such Note Certificates and (ii) in the case of the Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Note Certificates issued in exchange for a beneficial interest in the Restricted Global Note shall bear the legends applicable to transfers pursuant to Rule 144A, as set out in “*Issuance and Transfer Restrictions*”. Restricted Note Certificates issued as described above will not be exchangeable for beneficial interests in an Unrestricted Global Note, and Unrestricted Note Certificates issued as described above will not be exchangeable for beneficial interests in the Restricted Global Note.

In addition to the requirements described under “— *Transfers between Global Notes*” above, the holder of a New Note may transfer such New Note only in accordance with the provisions of the Conditions of the New Notes.

Upon the transfer, exchange or replacement of a Restricted Note Certificate bearing the legend referred to in “*Issuance and Transfer Restrictions*”, or upon specific request for removal of the legend on a Restricted Note Certificate, the Bank will deliver only Restricted Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Bank and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Bank that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of any New Notes or exchange of interests in a Global Note for Note Certificates for a period of 15 days ending on the due date of any payment of principal or interest in respect of such New Notes.

6. Euroclear and Clearstream Arrangements

Custodial and depository links have been established between Euroclear and Clearstream to facilitate the initial issue of the New Notes and cross-market transfers of the New Notes associated with secondary market trading.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Payments with respect to book-entry interests in the New Notes held through Euroclear or Clearstream will be credited, to the extent received by the Principal Paying and Transfer Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

General

So long as Euroclear, Clearstream or the nominee of their common depository is the registered holder of a Global Note, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the New Notes represented by such Global Note for all purposes under the Paying Agency Agreement, the New Notes Trust Deed and the New Notes. Payments of principal, interest and additional amounts, if any, in respect of Global Notes will be made to Euroclear, Clearstream or such nominee, as the case may be, as the registered holder thereof. None of the Bank, the New Notes Trustee, the Principal Paying and Transfer Agent or any agent or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal and interest with respect to book-entry interests in the New Notes held through Euroclear or Clearstream will be credited, to the extent received by Euroclear or Clearstream from the Principal Paying and Transfer Agent, to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Note to such persons will be limited. Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note to pledge such interest to persons or entities that do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in the New Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of New Notes on the Register for the accounts of the nominee of the Common Depository to reflect the amounts of New Notes held through Euroclear and Clearstream. Beneficial ownership in New Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

Interests in the Unrestricted Global Note and the Restricted Global Note will be in uncertificated book-entry form.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the transfers of interests in the New Notes among participants of Clearstream and Euroclear, none of Euroclear or Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Bank, the New Notes Trustee, the Principal Paying and Transfer Agent or any of the Agents or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by Euroclear and Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

Trading between Euroclear and/or Clearstream Account Holders

Secondary market sales of book-entry interests in the New Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the New Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional Eurobonds.

7. Prescription

Claims against the Bank in respect of principal and interest on a New Note while such New Note is represented by a Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the relevant New Notes).

8. Meetings

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of holders of New Notes and, at any such meeting, as having one vote in respect of a principal amount to be determined in respect of New Notes for which the Global Note may be exchanged.

9. Purchase and Cancellation; Prepayments

Cancellation of any New Note required by the Conditions to be cancelled following its purchase and any prepayment will be effected by a reduction in the principal amount of the relevant Global Note as provided in the New Notes Trust Deed.

10. Trustee's Powers

In considering the interests of holders of New Notes while a Global Note is held on behalf of a clearing system, the New Notes Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to such Global Note and may consider such interests as if such account holders were the holder of the relevant Global Note.

11. Put Option

The put option on the occurrence of a Relevant Event contained in Condition 8(b) (*Redemption at the Option of the Noteholders*) in the Conditions of the New Notes may be exercised by the holder of the relevant Global Note giving notice to the Principal Paying and Transfer Agent of the principal amount of such New Notes in respect of which the option is exercised and presenting the Global Note for endorsement of exercise within the time limits specified in such Condition and as otherwise provided in the Paying Agency Agreement for the New Notes.

SHARE DISTRIBUTION AND THE GDR PROGRAMME

Share Capital of the Combined Bank as of the Restructuring Date

On the Restructuring Date, the aggregate Common Share capital of the Bank shall be held as follows (based on the same assumptions as set out in the “*The Consolidation – The Exchange Ratios*”):

Shares held by Claimants — Claimants entitled to Equity Entitlements (and the Depositary (or Custodian) on behalf of certain of those Claimants) shall hold such number of Common Shares, so that together such Claimants (and the Depositary (or Custodian) on behalf of certain of those Claimants) have an aggregate shareholding representing approximately 10.32 per cent. of the total Common Shares in issue.

Shares held by Mr. Bulat Utemuratov — Mr. Utemuratov shall hold such number of Common Shares, so that his total shareholding in the Combined Bank will represent approximately 76.47 per cent. of the total Common Shares in issue.

Shares held by Mr. Timur Issatayev — Mr. Issatayev shall hold such number of Common Shares, so that his total shareholding in the Combined Bank will represent approximately 4.68 per cent. of the total Common Shares in issue.

Shares held by Verny Investments Holding LLP — Verny Investments Holding LLP shall hold such number of Common Shares, so that its total shareholding in the Combined Bank will represent approximately 0.95 per cent. of the total Common Shares in issue.

Shares held by Samruk-Kazyna — Samruk-Kazyna shall hold such number of Common Shares, so that its total shareholding in the Combined Bank will represent approximately 0.01 per cent. of the total Common Shares in issue.

Shares held by current shareholders in Temirbank — The current shareholders in Temirbank (other than for Mr. Utemuratov) shall hold such number of Common Shares, so that their total shareholdings in the Combined Bank will represent approximately 7.56 per cent. of the total Common Shares in issue.

Shares held by current minority shareholders in the Bank — the remaining 3,731,982 of the total Common Shares in issue (approximately 0.00 per cent.) shall be held by current minority Shareholders in the Bank, including creditors issued Common Shares and/or GDRs in connection with the 2010 Restructuring.

The GDR Programme

The GDR Programme was established by the Bank in connection with the 2010 Restructuring. The GDRs are currently tradable in Euroclear and Clearstream and are listed on the Euro MTF Market of the Luxembourg Stock Exchange.

On or immediately prior to the Restructuring Date, the Bank shall issue a sufficient number of Shares to enable the Bank to comply with the requirements relating to the distribution of Shares and GDRs on the Restructuring Date as required under the Restructuring Packages.

On or immediately prior to the Restructuring Date, following the issue of the Common Shares, the Bank shall transfer such number of Common Shares to the Depositary under the GDR Programme, credited as fully paid, to equal (i) the Equity Entitlements of those Claimants who have elected in their Settlement Instructions to receive GDRs instead of Common Shares and (ii) the number of Common Shares to which shareholders in Temirbank who held such shares in the form of GDRs under the GDR programme established by Temirbank are entitled pursuant to the Consolidation (together, the “**Deposited Shares**”).

Distribution of Common Shares and GDRs on the Restructuring Date

On or prior to the Restructuring Date, following the receipt of the Common Shares from the Bank, the Depositary shall issue, for no consideration, GDRs to (i) the Claimants who elected in their Settlement Instructions to receive GDRs instead of Common Shares and (ii) the shareholders in Temirbank who held their shares in the form of GDRs under the GDR programme established by Temirbank.

On or prior to the Restructuring Date, the Bank shall transfer such number of Common Shares, credited as fully paid, to equal (i) the Equity Entitlements of those Claimants who have elected in their Settlement Instructions to receive Common Shares instead of GDRs, (ii) the number of Common Shares to which shareholders in Temirbank who held such shares in the form of shares are entitled pursuant to the Consolidation and (iii) the number of Common Shares to which shareholders in ForteBank are entitled pursuant to the Consolidation, in each case directly to such Claimant or shareholder in Temirbank or ForteBank.

The maximum amount of Common Shares in respect of which GDRs will be issued to Claimants is, at the date of this Information Memorandum, expected to be approximately 9,966,484,918 Common Shares corresponding to 10.32 per cent. of the Common Share capital of the Combined Bank. Each GDR will represent 500 Common Shares.

Rights of GDR Holders in respect of Deposited Shares

The following is a summary of the rights of GDR Holders pursuant to the GDR Programme under the Deposit Agreement (as such Deposit Agreement will be amended and restated on or prior to the Restructuring Date). The following summary is subject in all respects to the terms of the Deposit Agreement.

Right to receive Deposited Shares

Any GDR Holder may request the withdrawal of, and the Depository shall relinquish, the Deposited Shares attributable to the GDRs held by that GDR Holder. Such GDR Holder will be required to produce evidence of entitlement to the relevant GDRs and a certificate in the required form certifying that the person to whom the Deposited Shares are to be delivered is not prohibited from holding Shares in the Bank pursuant to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity. See “*Description of Share Capital, the Charter and Certain Matters of Kazakhstan Law – Disclosure of Beneficial Ownership*”. In addition payment of taxes and reasonable fees may be required as applicable.

Dividends

GDR Holders will be entitled to receive an amount equivalent to any dividends or other proceeds payable on, or with respect to, the Deposited Shares corresponding to its GDRs (less any withholding or other tax or duty incurred or payable in connection therewith) as soon as practicable after the dividends are paid.

Rights attaching to Deposited Shares

If any rights (including but not limited to options to acquire further Common Shares) attaching to the Deposited Shares become exercisable, the Depository shall send a notice to each GDR Holder’s address, informing the GDR Holder of such rights. The GDR Holder may request the Depository to exercise such rights which the Depository must then exercise provided that it considers, in its reasonable opinion, that it is lawful and reasonably practicable to exercise such rights and, where applicable, the relevant GDR Holder has put the Depository in funds to pay the relevant subscription price together with any applicable fees and taxes.

Any issue of further Common Shares or other derivative assets following the exercise of such rights shall be held by the Depository on the same terms as the existing Deposited Shares and the Depository shall issue additional GDRs to the relevant GDR Holders in respect of such further deposited Common Shares or derivative assets.

If the Depository considers in its reasonable opinion that it is not lawful or not reasonably practicable to exercise such rights or to distribute the Common Shares or other securities, the Depository shall either sell such rights or exercise such rights and then sell the additional Common Shares or other securities and distribute the proceeds to the GDR Holders.

Consolidation or restructuring of Common Shares

Upon any consolidation or restructuring of Common Shares, the Depository may issue additional GDRs to reflect the change in the share capital in the Bank held by the Depository or require the exchange of the existing GDRs for new GDRs which reflect the new number of Common Shares corresponding to each GDR, in each case as the Depository shall determine appropriate.

Voting Rights

GDR Holders will have voting rights with respect to the corresponding Deposited Shares of the Bank. However, such voting rights shall be subject to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity. See “*Description of Share Capital, the Charter and Certain Matters of Kazakhstan Law – Disclosure of Beneficial Ownership*”.

Shareholder Meetings

The Bank shall promptly provide the Depositary with all notices of meetings of Shareholders of the Bank and provide the Depositary with an agenda for such meeting including details of any resolution proposed to be put to a general meeting of the Bank. The Depositary shall send all such notices and agenda to each GDR Holder together with a request for each GDR Holder who is eligible to vote to provide instructions to the Depositary as to whether such GDR Holder wishes to vote in favour of, against or abstain in respect of the relevant resolution. To be eligible to provide voting instructions, each GDR Holder must certify that it is not prohibited from voting pursuant to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity.

Each GDR Holder that is eligible to vote is entitled, in respect of each GDR that it holds, to one vote for each Deposited Share represented by such GDR and shall be entitled to provide instructions to the Depositary as to how the Depositary is to exercise such vote on a particular resolution of a general meeting of the Bank.

In respect of any resolution put to the Bank’s shareholders, the Depositary aggregates all votes for, against and to abstain in respect of such resolution received from GDR Holders eligible to vote. The Depositary shall then vote the corresponding number of Shares for or against the resolution accordingly and abstain in respect of the remainder.

The Depositary shall have the right and obligation to requisition an extraordinary general meeting of the Bank upon receiving instructions from GDR Holders holding GDRs corresponding to Deposited Shares which in aggregate amount to 5 per cent. or more of the outstanding Shares of the Bank.

To the extent permitted by applicable law, each GDR Holder shall have the right to attend and speak at any general shareholders’ meeting of the Bank.

Tag-Along Rights

GDR Holders and Shareholders (whether or not such holders received their Common Shares or GDRs pursuant to the Restructuring or otherwise) will benefit from tag-along rights pursuant to an undertaking to be granted by Mr. Bulat Utemuratov on or around the Restructuring Date providing that if Mr. Utemuratov (or a member of his family) proposes to transfer his Common Shares in the Combined Bank, prior to the date falling three years after the Restructuring Date, so that Mr. Utemuratov and members of his family together would own less than 51 per cent. of the Combined Bank as a result of the proposed transaction, Mr. Utemuratov will procure that the purchaser(s) of such Common Shares will offer to purchase all of the Common Shares on terms no less favourable than those accepted by Mr. Utemuratov (or the relevant member of his family). Such tag-along rights shall expire on the date falling three years after the Restructuring Date. The Deposit Agreement will set out the procedure by which GDR Holders may participate in any tag-along process.

Amendments to the Deposit Agreement

On or prior to the Restructuring Date, the Deposit Agreement shall be amended so as to remove tag- and drag-along rights applicable to Samruk-Kazyna, include tag-along rights applicable to Mr. Utemuratov, include a covenant on the part of the Bank to procure the admission of the GDRs to the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange and to maintain the listing of the GDRs on the Luxembourg Stock Exchange and to include certain other immaterial updates. The amendments to the Deposit Agreement shall become effective three months after the amended and restated Deposit Agreement is executed by the Bank and the Depositary.

The Samruk-Kazyna Undertaking and Tag-Along Rights

Pursuant to the Samruk-Kazyna Undertaking entered into as part of the 2010 Restructuring, minority shareholders were granted protections and rights above those protections provided by the JSC Law, including tag-

along rights contained in the Samruk-Kazyna Undertaking in the event Samruk-Kazyna were to sell some or all of its shareholding in the Bank. It is intended that the corporate governance provisions of the Samruk-Kazyna Undertaking will be terminated by the General Shareholders' Meeting. In addition, Samruk-Kazyna has announced its intention to dispose of its remaining shareholding in the Bank. In the event that Samruk-Kazyna does transfer all of its Common Shares and Preference Shares:

- (i) The rights and obligations of Samruk-Kazyna under the Samruk-Kazyna Undertaking will terminate; and
- (ii) Shareholders who received their Shares pursuant to the 2010 Restructuring and who have held them continuously ever since shall be entitled to tag-along rights in respect of those Shares whereby Shareholders will be entitled to require that the purchaser of Samruk-Kazyna's Shares also acquire those Shares of the Shareholders that were received pursuant to the 2010 Restructuring. For the avoidance of doubt, no purchaser of Samruk-Kazyna's remaining Shares will be obliged to purchase any Shares of Shareholders who acquired such Shares other than pursuant to the 2010 Restructuring.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed incorporated in, and to form part of, this Information Memorandum:

- The reviewed consolidated interim financial statements of the Bank as at 30 June 2014 and 31 December 2013 and for the six months ended 30 June 2014 and 2013, which can be found at http://www.alb.kz/up_files/fs_alb_6m%202014_eng.pdf;
- The audited consolidated annual financial statements of the Bank as at and for the years ended 31 December 2013 and 2012, which can be found at http://www.alb.kz/up_files/alb_ye13_cons_eng_signed.pdf;
- The audited consolidated annual financial statements of the Bank as at and for the years ended 31 December 2012 and 2011, which can be found at http://www.alb.kz/up_files/fs_alb_2012_eng.pdf;
- The reviewed consolidated interim financial statements of Temirbank as at 30 June 2014 and 31 December 2013 and for the six months ended 30 June 2014 and 2013, which can be found at https://www.temirbank.kz/upload/en/intermediate/Temirbank_6m14_ENG.pdf;
- The audited consolidated annual financial statements of Temirbank as at and for the years ended 31 December 2013 and 2012, which can be found at https://www.temirbank.kz/en/investors/financial_statements/annual/Temirbank_12m13_Eng.pdf;
- The audited consolidated annual financial statements of Temirbank as at and for the years ended 31 December 2012 and 2011, which can be found at https://www.temirbank.kz/upload/en/intermediate/2012_Audited%20Report_YE_2012_ENG.pdf;
- The reviewed consolidated interim financial statements of ForteBank as at 30 June 2014 and 31 December 2013 and for the six months ended 30 June 2014 and 2013, which can be found at <http://www.fortebank.com/upload/reports/MSFO/Interim%20condensed%20financial%20statements%2030%20June%202014.pdf>;
- The audited consolidated annual financial statements of ForteBank as at and for the years ended 31 December 2013 and 2012, which can be found at <http://www.fortebank.com/upload/reports/MSFO/Financial%20Statements%20for%20the%20years%20ended%2031%20December%202013%20and%202012%20together%20with%20Independent%20Auditors%20Report.pdf>;
- The audited consolidated annual financial statements of ForteBank as at and for the years ended 31 December 2012 and 2011, which can be found at [http://www.fortebank.com/upload/reports/MSFO/Аудированная%20финансовая%20отчетность%20за%20год,%20закончившийся%2031%20декаб%202012%20года%20\(анг\).pdf](http://www.fortebank.com/upload/reports/MSFO/Аудированная%20финансовая%20отчетность%20за%20год,%20закончившийся%2031%20декаб%202012%20года%20(анг).pdf);

Except as provided above, no other information is incorporated by reference into this Information Memorandum.

ADDITIONAL INFORMATION

Costs of the Restructuring and Consolidation

As is customary in a financial restructuring of the nature proposed by the Bank, in addition to the costs and expenses of its own advisers, the Bank has agreed to pay the expenses of the Steering Committee and BNY Mellon Corporate Trustee Services Limited as Trustee and the professional fees and expenses of certain advisers, including those of the Steering Committee and BNY Mellon Corporate Trustee Services Limited.

As at the date of this Information Memorandum, the Bank had incurred costs in relation to the Restructuring and Consolidation of approximately U.S.\$4.5 million.

Assuming that the Restructuring Plan and the Consolidation are implemented on the timetable contemplated in this Information Memorandum, the Bank estimates that the total costs and expenses payable by the Bank in relation to the Restructuring and Consolidation (including amounts payable to its advisers, advisers to the Steering Committee and to members of the Steering Committee) from 2013 until the Restructuring Date, will be approximately U.S.\$25.7 million.

Documents Available for Inspection

Copies of certain documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Information Memorandum until the date of the Claimants' Meeting at the registered office of the Bank and on the Bank's website at http://www.alb.kz/en/investor_relations. These documents include:

- the Charter;
- this Information Memorandum and any supplement thereto; and
- drafts of the Restructuring Documents, in each case as and when they become available.

SCHEDULE 1 — THE RESTRUCTURING PLAN

1. Interpretation

In this Restructuring Plan, unless the context otherwise requires or otherwise expressly provides:

- (a) terms not otherwise defined herein shall have the meanings ascribed to them in the information memorandum (the “**Information Memorandum**”) of the Bank relating to the Restructuring dated 13 October 2014, as amended and supplemented from time to time;
- (b) references to Clauses, Annexes and Recitals are references to the Clauses of and Annexes and Recitals to this Restructuring Plan;
- (c) references to a “person” include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- (d) references to the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
- (e) headings are for ease of reference only and shall not affect the interpretation of this Restructuring Plan; and
- (f) the forms of the New Notes Trust Deed (including the forms of the New Notes and the Global Notes), the Paying Agency Agreement, the Distribution Agent Agreement and any other agreements to be entered into in relation thereto and details of any other Entitlements including Common Shares and the form of the Deed of Release are set forth in the Annex.¹

2. Restructuring Date and Impact of Restructuring

- 2.1 This Restructuring Plan will come into effect on the date on which it is approved by the Court.
- 2.2 The process of the Restructuring is described below in Clause 3 and the anticipated order and dates of actions to be taken in connection with the Restructuring are set out in “*Expected Sequence of Principal Events*” in the Information Memorandum.
- 2.3 The “*Terms of the Restructuring Packages*”, “*Expected Sequence of Principal Events*”, “*Share Distribution and the GDR Programme*” and “*Information for Shareholders and Claimants*”, *inter alia*, each as set forth in the Information Memorandum, form an integral part of the Restructuring and of this Restructuring Plan.
- 2.4 Once the Court approves this Restructuring Plan, Claimants and the Bank will be bound by its terms.
- 2.5 The financial indebtedness subject to the Restructuring Plan is the Designated Financial Indebtedness.
- 2.6 The expected financial consequences of the Restructuring for the Claimants and the terms of their Restructuring Packages are set out in “*Terms of the Restructuring Packages*” in the Information Memorandum (except in respect of Samruk-Kazyna, the terms of whose Entitlements are set out in Clause 3.2(b)).
- 2.7 The Restructuring Date shall be notified by the Bank to the Claimants on its website as soon as possible after the Steering Committee notifies the Bank that the conditions precedent listed in Schedule 12 to the Information Memorandum are satisfied.
- 2.8 The “Release Date” shall be the Restructuring Date.
- 2.9 If the Restructuring Date does not occur on or before 31 March 2015, the Restructuring Plan will lapse and cease to have effect.

¹ The full Restructuring Plan published prior to the Claimants’ Meeting shall include the mentioned Annex.

3. The Restructuring Plan

3.1 Release of Claims

- (a) Pursuant to this Restructuring Plan, on the Release Date all Designated Financial Indebtedness shall be discharged and/or cancelled as set out herein and all Claims shall be cancelled and/or discharged fully and absolutely and treated as satisfied, released and paid in full, in each case so as to bind the Claimants and any person who at any time acquires any interest in or arising out of any Designated Financial Indebtedness.
- (b) In consideration of the discharge and/or cancellation referred to in Clause 3.1(a) and the delivery by such Claimant of a Claimant Release Authorisation, each Claimant shall have transferred to it or to its Nominated Recipient cash, New Notes, Common Shares and/or GDRs in accordance with the relevant Entitlements and the procedures set out in this Restructuring Plan. For the avoidance of doubt, where the Bank is ready, willing and able to distribute cash, New Notes, Common Shares and/or GDRs in accordance with the relevant Entitlements to a Claimant but is unable to make delivery due to a failure of that Claimant to supply (or supply correct) Settlement Instructions or because compliance by any person with that Settlement Instruction would be unlawful or because a Claimant has not delivered a Claimant Release Authorisation, that will not prevent the discharge and/or cancellation of all Designated Financial Indebtedness on the Release Date.
- (c) The Entitlement (or part thereof) of any Claimant referred to in Clause 3.1(b) shall be distributed in accordance with the terms and subject to the conditions of the Restructuring Packages.

3.2 Entitlements

- (a) On the Restructuring Date (or as soon as practicably thereafter) the Bank shall procure the distribution of cash, New Notes, Common Shares and GDRs in accordance with the Entitlements allocated to Claimants in accordance with the “*Terms of the Restructuring Packages*” in the Information Memorandum and subject to the terms of this Restructuring Plan, which shall in the case of cash and securities be paid or delivered to their Existing Accounts, Designated Accounts or Local Accounts. For the avoidance of doubt, where a Claimant has not supplied any or correct details of its Existing Account, Designated Account or Local Account, it shall only be entitled to receive its distribution of Entitlements after it has done so as provided in the Information Memorandum.
- (b) On the Restructuring Date and subject to the terms of this Restructuring Plan, the terms of the SK Deposits will be restructured into the New SK Deposit, bearing interest at 4 per cent. per annum and maturing on or after the tenth anniversary of the Restructuring Date. Samruk-Kazyna will place additional funds with the Bank (including deposits currently placed with Temirbank and ForteBank) so that the total principal amount of the New SK Deposit shall equal KZT 220 billion.
- (c) If an Extraordinary Resolution is not passed in respect of any series of Existing Notes, the relevant Noteholders will be required to pass an Extraordinary Resolution at a separate meeting of Noteholders, cancelling the relevant Existing Notes and authorising the Trustee to sign the Deed of Release on behalf of such Noteholders, before those Noteholders will be entitled to receive any Entitlements. Provided a Noteholder provides the information required to be included in its Settlement Instruction in its Electronic Instruction in relation to such Extraordinary Resolution, such Electronic Instruction will constitute that Noteholder’s Settlement Instruction for the purposes of receiving Entitlements.
- (d) Any Entitlements in respect of which no Settlement Instructions have been received prior to the Settlement Instructions Deadline will be held in escrow by the Distribution Agent until the earlier of (i) such time as Settlement Instructions are received in respect of such Entitlements (accompanied by such evidence of the relevant Noteholder’s beneficial interest in the Existing Notes as required by the Bank) or (ii) the date falling three years after the Restructuring Date. For the avoidance of doubt, no Entitlements will be distributed in respect of unclaimed, undistributed Existing Notes issued in connection with the 2010 Restructuring (such Existing Notes having been cancelled and/or returned to the Bank for its own account).
- (e) Any Entitlements in respect of which no Settlement Instructions have been received prior to the date falling three years after the Restructuring Date shall be cancelled and/or returned to the Bank for its own account. Furthermore, if a Noteholder has not provided such documentation as required by

Clause 3.2(d)(i) by the date that is three years from the Restructuring Date, that Noteholder shall lose its rights to those Entitlements, which will revert back to the Bank's account.

3.3 **Votes at the Claimants' Meeting**

Regardless of whether such Claimants have accelerated their Claims, (i) Discount Noteholders, Par Noteholders and Subordinated Tenge B Noteholders will have a Claim at the Claimants' Meeting equal to the principal amount of such Existing Notes plus Accrued Interest, (ii) Recovery Noteholders will have a Claim at the Claimants' Meeting equal to the RN IFRS Value and (iii) Samruk-Kazyna will have a Claim equal to the principal amount of the SK Deposits plus Accrued Interest.

3.4 **Interest on Claims**

- (a) Accrued Interest calculated as provided in the Information Memorandum shall be included in the relevant Claim.
- (b) Default interest, penalties and breakage costs may not be admitted as part of any Claim and shall be deemed to be cancelled and/or discharged on the Release Date.

3.5 **Release Mechanism for Noteholders**

- (a) If the Extraordinary Resolution is passed in respect of a series of Existing Notes:
 - (i) The Trustee will be authorised from the Restructuring Date to enter into, execute and deliver the release agreement to be dated on or about the Restructuring Date between the Bank and the Claimants (the "**Deed of Release**") on behalf of all Noteholders of that series, in substantially the form attached hereto in the Annex.
 - (ii) On the Restructuring Date, the Trustee shall enter into and deliver the Deed of Release on behalf of all Noteholders of that series pursuant to the authority conferred by the Extraordinary Resolution passed in respect of that series of Existing Notes.
- (b) If the Extraordinary Resolution is not passed in respect of a series of Existing Notes:
 - (i) The relevant Noteholders will be required to pass an Extraordinary Resolution at a separate meeting of Noteholders (as described in Clause 3.2(c)), cancelling the relevant Existing Notes and authorising the Trustee to sign the Deed of Release on behalf of such Noteholders.
 - (ii) As soon as practicable following the passing of the Extraordinary Resolution referred to in Clause 3.5(b)(i) above, the Trustee shall enter into and deliver the Deed of Release on behalf of all Noteholders of that series pursuant to the authority conferred by the Extraordinary Resolution passed in respect of that series of Existing Notes.

3.6 **Release Mechanism for Samruk-Kazyna in respect of the SK Deposits**

- (a) Samruk-Kazyna in respect of the SK Deposits shall, prior to the Restructuring Date, execute the Deed of Release in order to receive its Entitlements on the Restructuring Date and will become eligible to receive its Entitlements only by executing and delivering the Deed of Release.
- (b) If Samruk-Kazyna in respect of the SK Deposits has not executed the Deed of Release as required by Clause 3.6(a) by the date that is three years from the Restructuring Date, Samruk-Kazyna shall lose its rights to those Entitlements, which will revert back to the Bank's account.

3.7 **No Proceedings**

Claimants understand and irrevocably agree that, without prejudice to their right to receive Entitlements, as of the Restructuring Date no Proceeding or other judicial or quasi-judicial, administrative or regulatory process whatsoever against the Bank or its property shall be commenced or continued in any jurisdiction whatsoever to recover any Designated Financial Indebtedness or to establish the amount or existence of any Designated Financial Indebtedness and any Claimant which has commenced any such Proceeding shall forthwith cease such Proceeding.

3.8 Assignments and transfers

The Bank is not obliged to recognise transfers of any Designated Financial Indebtedness made by Claimants after the Claims Submission Date (but may in its absolute discretion do so).

3.9 Assignment of right to Entitlements

- (a) If a Claimant gives notice to the Bank before the Claims Submission Date that he wishes any Entitlements to which he is entitled to be paid or distributed to another person, or that he has transferred or assigned his entitlement to another person, the Bank shall pay or distribute the Entitlements to that other person accordingly.
- (b) A notice given under this paragraph must specify the name and address of the person to whom payment is to be made.
- (c) To the extent that any Claimant transfers or assigns all or part of its Claim after it has submitted a Claim Form, the transfer by or on behalf of the Bank to the Claimant or the Claimant's Nominated Recipient named in any Claim Form submitted by such Claimant, or any assignee or transferee recognised by the Bank in accordance with Clause 3.9, of Entitlements shall be effective to discharge and extinguish any Liabilities as at the Restructuring Date or thereafter of the Bank to any transferee or assignee of such Claim in relation to the relevant Claim.

3.10 Validity of Claims

The Bank reserves the right to dispute the validity of Claims prior to the Restructuring Date, including, for the avoidance of doubt, any Claim agreed as to quantum or classification with a Claimant.

3.11 Set-off

Claimants cannot set off a Claim acquired on or after 12 December 2013 and the Bank shall not be obliged to recognise any such set-off.

4. Distribution

4.1 Entitlement

In determining a Claimant's Entitlement, such Entitlement shall be subject to the application of the exchange mechanisms described in "*Terms of the Restructuring Packages*" and fractions of New Notes, Common Shares and GDRs shall be disregarded and not transferred to the relevant Claimant. Any fractions of New Notes, Common Shares and GDRs will instead be cancelled or sold by the Bank in accordance with Clauses 4.2(e) and 4.2(f) and if sold the Bank shall retain the Net Proceeds of Sale.

4.2 Method of Distribution; Full and Final Settlement of Claims

- (a) In order to make a Distribution of cash, New Notes, Common Shares and/or GDRs, if any, to a Claimant the Distribution Agent or the Bank, as the case may be, shall aggregate the total amount of cash, New Notes, Common Shares or GDRs attributable to each Claimant and shall transfer the same into the appropriate Existing Account, Designated Account or Local Account in accordance with the instructions set out in the Settlement Instructions and as determined by the terms of the Restructuring Packages or as otherwise set out in the Information Memorandum.
- (b) Each Claimant agrees that the transfer of Entitlements in accordance with the above process shall cancel and/or fully discharge the Bank's obligations under the Restructuring Plan *provided that* where the Bank is unable to deliver Entitlements due to a failure of a Claimant to supply (or supply correct) Settlement Instructions or because compliance by any person with that Settlement Instruction would be unlawful, the discharge and/or cancellation shall take effect on the Restructuring Date.
- (c) A Claimant who requires Entitlements, if any, (or part thereof) to be transferred to a Nominated Recipient or credited to an Existing Account, Designated Account or Local Account shall make an Account Designation in its Settlement Instructions.
- (d) If a Claimant does not complete a Claim Form or does not complete it correctly, or if the Settlement Instructions do not include an Account Designation in respect of the relevant Entitlement, or if the

operators of a Clearing System are unable or unwilling to provide clearing facilities in respect of the relevant New Notes, Common Shares and GDRs, or if for any other reason the Bank so wishes, the obligations of the Bank to transfer (or procure the transfer of) such Entitlement to a Claimant shall be discharged by the Distribution to the relevant Claimant or its Nominated Recipient (as appropriate) by certified cheque or wire transfer, in the case of cash, or in certificated form, in the case of New Notes, Common Shares and GDRs.

- (e) If, for any reason, a Claimant with a Securities Entitlement is unable to hold the New Notes, Common Shares or GDRs to which it is entitled, it may direct the Distribution Agent or the Bank, as the case may be, to (i) sell its Securities Entitlement and account to such Claimant for the Net Proceeds of Sale thereof or (ii) transfer the same to a Nominated Recipient who is not so affected. The price, terms, timing and manner of a sale carried out pursuant to sub-paragraph (i) above, and any currency exchange effected by the Distribution Agent or the Bank, as the case may be, in connection with or related to such sale, or the Net Proceeds of Sale, shall be on the best terms reasonably available at the time using a transparent open market process for cash as soon as reasonably practicable after the Restructuring Date. If the Distribution Agent or the Bank (as the case may be), having used its reasonable efforts to do so, is unable to sell any New Notes, Common Shares and/or GDRs as directed by a Claimant within three months of such instruction, such New Notes, Common Shares and/or GDRs shall instead be transferred to a Nominated Recipient of that Claimant.
- (f) If in the opinion of the Bank (having taken appropriate legal advice), the allotment, issue or transfer of New Notes, Common Shares and GDRs pursuant to the Restructuring Plan to that Claimant or its Nominated Recipient may be prohibited by any relevant law, the Distribution Agent shall, if so directed by the Bank, or the Bank shall, sell, or procure the sale of, the same and pay the Net Proceeds of Sale from such sale to that Claimant or its Nominated Recipient, as the case may be, in full satisfaction of that Claimant's rights under the Restructuring Plan. Any such sale shall be deemed to have been undertaken at the request and authorisation of the relevant Claimant and the Distribution Agent and the Bank are irrevocably and unconditionally requested and authorised to (i) sell such New Notes, Common Shares and GDRs on behalf of such Claimant in the market on the best terms reasonably available at the time as soon as reasonably practicable after the Restructuring Date, (ii) transfer the document(s) of title in respect of such New Notes, Common Shares and GDRs to the relevant transferee and (iii) remit the Net Proceeds of Sale as soon as reasonably practicable to the relevant Claimant or its Nominated Recipient, as the case may be. The price, terms, timing and manner of the sale, and any currency exchange effected by the Bank or the Distribution Agent in connection with or related to the sale or the proceeds of the sale, shall be on the best terms reasonably available at the time using a transparent market process for cash as soon as reasonably practicable after the Restructuring Date.
- (g) No Claimant shall have any entitlement to any distribution of Entitlement other than in accordance with Clauses 4.2(a) to 4.2(f) inclusive.

4.3 Claims Forms and accompanying documentation

Claim Forms and accompanying documentation must include the following information:

- (a) the Claimant's name and address, (if a company) its company registration number and contact details;
- (b) the name, address and authority of the person signing the Claim Form (if other than the Claimant himself);
- (c) all other relevant documentary or other evidence as the Bank shall require in order to carry out its determination.

The Claimant must also give certain representations and warranties in its Settlement Instructions including, *inter alia*, in relation to their status in connection with selling restrictions under applicable securities laws.

4.4 Reductions/Increases of amounts of proof

- (a) If, after a Claimant's Claim has been admitted, the Claim is withdrawn or expunged, or the amount of it is reduced (in each case other than pursuant to the implementation of the Restructuring), the Claimant is liable to repay or otherwise return to the Bank any Entitlement overpaid or over distributed.

- (b) Each Claimant understands and irrevocably agrees that no Claimant shall have any right after the Claims Submission Date to increase the amount of its Claim (irrespective of whether such increase is based on real damage, any loss, moral damage, lost opportunity or otherwise).
- (c) Any Claim which is withdrawn, expunged, or the amount of which is reduced shall be extinguished, released or barred to the extent so withdrawn, expunged or reduced.

4.5 Realisations following Claims Submission Date

Where any Claimant obtains any proceeds in respect of any Claim on or following the Claims Submission Date, it shall be treated as an advance distribution of Entitlements under the Restructuring Plan and the Entitlements actually distributed to the Claimant shall be reduced accordingly.

5. Distribution Agent Arrangements

5.1 Consent to Distribution Agent Arrangements

Each Claimant agrees to the cash, New Notes, Common Shares and GDRs being delivered (to the extent necessary) to the Distribution Agent, and being held by the Distribution Agent such that on the Restructuring Date the Distribution Agent may, subject to the conditions of the Restructuring Packages, the exchange mechanisms described in “*Terms of the Restructuring Packages*” and the Information Memorandum, distribute them to Claimants in accordance with the Distribution Agent Agreement and the Restructuring Plan.

5.2 Distribution Agent Agreement

Prior to the Restructuring Date, the Bank will enter into an agreement with the Distribution Agent setting out the terms on which the Distribution Agent will hold cash and New Notes, Common Shares and GDRs on behalf of eligible Claimants.

6. Termination of Rights under Samruk-Kazyna Undertaking

The Claimants understand and irrevocably agree that, as of the Restructuring Date, any rights of the Claimants under the Samruk-Kazyna Undertaking shall be terminated and that neither Samruk-Kazyna nor any other person shall have any Liability to the Claimants of any kind whatsoever thereunder or in respect thereof.

7. General Plan Provisions

7.1 Costs

- (a) The Bank will pay in full all costs, charges, expenses and disbursements incurred by it in connection with the negotiation, preparation and implementation of the Restructuring Plan as and when they arise, including, but not limited to, the costs of holding the Noteholders’ Meetings and the Claimants’ Meeting, the costs of obtaining the approval of the Court and the costs of placing the notices required by the Restructuring Plan. For the avoidance of doubt, the Bank will not be liable for any costs of any Claimant (other than the Trustee) in relation to the Noteholders’ Meetings and the Claimants’ Meeting.
- (b) Notwithstanding any other provision in this Restructuring Plan, the Bank shall not be released or waived from any Liability to pay the fees and expenses of the Trustee, the Steering Committee and their advisers and will pay the same promptly (and in any event within 30 Business Days) following request by the Trustee, the Steering Committee and/or such advisers, and such obligations shall survive notwithstanding the completion of the Restructuring.

7.2 Modifications of the Restructuring Plan

- (a) The Bank may without the consent of the Claimants, but following consultation with the Steering Committee, make a modification to the Restructuring Plan or any procedures to complete the Restructuring, in each case which are of a minor or technical nature or to correct a manifest error and/or to postpone particular events or deadlines by which particular aspects of the Restructuring need to be completed so long as the postponement is not materially prejudicial to the interests of the Claimants and if it does do so will give appropriate notice to Claimants.

- (b) Save for amendments to the Restructuring Plan made in accordance with Clause 7.2(a), no other amendment to the Restructuring Plan will be effective without the prior approval of at least two-thirds of the Claims by value.

7.3 Payments on Days other than a Business Day

If any sum is due or obligation is to be performed under the terms of the Restructuring Plan on a date other than a business day in the relevant place, the relevant payment shall be made, or obligation performed, on the next such business day.

7.4 Actions and measures taken in the course of the Restructuring

A list of principal events, measures and activities which the Bank will engage in or is subject to in the course of the Restructuring is set out in the Information Memorandum.

7.5 Governing Law and Jurisdiction

This Restructuring Plan shall be governed by, and construed in accordance with, the laws of the Republic of Kazakhstan and the Court (or any successor court thereto) shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of any provision of this Restructuring Plan, or out of any action taken or omitted to be taken in connection with the administration of this Restructuring Plan and, for such purposes, the Claimants irrevocably submit to the jurisdiction of the Court.

ANNEX — FORM OF DEED OF RELEASE

This Deed is made on _____ 2014

Between:

- (1) **JSC Alliance Bank**, a company incorporated in the Republic of Kazakhstan under registered number 39031900 AO whose registered office is at 50 Furmanov Street, Almaty 050004, Kazakhstan (the “**Bank**”) and
- (2) **The Claimants** acting by the Bank and/or the Trustee (as the case may be) pursuant to the authority conferred upon the Bank and/or the Trustee (as the case may be) by the Claimants pursuant to the Restructuring.

Whereas:

Pursuant to the Restructuring Plan, each Claimant has authorised the Bank and/or the Trustee (as the case may be) to enter into and execute and deliver this Deed on its behalf.

Now it is Agreed as follows:

1. Interpretation

- 1.1 In this Deed and in the Recitals hereto, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“**Directors and Officers**” means any person who is an officer or director of the Bank or any of its Subsidiaries or of Samruk-Kazyna or any of its Affiliates on or as at any date subsequent to 25 March 2010;

“**Information Memorandum**” means the information memorandum of the Bank relating to the Restructuring dated 13 October 2014, as amended or supplemented from time to time; and

“**Released Party**” means each of the Bank, the Subsidiaries, Samruk-Kazyna, the Directors and Officers, the Steering Committee and the Advisers (together, the “**Released Parties**”).

- 1.2 In this Deed, unless the context otherwise requires or expressly provides:

- (a) capitalised terms used herein and not otherwise defined shall have the meanings ascribed to them in the Information Memorandum;
- (b) section headings are for convenience only and shall not be taken into account in the interpretation of this Deed;
- (c) words importing the plural shall include the singular and *vice versa*; and
- (d) reference to a person includes a reference to any body corporate, unincorporated association or partnership and to that person’s legal personal representatives or successors.

2. Consideration

Each Claimant acknowledges that this Deed has been entered into in consideration of (a) the Entitlements provided by the Bank and (b) the contributions to the Bank of Samruk-Kazyna, each as set forth in the Restructuring Plan and the terms of the Restructuring Packages.

3. Waiver, Release and Confirmation

- 3.1 The Claimants hereby irrevocably and unconditionally release and/or waive on their own behalf (and, in the case of the Trustee, on behalf of the Noteholders) and on behalf of any person to whom they may have transferred any of their Designated Financial Indebtedness, in each case to the extent permitted by law, each and every claim (actual or potential) which they have or may have, whether in law or equity, against each and all of the Released Parties arising out of or in connection with the Designated Financial Indebtedness and/or

the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring with effect from the Release Date.

- 3.2 The Claimants hereby irrevocably and unconditionally release on their own behalf (and, in the case of the Trustee, on behalf of the Noteholders) and on behalf of any person to whom they may have transferred any of their Designated Financial Indebtedness, in each case to the extent permitted by law, each and all of the Released Parties from each and every Liability (actual or potential) which they or any of them may have to a Claimant or any person to whom they may have transferred any of their claims in relation to or arising out of Designated Financial Indebtedness and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring with effect from the Release Date.
- 3.3 The Claimants hereby irrevocably and unconditionally acknowledge and agree independently that none of the members of the Steering Committee, the Trustee or their Advisers have verified any statement, assertion, information (financial or otherwise) or projection (together the “**Relevant Materials**”) contained in the Information Memorandum and that such persons shall have no, and are hereby expressly released from any responsibility or liability with respect for any Relevant Materials and that the members of the Steering Committee and the Trustee have not acted as fiduciary or adviser to any person and give no covenants and have no duties or obligations to any person in connection with the Restructuring.
- 3.4 Notwithstanding any other provision of this Deed, no person shall be released or waived from any Liability arising from gross negligence, fraud or wilful misconduct on the part of such person or any provision which was stated to be continuing in the Designated Financial Indebtedness. In particular, the indemnity granted to the Steering Committee by the Bank in the letter dated 7 April 2014 appointing the Steering Committee shall be unaffected by the provisions of this Deed.
- 3.5 The Claimants hereby acknowledge that the receipt of their Entitlements is accepted by them in full and final settlement of all claims to which they might otherwise be entitled in relation to or arising out of the Designated Financial Indebtedness.
- 3.6 The parties hereto hereby acknowledge that the Trustee (i) has been authorised, directed, instructed and empowered to enter into this Deed as a Claimant pursuant to Extraordinary Resolutions of the Noteholders and does so on behalf of the Noteholders but not in its personal capacity and (ii) has been discharged, exonerated and indemnified by the Noteholders under such Extraordinary Resolutions from all liability in connection therewith.

4. Conflict

If at any time there shall be any conflict between the provisions of this Deed and the provisions of the Restructuring Plan, the provisions of the Restructuring Plan shall prevail.

5. Third Parties

A person who is not a party to this Deed shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

6. Governing Law

- 6.1 This Deed and any non-contractual obligations arising out of or in connection with this Deed shall be governed by and construed in accordance with English law.
- 6.2 Any dispute arising out of or in connection with this Deed, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause. The seat, or legal place of arbitration shall be London, United Kingdom.
- 6.3 The parties to this Deed irrevocably acknowledge and agree that the consent to arbitration under the LCIA Rules and to the jurisdiction of the courts of England by the Bank in this Deed is valid and binding upon it and not subject to revocation in any proceedings taken in Kazakhstan.
- 6.4 Any judgment obtained in relation to this Deed in England will be recognised and enforced in Kazakhstan and England.

SCHEDULE 2 — CLAIM FORM

CLAIM FORM

FOR THE RESTRUCTURING PLAN

in respect of

ALLIANCE BANK JSC

THIS CLAIM FORM IS TO BE COMPLETED BY ALL CLAIMANTS IN RESPECT OF THEIR CLAIMS.

NOTEHOLDERS DO NOT NEED TO COMPLETE A CLAIM FORM.

The provisional date of the Claims Submission Date is 17 November 2014. Any change to this date will be notified by announcement on a Regulatory Information Service and on the Bank's website at www.alb.kz/en/investor_relations.

Claimants who do not submit a Claim Form prior to the Claims Submission Date will have their Claims cancelled, but the Bank may, in its sole and absolute discretion, admit such Claims.

Before completing and executing this Claim Form, you should read the instructions below and the detailed notes set out at the end of this Claim Form. If the Claim Form is not completed in its entirety and executed in accordance with the detailed instructions, you may not be eligible to attend and vote at the Claimants' Meeting or receive your Entitlements under the Restructuring Plan.

If you have any questions relating to the completion of this Claim Form, please contact the Bank at the address and telephone number set out below. If you require further copies of this Claim Form, the Information Memorandum or Form of Proxy referred to below, please visit the Bank's website at www.alb.kz/en/investor_relations.

This Claim Form is to be read in conjunction with the Information Memorandum dated 13 October 2014 and the Restructuring Plan contained therein that has been prepared in connection with the Restructuring. The definitions contained in the Information Memorandum apply to this Claim Form.

Instructions for completion and return of this Claim Form:

Detailed instructions regarding completion of this Claim Form are set out at the end of this form.

Bank details for return of Claim Forms and queries:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 2584040 ext. 52447
Fax: +7 727 2598071
Email: IR@alb.kz

THE CLAIMANT REPRESENTS THAT THE CLAIM TO WHICH THIS CLAIM FORM RELATES IS TRUE AND ACCURATE TO THE BEST OF THE CLAIMANT’S INFORMATION AND BELIEF.

1 FULL NAME AND CONTACT DETAILS OF CLAIMANT	(BOX 1)
Claimant name (and, if applicable, company registration number): _____ _____	
Contact person with respect to this Claim Form: _____ _____	
Contact Telephone Number: _____	
E-mail: _____	
Full Address: _____ _____ _____	

2 CLAIM	(BOX 2)
The Claimant identified in Box 1 certifies that the undersigned holds a Claim arising out of an interest identified at (i) below in the amount set out in (ii) below:	
(i) PLEASE SELECT ONE OF THE BOXES BELOW:	
<input type="checkbox"/> Trustee in respect of the Discount Dollar Notes	
<input type="checkbox"/> Trustee in respect of the Discount Tenge Notes	
<input type="checkbox"/> Trustee in respect of the Par Dollar Notes	
<input type="checkbox"/> Trustee in respect of the Par Tenge Notes	
<input type="checkbox"/> Trustee in respect of the Subordinated Tenge B Notes	
<input type="checkbox"/> Trustee in respect of the Recovery Notes	
<input type="checkbox"/> Samruk-Kazyna in respect of the SK Deposits	
<input type="checkbox"/> Other (please specify below): _____ _____	
(ii) Principal (specify currency and amount (or, in the case of the Recovery Notes, the RN IFRS Value)): _____	
Accrued Interest (specify currency and amount (zero in the case of the Recovery Notes)) (to be calculated in accordance with the provisions of the Information Memorandum under “ <i>Information for Shareholders and Claimants—Information for all Claimants regarding Voting Amounts and the Claimants’ Meeting</i> ”): _____ _____	
Total Claim (specify currency and amount (the RN IFRS Value in the case of the Recovery Notes)): _____	

PLEASE SEE NOTES AT THE BACK OF THIS CLAIM FORM REGARDING EVIDENCE TO BE ATTACHED TO THE CLAIM FORM.

EXECUTE A OR B BELOW

- (A) Execution by a company (or a partnership or other entity which has a separate legal personality from its partners or members)

EITHER (i) IF THE CLAIMANT'S SEAL IS TO BE AFFIXED

This Claim Form has been executed on _____ (date)

Executed by the Claimant named below:

Name of Claimant *(Affix company seal)*

Name in full *(please print)* Director/Authorised signatory Signature

Name in full *(please print)* Director/Authorised signatory Signature
(if two signatories are required) *(if two signatories are required)*

- OR (ii) IF THE CLAIMANT'S SEAL IS **NOT** TO BE AFFIXED

This Claim Form has been executed on _____

Executed by the Claimant named below:

Name of Claimant _____

Acting by the person (or persons) named below each of whom is duly authorised on behalf of the Claimant named above:

Name in full *(please print)* Director/Authorised signatory Signature
(Delete as applicable)

Name in full *(please print)* Director/Authorised signatory Signature
(if two signatories are required) *(Delete as applicable)* *(if two signatories are required)*

- (B) Execution by individuals

This Claim Form has been executed on _____ (date)

Signed:

1. _____
Name in full *(please print)* Signature

2. _____
Name in full *(please print)* Signature
(If two signatories are required) *(If two signatories are required)*

NOTES FOR COMPLETION OF THIS CLAIM FORM

PLEASE FOLLOW THESE NOTES CAREFULLY WHEN COMPLETING THIS CLAIM FORM.
ALL BOXES MUST BE COMPLETED AS DESCRIBED IN THESE NOTES.

1 **FULL NAME AND CONTACT DETAILS OF CLAIMANT** (Box 1)

This Box must be completed by the Claimant. Please provide all information requested.

2 **CLAIM** (Box 2)

Claimants should indicate the category of their Claim in the relevant box

The Claimant should set out the amount of the/each claim (being the principal amount of the Claim plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value)). If the amount of any Claim specified in a Claim Form has been reduced by reason of any set-off, the Claimant should provide the details of it and the date when such set-off was made.

3 **EXECUTION** (Box 3)

Box 3 must be signed by the Claimant as explained below.

Insert the date on which this Claim Form is executed. This date must be the date on which the person who signs the Claim Form actually does so. Where more than one person signs the Claim Form, the date inserted should be the date on which the last person to sign the Claim Form actually does so.

As described in the notes below, in most cases evidence of the authority of the signatory(ies) to execute this Claim Form needs to be submitted with the Claim Form.

Companies (and partnerships or other entities which have a separate legal personality):

Where a person signing and executing Box 3 is a company (or partnership or other entity which has a separate legal personality), then section (A) must be executed as follows. Either:

- (1) that company's seal may be affixed in accordance with the company's articles of association. The person(s) witnessing the affixing of the seal must also complete and sign Box 3 where indicated; or
- (2) authorised signatories of the company may sign Box 3 on behalf of that company.

In either case, the persons signing on behalf of the company must specify their position in that company and must submit the evidence of their authority to sign as described in the notes below.

Powers of attorney:

This note applies if a person named as Claimant in Box 1 has appointed someone else to execute the Claim Form on his, her or its behalf under a power of attorney. If the attorney so appointed is an individual, he or she must (i) sign and complete section (B) as an individual, as described above under "Individuals", and (ii) when he or she prints his or her name in section (B), also write the words "as attorney for X", X being the name of the Claimant who has granted the power of attorney. If the attorney so appointed is a company or a partnership or other entity having its own legal personality, then (i) section (A) must be completed and signed in the manner described above, and (ii) when the name of the company (or other entity) is inserted in section (A), the words "as attorney for X" must be inserted, X being the name of the Claimant who has granted the power of attorney.

Even where an attorney has been appointed to sign the Claim Form in Box 3 on behalf of a Claimant, the Claimant must be named in Box 1.

In all cases, the attorney must submit evidence of his, her or its authority to sign as described in the notes below.

Evidence to be submitted:

In all cases other than where an individual who signs the Claim Form is claiming as a Claimant solely for his own account, evidence of the authority of the signatory(ies) to execute the Claim Form on behalf of the Claimant must be submitted with the Claim Form. Where the Claimant (or the person signing the

Claim Form on behalf of the Claimant) is a company, partnership or other entity, this evidence must consist of:

- (i) copies of, or extracts from, the company, partnership or entity's constitutional documents (such as articles of association or partnership agreement) indicating which officers or bodies of the company, partnership or entity are authorised to execute documents, or have the capacity to delegate authority to execute documents, on behalf of that company; and
- (ii) copies of, or extracts from, minutes or resolutions of the appropriate officers or bodies of the company, partnership or entity, evidencing that such authority has been delegated to the person(s) completing and signing the Claim Form on behalf of that company, partnership or entity.

For other individuals (such as personal representatives or executors) this evidence should show that the relevant individual is authorised to sign the Claim Form.

The Bank reserves the right to request that evidence of a signatory(ies) authority to execute the Claim Form has been duly legalised and/or apostilled and is accompanied by a notarised translation into the Russian language but no such legalisation and/or apostille shall be required unless so requested by the Bank.

Where a Claimant has appointed an attorney, a copy of the power of attorney must be submitted with the Claim Form, together with any other evidence of authority required to be submitted as described in the notes above. The power of attorney must authorise the attorney to execute this Claim Form. If the power of attorney has been granted under English law, that power of attorney must be executed as a deed. If the power of attorney has been granted under Kazakhstan law, that power of attorney must be notarised when applicable, signed by the authorised officer of the Claimant and its chief financial officer and duly sealed and must contain the date of issuance and term of the power of attorney.

Corrections and amendments:

If, in completing this Claim Form, any corrections or amendments, however minor, are made, each person who signs in Box 3 must also sign his or her initials next to each correction or amendment.

SCHEDULE 3 — NOTICE OF CLAIMANTS' MEETING

JSC ALLIANCE BANK

NOTICE IS HEREBY GIVEN that a meeting (the “**Claimants’ Meeting**”) of the Claimants (as defined in the Information Memorandum referred to below (and, generally, being a person having a claim in respect of specified financial indebtedness of JSC Alliance Bank (the “**Bank**”)) arising under or in connection with that financial indebtedness will be held for the purpose of considering and, if thought fit, approving a restructuring plan (the “**Restructuring Plan**”) in relation to that financial indebtedness. The Claimants’ Meeting will be held in Almaty on 19 November 2014 at or about 10:00 a.m. (Almaty time) at 50 Furmanov Street, Almaty, 050004, Kazakhstan at which place and time all the Claimants, save for Noteholders, are requested to attend either in person or by proxy. Each Claimant or his proxy will be required to register his attendance at the Claimants’ Meeting prior to its commencement. Registration will commence at 10:00 a.m. (Almaty time) on 18 November 2014 and will close at 10:00 a.m. (Almaty time) on 19 November 2014.

The agenda of the Claimants’ Meeting is the consideration and, if thought fit, approval of the Restructuring Plan. The quorum for the purposes of the Claimants’ Meeting is established at two thirds of the Bank’s obligations by value subject to the Restructuring to be effected by the Restructuring Plan.

Claimants may vote in person at the Claimants’ Meeting or they may appoint another person, whether a Claimant or not, as their proxy to attend and vote in their place. Claimants are requested to submit their Form of Proxy to the agent whose details are included in the Form of Proxy included in the Information Memorandum. Claimants or their proxies must be duly authorised to vote.

The text of the Restructuring Plan is included in the Information Memorandum published on 13 October 2014 (the “**Information Memorandum**”). Additional copies of the Information Memorandum are available at www.alb.kz/en/investor_relations/. A blank Form of Proxy is included in the Information Memorandum and can be obtained from the Bank’s website at www.alb.kz/en/investor_relations/.

Forms of Proxy should be lodged with the Bank by no later than 10:00 a.m. (Almaty time) on 17 November 2014, but if forms of proxy are not so lodged they may be accepted at the discretion of the Chairman at any time prior to the Claimants’ Meeting if properly completed and executed.

By an order of the Specialised Financial Court of Almaty (the “**Court**”) dated 3 March 2014, the Court has authorised Mr. Timur Issatayev to act as Chairman of the Claimants’ Meeting.

Almaty, Kazakhstan, 10 October

SCHEDULE 4 — FORM OF PROXY

FORM OF PROXY FOR CLAIMANTS OF JSC ALLIANCE BANK

Voting Deadline:
17 November 2014

Instructions for completing and transmitting this Form of Proxy:

1. This form should be completed by all Claimants.
2. **Box 1** is to be completed for each Claim held. Complete part (i) and part (ii).

PLEASE NOTE THAT A SEPARATE FORM OF PROXY MUST BE COMPLETED IN RESPECT OF EACH CLAIM.

3. **Box 2** is the certification box. Complete all the details and sign in the appropriate place.
4. **Box 3** is your voting instruction.
 - (i) Detail at part (a) whether you would like to appoint the Chairman of the Claimants' Meeting or yourself or another person as your proxy.
 - (ii) If you would like to appoint the Chairman as your proxy, please indicate at (b) whether you would like the Chairman to vote for or against the Restructuring Plan. The Chairman can only vote as directed and cannot be directed to vote at his discretion.
 - (iii) If you do not wish to appoint the Chairman of the Claimants' Meeting as your proxy, please complete your own details (if you wish to attend) or the details of your chosen proxy at (a)(ii). You can detail whether you wish your proxy to vote at his own discretion or to vote in accordance with your instructions for or against the Restructuring Plan. If you do not want your proxy to vote at his own discretion, please also complete (b).
 - (iv) The proxy must produce an appropriate proof of personal identity (for example, his or her passport or driving licence with photo-card) at the Claimants' Meeting in order to verify their identity and gain admission to the Claimants' Meeting.
5. THE DEADLINE FOR SUBMISSION OF PROXIES IS 10:00 A.M. (ALMATY TIME) ON 17 NOVEMBER 2014. PLEASE MAKE SURE YOU RETURN THIS FORM TO THE BANK IN SUFFICIENT TIME FOR YOUR VOTE TO BE CAST.

General Instructions

1. Forms of Proxy may be returned to the Bank by post, fax or electronic mail as set out below:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040 ext. 52447
Fax: +7 727 259 8071
Email: IR@alb.kz
2. The person appointed under this Form of Proxy must attend the Claimants' Meeting in person to represent you.
3. All references to defined terms in this Form of Proxy are to be given the same meaning as in the Information Memorandum and the Restructuring Plan.

1 **CLAIM**

(BOX 1)

The Claimant identified in Box 2 certifies that the undersigned holds a Claim arising out of an interest identified at (i) below in the amount set out in (ii) below:

(i) **PLEASE SELECT ONE OF THE BOXES BELOW:**

- Trustee in respect of the Discount Dollar Notes
 - Trustee in respect of the Discount Tenge Notes
 - Trustee in respect of the Par Dollar Notes
 - Trustee in respect of the Par Tenge Notes
 - Trustee in respect of the Subordinated Tenge B Notes
 - Trustee in respect of the Recovery Notes
 - Samruk-Kazyna in respect of the SK Deposits
- _____
- _____

(ii) Claim amount (stating currency) (being the principal amount of the Claim plus Accrued Interest (or, in the case of the Recovery Notes, the RN IFRS Value)):

2 **CERTIFICATION**

(BOX 2)

TO BE COMPLETED BY ALL CLAIMANTS

By returning this Form of Proxy, the Claimant certifies that it:

- (a) is a Claimant;
- (b) has full power and authority to vote at the Claimants' Meeting with respect to the Claim listed in Box 1;
- (c) has received a copy of the Information Memorandum; and
- (d) has adequate information to make an informed decision regarding the Restructuring Plan.

Claimant: _____

Signature: _____

Name and title of signatory: _____

Address: _____

Tel. No: _____

Email: _____

Fax No: _____

Date: _____

TO BE COMPLETED BY ALL CLAIMANTS

The Claimant identified in Box 2 hereby:

(a) appoints the following person as its proxy

(i) **THE CHAIRMAN** OR (ii) **OTHER PROXY**



The Chairman, who is hereby instructed to vote as marked in paragraph (b) below



the person whose details are given immediately below:

Name: _____

Address: _____

Tel. no.: _____

Passport no: _____

And instructs its proxy to vote:

using his own discretion (if you check this box do not complete (b)) OR in accordance with the instructions given in paragraph (b) below.

(b) **(Please check one box only):**

FOR the Restructuring Plan

AGAINST the Restructuring Plan

(c) is not appointing a proxy and will attend in person

IF YOU HAVE ANY QUESTIONS

If you have any questions regarding this Form of Proxy or the voting procedures or if you need a Form of Proxy or additional copies of the Information Memorandum or other enclosed materials, please contact the Bank as follows:

Contact: Ms. Aliya Yeszhan
 Tel: +7 727 258 4040 ext. 52447
 Fax: +7 727 259 8071
 Email: IR@alb.kz

SCHEDULE 5 — NOTICES OF NOTEHOLDERS' MEETINGS

ANNEX 1 — NOTICE OF DISCOUNT DOLLAR NOTEHOLDERS' MEETING

NOTICE TO NOTEHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR OWN INDEPENDENT FINANCIAL, TAX AND LEGAL ADVISERS

JSC Alliance Bank

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)
(the “**Bank**”)

NOTICE OF MEETING

of the holders of the Bank's U.S.\$615,138,114 10.5 per cent. Notes due 2017

(Common Code 049575556 and ISIN XS0495755562 (Reg S); Common Code 049575564 and ISIN XS0495755646 (Rule 144A)) (the “**Notes**”)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) to the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) (the “**Trustee**”) constituting the Notes, a meeting (the “**Noteholders' Meeting**”) of the holders of the Notes (the “**Noteholders**”) convened by the Bank will be held at 11:00 am (London time) on 31 October 2014 at the offices of White & Case LLP at 5 Old Broad Street, London EC2N 1DW, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. If within 15 minutes after such time the quorum specified in the Trust Deed is not present, the Noteholders' Meeting will be adjourned until such date (not less than 14 nor more than 42 days later) and time and place as the chairman of the Noteholders' Meeting may decide. Unless the context otherwise requires, terms used in this Notice of Noteholders' Meeting (including in the Extraordinary Resolution) shall bear the meanings given to them in the Trust Deed, the terms and conditions of the Notes and/or the information memorandum to be published by the Bank prior to the Noteholders' Meeting (the “**Information Memorandum**”).

Noteholders should be aware that the Information Memorandum is not available as at the date of this Notice of Noteholders' Meeting but that it will be made available to Noteholders prior to the Noteholders' Meeting. The Bank's current intention is to publish the Information Memorandum on or before 13 October 2014 on its website at www.alb.kz/en/investor_relations.

The terms of the Extraordinary Resolution are as follows:

“THAT this Meeting of the holders (the “**Noteholders**”) of the U.S.\$615,138,114 10.5 per cent. Notes due 2017 (the “**Notes**”) of JSC Alliance Bank (the “**Bank**”) constituted by the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited), as trustee (the “**Trustee**”) hereby:

- (1) approves the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out in Schedule 1 (*The Restructuring Plan*) to the information memorandum published on or prior to 13 October 2014 by the Bank in connection with this Meeting (the “**Information Memorandum**”), with any modification, addition or condition approved by the Claimants in accordance with the provisions of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank's website prior to the Claims Submission Date (the “**Restructuring Plan**”);
- (2) authorises, directs, instructs and empowers the Trustee to vote or procure a vote of the full principal amount of Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest (as defined and specified in the Information Memorandum), in favour of the Restructuring Plan at the Claimants' Meeting;
- (3) authorises, directs, instructs and empowers the Trustee for a period of up to 120 days following the date of the Noteholders' Meeting or any adjourned such Noteholders' Meeting to vote or procure a vote at any

adjourned or rescheduled Claimants' Meeting (if any) of the full principal amount of the Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest, in favour of the Restructuring Plan at the Claimants' Meeting, provided that at least two Business Days prior to any such adjourned or rescheduled Claimants' Meeting, the Trustee receives a certificate executed by two directors of the Bank (the "**Bank Certificate**") certifying that the following conditions (a) – (b) inclusive have been satisfied, which certificate shall constitute final and conclusive evidence of the same and on which the Trustee shall be entitled to rely absolutely without any liability to any person whatsoever for so doing:

- (a) the aggregate amount of cash, aggregate principal amount of the New Notes and aggregate amount of Common Shares to be delivered to the Noteholders pursuant to the Restructuring Plan or any amendment thereof is not less than that described in the Information Memorandum as at the date when the Information Memorandum was first published by the Bank; and
- (b) the Restructuring remains conditional on all approvals relating to the Consolidation having been obtained and the Bank having acquired all of the shares in Temirbank and ForteBank,

and, if the Trustee receives the Bank Certificate, the Trustee shall be under no obligation to make any investigation or enquiry as to the adequacy, sufficiency, nature, scope or effect of any such amendments to the Restructuring Plan or as to whether or not such amendments or any other matters shall affect (materially or otherwise) the interests of Noteholders; provided that this resolution paragraph (3) shall remain valid during such 120-day period unless and until the Trustee shall receive, not less than five Business Days in advance of such adjourned or rescheduled Claimants' Meeting, instruction(s) in writing from persons holding or representing in the aggregate not less than 75 per cent. in outstanding principal amount of the Notes that the Trustee shall no longer vote at any such adjourned or rescheduled Claimants' Meeting whereupon this resolution paragraph (3) shall no longer be valid and shall be of no effect and any Bank Certificate received by the Trustee following its receipt of such instruction(s) shall similarly be of no effect;

- (4) authorises, directs, instructs and empowers the Trustee to submit any Claim Form required by the Bank in respect of the aggregate principal amount of the Notes, together with Accrued Interest, on behalf of the Noteholders;
- (5) in the event the Restructuring Plan is approved at the Claimants' Meeting as certified in writing to the Trustee by a certificate executed by two directors of the Bank, which certificate shall be final and conclusive evidence of the same:
 - (i) authorises, directs, instructs and empowers the Trustee to release the Bank and Samruk-Kazyna from their respective obligations under the Trust Deed and the Samruk-Kazyna Undertaking and to enter into the Deed of Release substantially in the form set out in the Information Memorandum with such amendments or modifications thereto as may be approved by the Steering Committee and which are acceptable to the Trustee;
 - (ii) authorises and instructs the Trustee to deliver any necessary agreements or consents on behalf of the Noteholders releasing the Bank and/or Samruk-Kazyna from any claims whatsoever of the Noteholders in relation to or arising out of the Notes and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring Plan;
 - (iii) authorises, directs, requests, instructs and empowers the Trustee to enter into the New Notes Trust Deed and any other documents necessary or desirable in the Trustee's sole discretion in connection with the issue of the New Notes; and
 - (iv) authorises, directs and empowers the Bank to do all such other acts and things and to execute such other deeds, agreements or documents as may be necessary or desirable to give effect to this Extraordinary Resolution;
- (6) authorises, sanctions and assents to the disapplication of Condition 8(c) (*Redemption at the Option of the Noteholders*) and waiver of any breach by the Bank of that or any other Condition of the Notes resulting from the implementation of the Restructuring Plan;
- (7) discharges, exonerates and indemnifies the Trustee from and against all liability which it may incur or for which it may have become or may become responsible under or in relation to the Trust Deed or the Notes in

connection with the Claimants' Meeting, the Restructuring or this Extraordinary Resolution and the consummation and/or implementation of the Restructuring and the other matters referred to in this Extraordinary Resolution;

- (8) authorises and instructs the Trustee to concur in and consent to the above matters and to do all things and take any action which is, in the sole discretion of the Trustee, necessary or expedient to carry out and give effect to this Extraordinary Resolution;
- (9) agrees and acknowledges that the Trustee shall have no liability for acting on this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding on each Noteholder; and
- (10) declares and acknowledges that terms used in this resolution and defined in or as provided in the Notice of Noteholders' Meeting convening this Meeting and in the Information Memorandum are used herein as so defined."

Background

The Extraordinary Resolution forms part of an overall restructuring of certain financial indebtedness of the Bank as more fully described in the Information Memorandum. The Restructuring Plan will require the instruction of the Trustee on behalf of all of the individual series of Notes constituted by the Trust Deed for the Trustee to vote at the Claimants' Meeting in favour of the Restructuring Plan in respect of each such series of Notes. If the Restructuring Plan is approved at the Claimants' Meeting, then the rights of the Noteholders against the Bank and against Samruk-Kazyna under its Undertaking will be extinguished in consideration of the provision of the Entitlements by the Bank (as will be set out in the Information Memorandum). Noteholders who do not wish for the Restructuring Plan to be approved should vote against the Extraordinary Resolution. In the event that the Extraordinary Resolution is not passed any such Noteholder's vote will be deemed to have been cast against the Restructuring Plan at the Claimants' Meeting as described in the following paragraph and in "*If the Extraordinary Resolution is not Passed*" below.

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting, and each of them shall be bound to give effect to it accordingly. If the Extraordinary Resolution is not passed, Noteholders who cast votes in favour of or against the Extraordinary Resolution at the Noteholders' Meeting will be deemed to have cast such votes in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

The Information Memorandum, a copy of which will be available as indicated below, will explain in further detail the background to, and reasons for, the Noteholders' Meeting.

Disclosure of Contact Details

Beneficial Owners (as defined below) or Noteholders on behalf of Beneficial Owners may register their contact details with the Bank's financial advisers by contacting alb.noteholders@lazard.fr. This will facilitate communication with, and the distribution of roadshow invitations to, participants in the Restructuring.

Documents Available for Inspection

Noteholders may, at any time during normal business hours on any weekday (not including Saturdays, Sundays and bank and other public holidays) on and from the date of this Notice and prior to the Noteholders' Meeting,

inspect at the offices of the Trustee, The Bank of New York Mellon, London Branch, as Principal Paying and Transfer Agent (the “**Principal Paying and Transfer Agent**”), and at the Noteholders’ Meeting at the offices of White & Case LLP referred to above for 15 minutes before the Noteholders’ Meeting, copies of the following documents:

- (a) the Trust Deed and any amendments or supplements thereto;
- (b) the Agency Agreement dated 25 March 2010;
- (c) the Cash Management Agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking dated 18 March 2010;
- (e) the Information Memorandum and any supplements thereto (to be made available upon publication by the Bank as aforesaid);
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of this notice); and
- (g) this Notice.

Furthermore, the Information Memorandum and any supplements thereto (upon their publication) will be made available on the Bank’s website at www.alb.kz/en/investor_relations.

General

Noteholders should pay particular attention to the requirements in respect of a quorum for the Noteholders’ Meeting and any adjourned Noteholders’ Meeting (if applicable) which are set out below. In light of such requirements, Noteholders are strongly urged either to attend the Noteholders’ Meeting or to take the steps referred to below as soon as possible, in order to be represented by proxy at the Noteholders’ Meeting.

Neither the Trustee, the Principal Paying and Transfer Agent, the Registrar nor the Bank’s financial or legal advisers (the “Bank’s Advisers”) nor any member of the steering committee of its creditors (the “Steering Committee”) or the Steering Committee’s legal or financial advisers (the “Steering Committee’s Advisers”) expresses any view or makes any recommendation as to the merits of the Extraordinary Resolution or the Restructuring Plan or any view as to whether the Noteholders, whether individually or as a series, would be acting in their best interests in voting for or against the Extraordinary Resolution, but the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration. The Trustee has not been involved in formulating or negotiating the Extraordinary Resolution relating to the Notes or the Information Memorandum or the Restructuring Plan and, in accordance with its normal practice, makes no representation that all relevant information has been disclosed to the Noteholders in or pursuant to the Information Memorandum and this Notice.

Neither the Trustee nor the Bank’s Advisers nor any member of the Steering Committee or the Steering Committee’s Advisers have verified any of the statements made in the Information Memorandum or in this Notice.

Nothing in the Information Memorandum or this Notice of Noteholders’ Meeting should be construed as a recommendation to the Noteholders from the Trustee, the Bank’s Advisers, the Steering Committee or the Steering Committee’s Advisers to vote for or against the Extraordinary Resolution. Accordingly, each of the Bank, the Trustee, the Bank’s Advisers, the Steering Committee and the Steering Committee’s Advisers recommends that Noteholders who are unsure of the consequences of the Extraordinary Resolution being passed or not being passed should seek their own financial and legal advice.

The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring. The members of the Steering Committee are not acting as fiduciary or adviser to any person, make no representations and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement).

Voting

The provisions governing the convening and holding of the Noteholders' Meeting and for giving and revoking voting instructions are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, a copy of which is available for inspection as described above.

Each person (a "**Beneficial Owner**") who is the owner of a particular principal amount of the Notes, as shown in the records of Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (the "**Designated Clearing Systems**", each a "**Designated Clearing System**") or its accountholders ("**Direct Participants**") should note that such person will only be entitled to attend and vote at the Noteholders' Meeting or appoint a proxy to do so in accordance with the procedures set out below.

1. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders' Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before 11:00 am (London time) on 29 October 2014 (the "**Voting Deadline**") (and within the time limit specified by the relevant Designated Clearing System), a duly completed electronic instruction (an "**Electronic Instruction**") in accordance with the requirements of the relevant Designated Clearing System and in the manner specified herein.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this Notice and, if so, should follow those deadlines.

Each Electronic Instruction must:

- (i) state the principal amount of the Notes held by the Beneficial Owner on whose behalf the Electronic Instruction has been submitted; and
- (ii) state whether the relevant Beneficial Owner wishes to vote in favour of or against the proposed Extraordinary Resolution as set out above.

Only Direct Participants may submit Electronic Instructions. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to submit an Electronic Instruction on its behalf to the relevant Designated Clearing System.

Direct Participants holding Notes on behalf of more than one Beneficial Owner may submit a separate Electronic Instruction on behalf of each Beneficial Owner.

The receipt of such Electronic Instruction by the relevant Designated Clearing System will be acknowledged by such Designated Clearing System and will result in the blocking until the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) of all Notes held by the Beneficial Owner on whose behalf such Electronic Instruction was submitted. Direct Participants must take the appropriate steps through the relevant Designated Clearing System to ensure that no transfers may be effected in relation to such Notes at any time whilst they are blocked, in accordance with the requirements of the relevant Designated Clearing System and the deadlines required by such Designated Clearing System. By blocking such Notes in the relevant Designated Clearing System, each Direct Participant will be deemed to consent to the relevant Designated Clearing System providing details concerning such Direct Participant's identity to, amongst others, the Bank, the Trustee and the Principal Paying and Transfer Agent.

An Electronic Instruction may not be revoked or altered during the 48 hours before the time fixed for the Noteholders' Meeting.

Any Electronic Instruction submitted in respect of the Noteholders' Meeting shall apply to, and be valid for the purposes of, any adjourned Noteholders' Meeting and there shall be no need to submit a new Electronic Instruction in respect of any adjourned Noteholders' Meeting.

By submitting or delivering a duly completed Electronic Instruction to the relevant Designated Clearing System, the Direct Participant (i) instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing one or more persons nominated by the Principal Paying and Transfer Agent to act as

proxy(ies) and to vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in accordance with the instructions contained in the Electronic Instruction(s) and (ii) confirms that, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, the Trustee is authorised and directed on its behalf to complete any Claim Form required by the Bank in respect of the Claimants' Meeting in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners. See also "*If the Extraordinary Resolution is not Passed*" below.

2. Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders' Meeting or any adjourned Noteholders' Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote) must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Notes from the Principal Paying and Transfer Agent by arranging for its Notes to be blocked in an account with the Designated Clearing System (unless the Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders' Meeting or any adjourned Noteholders' Meeting) not later than the Voting Deadline (and within the relevant time limit specified by the Designated Clearing System), upon terms that the Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and, by requesting a voting certificate, the Direct Participant will be treated as having instructed the Trustee, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, to complete any Claim Form required by the Bank in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners.

A Direct Participant not wishing to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

3. In either case, Beneficial Owners (or a Direct Participant itself) must have made arrangements to vote with the relevant Designated Clearing System by not later than 48 hours before the time fixed for the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and within the relevant time limit specified by the relevant Designated Clearing System and request or make arrangements for the relevant Designated Clearing System to block the Notes in the relevant Direct Participant's account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent until the earlier of: (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System or (iii) upon such Note(s) ceasing to be held to its order or under its control in accordance with the procedures of the Designated Clearing System and with the agreement of the Principal Paying and Transfer Agent (the "**Blocking Period**").

Voting and Quorum

The Extraordinary Resolution may only be considered at the Noteholders' Meeting if the Noteholders' Meeting is quorate. The Noteholders' Meeting will be quorate under the following conditions:

Noteholders' Meeting

Quorum Requirement

Original Noteholders' Meeting

Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding.

Adjourned Noteholders' Meeting

Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.

If, within fifteen minutes after the time appointed for the Noteholders' Meeting, a quorum is not present, the Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of the Noteholders' Meeting prior to the adjournment of such meeting.

Notice of any adjourned Noteholders' Meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned Noteholders' Meeting.

Votes in favour of the Extraordinary Resolution must represent a majority of not less than 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more Persons representing two per cent. of the aggregate principal amount of the Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

On a show of hands every Person who is present in person and who produces a Note or a voting certificate or is a proxy has one vote. On a poll every such Person has one vote for each U.S.\$100 of principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a Person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect of Voting

By submitting or delivering an Electronic Instruction and/or casting a vote at the Noteholders' Meeting, each Beneficial Owner and/or Direct Participant:

- (a) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or voting certificate are, at the time of submission or delivery of the Electronic Instruction, and will continue to be, until the end of the Noteholders' Meeting or any adjournment thereof, held by it or on its behalf at Euroclear or Clearstream, Luxembourg;
- (b) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or the voting certificate have been blocked (and

will remain blocked) to the order of the Principal Paying and Transfer Agent in the securities account to which such Notes are credited in the relevant Clearing System for the duration of the Blocking Period;

- (c) acknowledges that it has received and reviewed the terms of this notice;
- (d) consents and authorises the relevant Clearing System to disclose their holdings (provided, for the avoidance of doubt, that such disclosure shall relate only to the holdings of Direct Participants and there shall be no requirement to disclose the identity or holdings of Beneficial Owners) and Clearing Systems account details to the Bank and the Principal Paying and Transfer Agent at the time such Beneficial Owner submits or delivers the Electronic Instruction;
- (e) acknowledges that none of the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how, to vote in relation to the Extraordinary Resolution, and it represents that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
- (f) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Beneficial Owner and/or Direct Participant and shall not be affected by, and shall survive, the death or incapacity of such Beneficial Owner and/or Direct Participant; and
- (g) acknowledges that, other than as set out herein, no information has been provided to it by the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees with regard to the tax consequences or any other consequences to the Beneficial Owner and/or the Direct Participant arising from voting in favour of the Extraordinary Resolution.

Publication of Notice of Results

If the Extraordinary Resolution is passed, the Bank will give notice of the passing to Noteholders within 14 days, but failure to do so will not invalidate the Extraordinary Resolution.

Binding Effect of the Extraordinary Resolution

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting and each of them shall be bound to give effect to it accordingly.

If the Extraordinary Resolution is not Passed

If the Extraordinary Resolution is not passed at the Noteholders' Meeting or at any adjourned such Meeting, then the Trustee shall not cast any vote in respect of the Notes at the Claimants' Meeting and nor shall it file any Claim Form, whether required by the Bank or otherwise. However, each Noteholder, Direct Participant and/or Beneficial Owner who has cast a vote in favour of or against the Extraordinary Resolution at the Noteholders' Meeting (whether by proxy or in person through a valid voting certificate) or submitted an Electronic Instruction or arranged for an Electronic Instruction to be submitted on its behalf shall be deemed:

- (a) to have cast the votes in favour of or against the Extraordinary Resolution in favour of or against the Restructuring Plan at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting; and
- (b) to have filed any Claim Form required by the Bank in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), and/or to have instructed The Bank of New York Mellon, as delivery agent, to submit on its behalf any such Claim Form in respect of the aggregate principal amount of the Notes, together with Accrued Interest (as defined and specified in the Information Memorandum) held by all Noteholders who cast votes at the Noteholders' Meetings.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting or any adjourned such Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

Further Information

Any questions relating to the completion and submission of Electronic Instructions should be addressed to the Principal Paying and Transfer Agent as follows:

Contact:	Debt Restructuring Services
Tel:	+44 1202 689644
Fax:	+44 20 7964 2628
Email:	debtstructuring@bnymellon.com

Any questions relating to the Extraordinary Resolution or Restructuring Plan should be addressed to the Bank as follows:

Contact:	Ms. Aliya Yeszhan
Tel:	+7 727 258 4040, extension 52447
Email:	IR@alb.kz

Governing law

This Notice and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

PRINCIPAL PAYING AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

This Notice is given by:

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

9 October 2014

ANNEX 2 — NOTICE OF DISCOUNT TENGE NOTEHOLDERS' MEETING

NOTICE TO NOTEHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR OWN INDEPENDENT FINANCIAL, TAX AND LEGAL ADVISERS

JSC Alliance Bank

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)
(the “**Bank**”)

NOTICE OF MEETING

of the holders of the Bank's KZT 966,814,140 14.5 per cent. Notes due 2017

(Common Code 049664508 and ISIN XS0496645085 (Reg S); Common Code 049664524 and ISIN XS0496645242 (Rule 144A)) (the “**Notes**”)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) to the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) (the “**Trustee**”) constituting the Notes, a meeting (the “**Noteholders' Meeting**”) of the holders of the Notes (the “**Noteholders**”) convened by the Bank will be held at 11:15 am (London time) on 31 October 2014 at the offices of White & Case LLP at 5 Old Broad Street, London EC2N 1DW, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. If within 15 minutes after such time the quorum specified in the Trust Deed is not present, the Noteholders' Meeting will be adjourned until such date (not less than 14 nor more than 42 days later) and time and place as the chairman of the Noteholders' Meeting may decide. Unless the context otherwise requires, terms used in this Notice of Noteholders' Meeting (including in the Extraordinary Resolution) shall bear the meanings given to them in the Trust Deed, the terms and conditions of the Notes and/or the information memorandum to be published by the Bank prior to the Noteholders' Meeting (the “**Information Memorandum**”).

Noteholders should be aware that the Information Memorandum is not available as at the date of this Notice of Noteholders' Meeting but that it will be made available to Noteholders prior to the Noteholders' Meeting. The Bank's current intention is to publish the Information Memorandum on or before 13 October 2014 on its website at www.alb.kz/en/investor_relations.

The terms of the Extraordinary Resolution are as follows:

“THAT this Meeting of the holders (the “**Noteholders**”) of the KZT 966,814,140 14.5 per cent. Notes due 2017 (the “**Notes**”) of JSC Alliance Bank (the “**Bank**”) constituted by the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited), as trustee (the “**Trustee**”) hereby:

- (1) approves the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out in Schedule 1 (*The Restructuring Plan*) to the information memorandum published on or prior to 13 October 2014 by the Bank in connection with this Meeting the “**Information Memorandum**”), with any modification, addition or condition approved by the Claimants in accordance with the provisions of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank's website prior to the Claims Submission Date (the “**Restructuring Plan**”);
- (2) authorises, directs, instructs and empowers the Trustee to vote or procure a vote of the full principal amount of Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest (as defined and specified in the Information Memorandum), in favour of the Restructuring Plan at the Claimants' Meeting;
- (3) authorises, directs, instructs and empowers the Trustee for a period of up to 120 days following the date of the Noteholders' Meeting or any adjourned such Noteholders' Meeting to vote or procure a vote at any adjourned or rescheduled Claimants' Meeting (if any) of the full principal amount of the Notes in respect of

which votes may be cast at the Claimants' Meeting, together with Accrued Interest, in favour of the Restructuring Plan at the Claimants' Meeting, provided that at least two Business Days prior to any such adjourned or rescheduled Claimants' Meeting, the Trustee receives a certificate executed by two directors of the Bank (the "**Bank Certificate**") certifying that the following conditions (a) – (b) inclusive have been satisfied, which certificate shall constitute final and conclusive evidence of the same and on which the Trustee shall be entitled to rely absolutely without any liability to any person whatsoever for so doing:

- (a) the aggregate amount of cash, aggregate principal amount of the New Notes and aggregate amount of Common Shares to be delivered to the Noteholders pursuant to the Restructuring Plan or any amendment thereof is not less than that described in the Information Memorandum as at the date when the Information Memorandum was first published by the Bank; and
- (b) the Restructuring remains conditional on all approvals relating to the Consolidation having been obtained and the Bank having acquired all of the shares in Temirbank and ForteBank,

and, if the Trustee receives the Bank Certificate, the Trustee shall be under no obligation to make any investigation or enquiry as to the adequacy, sufficiency, nature, scope or effect of any such amendments to the Restructuring Plan or as to whether or not such amendments or any other matters shall affect (materially or otherwise) the interests of Noteholders; provided that this resolution paragraph (3) shall remain valid during such 120-day period unless and until the Trustee shall receive, not less than five Business Days in advance of such adjourned or rescheduled Claimants' Meeting, instruction(s) in writing from persons holding or representing in the aggregate not less than 75 per cent. in outstanding principal amount of the Notes that the Trustee shall no longer vote at any such adjourned or rescheduled Claimants' Meeting whereupon this resolution paragraph (3) shall no longer be valid and shall be of no effect and any Bank Certificate received by the Trustee following its receipt of such instruction(s) shall similarly be of no effect;

- (4) authorises, directs, instructs and empowers the Trustee to submit any Claim Form required by the Bank in respect of the aggregate principal amount of the Notes, together with Accrued Interest, on behalf of the Noteholders;
- (5) in the event the Restructuring Plan is approved at the Claimants' Meeting as certified in writing to the Trustee by a certificate executed by two directors of the Bank, which certificate shall be final and conclusive evidence of the same:
 - (i) authorises, directs, instructs and empowers the Trustee to release the Bank and Samruk-Kazyna from their respective obligations under the Trust Deed and the Samruk-Kazyna Undertaking and to enter into the Deed of Release substantially in the form set out in the Information Memorandum with such amendments or modifications thereto as may be approved by the Steering Committee and which are acceptable to the Trustee;
 - (ii) authorises and instructs the Trustee to deliver any necessary agreements or consents on behalf of the Noteholders releasing the Bank and/or Samruk-Kazyna from any claims whatsoever of the Noteholders in relation to or arising out of the Notes and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring Plan;
 - (iii) authorises, directs, requests, instructs and empowers the Trustee to enter into the New Notes Trust Deed and any other documents necessary or desirable in the Trustee's sole discretion in connection with the issue of the New Notes; and
 - (iv) authorises, directs and empowers the Bank to do all such other acts and things and to execute such other deeds, agreements or documents as may be necessary or desirable to give effect to this Extraordinary Resolution;
- (6) authorises, sanctions and assents to the disapplication of Condition 8(c) (*Redemption at the Option of the Noteholders*) and waiver of any breach by the Bank of that or any other Condition of the Notes resulting from the implementation of the Restructuring Plan;
- (7) discharges, exonerates and indemnifies the Trustee from and against all liability which it may incur or for which it may have become or may become responsible under or in relation to the Trust Deed or the Notes in connection with the Claimants' Meeting, the Restructuring or this Extraordinary Resolution and the

consummation and/or implementation of the Restructuring and the other matters referred to in this Extraordinary Resolution;

- (8) authorises and instructs the Trustee to concur in and consent to the above matters and to do all things and take any action which is, in the sole discretion of the Trustee, necessary or expedient to carry out and give effect to this Extraordinary Resolution;
- (9) agrees and acknowledges that the Trustee shall have no liability for acting on this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding on each Noteholder; and
- (10) declares and acknowledges that terms used in this resolution and defined in or as provided in the Notice of Noteholders' Meeting convening this Meeting and in the Information Memorandum are used herein as so defined."

Background

The Extraordinary Resolution forms part of an overall restructuring of certain financial indebtedness of the Bank as more fully described in the Information Memorandum. The Restructuring Plan will require the instruction of the Trustee on behalf of all of the individual series of Notes constituted by the Trust Deed for the Trustee to vote at the Claimants' Meeting in favour of the Restructuring Plan in respect of each such series of Notes. If the Restructuring Plan is approved at the Claimants' Meeting, then the rights of the Noteholders against the Bank and against Samruk-Kazyna under its Undertaking will be extinguished in consideration of the provision of the Entitlements by the Bank (as will be set out in the Information Memorandum). Noteholders who do not wish for the Restructuring Plan to be approved should vote against the Extraordinary Resolution. In the event that the Extraordinary Resolution is not passed any such Noteholder's vote will be deemed to have been cast against the Restructuring Plan at the Claimants' Meeting as described in the following paragraph and in "*If the Extraordinary Resolution is not Passed*" below.

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting, and each of them shall be bound to give effect to it accordingly. If the Extraordinary Resolution is not passed, Noteholders who cast votes in favour of or against the Extraordinary Resolution at the Noteholders' Meeting will be deemed to have cast such votes in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

The Information Memorandum, a copy of which will be available as indicated below, will explain in further detail the background to, and reasons for, the Noteholders' Meeting.

Disclosure of Contact Details

Beneficial Owners (as defined below) or Noteholders on behalf of Beneficial Owners may register their contact details with the Bank's financial advisers by contacting alb.noteholders@lazard.fr. This will facilitate communication with, and the distribution of roadshow invitations to, participants in the Restructuring.

Documents Available for Inspection

Noteholders may, at any time during normal business hours on any weekday (not including Saturdays, Sundays and bank and other public holidays) on and from the date of this Notice and prior to the Noteholders' Meeting, inspect at the offices of the Trustee, The Bank of New York Mellon, London Branch, as Principal Paying and

Transfer Agent (the “**Principal Paying and Transfer Agent**”), and at the Noteholders’ Meeting at the offices of White & Case LLP referred to above for 15 minutes before the Noteholders’ Meeting, copies of the following documents:

- (a) the Trust Deed and any amendments or supplements thereto;
- (b) the Agency Agreement dated 25 March 2010;
- (c) the Cash Management Agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking dated 18 March 2010;
- (e) the Information Memorandum and any supplements thereto (to be made available upon publication by the Bank as aforesaid);
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of this notice); and
- (g) this Notice.

Furthermore, the Information Memorandum and any supplements thereto (upon their publication) will be made available on the Bank’s website at www.alb.kz/en/investor_relations.

General

Noteholders should pay particular attention to the requirements in respect of a quorum for the Noteholders’ Meeting and any adjourned Noteholders’ Meeting (if applicable) which are set out below. In light of such requirements, Noteholders are strongly urged either to attend the Noteholders’ Meeting or to take the steps referred to below as soon as possible, in order to be represented by proxy at the Noteholders’ Meeting.

Neither the Trustee, the Principal Paying and Transfer Agent, the Registrar nor the Bank’s financial or legal advisers (the “Bank’s Advisers”) nor any member of the steering committee of its creditors (the “Steering Committee”) or the Steering Committee’s legal or financial advisers (the “Steering Committee’s Advisers”) expresses any view or makes any recommendation as to the merits of the Extraordinary Resolution or the Restructuring Plan or any view as to whether the Noteholders, whether individually or as a series, would be acting in their best interests in voting for or against the Extraordinary Resolution, but the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration. The Trustee has not been involved in formulating or negotiating the Extraordinary Resolution relating to the Notes or the Information Memorandum or the Restructuring Plan and, in accordance with its normal practice, makes no representation that all relevant information has been disclosed to the Noteholders in or pursuant to the Information Memorandum and this Notice.

Neither the Trustee nor the Bank’s Advisers nor any member of the Steering Committee or the Steering Committee’s Advisers have verified any of the statements made in the Information Memorandum or in this Notice.

Nothing in the Information Memorandum or this Notice of Noteholders’ Meeting should be construed as a recommendation to the Noteholders from the Trustee, the Bank’s Advisers, the Steering Committee or the Steering Committee’s Advisers to vote for or against the Extraordinary Resolution. Accordingly, each of the Bank, the Trustee, the Bank’s Advisers, the Steering Committee and the Steering Committee’s Advisers recommends that Noteholders who are unsure of the consequences of the Extraordinary Resolution being passed or not being passed should seek their own financial and legal advice.

The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring. The members of the Steering Committee are not acting as fiduciary or adviser to any person, make no representations and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement).

Voting

The provisions governing the convening and holding of the Noteholders' Meeting and for giving and revoking voting instructions are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, a copy of which is available for inspection as described above.

Each person (a "**Beneficial Owner**") who is the owner of a particular principal amount of the Notes, as shown in the records of Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (the "**Designated Clearing Systems**", each a "**Designated Clearing System**") or its accountholders ("**Direct Participants**") should note that such person will only be entitled to attend and vote at the Noteholders' Meeting or appoint a proxy to do so in accordance with the procedures set out below.

1. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders' Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before 11:15 am (London time) on 29 October 2014 (the "**Voting Deadline**") (and within the time limit specified by the relevant Designated Clearing System), a duly completed electronic instruction (an "**Electronic Instruction**") in accordance with the requirements of the relevant Designated Clearing System and in the manner specified herein.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this Notice and, if so, should follow those deadlines.

Each Electronic Instruction must:

- (i) state the principal amount of the Notes held by the Beneficial Owner on whose behalf the Electronic Instruction has been submitted; and
- (ii) state whether the relevant Beneficial Owner wishes to vote in favour of or against the proposed Extraordinary Resolution as set out above.

Only Direct Participants may submit Electronic Instructions. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to submit an Electronic Instruction on its behalf to the relevant Designated Clearing System.

Direct Participants holding Notes on behalf of more than one Beneficial Owner may submit a separate Electronic Instruction on behalf of each Beneficial Owner.

The receipt of such Electronic Instruction by the relevant Designated Clearing System will be acknowledged by such Designated Clearing System and will result in the blocking until the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) of all Notes held by the Beneficial Owner on whose behalf such Electronic Instruction was submitted. Direct Participants must take the appropriate steps through the relevant Designated Clearing System to ensure that no transfers may be effected in relation to such Notes at any time whilst they are blocked, in accordance with the requirements of the relevant Designated Clearing System and the deadlines required by such Designated Clearing System. By blocking such Notes in the relevant Designated Clearing System, each Direct Participant will be deemed to consent to the relevant Designated Clearing System providing details concerning such Direct Participant's identity to, amongst others, the Bank, the Trustee and the Principal Paying and Transfer Agent.

An Electronic Instruction may not be revoked or altered during the 48 hours before the time fixed for the Noteholders' Meeting.

Any Electronic Instruction submitted in respect of the Noteholders' Meeting shall apply to, and be valid for the purposes of, any adjourned Noteholders' Meeting and there shall be no need to submit a new Electronic Instruction in respect of any adjourned Noteholders' Meeting.

By submitting or delivering a duly completed Electronic Instruction to the relevant Designated Clearing System, the Direct Participant (i) instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing one or more persons nominated by the Principal Paying and Transfer Agent to act as

proxy(ies) and to vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in accordance with the instructions contained in the Electronic Instruction(s) and (ii) confirms that, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, the Trustee is authorised and directed on its behalf to complete any Claim Form required by the Bank in respect of the Claimants' Meeting in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners. See also "*If the Extraordinary Resolution is not Passed*" below.

2. Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders' Meeting or any adjourned Noteholders' Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote) must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Notes from the Principal Paying and Transfer Agent by arranging for its Notes to be blocked in an account with the Designated Clearing System (unless the Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders' Meeting or any adjourned Noteholders' Meeting) not later than the Voting Deadline (and within the relevant time limit specified by the Designated Clearing System), upon terms that the Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and, by requesting a voting certificate, the Direct Participant will be treated as having instructed the Trustee, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, to complete any Claim Form required by the Bank in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners.

A Direct Participant not wishing to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

3. In either case, Beneficial Owners (or a Direct Participant itself) must have made arrangements to vote with the relevant Designated Clearing System by not later than 48 hours before the time fixed for the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and within the relevant time limit specified by the relevant Designated Clearing System and request or make arrangements for the relevant Designated Clearing System to block the Notes in the relevant Direct Participant's account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent until the earlier of: (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System or (iii) upon such Note(s) ceasing to be held to its order or under its control in accordance with the procedures of the Designated Clearing System and with the agreement of the Principal Paying and Transfer Agent (the "**Blocking Period**").

Voting and Quorum

The Extraordinary Resolution may only be considered at the Noteholders' Meeting if the Noteholders' Meeting is quorate. The Noteholders' Meeting will be quorate under the following conditions:

<u>Noteholders' Meeting</u>	<u>Quorum Requirement</u>
Original Noteholders' Meeting	Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding.
Adjourned Noteholders' Meeting	Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.

If, within fifteen minutes after the time appointed for the Noteholders' Meeting, a quorum is not present, the Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of the Noteholders' Meeting prior to the adjournment of such meeting.

Notice of any adjourned Noteholders' Meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned Noteholders' Meeting.

Votes in favour of the Extraordinary Resolution must represent a majority of not less than 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more Persons representing two per cent. of the aggregate principal amount of the Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

On a show of hands every Person who is present in person and who produces a Note or a voting certificate or is a proxy has one vote. On a poll every such Person has one vote for each KZT 1,000 of principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a Person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect of Voting

By submitting or delivering an Electronic Instruction and/or casting a vote at the Noteholders' Meeting, each Beneficial Owner and/or Direct Participant:

- (a) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or voting certificate are, at the time of submission or delivery of the Electronic Instruction, and will continue to be, until the end of the Noteholders' Meeting or any adjournment thereof, held by it or on its behalf at Euroclear or Clearstream, Luxembourg;
- (b) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or the voting certificate have been blocked (and

will remain blocked) to the order of the Principal Paying and Transfer Agent in the securities account to which such Notes are credited in the relevant Clearing System for the duration of the Blocking Period;

- (c) acknowledges that it has received and reviewed the terms of this notice;
- (d) consents and authorises the relevant Clearing System to disclose their holdings (provided, for the avoidance of doubt, that such disclosure shall relate only to the holdings of Direct Participants and there shall be no requirement to disclose the identity or holdings of Beneficial Owners) and Clearing Systems account details to the Bank and the Principal Paying and Transfer Agent at the time such Beneficial Owner submits or delivers the Electronic Instruction;
- (e) acknowledges that none of the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how, to vote in relation to the Extraordinary Resolution, and it represents that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
- (f) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Beneficial Owner and/or Direct Participant and shall not be affected by, and shall survive, the death or incapacity of such Beneficial Owner and/or Direct Participant; and
- (g) acknowledges that, other than as set out herein, no information has been provided to it by the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees with regard to the tax consequences or any other consequences to the Beneficial Owner and/or the Direct Participant arising from voting in favour of the Extraordinary Resolution.

Publication of Notice of Results

If the Extraordinary Resolution is passed, the Bank will give notice of the passing to Noteholders within 14 days, but failure to do so will not invalidate the Extraordinary Resolution.

Binding Effect of the Extraordinary Resolution

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting and each of them shall be bound to give effect to it accordingly.

If the Extraordinary Resolution is not Passed

If the Extraordinary Resolution is not passed at the Noteholders' Meeting or at any adjourned such Meeting, then the Trustee shall not cast any vote in respect of the Notes at the Claimants' Meeting and nor shall it file any Claim Form, whether required by the Bank or otherwise. However, each Noteholder, Direct Participant and/or Beneficial Owner who has cast a vote in favour of or against the Extraordinary Resolution at the Noteholders' Meeting (whether by proxy or in person through a valid voting certificate) or submitted an Electronic Instruction or arranged for an Electronic Instruction to be submitted on its behalf shall be deemed:

- (a) to have cast the votes in favour of or against the Extraordinary Resolution in favour of or against the Restructuring Plan at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting; and
- (b) to have filed any Claim Form required by the Bank in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), and/or to have instructed The Bank of New York Mellon, as delivery agent, to submit on its behalf any such Claim Form in respect of the aggregate principal amount of the Notes, together with Accrued Interest (as defined and specified in the Information Memorandum) held by all Noteholders who cast votes at the Noteholders' Meetings.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting or any adjourned such Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

Further Information

Any questions relating to the completion and submission of Electronic Instructions should be addressed to the Principal Paying and Transfer Agent as follows:

Contact:	Debt Restructuring Services
Tel:	+44 1202 689644
Fax:	+44 20 7964 2628
Email:	debtrestructuring@bnymellon.com

Any questions relating to the Extraordinary Resolution or Restructuring Plan should be addressed to the Bank as follows:

Contact:	Ms. Aliya Yeszhan
Tel:	+7 727 258 4040, extension 52447
Email:	IR@alb.kz

Governing law

This Notice and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

PRINCIPAL PAYING AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

This Notice is given by:

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

9 October 2014

ANNEX 3 — NOTICE OF PAR DOLLAR NOTEHOLDERS' MEETING

NOTICE TO NOTEHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR OWN INDEPENDENT FINANCIAL, TAX AND LEGAL ADVISERS

JSC Alliance Bank

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)
(the “**Bank**”)

NOTICE OF MEETING

of the holders of the Bank's U.S.\$219,343,079 4.7 per cent. Notes due 2020 bearing interest at LIBOR plus 8.5 per cent. from 2017

(Common Code 049575637 and ISIN XS0495756370 (Reg S); Common Code 049575645 and ISIN XS0495756453 (Rule 144A)) (the “**Notes**”)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) to the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) (the “**Trustee**”) constituting the Notes, a meeting (the “**Noteholders' Meeting**”) of the holders of the Notes (the “**Noteholders**”) convened by the Bank will be held at 11:30 am (London time) on 31 October 2014 at the offices of White & Case LLP at 5 Old Broad Street, London EC2N 1DW, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. If within 15 minutes after such time the quorum specified in the Trust Deed is not present, the Noteholders' Meeting will be adjourned until such date (not less than 14 nor more than 42 days later) and time and place as the chairman of the Noteholders' Meeting may decide. Unless the context otherwise requires, terms used in this Notice of Noteholders' Meeting (including in the Extraordinary Resolution) shall bear the meanings given to them in the Trust Deed, the terms and conditions of the Notes and/or the information memorandum to be published by the Bank prior to the Noteholders' Meeting (the “**Information Memorandum**”).

Noteholders should be aware that the Information Memorandum is not available as at the date of this Notice of Noteholders' Meeting but that it will be made available to Noteholders prior to the Noteholders' Meeting. The Bank's current intention is to publish the Information Memorandum on or before 13 October 2014 on its website at www.alb.kz/en/investor_relations.

The terms of the Extraordinary Resolution are as follows:

“THAT this Meeting of the holders (the “**Noteholders**”) of the U.S.\$219,343,079 4.7 per cent. Notes due 2020 bearing interest at LIBOR plus 8.5 per cent. from 2017 (the “**Notes**”) of JSC Alliance Bank (the “**Bank**”) constituted by the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited), as trustee (the “**Trustee**”) hereby:

- (1) approves the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out in Schedule 1 (*The Restructuring Plan*) to the information memorandum published on or prior to 13 October 2014 by the Bank in connection with this Meeting (the “**Information Memorandum**”), with any modification, addition or condition approved by the Claimants in accordance with the provisions of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank's website prior to the Claims Submission Date (the “**Restructuring Plan**”);
- (2) authorises, directs, instructs and empowers the Trustee to vote or procure a vote of the full principal amount of Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest (as defined and specified in the Information Memorandum), in favour of the Restructuring Plan at the Claimants' Meeting;

(3) authorises, directs, instructs and empowers the Trustee for a period of up to 120 days following the date of the Noteholders' Meeting or any adjourned such Noteholders' Meeting to vote or procure a vote at any adjourned or rescheduled Claimants' Meeting (if any) of the full principal amount of the Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest, in favour of the Restructuring Plan at the Claimants' Meeting, provided that at least two Business Days prior to any such adjourned or rescheduled Claimants' Meeting, the Trustee receives a certificate executed by two directors of the Bank (the "**Bank Certificate**") certifying that the following conditions (a) – (b) inclusive have been satisfied, which certificate shall constitute final and conclusive evidence of the same and on which the Trustee shall be entitled to rely absolutely without any liability to any person whatsoever for so doing:

(a) the aggregate amount of cash, aggregate principal amount of the New Notes and aggregate amount of Common Shares to be delivered to the Noteholders pursuant to the Restructuring Plan or any amendment thereof is not less than that described in the Information Memorandum as at the date when the Information Memorandum was first published by the Bank; and

(b) the Restructuring remains conditional on all approvals relating to the Consolidation having been obtained and the Bank having acquired all of the shares in Temirbank and ForteBank,

and, if the Trustee receives the Bank Certificate, the Trustee shall be under no obligation to make any investigation or enquiry as to the adequacy, sufficiency, nature, scope or effect of any such amendments to the Restructuring Plan or as to whether or not such amendments or any other matters shall affect (materially or otherwise) the interests of Noteholders; provided that this resolution paragraph (3) shall remain valid during such 120-day period unless and until the Trustee shall receive, not less than five Business Days in advance of such adjourned or rescheduled Claimants' Meeting, instruction(s) in writing from persons holding or representing in the aggregate not less than 75 per cent. in outstanding principal amount of the Notes that the Trustee shall no longer vote at any such adjourned or rescheduled Claimants' Meeting whereupon this resolution paragraph (3) shall no longer be valid and shall be of no effect and any Bank Certificate received by the Trustee following its receipt of such instruction(s) shall similarly be of no effect;

(4) authorises, directs, instructs and empowers the Trustee to submit any Claim Form required by the Bank in respect of the aggregate principal amount of the Notes, together with Accrued Interest, on behalf of the Noteholders;

(5) in the event the Restructuring Plan is approved at the Claimants' Meeting as certified in writing to the Trustee by a certificate executed by two directors of the Bank, which certificate shall be final and conclusive evidence of the same:

(i) authorises, directs, instructs and empowers the Trustee to release the Bank and Samruk-Kazyna from their respective obligations under the Trust Deed and the Samruk-Kazyna Undertaking and to enter into the Deed of Release substantially in the form set out in the Information Memorandum with such amendments or modifications thereto as may be approved by the Steering Committee and which are acceptable to the Trustee;

(ii) authorises and instructs the Trustee to deliver any necessary agreements or consents on behalf of the Noteholders releasing the Bank and/or Samruk-Kazyna from any claims whatsoever of the Noteholders in relation to or arising out of the Notes and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring Plan;

(iii) authorises, directs, requests, instructs and empowers the Trustee to enter into the New Notes Trust Deed and any other documents necessary or desirable in the Trustee's sole discretion in connection with the issue of the New Notes; and

(iv) authorises, directs and empowers the Bank to do all such other acts and things and to execute such other deeds, agreements or documents as may be necessary or desirable to give effect to this Extraordinary Resolution;

(6) authorises, sanctions and assents to the disapplication of Condition 8(c) (*Redemption at the Option of the Noteholders*) and waiver of any breach by the Bank of that or any other Condition of the Notes resulting from the implementation of the Restructuring Plan;

- (7) discharges, exonerates and indemnifies the Trustee from and against all liability which it may incur or for which it may have become or may become responsible under or in relation to the Trust Deed or the Notes in connection with the Claimants' Meeting, the Restructuring or this Extraordinary Resolution and the consummation and/or implementation of the Restructuring and the other matters referred to in this Extraordinary Resolution;
- (8) authorises and instructs the Trustee to concur in and consent to the above matters and to do all things and take any action which is, in the sole discretion of the Trustee, necessary or expedient to carry out and give effect to this Extraordinary Resolution;
- (9) agrees and acknowledges that the Trustee shall have no liability for acting on this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding on each Noteholder; and
- (10) declares and acknowledges that terms used in this resolution and defined in or as provided in the Notice of Noteholders' Meeting convening this Meeting and in the Information Memorandum are used herein as so defined."

Background

The Extraordinary Resolution forms part of an overall restructuring of certain financial indebtedness of the Bank as more fully described in the Information Memorandum. The Restructuring Plan will require the instruction of the Trustee on behalf of all of the individual series of Notes constituted by the Trust Deed for the Trustee to vote at the Claimants' Meeting in favour of the Restructuring Plan in respect of each such series of Notes. If the Restructuring Plan is approved at the Claimants' Meeting, then the rights of the Noteholders against the Bank and against Samruk-Kazyna under its Undertaking will be extinguished in consideration of the provision of the Entitlements by the Bank (as will be set out in the Information Memorandum). Noteholders who do not wish for the Restructuring Plan to be approved should vote against the Extraordinary Resolution. In the event that the Extraordinary Resolution is not passed any such Noteholder's vote will be deemed to have been cast against the Restructuring Plan at the Claimants' Meeting as described in the following paragraph and in "*If the Extraordinary Resolution is not Passed*" below.

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting, and each of them shall be bound to give effect to it accordingly. If the Extraordinary Resolution is not passed, Noteholders who cast votes in favour of or against the Extraordinary Resolution at the Noteholders' Meeting will be deemed to have cast such votes in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

The Information Memorandum, a copy of which will be available as indicated below, will explain in further detail the background to, and reasons for, the Noteholders' Meeting.

Disclosure of Contact Details

Beneficial Owners (as defined below) or Noteholders on behalf of Beneficial Owners may register their contact details with the Bank's financial advisers by contacting alb.noteholders@lazard.fr. This will facilitate communication with, and the distribution of roadshow invitations to, participants in the Restructuring.

Documents Available for Inspection

Noteholders may, at any time during normal business hours on any weekday (not including Saturdays, Sundays and bank and other public holidays) on and from the date of this Notice and prior to the Noteholders' Meeting, inspect at the offices of the Trustee, The Bank of New York Mellon, London Branch, as Principal Paying and Transfer Agent (the "**Principal Paying and Transfer Agent**"), and at the Noteholders' Meeting at the offices of White & Case LLP referred to above for 15 minutes before the Noteholders' Meeting, copies of the following documents:

- (a) the Trust Deed and any amendments or supplements thereto;
- (b) the Agency Agreement dated 25 March 2010;
- (c) the Cash Management Agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking dated 18 March 2010;
- (e) the Information Memorandum and any supplements thereto (to be made available upon publication by the Bank as aforesaid);
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of this notice); and
- (g) this Notice.

Furthermore, the Information Memorandum and any supplements thereto (upon their publication) will be made available on the Bank's website at www.alb.kz/en/investor_relations.

General

Noteholders should pay particular attention to the requirements in respect of a quorum for the Noteholders' Meeting and any adjourned Noteholders' Meeting (if applicable) which are set out below. In light of such requirements, Noteholders are strongly urged either to attend the Noteholders' Meeting or to take the steps referred to below as soon as possible, in order to be represented by proxy at the Noteholders' Meeting.

Neither the Trustee, the Principal Paying and Transfer Agent, the Registrar nor the Bank's financial or legal advisers (the "Bank's Advisers") nor any member of the steering committee of its creditors (the "Steering Committee") or the Steering Committee's legal or financial advisers (the "Steering Committee's Advisers") expresses any view or makes any recommendation as to the merits of the Extraordinary Resolution or the Restructuring Plan or any view as to whether the Noteholders, whether individually or as a series, would be acting in their best interests in voting for or against the Extraordinary Resolution, but the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration. The Trustee has not been involved in formulating or negotiating the Extraordinary Resolution relating to the Notes or the Information Memorandum or the Restructuring Plan and, in accordance with its normal practice, makes no representation that all relevant information has been disclosed to the Noteholders in or pursuant to the Information Memorandum and this Notice.

Neither the Trustee nor the Bank's Advisers nor any member of the Steering Committee or the Steering Committee's Advisers have verified any of the statements made in the Information Memorandum or in this Notice.

Nothing in the Information Memorandum or this Notice of Noteholders' Meeting should be construed as a recommendation to the Noteholders from the Trustee, the Bank's Advisers, the Steering Committee or the Steering Committee's Advisers to vote for or against the Extraordinary Resolution. Accordingly, each of the Bank, the Trustee, the Bank's Advisers, the Steering Committee and the Steering Committee's Advisers recommends that Noteholders who are unsure of the consequences of the Extraordinary Resolution being passed or not being passed should seek their own financial and legal advice.

The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring. The members of the Steering Committee are not acting as fiduciary

or adviser to any person, make no representations and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement).

Voting

The provisions governing the convening and holding of the Noteholders' Meeting and for giving and revoking voting instructions are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, a copy of which is available for inspection as described above.

Each person (a "**Beneficial Owner**") who is the owner of a particular principal amount of the Notes, as shown in the records of Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (the "**Designated Clearing Systems**", each a "**Designated Clearing System**") or its accountholders ("**Direct Participants**") should note that such person will only be entitled to attend and vote at the Noteholders' Meeting or appoint a proxy to do so in accordance with the procedures set out below.

1. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders' Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before 11:30 am (London time) on 29 October 2014 (the "**Voting Deadline**") (and within the time limit specified by the relevant Designated Clearing System), a duly completed electronic instruction (an "**Electronic Instruction**") in accordance with the requirements of the relevant Designated Clearing System and in the manner specified herein.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this Notice and, if so, should follow those deadlines.

Each Electronic Instruction must:

- (i) state the principal amount of the Notes held by the Beneficial Owner on whose behalf the Electronic Instruction has been submitted; and
- (ii) state whether the relevant Beneficial Owner wishes to vote in favour of or against the proposed Extraordinary Resolution as set out above.

Only Direct Participants may submit Electronic Instructions. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to submit an Electronic Instruction on its behalf to the relevant Designated Clearing System.

Direct Participants holding Notes on behalf of more than one Beneficial Owner may submit a separate Electronic Instruction on behalf of each Beneficial Owner.

The receipt of such Electronic Instruction by the relevant Designated Clearing System will be acknowledged by such Designated Clearing System and will result in the blocking until the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) of all Notes held by the Beneficial Owner on whose behalf such Electronic Instruction was submitted. Direct Participants must take the appropriate steps through the relevant Designated Clearing System to ensure that no transfers may be effected in relation to such Notes at any time whilst they are blocked, in accordance with the requirements of the relevant Designated Clearing System and the deadlines required by such Designated Clearing System. By blocking such Notes in the relevant Designated Clearing System, each Direct Participant will be deemed to consent to the relevant Designated Clearing System providing details concerning such Direct Participant's identity to, amongst others, the Bank, the Trustee and the Principal Paying and Transfer Agent.

An Electronic Instruction may not be revoked or altered during the 48 hours before the time fixed for the Noteholders' Meeting.

Any Electronic Instruction submitted in respect of the Noteholders' Meeting shall apply to, and be valid for the purposes of, any adjourned Noteholders' Meeting and there shall be no need to submit a new Electronic Instruction in respect of any adjourned Noteholders' Meeting.

By submitting or delivering a duly completed Electronic Instruction to the relevant Designated Clearing System, the Direct Participant (i) instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing one or more persons nominated by the Principal Paying and Transfer Agent to act as proxy(ies) and to vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in accordance with the instructions contained in the Electronic Instruction(s) and (ii) confirms that, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, the Trustee is authorised and directed on its behalf to complete any Claim Form required by the Bank in respect of the Claimants' Meeting in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners. See also "*If the Extraordinary Resolution is not Passed*" below.

2. Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders' Meeting or any adjourned Noteholders' Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote) must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Notes from the Principal Paying and Transfer Agent by arranging for its Notes to be blocked in an account with the Designated Clearing System (unless the Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders' Meeting or any adjourned Noteholders' Meeting) not later than the Voting Deadline (and within the relevant time limit specified by the Designated Clearing System), upon terms that the Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and, by requesting a voting certificate, the Direct Participant will be treated as having instructed the Trustee, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, to complete any Claim Form required by the Bank in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners.

A Direct Participant not wishing to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

3. In either case, Beneficial Owners (or a Direct Participant itself) must have made arrangements to vote with the relevant Designated Clearing System by not later than 48 hours before the time fixed for the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and within the relevant time limit specified by the relevant Designated Clearing System and request or make arrangements for the relevant Designated Clearing System to block the Notes in the relevant Direct Participant's account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent until the earlier of: (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System or (iii) upon such Note(s) ceasing to be held to its order or under its control in accordance with the procedures of the Designated Clearing System and with the agreement of the Principal Paying and Transfer Agent (the "**Blocking Period**").

Voting and Quorum

The Extraordinary Resolution may only be considered at the Noteholders' Meeting if the Noteholders' Meeting is quorate. The Noteholders' Meeting will be quorate under the following conditions:

<u>Noteholders' Meeting</u>	<u>Quorum Requirement</u>
Original Noteholders' Meeting	Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding.
Adjourned Noteholders' Meeting	Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.

If, within fifteen minutes after the time appointed for the Noteholders' Meeting, a quorum is not present, the Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of the Noteholders' Meeting prior to the adjournment of such meeting.

Notice of any adjourned Noteholders' Meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned Noteholders' Meeting.

Votes in favour of the Extraordinary Resolution must represent a majority of not less than 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more Persons representing two per cent. of the aggregate principal amount of the Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

On a show of hands every Person who is present in person and who produces a Note or a voting certificate or is a proxy has one vote. On a poll every such Person has one vote for each U.S.\$100 of principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a Person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect of Voting

By submitting or delivering an Electronic Instruction and/or casting a vote at the Noteholders' Meeting, each Beneficial Owner and/or Direct Participant:

- (a) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or voting certificate are, at the time of submission or delivery of the Electronic Instruction, and will continue to be, until the end of the Noteholders' Meeting or any adjournment thereof, held by it or on its behalf at Euroclear or Clearstream, Luxembourg;
- (b) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or the voting certificate have been blocked (and

will remain blocked) to the order of the Principal Paying and Transfer Agent in the securities account to which such Notes are credited in the relevant Clearing System for the duration of the Blocking Period;

- (c) acknowledges that it has received and reviewed the terms of this notice;
- (d) consents and authorises the relevant Clearing System to disclose their holdings (provided, for the avoidance of doubt, that such disclosure shall relate only to the holdings of Direct Participants and there shall be no requirement to disclose the identity or holdings of Beneficial Owners) and Clearing Systems account details to the Bank and the Principal Paying and Transfer Agent at the time such Beneficial Owner submits or delivers the Electronic Instruction;
- (e) acknowledges that none of the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how, to vote in relation to the Extraordinary Resolution, and it represents that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
- (f) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Beneficial Owner and/or Direct Participant and shall not be affected by, and shall survive, the death or incapacity of such Beneficial Owner and/or Direct Participant; and
- (g) acknowledges that, other than as set out herein, no information has been provided to it by the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees with regard to the tax consequences or any other consequences to the Beneficial Owner and/or the Direct Participant arising from voting in favour of the Extraordinary Resolution.

Publication of Notice of Results

If the Extraordinary Resolution is passed, the Bank will give notice of the passing to Noteholders within 14 days, but failure to do so will not invalidate the Extraordinary Resolution.

Binding Effect of the Extraordinary Resolution

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting and each of them shall be bound to give effect to it accordingly.

If the Extraordinary Resolution is not Passed

If the Extraordinary Resolution is not passed at the Noteholders' Meeting or at any adjourned such Meeting, then the Trustee shall not cast any vote in respect of the Notes at the Claimants' Meeting and nor shall it file any Claim Form, whether required by the Bank or otherwise. However, each Noteholder, Direct Participant and/or Beneficial Owner who has cast a vote in favour of or against the Extraordinary Resolution at the Noteholders' Meeting (whether by proxy or in person through a valid voting certificate) or submitted an Electronic Instruction or arranged for an Electronic Instruction to be submitted on its behalf shall be deemed:

- (a) to have cast the votes in favour of or against the Extraordinary Resolution in favour of or against the Restructuring Plan at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting; and
- (b) to have filed any Claim Form required by the Bank in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), and/or to have instructed The Bank of New York Mellon, as delivery agent, to submit on its behalf any such Claim Form in respect of the aggregate principal amount of the Notes, together with Accrued Interest (as defined and specified in the Information Memorandum) held by all Noteholders who cast votes at the Noteholders' Meetings.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting or any adjourned such Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

Further Information

Any questions relating to the completion and submission of Electronic Instructions should be addressed to the Principal Paying and Transfer Agent as follows:

Contact: Debt Restructuring Services
Tel: +44 1202 689644
Fax: +44 20 7964 2628
Email: debtstructuring@bnymellon.com

Any questions relating to the Extraordinary Resolution or Restructuring Plan should be addressed to the Bank as follows:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040, extension 52447
Email: IR@alb.kz

Governing law

This Notice and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

PRINCIPAL PAYING AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

This Notice is given by:

JSC ALLIANCE BANK
50, Furmanov Street
Almaty, 050004
Kazakhstan

9 October 2014

ANNEX 4 — NOTICE OF PAR TENGE NOTEHOLDERS' MEETING

NOTICE TO NOTEHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR OWN INDEPENDENT FINANCIAL, TAX AND LEGAL ADVISERS

JSC Alliance Bank

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)
(the “**Bank**”)

NOTICE OF MEETING

of the holders of the Bank's KZT 1,248,534,571 9 per cent. Notes due 2020 bearing interest at 12.5 per cent. from 2017

(Common Code 049664567 and ISIN XS0496645671 (Reg S); Common Code 049664583 and ISIN XS0496645838 (Rule 144A)) (the “**Notes**”)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) to the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) (the “**Trustee**”) constituting the Notes, a meeting (the “**Noteholders' Meeting**”) of the holders of the Notes (the “**Noteholders**”) convened by the Bank will be held at 11:45 am (London time) on 31 October 2014 at the offices of White & Case LLP at 5 Old Broad Street, London EC2N 1DW, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. If within 15 minutes after such time the quorum specified in the Trust Deed is not present, the Noteholders' Meeting will be adjourned until such date (not less than 14 nor more than 42 days later) and time and place as the chairman of the Noteholders' Meeting may decide. Unless the context otherwise requires, terms used in this Notice of Noteholders' Meeting (including in the Extraordinary Resolution) shall bear the meanings given to them in the Trust Deed, the terms and conditions of the Notes and/or the information memorandum to be published by the Bank prior to the Noteholders' Meeting (the “**Information Memorandum**”).

Noteholders should be aware that the Information Memorandum is not available as at the date of this Notice of Noteholders' Meeting but that it will be made available to Noteholders prior to the Noteholders' Meeting. The Bank's current intention is to publish the Information Memorandum on or before 13 October 2014 on its website at www.alb.kz/en/investor_relations.

The terms of the Extraordinary Resolution are as follows:

“THAT this Meeting of the holders (the “**Noteholders**”) of the KZT 1,248,534,571 9 per cent. Notes due 2020 bearing interest at 12.5 per cent. from 2017 (the “**Notes**”) of JSC Alliance Bank (the “**Bank**”) constituted by the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited), as trustee (the “**Trustee**”) hereby:

- (1) approves the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out in Schedule 1 (*The Restructuring Plan*) to the information memorandum published on or prior to 13 October 2014 by the Bank in connection with this Meeting (the “**Information Memorandum**”), with any modification, addition or condition approved by the Claimants in accordance with the provisions of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank's website prior to the Claims Submission Date (the “**Restructuring Plan**”);
- (2) authorises, directs, instructs and empowers the Trustee to vote or procure a vote of the full principal amount of Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest (as defined and specified in the Information Memorandum), in favour of the Restructuring Plan at the Claimants' Meeting;

- (3) authorises, directs, instructs and empowers the Trustee for a period of up to 120 days following the date of the Noteholders' Meeting or any adjourned such Noteholders' Meeting to vote or procure a vote at any adjourned or rescheduled Claimants' Meeting (if any) of the full principal amount of the Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest, in favour of the Restructuring Plan at the Claimants' Meeting, provided that at least two Business Days prior to any such adjourned or rescheduled Claimants' Meeting, the Trustee receives a certificate executed by two directors of the Bank (the "**Bank Certificate**") certifying that the following conditions (a) – (b) inclusive have been satisfied, which certificate shall constitute final and conclusive evidence of the same and on which the Trustee shall be entitled to rely absolutely without any liability to any person whatsoever for so doing:
- (a) the aggregate amount of cash, aggregate principal amount of the New Notes and aggregate amount of Common Shares to be delivered to the Noteholders pursuant to the Restructuring Plan or any amendment thereof is not less than that described in the Information Memorandum as at the date when the Information Memorandum was first published by the Bank; and
 - (b) the Restructuring remains conditional on all approvals relating to the Consolidation having been obtained and the Bank having acquired all of the shares in Temirbank and ForteBank,
- and, if the Trustee receives the Bank Certificate, the Trustee shall be under no obligation to make any investigation or enquiry as to the adequacy, sufficiency, nature, scope or effect of any such amendments to the Restructuring Plan or as to whether or not such amendments or any other matters shall affect (materially or otherwise) the interests of Noteholders; provided that this resolution paragraph (3) shall remain valid during such 120-day period unless and until the Trustee shall receive, not less than five Business Days in advance of such adjourned or rescheduled Claimants' Meeting, instruction(s) in writing from persons holding or representing in the aggregate not less than 75 per cent. in outstanding principal amount of the Notes that the Trustee shall no longer vote at any such adjourned or rescheduled Claimants' Meeting whereupon this resolution paragraph (3) shall no longer be valid and shall be of no effect and any Bank Certificate received by the Trustee following its receipt of such instruction(s) shall similarly be of no effect;
- (4) authorises, directs, instructs and empowers the Trustee to submit any Claim Form required by the Bank in respect of the aggregate principal amount of the Notes, together with Accrued Interest, on behalf of the Noteholders;
- (5) in the event the Restructuring Plan is approved at the Claimants' Meeting as certified in writing to the Trustee by a certificate executed by two directors of the Bank, which certificate shall be final and conclusive evidence of the same:
- (i) authorises, directs, instructs and empowers the Trustee to release the Bank and Samruk-Kazyna from their respective obligations under the Trust Deed and the Samruk-Kazyna Undertaking and to enter into the Deed of Release substantially in the form set out in the Information Memorandum with such amendments or modifications thereto as may be approved by the Steering Committee and which are acceptable to the Trustee;
 - (ii) authorises and instructs the Trustee to deliver any necessary agreements or consents on behalf of the Noteholders releasing the Bank and/or Samruk-Kazyna from any claims whatsoever of the Noteholders in relation to or arising out of the Notes and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring Plan;
 - (iii) authorises, directs, requests, instructs and empowers the Trustee to enter into the New Notes Trust Deed and any other documents necessary or desirable in the Trustee's sole discretion in connection with the issue of the New Notes; and
 - (iv) authorises, directs and empowers the Bank to do all such other acts and things and to execute such other deeds, agreements or documents as may be necessary or desirable to give effect to this Extraordinary Resolution;
- (6) authorises, sanctions and assents to the disapplication of Condition 8(c) (*Redemption at the Option of the Noteholders*) and waiver of any breach by the Bank of that or any other Condition of the Notes resulting from the implementation of the Restructuring Plan;

- (7) discharges, exonerates and indemnifies the Trustee from and against all liability which it may incur or for which it may have become or may become responsible under or in relation to the Trust Deed or the Notes in connection with the Claimants' Meeting, the Restructuring or this Extraordinary Resolution and the consummation and/or implementation of the Restructuring and the other matters referred to in this Extraordinary Resolution;
- (8) authorises and instructs the Trustee to concur in and consent to the above matters and to do all things and take any action which is, in the sole discretion of the Trustee, necessary or expedient to carry out and give effect to this Extraordinary Resolution;
- (9) agrees and acknowledges that the Trustee shall have no liability for acting on this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding on each Noteholder; and
- (10) declares and acknowledges that terms used in this resolution and defined in or as provided in the Notice of Noteholders' Meeting convening this Meeting and in the Information Memorandum are used herein as so defined."

Background

The Extraordinary Resolution forms part of an overall restructuring of certain financial indebtedness of the Bank as more fully described in the Information Memorandum. The Restructuring Plan will require the instruction of the Trustee on behalf of all of the individual series of Notes constituted by the Trust Deed for the Trustee to vote at the Claimants' Meeting in favour of the Restructuring Plan in respect of each such series of Notes. If the Restructuring Plan is approved at the Claimants' Meeting, then the rights of the Noteholders against the Bank and against Samruk-Kazyna under its Undertaking will be extinguished in consideration of the provision of the Entitlements by the Bank (as will be set out in the Information Memorandum). Noteholders who do not wish for the Restructuring Plan to be approved should vote against the Extraordinary Resolution. In the event that the Extraordinary Resolution is not passed any such Noteholder's vote will be deemed to have been cast against the Restructuring Plan at the Claimants' Meeting as described in the following paragraph and in "*If the Extraordinary Resolution is not Passed*" below.

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting, and each of them shall be bound to give effect to it accordingly. If the Extraordinary Resolution is not passed, Noteholders who cast votes in favour of or against the Extraordinary Resolution at the Noteholders' Meeting will be deemed to have cast such votes in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

The Information Memorandum, a copy of which will be available as indicated below, will explain in further detail the background to, and reasons for, the Noteholders' Meeting.

Disclosure of Contact Details

Beneficial Owners (as defined below) or Noteholders on behalf of Beneficial Owners may register their contact details with the Bank's financial advisers by contacting alb.noteholders@lazard.fr. This will facilitate communication with, and the distribution of roadshow invitations to, participants in the Restructuring.

Documents Available for Inspection

Noteholders may, at any time during normal business hours on any weekday (not including Saturdays, Sundays and bank and other public holidays) on and from the date of this Notice and prior to the Noteholders' Meeting, inspect at the offices of the Trustee, The Bank of New York Mellon, London Branch, as Principal Paying and Transfer Agent (the "**Principal Paying and Transfer Agent**"), and at the Noteholders' Meeting at the offices of White & Case LLP referred to above for 15 minutes before the Noteholders' Meeting, copies of the following documents:

- (a) the Trust Deed and any amendments or supplements thereto;
- (b) the Agency Agreement dated 25 March 2010;
- (c) the Cash Management Agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking dated 18 March 2010;
- (e) the Information Memorandum and any supplements thereto (to be made available upon publication by the Bank as aforesaid);
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of this notice); and
- (g) this Notice.

Furthermore, the Information Memorandum and any supplements thereto (upon their publication) will be made available on the Bank's website at www.alb.kz/en/investor_relations.

General

Noteholders should pay particular attention to the requirements in respect of a quorum for the Noteholders' Meeting and any adjourned Noteholders' Meeting (if applicable) which are set out below. In light of such requirements, Noteholders are strongly urged either to attend the Noteholders' Meeting or to take the steps referred to below as soon as possible, in order to be represented by proxy at the Noteholders' Meeting.

Neither the Trustee, the Principal Paying and Transfer Agent, the Registrar nor the Bank's financial or legal advisers (the "Bank's Advisers") nor any member of the steering committee of its creditors (the "Steering Committee") or the Steering Committee's legal or financial advisers (the "Steering Committee's Advisers") expresses any view or makes any recommendation as to the merits of the Extraordinary Resolution or the Restructuring Plan or any view as to whether the Noteholders, whether individually or as a series, would be acting in their best interests in voting for or against the Extraordinary Resolution, but the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration. The Trustee has not been involved in formulating or negotiating the Extraordinary Resolution relating to the Notes or the Information Memorandum or the Restructuring Plan and, in accordance with its normal practice, makes no representation that all relevant information has been disclosed to the Noteholders in or pursuant to the Information Memorandum and this Notice.

Neither the Trustee nor the Bank's Advisers nor any member of the Steering Committee or the Steering Committee's Advisers have verified any of the statements made in the Information Memorandum or in this Notice.

Nothing in the Information Memorandum or this Notice of Noteholders' Meeting should be construed as a recommendation to the Noteholders from the Trustee, the Bank's Advisers, the Steering Committee or the Steering Committee's Advisers to vote for or against the Extraordinary Resolution. Accordingly, each of the Bank, the Trustee, the Bank's Advisers, the Steering Committee and the Steering Committee's Advisers recommends that Noteholders who are unsure of the consequences of the Extraordinary Resolution being passed or not being passed should seek their own financial and legal advice.

The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring. The members of the Steering Committee are not acting as fiduciary

or adviser to any person, make no representations and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement).

Voting

The provisions governing the convening and holding of the Noteholders' Meeting and for giving and revoking voting instructions are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, a copy of which is available for inspection as described above.

Each person (a "**Beneficial Owner**") who is the owner of a particular principal amount of the Notes, as shown in the records of Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (the "**Designated Clearing Systems**", each a "**Designated Clearing System**") or its accountholders ("**Direct Participants**") should note that such person will only be entitled to attend and vote at the Noteholders' Meeting or appoint a proxy to do so in accordance with the procedures set out below.

1. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders' Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before 11:45 am (London time) on 29 October 2014 (the "**Voting Deadline**") (and within the time limit specified by the relevant Designated Clearing System), a duly completed electronic instruction (an "**Electronic Instruction**") in accordance with the requirements of the relevant Designated Clearing System and in the manner specified herein.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this Notice and, if so, should follow those deadlines.

Each Electronic Instruction must:

- (i) state the principal amount of the Notes held by the Beneficial Owner on whose behalf the Electronic Instruction has been submitted; and
- (ii) state whether the relevant Beneficial Owner wishes to vote in favour of or against the proposed Extraordinary Resolution as set out above.

Only Direct Participants may submit Electronic Instructions. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to submit an Electronic Instruction on its behalf to the relevant Designated Clearing System.

Direct Participants holding Notes on behalf of more than one Beneficial Owner may submit a separate Electronic Instruction on behalf of each Beneficial Owner.

The receipt of such Electronic Instruction by the relevant Designated Clearing System will be acknowledged by such Designated Clearing System and will result in the blocking until the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) of all Notes held by the Beneficial Owner on whose behalf such Electronic Instruction was submitted. Direct Participants must take the appropriate steps through the relevant Designated Clearing System to ensure that no transfers may be effected in relation to such Notes at any time whilst they are blocked, in accordance with the requirements of the relevant Designated Clearing System and the deadlines required by such Designated Clearing System. By blocking such Notes in the relevant Designated Clearing System, each Direct Participant will be deemed to consent to the relevant Designated Clearing System providing details concerning such Direct Participant's identity to, amongst others, the Bank, the Trustee and the Principal Paying and Transfer Agent.

An Electronic Instruction may not be revoked or altered during the 48 hours before the time fixed for the Noteholders' Meeting.

Any Electronic Instruction submitted in respect of the Noteholders' Meeting shall apply to, and be valid for the purposes of, any adjourned Noteholders' Meeting and there shall be no need to submit a new Electronic Instruction in respect of any adjourned Noteholders' Meeting.

By submitting or delivering a duly completed Electronic Instruction to the relevant Designated Clearing System, the Direct Participant (i) instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing one or more persons nominated by the Principal Paying and Transfer Agent to act as proxy(ies) and to vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in accordance with the instructions contained in the Electronic Instruction(s) and (ii) confirms that, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, the Trustee is authorised and directed on its behalf to complete any Claim Form required by the Bank in respect of the Claimants' Meeting in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners. See also "*If the Extraordinary Resolution is not Passed*" below.

2. Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders' Meeting or any adjourned Noteholders' Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote) must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Notes from the Principal Paying and Transfer Agent by arranging for its Notes to be blocked in an account with the Designated Clearing System (unless the Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders' Meeting or any adjourned Noteholders' Meeting) not later than the Voting Deadline (and within the relevant time limit specified by the Designated Clearing System), upon terms that the Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and, by requesting a voting certificate, the Direct Participant will be treated as having instructed the Trustee, subject to the Extraordinary Resolution being passed at such Noteholders' Meeting, to complete any Claim Form required by the Bank in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners.

A Direct Participant not wishing to attend and vote at the Noteholders' Meeting (or any adjourned Noteholders' Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

3. In either case, Beneficial Owners (or a Direct Participant itself) must have made arrangements to vote with the relevant Designated Clearing System by not later than 48 hours before the time fixed for the Noteholders' Meeting (or any adjourned Noteholders' Meeting) and within the relevant time limit specified by the relevant Designated Clearing System and request or make arrangements for the relevant Designated Clearing System to block the Notes in the relevant Direct Participant's account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent until the earlier of: (i) the conclusion of the Noteholders' Meeting (or any adjourned Noteholders' Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System or (iii) upon such Note(s) ceasing to be held to its order or under its control in accordance with the procedures of the Designated Clearing System and with the agreement of the Principal Paying and Transfer Agent (the "**Blocking Period**").

Voting and Quorum

The Extraordinary Resolution may only be considered at the Noteholders' Meeting if the Noteholders' Meeting is quorate. The Noteholders' Meeting will be quorate under the following conditions:

<u>Noteholders' Meeting</u>	<u>Quorum Requirement</u>
Original Noteholders' Meeting	Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding.
Adjourned Noteholders' Meeting	Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.

If, within fifteen minutes after the time appointed for the Noteholders' Meeting, a quorum is not present, the Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of the Noteholders' Meeting prior to the adjournment of such meeting.

Notice of any adjourned Noteholders' Meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned Noteholders' Meeting.

Votes in favour of the Extraordinary Resolution must represent a majority of not less than 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more Persons representing two per cent. of the aggregate principal amount of the Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

On a show of hands every Person who is present in person and who produces a Note or a voting certificate or is a proxy has one vote. On a poll every such Person has one vote for each KZT 1,000 of principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a Person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect of Voting

By submitting or delivering an Electronic Instruction and/or casting a vote at the Noteholders' Meeting, each Beneficial Owner and/or Direct Participant:

- (a) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or voting certificate are, at the time of submission or delivery of the Electronic Instruction, and will continue to be, until the end of the Noteholders' Meeting or any adjournment thereof, held by it or on its behalf at Euroclear or Clearstream, Luxembourg;
- (b) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or the voting certificate have been blocked (and

will remain blocked) to the order of the Principal Paying and Transfer Agent in the securities account to which such Notes are credited in the relevant Clearing System for the duration of the Blocking Period;

- (c) acknowledges that it has received and reviewed the terms of this notice;
- (d) consents and authorises the relevant Clearing System to disclose their holdings (provided, for the avoidance of doubt, that such disclosure shall relate only to the holdings of Direct Participants and there shall be no requirement to disclose the identity or holdings of Beneficial Owners) and Clearing Systems account details to the Bank and the Principal Paying and Transfer Agent at the time such Beneficial Owner submits or delivers the Electronic Instruction;
- (e) acknowledges that none of the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how, to vote in relation to the Extraordinary Resolution, and it represents that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
- (f) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Beneficial Owner and/or Direct Participant and shall not be affected by, and shall survive, the death or incapacity of such Beneficial Owner and/or Direct Participant; and
- (g) acknowledges that, other than as set out herein, no information has been provided to it by the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees with regard to the tax consequences or any other consequences to the Beneficial Owner and/or the Direct Participant arising from voting in favour of the Extraordinary Resolution.

Publication of Notice of Results

If the Extraordinary Resolution is passed, the Bank will give notice of the passing to Noteholders within 14 days, but failure to do so will not invalidate the Extraordinary Resolution.

Binding Effect of the Extraordinary Resolution

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting and each of them shall be bound to give effect to it accordingly.

If the Extraordinary Resolution is not Passed

If the Extraordinary Resolution is not passed at the Noteholders' Meeting or at any adjourned such Meeting, then the Trustee shall not cast any vote in respect of the Notes at the Claimants' Meeting and nor shall it file any Claim Form, whether required by the Bank or otherwise. However, each Noteholder, Direct Participant and/or Beneficial Owner who has cast a vote in favour of or against the Extraordinary Resolution at the Noteholders' Meeting (whether by proxy or in person through a valid voting certificate) or submitted an Electronic Instruction or arranged for an Electronic Instruction to be submitted on its behalf shall be deemed:

- (a) to have cast the votes in favour of or against the Extraordinary Resolution in favour of or against the Restructuring Plan at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting; and
- (b) to have filed any Claim Form required by the Bank in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), and/or to have instructed The Bank of New York Mellon, as delivery agent, to submit on its behalf any such Claim Form in respect of the aggregate principal amount of the Notes, together with Accrued Interest (as defined and specified in the Information Memorandum) held by all Noteholders who cast votes at the Noteholders' Meetings.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting or any adjourned such Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

Further Information

Any questions relating to the completion and submission of Electronic Instructions should be addressed to the Principal Paying and Transfer Agent as follows:

Contact: Debt Restructuring Services
Tel: +44 1202 689644
Fax: +44 20 7964 2628
Email: debtstructuring@bnymellon.com

Any questions relating to the Extraordinary Resolution or Restructuring Plan should be addressed to the Bank as follows:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040, extension 52447
Email: IR@alb.kz

Governing law

This Notice and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

PRINCIPAL PAYING AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

This Notice is given by:

JSC ALLIANCE BANK
50, Furmanov Street
Almaty, 050004
Kazakhstan

9 October 2014

ANNEX 5 — NOTICE OF SUBORDINATED TENGE B NOTEHOLDERS' MEETING

NOTICE TO NOTEHOLDERS

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE,
YOU SHOULD IMMEDIATELY CONSULT YOUR OWN INDEPENDENT FINANCIAL,
TAX AND LEGAL ADVISERS**

JSC Alliance Bank

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)
(the “**Bank**”)

NOTICE OF MEETING

**of the holders of the Bank's KZT 21,307,394,519 9.5 per cent. Notes due 2030
bearing interest at 12 per cent. from 2020**

(Common Code 049664591 and ISIN XS0496645911 (Reg S); Common Code 049664605 and ISIN
XS0496646059 (Rule 144A)) (the “**Notes**”)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) to the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) (the “**Trustee**”) constituting the Notes, a meeting (the “**Noteholders' Meeting**”) of the holders of the Notes (the “**Noteholders**”) convened by the Bank will be held at 12:00 pm (London time) on 31 October 2014 at the offices of White & Case LLP at 5 Old Broad Street, London EC2N 1DW, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. If within 15 minutes after such time the quorum specified in the Trust Deed is not present, the Noteholders' Meeting will be adjourned until such date (not less than 14 nor more than 42 days later) and time and place as the chairman of the Noteholders' Meeting may decide. Unless the context otherwise requires, terms used in this Notice of Noteholders' Meeting (including in the Extraordinary Resolution) shall bear the meanings given to them in the Trust Deed, the terms and conditions of the Notes and/or the information memorandum to be published by the Bank prior to the Noteholders' Meeting (the “**Information Memorandum**”).

Noteholders should be aware that the Information Memorandum is not available as at the date of this Notice of Noteholders' Meeting but that it will be made available to Noteholders prior to the Noteholders' Meeting. The Bank's current intention is to publish the Information Memorandum on or before 13 October 2014 on its website at www.alb.kz/en/investor_relations.

The terms of the Extraordinary Resolution are as follows:

“THAT this Meeting of the holders (the “**Noteholders**”) of the KZT 21,307,394,519 9.5 per cent. Notes due 2030 bearing interest at 12 per cent. from 2020 (the “**Notes**”) of JSC Alliance Bank (the “**Bank**”) constituted by the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited), as trustee (the “**Trustee**”) hereby:

- (1) approves the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out in Schedule 1 (*The Restructuring Plan*) to the information memorandum published on or prior to 13 October 2014 by the Bank in connection with this Meeting (the “**Information Memorandum**”), with any modification, addition or condition approved by the Claimants in accordance with the provisions of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank's website prior to the Claims Submission Date (the “**Restructuring Plan**”);
- (2) authorises, directs, instructs and empowers the Trustee to vote or procure a vote of the full principal amount of Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest (as defined and specified in the Information Memorandum), in favour of the Restructuring Plan at the Claimants' Meeting;

- (3) authorises, directs, instructs and empowers the Trustee for a period of up to 120 days following the date of the Noteholders' Meeting or any adjourned such Noteholders' Meeting to vote or procure a vote at any adjourned or rescheduled Claimants' Meeting (if any) of the full principal amount of the Notes in respect of which votes may be cast at the Claimants' Meeting, together with Accrued Interest, in favour of the Restructuring Plan at the Claimants' Meeting, provided that at least two Business Days prior to any such adjourned or rescheduled Claimants' Meeting, the Trustee receives a certificate executed by two directors of the Bank (the "**Bank Certificate**") certifying that the following conditions (a) – (b) inclusive have been satisfied, which certificate shall constitute final and conclusive evidence of the same and on which the Trustee shall be entitled to rely absolutely without any liability to any person whatsoever for so doing:
- (a) the aggregate amount of Common Shares to be delivered to the Noteholders pursuant to the Restructuring Plan or any amendment thereof is not less than that described in the Information Memorandum as at the date when the Information Memorandum was first published by the Bank; and
 - (b) the Restructuring remains conditional on all approvals relating to the Consolidation having been obtained and the Bank having acquired all of the shares in Temirbank and ForteBank,

and, if the Trustee receives the Bank Certificate, the Trustee shall be under no obligation to make any investigation or enquiry as to the adequacy, sufficiency, nature, scope or effect of any such amendments to the Restructuring Plan or as to whether or not such amendments or any other matters shall affect (materially or otherwise) the interests of Noteholders; provided that this resolution paragraph (3) shall remain valid during such 120-day period unless and until the Trustee shall receive, not less than five Business Days in advance of such adjourned or rescheduled Claimants' Meeting, instruction(s) in writing from persons holding or representing in the aggregate not less than 75 per cent. in outstanding principal amount of the Notes that the Trustee shall no longer vote at any such adjourned or rescheduled Claimants' Meeting whereupon this resolution paragraph (3) shall no longer be valid and shall be of no effect and any Bank Certificate received by the Trustee following its receipt of such instruction(s) shall similarly be of no effect;

- (4) authorises, directs, instructs and empowers the Trustee to submit any Claim Form required by the Bank in respect of the aggregate principal amount of the Notes, together with Accrued Interest, on behalf of the Noteholders;
- (5) in the event the Restructuring Plan is approved at the Claimants' Meeting as certified in writing to the Trustee by a certificate executed by two directors of the Bank, which certificate shall be final and conclusive evidence of the same:
- (i) authorises, directs, instructs and empowers the Trustee to release the Bank and Samruk-Kazyna from their respective obligations under the Trust Deed and the Samruk-Kazyna Undertaking and to enter into the Deed of Release substantially in the form set out in the Information Memorandum with such amendments or modifications thereto as may be approved by the Steering Committee and which are acceptable to the Trustee;
 - (ii) authorises and instructs the Trustee to deliver any necessary agreements or consents on behalf of the Noteholders releasing the Bank and/or Samruk-Kazyna from any claims whatsoever of the Noteholders in relation to or arising out of the Notes and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring Plan;
 - (iii) authorises, directs, requests, instructs and empowers the Trustee to enter into the New Notes Trust Deed and any other documents necessary or desirable in the Trustee's sole discretion in connection with the issue of the New Notes; and
 - (iv) authorises, directs and empowers the Bank to do all such other acts and things and to execute such other deeds, agreements or documents as may be necessary or desirable to give effect to this Extraordinary Resolution;
- (6) discharges, exonerates and indemnifies the Trustee from and against all liability which it may incur or for which it may have become or may become responsible under or in relation to the Trust Deed or the Notes in connection with the Claimants' Meeting, the Restructuring or this Extraordinary Resolution and the consummation and/or implementation of the Restructuring and the other matters referred to in this Extraordinary Resolution;

- (7) authorises and instructs the Trustee to concur in and consent to the above matters and to do all things and take any action which is, in the sole discretion of the Trustee, necessary or expedient to carry out and give effect to this Extraordinary Resolution;
- (8) agrees and acknowledges that the Trustee shall have no liability for acting on this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding on each Noteholder; and
- (9) declares and acknowledges that terms used in this resolution and defined in or as provided in the Notice of Noteholders' Meeting convening this Meeting and in the Information Memorandum are used herein as so defined."

Background

The Extraordinary Resolution forms part of an overall restructuring of certain financial indebtedness of the Bank as more fully described in the Information Memorandum. The Restructuring Plan will require the instruction of the Trustee on behalf of all of the individual series of Notes constituted by the Trust Deed for the Trustee to vote at the Claimants' Meeting in favour of the Restructuring Plan in respect of each such series of Notes. If the Restructuring Plan is approved at the Claimants' Meeting, then the rights of the Noteholders against the Bank and against Samruk-Kazyna under its Undertaking will be extinguished in consideration of the provision of the Entitlements by the Bank (as will be set out in the Information Memorandum). Noteholders who do not wish for the Restructuring Plan to be approved should vote against the Extraordinary Resolution. In the event that the Extraordinary Resolution is not passed any such Noteholder's vote will be deemed to have been cast against the Restructuring Plan at the Claimants' Meeting as described in the following paragraph and in "*If the Extraordinary Resolution is not Passed*" below.

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting, and each of them shall be bound to give effect to it accordingly. If the Extraordinary Resolution is not passed, Noteholders who cast votes in favour of or against the Extraordinary Resolution at the Noteholders' Meeting will be deemed to have cast such votes in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

The Information Memorandum, a copy of which will be available as indicated below, will explain in further detail the background to, and reasons for, the Noteholders' Meeting.

Disclosure of Contact Details

Beneficial Owners (as defined below) or Noteholders on behalf of Beneficial Owners may register their contact details with the Bank's financial advisers by contacting alb.noteholders@lazard.fr. This will facilitate communication with, and the distribution of roadshow invitations to, participants in the Restructuring.

Documents Available for Inspection

Noteholders may, at any time during normal business hours on any weekday (not including Saturdays, Sundays and bank and other public holidays) on and from the date of this Notice and prior to the Noteholders' Meeting, inspect at the offices of the Trustee, The Bank of New York Mellon, London Branch, as Principal Paying and Transfer Agent (the "**Principal Paying and Transfer Agent**"), and at the Noteholders' Meeting at the offices of White & Case LLP referred to above for 15 minutes before the Noteholders' Meeting, copies of the following documents:

- (a) the Trust Deed and any amendments or supplements thereto;
- (b) the Agency Agreement dated 25 March 2010;
- (c) the Cash Management Agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking dated 18 March 2010;
- (e) the Information Memorandum and any supplements thereto (to be made available upon publication by the Bank as aforesaid);
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of this notice); and
- (g) this Notice.

Furthermore, the Information Memorandum and any supplements thereto (upon their publication) will be made available on the Bank's website at www.alb.kz/en/investor_relations.

General

Noteholders should pay particular attention to the requirements in respect of a quorum for the Noteholders' Meeting and any adjourned Noteholders' Meeting (if applicable) which are set out below. In light of such requirements, Noteholders are strongly urged either to attend the Noteholders' Meeting or to take the steps referred to below as soon as possible, in order to be represented by proxy at the Noteholders' Meeting.

Neither the Trustee, the Principal Paying and Transfer Agent, the Registrar nor the Bank's financial or legal advisers (the "Bank's Advisers") nor any member of the steering committee of its creditors (the "Steering Committee") or the Steering Committee's legal or financial advisers (the "Steering Committee's Advisers") expresses any view or makes any recommendation as to the merits of the Extraordinary Resolution or the Restructuring Plan or any view as to whether the Noteholders, whether individually or as a series, would be acting in their best interests in voting for or against the Extraordinary Resolution, but the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration. The Trustee has not been involved in formulating or negotiating the Extraordinary Resolution relating to the Notes or the Information Memorandum or the Restructuring Plan and, in accordance with its normal practice, makes no representation that all relevant information has been disclosed to the Noteholders in or pursuant to the Information Memorandum and this Notice.

Neither the Trustee nor the Bank's Advisers nor any member of the Steering Committee or the Steering Committee's Advisers have verified any of the statements made in the Information Memorandum or in this Notice.

Nothing in the Information Memorandum or this Notice of Noteholders' Meeting should be construed as a recommendation to the Noteholders from the Trustee, the Bank's Advisers, the Steering Committee or the Steering Committee's Advisers to vote for or against the Extraordinary Resolution. Accordingly, each of the Bank, the Trustee, the Bank's Advisers, the Steering Committee and the Steering Committee's Advisers recommends that Noteholders who are unsure of the consequences of the Extraordinary Resolution being passed or not being passed should seek their own financial and legal advice.

The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring. The members of the Steering Committee are not acting as fiduciary or adviser to any person, make no representations and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement).

Voting

The provisions governing the convening and holding of the Noteholders' Meeting and for giving and revoking voting instructions are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, a copy of which is available for inspection as described above.

Each person (a “**Beneficial Owner**”) who is the owner of a particular principal amount of the Notes, as shown in the records of Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (the “**Designated Clearing Systems**”, each a “**Designated Clearing System**”) or its accountholders (“**Direct Participants**”) should note that such person will only be entitled to attend and vote at the Noteholders’ Meeting or appoint a proxy to do so in accordance with the procedures set out below.

1. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders’ Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before 12:00 pm (London time) on 29 October 2014 (the “**Voting Deadline**”) (and within the time limit specified by the relevant Designated Clearing System), a duly completed electronic instruction (an “**Electronic Instruction**”) in accordance with the requirements of the relevant Designated Clearing System and in the manner specified herein.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this Notice and, if so, should follow those deadlines.

Each Electronic Instruction must:

- (i) state the principal amount of the Notes held by the Beneficial Owner on whose behalf the Electronic Instruction has been submitted; and
- (ii) state whether the relevant Beneficial Owner wishes to vote in favour of or against the proposed Extraordinary Resolution as set out above.

Only Direct Participants may submit Electronic Instructions. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to submit an Electronic Instruction on its behalf to the relevant Designated Clearing System.

Direct Participants holding Notes on behalf of more than one Beneficial Owner may submit a separate Electronic Instruction on behalf of each Beneficial Owner.

The receipt of such Electronic Instruction by the relevant Designated Clearing System will be acknowledged by such Designated Clearing System and will result in the blocking until the conclusion of the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) of all Notes held by the Beneficial Owner on whose behalf such Electronic Instruction was submitted. Direct Participants must take the appropriate steps through the relevant Designated Clearing System to ensure that no transfers may be effected in relation to such Notes at any time whilst they are blocked, in accordance with the requirements of the relevant Designated Clearing System and the deadlines required by such Designated Clearing System. By blocking such Notes in the relevant Designated Clearing System, each Direct Participant will be deemed to consent to the relevant Designated Clearing System providing details concerning such Direct Participant’s identity to, amongst others, the Bank, the Trustee and the Principal Paying and Transfer Agent.

An Electronic Instruction may not be revoked or altered during the 48 hours before the time fixed for the Noteholders’ Meeting.

Any Electronic Instruction submitted in respect of the Noteholders’ Meeting shall apply to, and be valid for the purposes of, any adjourned Noteholders’ Meeting and there shall be no need to submit a new Electronic Instruction in respect of any adjourned Noteholders’ Meeting.

By submitting or delivering a duly completed Electronic Instruction to the relevant Designated Clearing System, the Direct Participant (i) instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing one or more persons nominated by the Principal Paying and Transfer Agent to act as proxy(ies) and to vote at the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) in accordance with the instructions contained in the Electronic Instruction(s) and (ii) confirms that, subject to the Extraordinary Resolution being passed at such Noteholders’ Meeting, the Trustee is authorised and directed on its behalf to complete any Claim Form required by the Bank in respect of the Claimants’ Meeting in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or

in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners. See also “*If the Extraordinary Resolution is not Passed*” below.

2. Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders’ Meeting or any adjourned Noteholders’ Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote) must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Notes from the Principal Paying and Transfer Agent by arranging for its Notes to be blocked in an account with the Designated Clearing System (unless the Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders’ Meeting or any adjourned Noteholders’ Meeting) not later than the Voting Deadline (and within the relevant time limit specified by the Designated Clearing System), upon terms that the Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) and, by requesting a voting certificate, the Direct Participant will be treated as having instructed the Trustee, subject to the Extraordinary Resolution being passed at such Noteholders’ Meeting, to complete any Claim Form required by the Bank in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners.

A Direct Participant not wishing to attend and vote at the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

3. In either case, Beneficial Owners (or a Direct Participant itself) must have made arrangements to vote with the relevant Designated Clearing System by not later than 48 hours before the time fixed for the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) and within the relevant time limit specified by the relevant Designated Clearing System and request or make arrangements for the relevant Designated Clearing System to block the Notes in the relevant Direct Participant’s account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent until the earlier of: (i) the conclusion of the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System or (iii) upon such Note(s) ceasing to be held to its order or under its control in accordance with the procedures of the Designated Clearing System and with the agreement of the Principal Paying and Transfer Agent (the “**Blocking Period**”).

Voting and Quorum

The Extraordinary Resolution may only be considered at the Noteholders’ Meeting if the Noteholders’ Meeting is quorate. The Noteholders’ Meeting will be quorate under the following conditions:

Noteholders’ Meeting

Original Noteholders’ Meeting

Adjourned Noteholders’ Meeting

Quorum Requirement

Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding.

Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.

If, within fifteen minutes after the time appointed for the Noteholders' Meeting, a quorum is not present, the Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of the Noteholders' Meeting prior to the adjournment of such meeting.

Notice of any adjourned Noteholders' Meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned Noteholders' Meeting.

Votes in favour of the Extraordinary Resolution must represent a majority of not less than 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more Persons representing two per cent. of the aggregate principal amount of the Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

On a show of hands every Person who is present in person and who produces a Note or a voting certificate or is a proxy has one vote. On a poll every such Person has one vote for each KZT 1,000 of principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a Person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect of Voting

By submitting or delivering an Electronic Instruction and/or casting a vote at the Noteholders' Meeting, each Beneficial Owner and/or Direct Participant:

- (a) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or voting certificate are, at the time of submission or delivery of the Electronic Instruction, and will continue to be, until the end of the Noteholders' Meeting or any adjournment thereof, held by it or on its behalf at Euroclear or Clearstream, Luxembourg;
- (b) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or the voting certificate have been blocked (and will remain blocked) to the order of the Principal Paying and Transfer Agent in the securities account to which such Notes are credited in the relevant Clearing System for the duration of the Blocking Period;
- (c) acknowledges that it has received and reviewed the terms of this notice;
- (d) consents and authorises the relevant Clearing System to disclose their holdings (provided, for the avoidance of doubt, that such disclosure shall relate only to the holdings of Direct Participants and there shall be no requirement to disclose the identity or holdings of Beneficial Owners) and Clearing Systems account details to the Bank and the Principal Paying and Transfer Agent at the time such Beneficial Owner submits or delivers the Electronic Instruction;

- (e) acknowledges that none of the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how, to vote in relation to the Extraordinary Resolution, and it represents that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
- (f) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Beneficial Owner and/or Direct Participant and shall not be affected by, and shall survive, the death or incapacity of such Beneficial Owner and/or Direct Participant; and
- (g) acknowledges that, other than as set out herein, no information has been provided to it by the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees with regard to the tax consequences or any other consequences to the Beneficial Owner and/or the Direct Participant arising from voting in favour of the Extraordinary Resolution.

Publication of Notice of Results

If the Extraordinary Resolution is passed, the Bank will give notice of the passing to Noteholders within 14 days, but failure to do so will not invalidate the Extraordinary Resolution.

Binding Effect of the Extraordinary Resolution

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting and each of them shall be bound to give effect to it accordingly.

If the Extraordinary Resolution is not Passed

If the Extraordinary Resolution is not passed at the Noteholders' Meeting or at any adjourned such Meeting, then the Trustee shall not cast any vote in respect of the Notes at the Claimants' Meeting and nor shall it file any Claim Form, whether required by the Bank or otherwise. However, each Noteholder, Direct Participant and/or Beneficial Owner who has cast a vote in favour of or against the Extraordinary Resolution at the Noteholders' Meeting (whether by proxy or in person through a valid voting certificate) or submitted an Electronic Instruction or arranged for an Electronic Instruction to be submitted on its behalf shall be deemed:

- (a) to have cast the votes in favour of or against the Extraordinary Resolution in favour of or against the Restructuring Plan at the Claimants' Meeting in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting; and
- (b) to have filed any Claim Form required by the Bank in respect of the principal amount of the relevant Notes, together with Accrued Interest (as defined and specified in the Information Memorandum), and/or to have instructed The Bank of New York Mellon, as delivery agent, to submit on its behalf any such Claim Form in respect of the aggregate principal amount of the Notes, together with Accrued Interest (as defined and specified in the Information Memorandum) held by all Noteholders who cast votes at the Noteholders' Meetings.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting or any adjourned such Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

Further Information

Any questions relating to the completion and submission of Electronic Instructions should be addressed to the Principal Paying and Transfer Agent as follows:

Contact: Debt Restructuring Services
Tel: +44 1202 689644
Fax: +44 20 7964 2628
Email: debtstructuring@bnymellon.com

Any questions relating to the Extraordinary Resolution or Restructuring Plan should be addressed to the Bank as follows:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040, extension 52447
Email: IR@alb.kz

Governing law

This Notice and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

PRINCIPAL PAYING AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

This Notice is given by:

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

9 October 2014

ANNEX 6 — NOTICE OF RECOVERY NOTEHOLDERS' MEETING

NOTICE TO NOTEHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR OWN INDEPENDENT FINANCIAL, TAX AND LEGAL ADVISERS

JSC Alliance Bank

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)
(the “**Bank**”)

NOTICE OF MEETING

of the holders of the Bank’s U.S.\$978,059 5.8 per cent. Notes due 2020

(Common Code 049575572 and ISIN XS0495755729 (Reg S); Common Code 049575602 and ISIN XS0495756024 (Rule 144A)) (the “**Notes**”)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) to the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) (the “**Trustee**”) constituting the Notes, a meeting (the “**Noteholders’ Meeting**”) of the holders of the Notes (the “**Noteholders**”) convened by the Bank will be held at 12:15 pm (London time) on 31 October 2014 at the offices of White & Case LLP at 5 Old Broad Street, London EC2N 1DW, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. If within 15 minutes after such time the quorum specified in the Trust Deed is not present, the Noteholders’ Meeting will be adjourned until such date (not less than 14 nor more than 42 days later) and time and place as the chairman of the Noteholders’ Meeting may decide. Unless the context otherwise requires, terms used in this Notice of Noteholders’ Meeting (including in the Extraordinary Resolution) shall bear the meanings given to them in the Trust Deed, the terms and conditions of the Notes and/or the information memorandum to be published by the Bank prior to the Noteholders’ Meeting (the “**Information Memorandum**”).

Noteholders should be aware that the Information Memorandum is not available as at the date of this Notice of Noteholders’ Meeting but that it will be made available to Noteholders prior to the Noteholders’ Meeting. The Bank’s current intention is to publish the Information Memorandum on or before 13 October 2014 on its website at www.alb.kz/en/investor_relations.

The terms of the Extraordinary Resolution are as follows:

“THAT this Meeting of the holders (the “**Noteholders**”) of the U.S.\$978,059 5.8 per cent. Notes due 2020 (the “**Notes**”) of JSC Alliance Bank (the “**Bank**”) constituted by the trust deed dated 25 March 2010 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited), as trustee (the “**Trustee**”) hereby:

- (1) approves the plan to restructure the Designated Financial Indebtedness between the Bank and the Claimants in the form set out in Schedule 1 (*The Restructuring Plan*) to the information memorandum published on or prior to 13 October 2014 by the Bank in connection with this Meeting (the “**Information Memorandum**”), with any modification, addition or condition approved by the Claimants in accordance with the provisions of the Restructuring Plan which the Court may think fit to approve or impose and as published on the Bank’s website prior to the Claims Submission Date (the “**Restructuring Plan**”);
- (2) authorises, directs, instructs and empowers the Trustee to vote or procure a vote of the full RN IFRS Value (as defined and specified in the Information Memorandum) of the Notes in respect of which votes may be cast at the Claimants’ Meeting in favour of the Restructuring Plan at the Claimants’ Meeting;
- (3) authorises, directs, instructs and empowers the Trustee for a period of up to 120 days following the date of the Noteholders’ Meeting or any adjourned such Noteholders’ Meeting to vote or procure a vote at any adjourned or rescheduled Claimants’ Meeting (if any) of the full RN IFRS Value of the Notes in respect of which votes may be cast at the Claimants’ Meeting in favour of the Restructuring Plan at the Claimants’

Meeting, provided that at least two Business Days prior to any such adjourned or rescheduled Claimants' Meeting, the Trustee receives a certificate executed by two directors of the Bank (the "**Bank Certificate**") certifying that the following conditions (a) – (b) inclusive have been satisfied, which certificate shall constitute final and conclusive evidence of the same and on which the Trustee shall be entitled to rely absolutely without any liability to any person whatsoever for so doing:

- (a) the aggregate amount of cash to be delivered to the Noteholders pursuant to the Restructuring Plan or any amendment thereof is not less than that described in the Information Memorandum as at the date when the Information Memorandum was first published by the Bank; and
- (b) the Restructuring remains conditional on all approvals relating to the Consolidation having been obtained and the Bank having acquired all of the shares in Temirbank and ForteBank,

and, if the Trustee receives the Bank Certificate, the Trustee shall be under no obligation to make any investigation or enquiry as to the adequacy, sufficiency, nature, scope or effect of any such amendments to the Restructuring Plan or as to whether or not such amendments or any other matters shall affect (materially or otherwise) the interests of Noteholders; provided that this resolution paragraph (3) shall remain valid during such 120-day period unless and until the Trustee shall receive, not less than five Business Days in advance of such adjourned or rescheduled Claimants' Meeting, instruction(s) in writing from persons holding or representing in the aggregate not less than 75 per cent. in outstanding principal amount of the Notes that the Trustee shall no longer vote at any such adjourned or rescheduled Claimants' Meeting whereupon this resolution paragraph (3) shall no longer be valid and shall be of no effect and any Bank Certificate received by the Trustee following its receipt of such instruction(s) shall similarly be of no effect;

- (4) authorises, directs, instructs and empowers the Trustee to submit any Claim Form required by the Bank in respect of the aggregate RN IFRS Value of the Notes on behalf of the Noteholders;
- (5) in the event the Restructuring Plan is approved at the Claimants' Meeting as certified in writing to the Trustee by a certificate executed by two directors of the Bank, which certificate shall be final and conclusive evidence of the same:
 - (i) authorises, directs, instructs and empowers the Trustee to release the Bank and Samruk-Kazyna from their respective obligations under the Trust Deed and the Samruk-Kazyna Undertaking and to enter into the Deed of Release substantially in the form set out in the Information Memorandum with such amendments or modifications thereto as may be approved by the Steering Committee and which are acceptable to the Trustee;
 - (ii) authorises and instructs the Trustee to deliver any necessary agreements or consents on behalf of the Noteholders releasing the Bank and/or Samruk-Kazyna from any claims whatsoever of the Noteholders in relation to or arising out of the Notes and/or the Samruk-Kazyna Undertaking and/or the implementation of the Restructuring Plan;
 - (iii) authorises, directs, requests, instructs and empowers the Trustee to enter into the New Notes Trust Deed and any other documents necessary or desirable in the Trustee's sole discretion in connection with the issue of the New Notes; and
 - (iv) authorises, directs and empowers the Bank to do all such other acts and things and to execute such other deeds, agreements or documents as may be necessary or desirable to give effect to this Extraordinary Resolution;
- (6) authorises, sanctions and assents to the disapplication of Condition 11(c) (*Redemption at the Option of the Noteholders*) and waiver of any breach by the Bank of that or any other Condition of the Notes resulting from the implementation of the Restructuring Plan;
- (7) discharges, exonerates and indemnifies the Trustee from and against all liability which it may incur or for which it may have become or may become responsible under or in relation to the Trust Deed or the Notes in connection with the Claimants' Meeting, the Restructuring or this Extraordinary Resolution and the consummation and/or implementation of the Restructuring and the other matters referred to in this Extraordinary Resolution;

- (8) authorises and instructs the Trustee to concur in and consent to the above matters and to do all things and take any action which is, in the sole discretion of the Trustee, necessary or expedient to carry out and give effect to this Extraordinary Resolution;
- (9) agrees and acknowledges that the Trustee shall have no liability for acting on this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding on each Noteholder; and
- (10) declares and acknowledges that terms used in this resolution and defined in or as provided in the Notice of Noteholders' Meeting convening this Meeting and in the Information Memorandum are used herein as so defined."

Background

The Extraordinary Resolution forms part of an overall restructuring of certain financial indebtedness of the Bank as more fully described in the Information Memorandum. The Restructuring Plan will require the instruction of the Trustee on behalf of all of the individual series of Notes constituted by the Trust Deed for the Trustee to vote at the Claimants' Meeting in favour of the Restructuring Plan in respect of each such series of Notes. If the Restructuring Plan is approved at the Claimants' Meeting, then the rights of the Noteholders against the Bank and against Samruk-Kazyna under its Undertaking will be extinguished in consideration of the provision of the Entitlements by the Bank (as will be set out in the Information Memorandum). Noteholders who do not wish for the Restructuring Plan to be approved should vote against the Extraordinary Resolution. In the event that the Extraordinary Resolution is not passed any such Noteholder's vote will be deemed to have been cast against the Restructuring Plan at the Claimants' Meeting as described in the following paragraph and in "*If the Extraordinary Resolution is not Passed*" below.

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting, and each of them shall be bound to give effect to it accordingly. If the Extraordinary Resolution is not passed, Noteholders who cast votes in favour of or against the Extraordinary Resolution at the Noteholders' Meeting will be deemed to have cast such votes in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting in respect of the RN IFRS Value (as defined and specified in the Information Memorandum) of the relevant Notes in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan (as applicable) at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

The Information Memorandum, a copy of which will be available as indicated below, will explain in further detail the background to, and reasons for, the Noteholders' Meeting.

Disclosure of Contact Details

Beneficial Owners (as defined below) or Noteholders on behalf of Beneficial Owners may register their contact details with the Bank's financial advisers by contacting alb.noteholders@lazard.fr. This will facilitate communication with, and the distribution of roadshow invitations to, participants in the Restructuring.

Documents Available for Inspection

Noteholders may, at any time during normal business hours on any weekday (not including Saturdays, Sundays and bank and other public holidays) on and from the date of this Notice and prior to the Noteholders' Meeting, inspect at the offices of the Trustee, The Bank of New York Mellon, London Branch, as Principal Paying and Transfer Agent (the "**Principal Paying and Transfer Agent**"), and at the Noteholders' Meeting at the offices of White & Case LLP referred to above for 15 minutes before the Noteholders' Meeting, copies of the following documents:

- (a) the Trust Deed and any amendments or supplements thereto;
- (b) the Agency Agreement dated 25 March 2010;
- (c) the Cash Management Agreement dated 25 March 2010;
- (d) the Samruk-Kazyna Undertaking dated 18 March 2010;
- (e) the Information Memorandum and any supplements thereto (to be made available upon publication by the Bank as aforesaid);
- (f) the form of the New Notes Trust Deed (to be made available when in agreed form as between the Bank and the Trustee and as soon as practicable following the date of this notice); and
- (g) this Notice.

Furthermore, the Information Memorandum and any supplements thereto (upon their publication) will be made available on the Bank's website at www.alb.kz/en/investor_relations.

General

Noteholders should pay particular attention to the requirements in respect of a quorum for the Noteholders' Meeting and any adjourned Noteholders' Meeting (if applicable) which are set out below. In light of such requirements, Noteholders are strongly urged either to attend the Noteholders' Meeting or to take the steps referred to below as soon as possible, in order to be represented by proxy at the Noteholders' Meeting.

Neither the Trustee, the Principal Paying and Transfer Agent, the Registrar nor the Bank's financial or legal advisers (the "Bank's Advisers") nor any member of the steering committee of its creditors (the "Steering Committee") or the Steering Committee's legal or financial advisers (the "Steering Committee's Advisers") expresses any view or makes any recommendation as to the merits of the Extraordinary Resolution or the Restructuring Plan or any view as to whether the Noteholders, whether individually or as a series, would be acting in their best interests in voting for or against the Extraordinary Resolution, but the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration. The Trustee has not been involved in formulating or negotiating the Extraordinary Resolution relating to the Notes or the Information Memorandum or the Restructuring Plan and, in accordance with its normal practice, makes no representation that all relevant information has been disclosed to the Noteholders in or pursuant to the Information Memorandum and this Notice.

Neither the Trustee nor the Bank's Advisers nor any member of the Steering Committee or the Steering Committee's Advisers have verified any of the statements made in the Information Memorandum or in this Notice.

Nothing in the Information Memorandum or this Notice of Noteholders' Meeting should be construed as a recommendation to the Noteholders from the Trustee, the Bank's Advisers, the Steering Committee or the Steering Committee's Advisers to vote for or against the Extraordinary Resolution. Accordingly, each of the Bank, the Trustee, the Bank's Advisers, the Steering Committee and the Steering Committee's Advisers recommends that Noteholders who are unsure of the consequences of the Extraordinary Resolution being passed or not being passed should seek their own financial and legal advice.

The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring. The members of the Steering Committee are not acting as fiduciary or adviser to any person, make no representations and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement).

Voting

The provisions governing the convening and holding of the Noteholders' Meeting and for giving and revoking voting instructions are set out in Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed, a copy of which is available for inspection as described above.

Each person (a “**Beneficial Owner**”) who is the owner of a particular principal amount of the Notes, as shown in the records of Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (the “**Designated Clearing Systems**”, each a “**Designated Clearing System**”) or its accountholders (“**Direct Participants**”) should note that such person will only be entitled to attend and vote at the Noteholders’ Meeting or appoint a proxy to do so in accordance with the procedures set out below.

1. A Beneficial Owner who wishes to cause the appointment of a proxy to attend and vote at the Noteholders’ Meeting must submit, or arrange for its Direct Participant to submit on its behalf, on or before 12:15 pm (London time) on 29 October 2014 (the “**Voting Deadline**”) (and within the time limit specified by the relevant Designated Clearing System), a duly completed electronic instruction (an “**Electronic Instruction**”) in accordance with the requirements of the relevant Designated Clearing System and in the manner specified herein.

Beneficial Owners should check with their bank, securities broker or any other intermediary through which they hold their Notes whether such bank, securities broker or other intermediary will apply deadlines for participation which are earlier than those set out in this Notice and, if so, should follow those deadlines.

Each Electronic Instruction must:

- (i) state the principal amount of the Notes held by the Beneficial Owner on whose behalf the Electronic Instruction has been submitted; and
- (ii) state whether the relevant Beneficial Owner wishes to vote in favour of or against the proposed Extraordinary Resolution as set out above.

Only Direct Participants may submit Electronic Instructions. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to submit an Electronic Instruction on its behalf to the relevant Designated Clearing System.

Direct Participants holding Notes on behalf of more than one Beneficial Owner may submit a separate Electronic Instruction on behalf of each Beneficial Owner.

The receipt of such Electronic Instruction by the relevant Designated Clearing System will be acknowledged by such Designated Clearing System and will result in the blocking until the conclusion of the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) of all Notes held by the Beneficial Owner on whose behalf such Electronic Instruction was submitted. Direct Participants must take the appropriate steps through the relevant Designated Clearing System to ensure that no transfers may be effected in relation to such Notes at any time whilst they are blocked, in accordance with the requirements of the relevant Designated Clearing System and the deadlines required by such Designated Clearing System. By blocking such Notes in the relevant Designated Clearing System, each Direct Participant will be deemed to consent to the relevant Designated Clearing System providing details concerning such Direct Participant’s identity to, amongst others, the Bank, the Trustee and the Principal Paying and Transfer Agent.

An Electronic Instruction may not be revoked or altered during the 48 hours before the time fixed for the Noteholders’ Meeting.

Any Electronic Instruction submitted in respect of the Noteholders’ Meeting shall apply to, and be valid for the purposes of, any adjourned Noteholders’ Meeting and there shall be no need to submit a new Electronic Instruction in respect of any adjourned Noteholders’ Meeting.

By submitting or delivering a duly completed Electronic Instruction to the relevant Designated Clearing System, the Direct Participant (i) instructs the Principal Paying and Transfer Agent to complete and sign a block voting instruction in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed appointing one or more persons nominated by the Principal Paying and Transfer Agent to act as proxy(ies) and to vote at the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) in accordance with the instructions contained in the Electronic Instruction(s) and (ii) confirms that, subject to the Extraordinary Resolution being passed at such Noteholders’ Meeting, the Trustee is authorised and directed on its behalf to complete any Claim Form required by the Bank in respect of the Claimants’ Meeting in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or

in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners. See also “*If the Extraordinary Resolution is not Passed*” below.

2. Alternatively, Beneficial Owners and Direct Participants who wish to attend and vote at the Noteholders’ Meeting or any adjourned Noteholders’ Meeting in person (or who wish a different person to be appointed as their proxy to attend and vote) must produce at such meeting (or procure that their proxies produce) a valid voting certificate or certificates issued by the Principal Paying and Transfer Agent.

Only Direct Participants may obtain voting certificates. Each Beneficial Owner that is not a Direct Participant must arrange for the Direct Participant through which it holds its Notes to obtain a voting certificate in accordance with the procedures set out below.

A Direct Participant may obtain a voting certificate in respect of its Notes from the Principal Paying and Transfer Agent by arranging for its Notes to be blocked in an account with the Designated Clearing System (unless the Notes are the subject of a block voting instruction which has been issued and is outstanding in respect of the Noteholders’ Meeting or any adjourned Noteholders’ Meeting) not later than the Voting Deadline (and within the relevant time limit specified by the Designated Clearing System), upon terms that the Notes will not cease to be so blocked until the first to occur of (i) the conclusion of the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) and (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System.

Such voting certificate will entitle the holder thereof to attend and vote at the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) and, by requesting a voting certificate, the Direct Participant will be treated as having instructed the Trustee, subject to the Extraordinary Resolution being passed at such Noteholders’ Meeting, to complete any Claim Form required by the Bank in respect of the Notes and to make the representations, warranties and undertakings contained therein and/or in the Information Memorandum on behalf of the Direct Participants and the relevant Beneficial Owners.

A Direct Participant not wishing to attend and vote at the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) in person but who wishes a different person to be appointed as its proxy to attend and vote may deliver the voting certificate(s) to the person whom it wishes to attend on its behalf.

3. In either case, Beneficial Owners (or a Direct Participant itself) must have made arrangements to vote with the relevant Designated Clearing System by not later than 48 hours before the time fixed for the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting) and within the relevant time limit specified by the relevant Designated Clearing System and request or make arrangements for the relevant Designated Clearing System to block the Notes in the relevant Direct Participant’s account and to hold the same to the order or under the control of the Principal Paying and Transfer Agent until the earlier of: (i) the conclusion of the Noteholders’ Meeting (or any adjourned Noteholders’ Meeting), (ii) the surrender of the voting certificate to the Principal Paying and Transfer Agent and notification by the Principal Paying and Transfer Agent to the Designated Clearing System of such surrender or the compliance in such other manner with the rules of the Designated Clearing System or (iii) upon such Note(s) ceasing to be held to its order or under its control in accordance with the procedures of the Designated Clearing System and with the agreement of the Principal Paying and Transfer Agent (the “**Blocking Period**”).

Voting and Quorum

The Extraordinary Resolution may only be considered at the Noteholders’ Meeting if the Noteholders’ Meeting is quorate. The Noteholders’ Meeting will be quorate under the following conditions:

Noteholders’ Meeting

Original Noteholders’ Meeting

Adjourned Noteholders’ Meeting

Quorum Requirement

Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding.

Two or more persons present in person holding Notes or being proxies and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.

If, within fifteen minutes after the time appointed for the Noteholders' Meeting, a quorum is not present, the Noteholders' Meeting shall stand adjourned until a date which shall be not less than 14 days but not more than 42 days as determined by the chairman of the Noteholders' Meeting prior to the adjournment of such meeting.

Notice of any adjourned Noteholders' Meeting shall be given in the same manner as notice of the original Noteholders' Meeting save that at least 10 days' notice, containing the information required for the notice of the original meeting shall be given. Such notice shall also state the quorum required at such adjourned Noteholders' Meeting.

Votes in favour of the Extraordinary Resolution must represent a majority of not less than 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Bank, the Trustee or one or more Persons representing two per cent. of the aggregate principal amount of the Notes. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

On a show of hands every Person who is present in person and who produces a Note or a voting certificate or is a proxy has one vote. On a poll every such Person has one vote for each U.S.\$1 of principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a Person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect of Voting

By submitting or delivering an Electronic Instruction and/or casting a vote at the Noteholders' Meeting, each Beneficial Owner and/or Direct Participant:

- (a) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or voting certificate are, at the time of submission or delivery of the Electronic Instruction, and will continue to be, until the end of the Noteholders' Meeting or any adjournment thereof, held by it or on its behalf at Euroclear or Clearstream, Luxembourg;
- (b) represents, warrants and undertakes to the Bank, the Trustee and the Principal Paying and Transfer Agent that the Notes which are the subject of the Electronic Instruction or the voting certificate have been blocked (and will remain blocked) to the order of the Principal Paying and Transfer Agent in the securities account to which such Notes are credited in the relevant Clearing System for the duration of the Blocking Period;
- (c) acknowledges that it has received and reviewed the terms of this notice;
- (d) consents and authorises the relevant Clearing System to disclose their holdings (provided, for the avoidance of doubt, that such disclosure shall relate only to the holdings of Direct Participants and there shall be no requirement to disclose the identity or holdings of Beneficial Owners) and Clearing Systems account details to the Bank and the Principal Paying and Transfer Agent at the time such Beneficial Owner submits or delivers the Electronic Instruction;
- (e) acknowledges that none of the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how,

to vote in relation to the Extraordinary Resolution, and it represents that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;

- (f) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Beneficial Owner and/or Direct Participant and shall not be affected by, and shall survive, the death or incapacity of such Beneficial Owner and/or Direct Participant; and
- (g) acknowledges that, other than as set out herein, no information has been provided to it by the Bank, the Trustee, the Registrar, the Principal Paying and Transfer Agent or any of their respective affiliates, directors or employees with regard to the tax consequences or any other consequences to the Beneficial Owner and/or the Direct Participant arising from voting in favour of the Extraordinary Resolution.

Publication of Notice of Results

If the Extraordinary Resolution is passed, the Bank will give notice of the passing to Noteholders within 14 days, but failure to do so will not invalidate the Extraordinary Resolution.

Binding Effect of the Extraordinary Resolution

If the Extraordinary Resolution is passed, it shall be binding on all the Noteholders, whether or not present at the Noteholders' Meeting and each of them shall be bound to give effect to it accordingly.

If the Extraordinary Resolution is not Passed

If the Extraordinary Resolution is not passed at the Noteholders' Meeting or at any adjourned such Meeting, then the Trustee shall not cast any vote in respect of the Notes at the Claimants' Meeting and nor shall it file any Claim Form, whether required by the Bank or otherwise. However, each Noteholder, Direct Participant and/or Beneficial Owner who has cast a vote in favour of or against the Extraordinary Resolution at the Noteholders' Meeting (whether by proxy or in person through a valid voting certificate) or submitted an Electronic Instruction or arranged for an Electronic Instruction to be submitted on its behalf shall be deemed:

- (a) to have cast the votes in favour of or against the Extraordinary Resolution in favour of or against the Restructuring Plan at the Claimants' Meeting in respect of the RN IFRS Value (as defined and specified in the Information Memorandum) of the relevant Notes in accordance with whether the relevant votes were cast in favour of or against the Extraordinary Resolution at the Noteholders' Meeting; and
- (b) to have filed any Claim Form required by the Bank in respect of the RN IFRS Value (as defined and specified in the Information Memorandum) of the relevant Notes and/or to have instructed The Bank of New York Mellon, as delivery agent, to submit on its behalf any such Claim Form in respect of the aggregate RN IFRS Value (as defined and specified in the Information Memorandum) of the Notes held by all Noteholders who cast votes at the Noteholders' Meetings.

Noteholders should note that, where the Extraordinary Resolution is not passed at the Noteholders' Meeting or any adjourned such Meeting, the process by which votes cast in favour of or against the Extraordinary Resolution are deemed to be cast in favour of or against the Restructuring Plan at the Claimants' Meeting is not governed by the provisions of the Trust Deed or the Agency Agreement and, for the avoidance of doubt, the Trustee, the Registrar and the Principal Paying and Transfer Agent shall have no liability to Noteholders in respect of any actions taken or not taken by any of them in such circumstances.

Further Information

Any questions relating to the completion and submission of Electronic Instructions should be addressed to the Principal Paying and Transfer Agent as follows:

Contact: Debt Restructuring Services
Tel: +44 1202 689644
Fax: +44 20 7964 2628
Email: debtstructuring@bnymellon.com

Any questions relating to the Extraordinary Resolution or Restructuring Plan should be addressed to the Bank as follows:

Contact: Ms. Aliya Yeszhan
Tel: +7 727 258 4040, extension 52447
Email: IR@alb.kz

Governing law

This Notice and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

PRINCIPAL PAYING AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

This Notice is given by:

JSC ALLIANCE BANK

50, Furmanov Street
Almaty, 050004
Kazakhstan

9 October 2014

SCHEDULE 6 — NOTICE OF GENERAL SHAREHOLDERS' MEETING

Notice on convocation of a joint extraordinary general shareholders' meeting of JSC Alliance Bank, JSC ForteBank and JSC Temirbank

Dear shareholders of JSC Alliance Bank, JSC ForteBank and JSC Temirbank (together the “**Banks**”).

Alliance Bank Joint Stock Company (Management Board is located at: 50 Furmanov Street, Almaty, 050004, Republic of Kazakhstan), ForteBank Joint Stock Company (Management Board is located at: 192, Dostyk Avenue, Almaty, 050051, Republic of Kazakhstan) and Temirbank Joint Stock Company (Management Board is located at: 68/74 Abay Avenue, Almaty, 050008, Republic of Kazakhstan) notify their shareholders on holding of a joint extraordinary general shareholders' meeting of the Banks (the “**Meeting**”) at the initiative of the board of directors of the Banks.

The Meeting will be held on 10 November 2014, starting from 10:00 a.m. (Almaty time), at the address: Conference Room No. 1, 3rd floor, 50, Furmanov Street, Almaty, 050004, Republic of Kazakhstan.

Registration of the participants of the Meeting will be held starting from 09:00 a.m. (Almaty time) on 10 November 2014.

The registers of the Banks' shareholders eligible to participate at the Meeting will be compiled as of 00.00 a.m. (Almaty time) on 27 October 2014.

The agenda for the Meeting is:

1. Approval of the restructuring plan in respect of JSC Alliance Bank's indebtedness (matter for the general shareholders' meeting of JSC Alliance Bank).
2. Approval of the voluntary reorganisation of JSC Alliance Bank, JSC ForteBank and JSC Temirbank by way of the consolidation of JSC ForteBank and JSC Temirbank into JSC Alliance Bank and the procedure and the terms of such consolidation.
3. Approval of the increase of the number of authorised common shares in JSC Alliance Bank for placement to the shareholders of JSC ForteBank, JSC Temirbank and the creditors of JSC Alliance Bank (matter for the general shareholders' meeting of JSC Alliance Bank).
4. Approval of the placement of common shares in JSC Alliance Bank to the shareholders of JSC ForteBank, JSC Temirbank and creditors of JSC Alliance Bank (matter for the general shareholders' meeting of JSC Alliance Bank).
5. Approval of the procedure and the terms of the exchange of shares in JSC ForteBank and JSC Temirbank for common shares in JSC Alliance Bank and the approval of the exchange ratios in respect of such exchange of shares in JSC ForteBank and JSC Temirbank for common shares in JSC Alliance Bank.
6. Authorisation of a person to sign and file applications to the National Bank of the Republic of Kazakhstan for its approval of the voluntary reorganisation, as well as to sign all other documents submitted to the National Bank of the Republic of Kazakhstan in connection with the voluntary reorganisation and to take any other actions on behalf of each of the Banks.
7. Authorisation of a person to sign and file applications to obtain the consent of the Committee for Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy on economic concentration in relation to the voluntary reorganisation on behalf of the Banks.
8. Approval of the transfer of the property of JSC ForteBank and JSC Temirbank to JSC Alliance Bank within the framework of the voluntary reorganisation.

9. Consent to the termination of the corporate governance provisions (Clause 2.1(d)) of the Deed Poll made by JSC “Sovereign Wealth Fund “Samruk-Kazyna” on 18 March 2010 (matter for the general shareholders’ meeting of JSC Alliance Bank).
10. Approval of amendments to JSC Alliance Bank’s Regulations of the Board of Directors (matter for the general shareholders’ meeting of JSC Alliance Bank).

In accordance with paragraph 5 of Article 17 of the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”, “legal entities registered in offshore jurisdictions as set out in a list of such jurisdictions approved by the competent authority may not own and (or) use and (or) dispose directly or indirectly the voting shares of banks-residents of the Republic of Kazakhstan (ref. Letter No. 04-01-14/1615 dated 29 April 2009 of the Agency of the Republic of Kazakhstan for the Regulation and Supervision of the Financial Market and Financial Organizations).

Under paragraph 5-1 of the said Article, “a shareholder, participating at the general shareholders meeting submits application, stipulating on fulfilment of the requirement under paragraph 5-1 of this Article by its shareholders (participants) if there is no information on registration country of these shareholders (participants) in the bank”. The second sub-paragraph of this paragraph provides that “a shareholder that did not submit the abovementioned application is not allowed to vote at the general shareholders meeting”.

In this regard during registration participants of the Meeting should provide documents confirming their rights to participate at the Meeting and vote on all matters considered at the Meeting.

Shareholders of the Banks may read and acknowledge the materials of the Meeting in the terms and procedure established by the Law of the Republic of Kazakhstan “On Joint Stock Companies”, at the address: 50, Furmanov Street, Almaty, 050004.

In accordance with the legislation of the Republic of Kazakhstan, holders of preference shares of JSC Alliance Bank will be entitled to vote on all items of the agenda of the Meeting. Holders of preference shares of JSC Temirbank and JSC ForteBank will be entitled to vote on items 2, 5 and 8 of the agenda of the Meeting.

In the event there is no quorum of the Meeting, the adjourned (repeated) joint extraordinary general shareholders meeting of the Banks will be convened on 11 November 2014 starting from 10.00 a.m. (Almaty time) at the address: Conference Room No.1, 3rd floor, 50, Furmanov Street, 050004, Almaty. Registration of participants of such meeting will be held from 09.00 a.m. (Almaty time) on 11 November 2014.

Contacts in case of questions:

- (1) Corporate secretary of JSC Alliance Bank, telephone: +7 727 258 40 40, int. 52505;
- (2) Corporate secretary of JSC ForteBank, telephone: +7 7172 59 17 59; and
- (3) Corporate secretary of JSC Temirbank, telephone: +7 727 259 65 12.

Date: 10 October 2014

SCHEDULE 7 — GSM PROXY FORM



BNY MELLON

Notice to Owners of
144A/Regulation S Global Depositary Receipts of
Joint Stock Company Alliance Bank

144A CUSIP #: 018531301 ISIN#: US0185313014
REG S CUSIP #: 018531509 ISIN#: US0185315092

Holders of record on **27 October 2014**, of Global Depositary Receipts (four GDRs representing one Common Share of JSC Alliance Bank), issued under the Deposit Agreement dated as of 19 March 2010, among The Bank of New York Mellon, as Depositary (the “Depositary”), JSC Alliance Bank (the “Bank”), and among Beneficial Holders, are hereby notified that The Bank of New York Mellon, as Depositary, has received notice of an upcoming **Joint Extraordinary General Shareholders’ Meeting of the Bank, JSC Temirbank and JSC ForteBank** to be held on **10 November 2014** in Kazakhstan.

Pursuant to Section 5, *Voting of Shares*, of the mentioned Deposit Agreement, Holders of Global Depositary Receipts (“GDRs”) are entitled, subject to any applicable provision of Kazakhstan law and the statutes of the Bank to instruct the Depositary to vote the Deposited Securities evidenced by the GDRs. Upon the written request of a Holder on **27 October 2014**, received **on or before 12:00 p.m. on 4 November 2014**, the Depositary shall endeavor, insofar as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the Global Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request.

Each Holder is required to disclose identity and certify in such voting instruction on page 6, Item 1, that the Holder and its direct and indirect shareholder(s) (participant(s)) have complied with the requirements of Clause 5 of Article 17 of the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”, and represents that neither it nor its direct or indirect shareholder(s) (participant(s)) are not registered in offshore zones, the list of which is set forth by the authorized body of the Republic of Kazakhstan on regulation of financial markets and financial organisations in the Republic of Kazakhstan.

Also, each Holder is required to certify on page 6, Item 2, that the Holder does not own ten (10) percent (i.e. 5,455,025 GDRs/1,363,756 Common Shares), or more, of the total outstanding (placed) Common Shares of the Bank nor has the ability to exercise voting rights, comprising 10 percent, or more of voting shares of the Bank, nor can influence on the decisions made by the Bank pursuant to an agreement or otherwise as provided in the relevant regulation of the authorized body, otherwise such Holder holds the consent of the National Bank of Kazakhstan to obtain the status of major participant of the Company.

If no such disclosure and certification is provided to the Depositary by a Holder (an “Uncertified Holder”), the Depositary will not exercise any voting rights in relation to the Deposited Shares which are represented by the GDRs which are held by the Uncertified Holder and such voting rights will lapse.

The Depositary will only endeavor to vote, or cause to be voted the votes attaching to Common Shares in respect of which voting instructions have been received. If no voting instructions are received by the Depositary (either because no voting instructions are returned or because the voting instructions are incomplete, illegible or unclear) from a Holder with respect to any or all of the Deposited Shares represented by such Holder’s GDRs **on or before 12:00 p.m. on 4 November 2014**, the Depositary shall not exercise voting rights in relation to such Deposited Shares and such voting rights shall lapse.

!!!DISCLOSURE AND CERTIFICATION MUST BE PROVIDED IN ORDER FOR VOTING INSTRUCTION TO BE VALID!!!

!!! COLLECTION OF VOTING INSTRUCTIONS WILL BE CONDUCTED FOR JSC ALLIANCE BANK ONLY. NO VOTING INSTRUCTIONS FOR JSC TEMIRBANK OR JSC FORTEBANK WILL BE ACCEPTED AND PROCESSED!!!

The Bank of New York Mellon,
as Depositary

Dated: 10 October 2014

**JOINT EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETING OF
JSC ALLIANCE BANK, JSC TEMIRBANK
AND JSC FORTEBANK**

TO: THE BANK OF NEW YORK MELLON, ADR Proxy Group
Fax Number: (732) 667-9098
Telephone Number: (212) 815 - 5021 (Mira Daskal)

RE: JSC Alliance Bank
Joint Extraordinary General Shareholders' Meeting to be held on 10 November 2014

FROM: _____
Company Name DTC Participant Number (Mandatory)

SIGNATURE: _____
Authorized Signatory Name, Signature/Medallion required

CONTACT INFO: _____
Telephone/Fax Number/E-mail Address

TOTAL NUMBER 144A GDRs HELD AS OF 27 OCTOBER 2014: _____
CUSIP# 018531301

TOTAL NUMBER REG S GDRs HELD AS OF 27 OCTOBER 2014: _____
CUSIP# 018531509

NUMBER 144A GDRs BEING VOTED: _____
CUSIP# 018531301

NUMBER REG S GDRs BEING VOTED: _____
CUSIP# 018531509

**Joint Extraordinary General Shareholders' Meeting of
JSC Alliance Bank,
JSC Temirbank and JSC ForteBank**

10 November 2014

The above-noted holder of 144A/Reg S Global Depositary Receipts ("GDRs") of JSC Alliance Bank (the "Bank") hereby requests and instructs The Bank of New York Mellon, as Depositary, to endeavor insofar as practicable, to vote or cause to be voted the number of Deposited Securities underlying the GDRs held as of close of business on 27 October 2014 at the Joint Extraordinary General Shareholders' Meeting to be held in Kazakhstan on 10 November 2014 in respect of the following resolutions:

**THIS FORM MUST BE RECEIVED COMPLETED BY
4 NOVEMBER 2014 AT 12:00 P.M. EST TO BE VALID**

JOINT EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF JSC ALLIANCE BANK, JSC TEMIRBANK AND JSC FORTEBANK

Authorisation:

The Holder authorises a representative of The Bank of New Mellon as Depository to attend the Joint Extraordinary Shareholders' Meeting of JSC Alliance Bank, JSC Temirbank and JSC ForteBank to vote on the resolutions at the meeting in the following order.

FOR

AGAINST

Procedural Resolution 1:

To elect Birzhan Amangeldyuli Nazhmidenov as Chairman of the Joint Extraordinary General Shareholders' Meeting and Ruslan Faridovich Borisov as secretary of the Joint Extraordinary General Shareholders' Meeting.

FOR

AGAINST

Procedural Resolution 2:

To approve the agenda of the Joint Extraordinary General Shareholders' Meeting.

FOR

AGAINST

Procedural Resolution 3:

To approve the proposed time-limit format of the Joint Extraordinary General Shareholders' Meeting.

FOR

AGAINST

Resolution 1:

To approve the restructuring plan in respect of JSC Alliance Bank's indebtedness.

FOR

AGAINST

ABSTAIN

Resolution 2:

Conditional upon the receipt of all necessary approvals of JSC Alliance Bank's restructuring plan, to conduct the voluntary reorganisation of JSC Alliance Bank, JSC ForteBank and JSC Temirbank by means of the consolidation of JSC ForteBank and JSC Temirbank into JSC Alliance Bank in the order and on the terms provided by the resolution of this Joint Extraordinary General Shareholders' Meeting and the legislation of the Republic of Kazakhstan.

FOR

AGAINST

ABSTAIN

Resolution 3:

To increase the number of authorised common shares in JSC Alliance Bank for placement to the shareholders of JSC ForteBank, JSC Temirbank and the creditors of JSC Alliance Bank by 149,980,000,000 common shares (from 20,000,000 to 150,000,000,000 common shares).

To approve the increased number of authorised shares in JSC Alliance Bank in the total amount of 150,003,000,000, of which 150,000,000,000 constitute common shares and 3,000,000 constitute preference shares convertible to common shares in JSC Alliance Bank.

FOR

AGAINST

ABSTAIN

Resolution 4:

To approve the placement of common shares in JSC Alliance Bank to the shareholders of JSC ForteBank and JSC Temirbank and the creditors of JSC Alliance Bank.

FOR

AGAINST

ABSTAIN

Resolution 5:

To approve the following procedures and terms of the exchange of common shares and preference shares in JSC ForteBank and JSC Temirbank for common shares in JSC Alliance Bank:

Procedure: in accordance with the legislation of the Republic of Kazakhstan.

Term: not later than 31 December 2014.

Exchange ratios of common shares and preference shares in JSC ForteBank and JSC Temirbank for common shares in JSC Alliance Bank:

- 1) Exchange ratio of common shares in JSC ForteBank for common shares in JSC Alliance Bank: $23,630,674,189/9,145,000 * X = Y$, where “X” means the number of common shares in JSC ForteBank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;
- 2) Exchange ratio of preference shares in JSC ForteBank for common shares in JSC Alliance Bank: $916,662,639/1,500,000 * X = Y$, where “X” means the number of preference shares in JSC ForteBank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;
- 3) Exchange ratio of common shares in JSC Temirbank for common shares in JSC Alliance Bank: $59,613,086,095/20,000,000,000 * X = Y$, where “X” means the number of common shares in JSC Temirbank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;
- 4) Exchange ratio of preference shares in JSC Temirbank for common shares in JSC Alliance Bank: $3,109,015,124/5,000,000 * X = Y$, where “X” means the number of preference shares in JSC Temirbank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;

Each “Y” value calculated by using the above ratios to be subject to rounding according to the following rules:

1. the first decimal place to be rounded to the integer number;
2. figures from five to nine to be rounded up to zero and the integer number to be increased by one;
3. figures from zero to four to be rounded down to zero and the integer number remains unchanged.

FOR

AGAINST

ABSTAIN

Resolution 6:

To authorise Timur Rizabekovich Issatayev (or an acting Chairman of the Management Board of JSC Alliance Bank) to file an application to the National Bank of the Republic of Kazakhstan for its approval of the voluntary reorganisation, as well as to sign all other documents submitted to the National Bank of the Republic of Kazakhstan in connection with the voluntary reorganisation, on behalf of JSC Alliance Bank.

FOR **AGAINST** **ABSTAIN**

Resolution 7:

To authorise Timur Rizabekovich Issatayev (or an acting Chairman of the Management Board of JSC Alliance Bank) to sign and file an application to obtain the consent of the Committee for Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy on Economic Concentration in relation to the voluntary reorganisation by means of the consolidation of JSC Temirbank and JSC ForteBank into JSC Alliance Bank on behalf of JSC Alliance Bank.

FOR **AGAINST** **ABSTAIN**

Resolution 8:

To approve the transfer of the property of JSC ForteBank and JSC Temirbank to JSC Alliance Bank on the execution of the relevant transfer acts, except for the creation of property rights thereto which requires state or other registration, which shall be transferred to JSC Alliance Bank from the date of such state or other registration of such property in the order provided by the legislation of the Republic of Kazakhstan.

FOR **AGAINST** **ABSTAIN**

Resolution 9:

To give consent for the termination of the corporate governance provisions (Clause 2.1(d)) of the deed poll executed by JSC Samruk-Kazyna on 18 March 2010.

FOR **AGAINST** **ABSTAIN**

Resolution 10:

To approve the amendments to the Regulations of the Board of Directors of JSC Alliance Bank.

FOR **AGAINST** **ABSTAIN**

Since disclosure of beneficial shareholder's identity and certification is a requirement for voting, no vote shall be considered unless the certification form on Pages 6-7 is properly completed

**JOINT EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETING OF
JSC ALLIANCE BANK, JSC TEMIRBANK
AND JSC FORTEBANK**

CERTIFICATION

144A ISIN#: US 0185313014

REG S ISIN#: US 0185315092

Date: _____, 2014

The undersigned _____, as bank/broker holding Global Depository Receipts of JSC Alliance Bank hereby certifies, under its own responsibility, as follows:

(Name and Address of GDR beneficial owner)

is the beneficial owner of _____ Global Depository Receipts of JSC Alliance Bank.
Number of GDRs held

Item 1.

As a holder of the Global Depository Receipts, I am not a legal entity incorporated in or having direct or indirect shareholder(s) (participant(s)) incorporated in any "offshore zones" included in the list of such offshore zones promulgated by the authorised body of the Republic of Kazakhstan for the regulation of financial markets and financial organisations pursuant to Article 17.5 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities".

I, further authorise The Bank of New York Mellon as Depository to disclose information about my holding in Central Securities Depository of Republic of Kazakhstan and register of shareholders of JSC Alliance Bank.

YES

NO

PLEASE SEE A LIST OF THE OFFSHORE ZONES ON PAGE 7

Item 2.

As a Holder of the Depository Receipts I do not own ten 10 percent (i.e. 5,455,025 GDRs/1,363,756 Common Shares), or more, of the total outstanding (placed) Common Shares of the Bank nor I have the ability to exercise voting rights, comprising 10 percent, or more of voting shares of the Bank, nor can I influence on the decisions made by the Bank pursuant to an agreement or otherwise as provided in the relevant regulation of the authorised body, otherwise I hold the consent of the National Bank of Kazakhstan to obtain the status of major participant in the Bank.

YES

NO

End of resolutions/certifications.

JOINT EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF JSC ALLIANCE BANK, JSC TEMIRBANK AND JSC FORTEBANK

CERTIFICATION

The offshore zones currently contained on such list are:

1. The Principedom of Andorra
2. The Republic of Antigua and Barbuda
3. The Commonwealth of The Bahamas
4. Barbados
5. Belize
6. Brunei Darussalam
7. Vanuatu
8. Guatemala
9. Grenada
10. The Republic of Djibouti
11. Dominica
12. Indonesia
13. Spain (the Canary Islands only)
14. Cyprus
15. Chinese People's Republic (Aomin (Macao) and Xianggang (Hong Kong) areas only)
16. Federal Islamic Republic of the Comoros
17. Costa Rica
18. Malaysia (Labuan only)
19. The Republic of Liberia
20. The Principedom of Liechtenstein
21. The Republic of Mauritius
22. Portugal (Madeira only)
23. The Maldives
24. Malta
25. The Republic of Marshall Islands
26. Princedom of Monaco
27. The Union of Myanmar
28. Nauru
29. The Netherlands (the Antilles and Aruba only)
30. The Federal Republic of Nigeria
31. New Zealand (the Cook Islands and Niue)
32. Palau
33. Panama
34. The Independent State of Samoa
35. The Republic of Seychelles
36. Saint Vincent and the Grenadines
37. Saint Kitts and Nevis
38. Saint Lucia
39. The United Kingdom of Great Britain and Northern Ireland (Below mentioned territories only)
 - 1) Anguilla
 - 2) The Bermuda Islands
 - 3) British Virgin Islands
 - 4) Gibraltar
 - 5) Cayman Islands
 - 6) Montserrat
 - 7) Turks and Caicos
 - 8) The Isle of Man
 - 9) Channel Islands (Guernsey, Jersey, Sark, Alderney)
40. The United States of America (American Virgin Islands, Guam and Puerto Rico)
41. The Kingdom of Tonga
42. The Philippines
43. Sri Lanka

***The residence of an individual or the main offices of GDR holder and its executive board are located in _____**
Country

Kind regards,

Bank/Broker Signature

ANNEX 2 — GSM PROXY FORM FOR HOLDERS OF GDRS
REPRESENTING PREFERENCE SHARES



BNY MELLON

Notice to Owners of
144A/Regulation S Global Depositary Receipts of
Joint Stock Company Alliance Bank

144A CUSIP #: 018531400 ISIN#: US0185314004
REG S CUSIP #: 018531608 ISIN#: US0185316082

Holders of record on **27 October 2014**, of Global Depositary Receipts (40 GDRs representing one Preference Share of JSC Alliance Bank), issued under the Deposit Agreement dated as of 19 March 2010, among The Bank of New York Mellon, as Depositary (the “Depositary”), JSC Alliance Bank (the “Bank”), and among Beneficial Holders, are hereby notified that The Bank of New York Mellon, as Depositary, has received notice of an upcoming **Joint Extraordinary General Shareholders’ Meeting of the Bank, JSC Temirbank and JSC ForteBank** to be held on **10 November 2014** in Kazakhstan.

Pursuant to Section 5, *Voting of Shares*, of the mentioned Deposit Agreement, Holders of Global Depositary Receipts (“GDRs”) are entitled, subject to any applicable provision of Kazakhstan law and the statutes of the Bank to instruct the Depositary to vote the Deposited Securities evidenced by the GDRs. Upon the written request of a Holder on **27 October 2014**, received on or before 12:00 p.m. on 4 November 2014, the Depositary shall endeavor, insofar as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the Global Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request.

Each Holder is required to disclose identity and certify in such voting instruction on page 6, Item 1, that the Holder and its direct and indirect shareholder(s) (participant(s)) have complied with the requirements of Clause 5 of Article 17 of the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”, and represents that neither it nor its direct or indirect shareholder(s) (participant(s)) are not registered in offshore zones, the list of which is set forth by the authorized body of the Republic of Kazakhstan on regulation of financial markets and financial organisations in the Republic of Kazakhstan.

Also, each Holder is required to certify on page 6, Item 2, that the Holder does not own ten (10) percent (i.e. 5,455,025 GDRs/1,363,756 Common Shares), or more, of the total outstanding (placed) Common Shares of the Bank nor has the ability to exercise voting rights, comprising 10 percent, or more of voting shares of the Bank, nor can influence on the decisions made by the Bank pursuant to an agreement or otherwise as provided in the relevant regulation of the authorized body, otherwise such Holder holds the consent of the National Bank of Kazakhstan to obtain the status of major participant of the Company.

If no such disclosure and certification is provided to the Depositary by a Holder (an “Uncertified Holder”), the Depositary will not exercise any voting rights in relation to the Deposited Shares which are represented by the GDRs which are held by the Uncertified Holder and such voting rights will lapse.

The Depositary will only endeavor to vote, or cause to be voted the votes attaching to Preference Shares in respect of which voting instructions have been received. If no voting instructions are received by the Depositary (either because no voting instructions are returned or because the voting instructions are incomplete, illegible or unclear) from a Holder with respect to any or all of the Deposited Shares represented by such Holder’s GDRs **on or before 12:00 p.m. on 4 November 2014**, the Depositary shall not exercise voting rights in relation to such Deposited Shares and such voting rights shall lapse.

**!!!DISCLOSURE AND CERTIFICATION MUST BE PROVIDED IN ORDER FOR VOTING
INSTRUCTION TO BE VALID!!!**

**!!! COLLECTION OF VOTING INSTRUCTIONS WILL BE CONDUCTED FOR JSC ALLIANCE
BANK ONLY. NO VOTING INSTRUCTIONS FOR JSC TEMIRBANK OR JSC FORTEBANK WILL
BE ACCEPTED AND PROCESSED!!!**

The Bank of New York Mellon,
as Depositary

Dated: 10 October 2014

**JOINT EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETING OF
JSC ALLIANCE BANK, JSC TEMIRBANK
AND JSC FORTEBANK**

TO: THE BANK OF NEW YORK MELLON, ADR Proxy Group
Fax Number: (732) 667-9098
Telephone Number: (212) 815 - 5021 (Mira Daskal)

RE: JSC Alliance Bank
Joint Extraordinary General Shareholders' Meeting to be held on 10 November 2014

FROM: _____
Company Name DTC Participant Number (Mandatory)

SIGNATURE: _____
Authorized Signatory Name, Signature/Medallion required

CONTACT INFO: _____
Telephone/Fax Number/E-mail Address

TOTAL NUMBER 144A GDRs HELD AS OF 27 OCTOBER 2014: _____
CUSIP# 018531301

TOTAL NUMBER REG S GDRs HELD AS OF 27 OCTOBER 2014: _____
CUSIP# 018531509

NUMBER 144A GDRs BEING VOTED: _____
CUSIP# 018531301

NUMBER REG S GDRs BEING VOTED: _____
CUSIP# 018531509

**Joint Extraordinary General Shareholders' Meeting of
JSC Alliance Bank,
JSC Temirbank and JSC ForteBank**

10 November 2014

The above-noted holder of 144A/Reg S Global Depositary Receipts ("GDRs") of JSC Alliance Bank (the "Bank") hereby requests and instructs The Bank of New York Mellon, as Depositary, to endeavor insofar as practicable, to vote or cause to be voted the number of Deposited Securities underlying the GDRs held as of close of business on 27 October 2014 at the Joint Extraordinary General Shareholders' Meeting to be held in Kazakhstan on 10 November 2014 in respect of the following resolutions:

**THIS FORM MUST BE RECEIVED COMPLETED BY
4 NOVEMBER 2014 AT 12:00 P.M. EST TO BE VALID**

JOINT EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF JSC ALLIANCE BANK, JSC TEMIRBANK AND JSC FORTEBANK

Authorisation:

The Holder authorises a representative of The Bank of New Mellon as Depository to attend the Joint Extraordinary Shareholders' Meeting of JSC Alliance Bank, JSC Temirbank and JSC ForteBank to vote on the resolutions at the meeting in the following order.

FOR

AGAINST

Procedural Resolution 1:

To elect Birzhan Amangeldyuli Nazhmidenov as Chairman of the Joint Extraordinary General Shareholders' Meeting and Ruslan Faridovich Borisov as secretary of the Joint Extraordinary General Shareholders' Meeting.

FOR

AGAINST

Procedural Resolution 2:

To approve the agenda of the Joint Extraordinary General Shareholders' Meeting.

FOR

AGAINST

Procedural Resolution 3:

To approve the proposed time-limit format of the Joint Extraordinary General Shareholders' Meeting.

FOR

AGAINST

Resolution 1:

To approve the restructuring plan in respect of JSC Alliance Bank's indebtedness.

FOR

AGAINST

ABSTAIN

Resolution 2:

Conditional upon the receipt of all necessary approvals of JSC Alliance Bank's restructuring plan, to conduct the voluntary reorganisation of JSC Alliance Bank, JSC ForteBank and JSC Temirbank by means of the consolidation of JSC ForteBank and JSC Temirbank into JSC Alliance Bank in the order and on the terms provided by the resolution of this Joint Extraordinary General Shareholders' Meeting and the legislation of the Republic of Kazakhstan.

FOR

AGAINST

ABSTAIN

Resolution 3:

To increase the number of authorised common shares in JSC Alliance Bank for placement to the shareholders of JSC ForteBank, JSC Temirbank and the creditors of JSC Alliance Bank by 149,980,000,000 common shares (from 20,000,000 to 150,000,000,000 common shares).

To approve the increased number of authorised shares in JSC Alliance Bank in the total amount of 150,003,000,000, of which 150,000,000,000 constitute common shares and 3,000,000 constitute preference shares convertible to common shares in JSC Alliance Bank.

FOR

AGAINST

ABSTAIN

Resolution 4:

To approve the placement of common shares in JSC Alliance Bank to the shareholders of JSC ForteBank and JSC Temirbank and the creditors of JSC Alliance Bank.

FOR

AGAINST

ABSTAIN

Resolution 5:

To approve the following procedures and terms of the exchange of common shares and preference shares in JSC ForteBank and JSC Temirbank for common shares in JSC Alliance Bank:

Procedure: in accordance with the legislation of the Republic of Kazakhstan.

Term: not later than 31 December 2014.

Exchange ratios of common shares and preference shares in JSC ForteBank and JSC Temirbank for common shares in JSC Alliance Bank:

- 1) Exchange ratio of common shares in JSC ForteBank for common shares in JSC Alliance Bank: $23,630,674,189/9,145,000 * X = Y$, where “X” means the number of common shares in JSC ForteBank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;
- 2) Exchange ratio of preference shares in JSC ForteBank for common shares in JSC Alliance Bank: $916,662,639/1,500,000 * X = Y$, where “X” means the number of preference shares in JSC ForteBank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;
- 3) Exchange ratio of common shares in JSC Temirbank for common shares in JSC Alliance Bank: $59,613,086,095/20,000,000,000 * X = Y$, where “X” means the number of common shares in JSC Temirbank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;
- 4) Exchange ratio of preference shares in JSC Temirbank for common shares in JSC Alliance Bank: $3,109,015,124/5,000,000 * X = Y$, where “X” means the number of preference shares in JSC Temirbank to be exchanged, and “Y” means the number of common shares in JSC Alliance Bank to be transferred to the shareholder as a result of such exchange;

Each “Y” value calculated by using the above ratios to be subject to rounding according to the following rules:

1. the first decimal place to be rounded to the integer number;
2. figures from five to nine to be rounded up to zero and the integer number to be increased by one;
3. figures from zero to four to be rounded down to zero and the integer number remains unchanged.

FOR

AGAINST

ABSTAIN

Resolution 6:

To authorise Timur Rizabekovich Issatayev (or an acting Chairman of the Management Board of JSC Alliance Bank) to file an application to the National Bank of the Republic of Kazakhstan for its approval of the voluntary reorganisation, as well as to sign all other documents submitted to the National Bank of the Republic of Kazakhstan in connection with the voluntary reorganisation, on behalf of JSC Alliance Bank.

FOR **AGAINST** **ABSTAIN**

Resolution 7:

To authorise Timur Rizabekovich Issatayev (or an acting Chairman of the Management Board of JSC Alliance Bank) to sign and file an application to obtain the consent of the Committee for Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy on Economic Concentration in relation to the voluntary reorganisation by means of the consolidation of JSC Temirbank and JSC ForteBank into JSC Alliance Bank on behalf of JSC Alliance Bank.

FOR **AGAINST** **ABSTAIN**

Resolution 8:

To approve the transfer of the property of JSC ForteBank and JSC Temirbank to JSC Alliance Bank on the execution of the relevant transfer acts, except for the creation of property rights thereto which requires state or other registration, which shall be transferred to JSC Alliance Bank from the date of such state or other registration of such property in the order provided by the legislation of the Republic of Kazakhstan.

FOR **AGAINST** **ABSTAIN**

Resolution 9:

To give consent for the termination of the corporate governance provisions (Clause 2.1(d)) of the deed poll executed by JSC Samruk-Kazyna on 18 March 2010.

FOR **AGAINST** **ABSTAIN**

Resolution 10:

To approve the amendments to the Regulations of the Board of Directors of JSC Alliance Bank.

FOR **AGAINST** **ABSTAIN**

Since disclosure of beneficial shareholder's identity and certification is a requirement for voting, no vote shall be considered unless the certification form on Pages 6-7 is properly completed

**JOINT EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETING OF
JSC ALLIANCE BANK, JSC TEMIRBANK
AND JSC FORTEBANK**

CERTIFICATION

144A ISIN#: US 0185313014

REG S ISIN#: US 0185315092

Date: _____, 2014

The undersigned _____, as bank/broker holding Global Depository Receipts of JSC Alliance Bank hereby certifies, under its own responsibility, as follows:

(Name and Address of GDR beneficial owner)

is the beneficial owner of _____ Global Depository Receipts of JSC Alliance Bank.
Number of GDRs held

Item 1.

As a holder of the Global Depository Receipts, I am not a legal entity incorporated in or having direct or indirect shareholder(s) (participant(s)) incorporated in any "offshore zones" included in the list of such offshore zones promulgated by the authorised body of the Republic of Kazakhstan for the regulation of financial markets and financial organisations pursuant to Article 17.5 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities".

I, further authorise The Bank of New York Mellon as Depository to disclose information about my holding in Central Securities Depository of Republic of Kazakhstan and register of shareholders of JSC Alliance Bank.

YES

NO

PLEASE SEE A LIST OF THE OFFSHORE ZONES ON PAGE 7

Item 2.

As a Holder of the Depository Receipts I do not own ten 10 percent (i.e. 5,455,025 GDRs/1,363,756 Common Shares), or more, of the total outstanding (placed) Common Shares of the Bank nor I have the ability to exercise voting rights, comprising 10 percent, or more of voting shares of the Bank, nor can I influence on the decisions made by the Bank pursuant to an agreement or otherwise as provided in the relevant regulation of the authorised body, otherwise I hold the consent of the National Bank of Kazakhstan to obtain the status of major participant in the Bank.

YES

NO

End of resolutions/certifications.

**JOINT EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETING OF
JSC ALLIANCE BANK, JSC TEMIRBANK
AND JSC FORTEBANK**

CERTIFICATION

The offshore zones currently contained on such list are:

1. The Principedom of Andorra
2. The Republic of Antigua and Barbuda
3. The Commonwealth of The Bahamas
4. Barbados
5. Belize
6. Brunei Darussalam
7. Vanuatu
8. Guatemala
9. Grenada
10. The Republic of Djibouti
11. Dominica
12. Indonesia
13. Spain (the Canary Islands only)
14. Cyprus
15. Chinese People's Republic (Aomin (Macao) and Xianggang (Hong Kong) areas only)
16. Federal Islamic Republic of the Comoros
17. Costa Rica
18. Malaysia (Labuan only)
19. The Republic of Liberia
20. The Principedom of Liechtenstein
21. The Republic of Mauritius
22. Portugal (Madeira only)
23. The Maldives
24. Malta
25. The Republic of Marshall Islands
26. Princedom of Monaco
27. The Union of Myanmar
28. Nauru
29. The Netherlands (the Antilles and Aruba only)
30. The Federal Republic of Nigeria
31. New Zealand (the Cook Islands and Niue)
32. Palau
33. Panama
34. The Independent State of Samoa
35. The Republic of Seychelles
36. Saint Vincent and the Grenadines
37. Saint Kitts and Nevis
38. Saint Lucia
39. The United Kingdom of Great Britain and Northern Ireland (Below mentioned territories only)
 - 1) Anguilla
 - 2) The Bermuda Islands
 - 3) British Virgin Islands
 - 4) Gibraltar
 - 5) Cayman Islands
 - 6) Montserrat
 - 7) Turks and Caicos
 - 8) The Isle of Man
 - 9) Channel Islands (Guernsey, Jersey, Sark, Alderney)
40. The United States of America (American Virgin Islands, Guam and Puerto Rico)
41. The Kingdom of Tonga
42. The Philippines
43. Sri Lanka

***The residence of an individual or the main offices of GDR holder and its executive board are located in _____**
Country

Kind regards,

Bank/Broker Signature

SCHEDULE 8 — TERMS AND CONDITIONS OF THE NEW NOTES

The following is the text of the terms and conditions of the Notes which, subject to amendment and completion, and except for any text in italics, will be endorsed on each Note Certificate pertaining to the Notes and will be attached and (subject to the provisions thereof) apply to the relevant Global Note:

The U.S.\$236,570,000 11.75 per cent. notes due 2024 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 16 (*Further Issues*) and forming a single series therewith) of JSC Alliance Bank (the “**Bank**”) are (a) constituted by, and subject to, and have the benefit of a trust deed dated ___ December 2014 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Bank and BNY Mellon Corporate Trustee Services Limited, as trustee (the “**Trustee**”, which expression includes all persons for the time being appointed as trustee for the holders of the Notes (“**Noteholders**”) under the Trust Deed), and (b) the subject of an agency agreement dated ___ December 2014 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Bank, the Trustee, The Bank of New York Mellon, as principal paying and transfer agent (the “**Principal Paying and Transfer Agent**”, which expression includes any successor or additional paying and transfer agents appointed from time to time in connection with the Notes), and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Notes).

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The Noteholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the Specified Offices of the Principal Paying and Transfer Agent. Copies are also available for inspection during normal business hours at the registered office for the time being of the Trustee. References herein to the “**Agents**” are to the Registrar and the Paying and Transfer Agents and any reference to an “**Agent**” is to any one of them.

Terms defined in the Trust Deed shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein and certain other terms used herein are defined in Condition 20 (*Definitions*).

1. Status

The obligations under the Notes are unconditional, direct, unsubordinated and, subject as provided in Condition 5(a) (*Negative Pledge*), unsecured obligations of the Bank and will at all times rank at least *pari passu* amongst themselves and *pari passu* in right of payment with all other present and future unsubordinated obligations of the Bank, save only for such obligations as may be preferred by mandatory provisions of applicable law.

2. Form, denomination and title

(a) *Form and denomination*

The Notes are in registered form, without interest coupons attached, and shall be serially numbered. Notes shall be issued in denominations of U.S.\$1 and integral multiples of U.S.\$1 in excess thereof (each denomination an “**authorised denomination**”).

(b) *Title*

Title to the Notes will pass by transfer and registration as described in Conditions 3 (*Registration*) and 4 (*Transfers*). The holder of any Notes shall (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

3. Registration

The Bank shall procure that the Registrar will maintain a register (the “**Register**”) at the Specified Office of the Registrar in respect of the Notes in accordance with the provisions of the Agency Agreement. A certificate

(each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

4. Transfers

- (a) Subject to Conditions 4(d) and 4(e), a Note may be transferred in whole or in part upon surrender of the relevant Note Certificate, with the endorsed form of transfer (the “**Transfer Form**”) duly completed, at the Specified Office of an Agent, together with such evidence as the Registrar or (as the case may be) such Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred are authorised denominations. Transfer Forms are available from any Agent and the Bank upon the request of any holder.
- (b) Within five business days of the surrender of a Note Certificate in accordance with Condition 4(a), the Registrar will register the transfer in question and deliver a new Note Certificate of the same principal amount to the Notes transferred to each relevant holder at its Specified Office or (as the case may be) the Specified Office of any Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this Condition 4(b), “**business day**” means a day other than a Saturday or a Sunday on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Agent has its Specified Office.
- (c) The transfer of a Note will be effected without charge by the Registrar or any Agent but against such indemnity as the Registrar or (as the case may be) such Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (d) Noteholders may not require transfers to be registered (i) during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of the Notes, (ii) after Notes have been called for redemption in whole or in part, or (iii) during the period of seven days ending (and including) any Record Date.
- (e) All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of the Notes scheduled to the Agency Agreement, a copy of which will be made available as specified in the preamble to these Conditions. The regulations may be changed by the Bank with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

5. Covenants

(a) *Negative pledge*

The Bank shall not, and shall not permit any of its Material Subsidiaries to, create or permit to subsist any Security (other than Permitted Security) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Financial Indebtedness without (i) at the same time or prior thereto securing the Notes equally and rateably therewith or (ii) providing such other security for the Notes as may be approved by Extraordinary Resolutions (as defined in the Trust Deed) of holders of the Notes or as the Trustee in its absolute discretion shall deem to be not materially less beneficial to holders of the Notes.

(b) *Limitations on payment of dividends*

So long as any Note remains outstanding, the Bank will not declare, make or pay any dividend or other distribution (or interest on any unpaid dividend or other distribution) or repay or distribute any reserve constituting part of total equity, in cash or otherwise, or make any other distributions (whether by way of redemption, retirement, acquisition or otherwise) in respect of the Bank’s share capital (or any class thereof):

- (i) at any time when there exists an Event of Default or Potential Event of Default; or
- (ii) in an aggregate amount exceeding 40 per cent. of the Bank's net income for the period in respect of which the distribution is being made, for which purpose, the amount of the Bank's net income shall be determined by reference to its audited consolidated financial statements prepared in accordance with IFRS for the period in respect of which the distribution is being made.

(c) ***Repayment of SK Deposit***

So long as any Note remains outstanding, the Bank shall not (and it shall not permit any of its Subsidiaries on its behalf to) (i) repay, redeem or otherwise retire for value any principal of the SK Deposit, (ii) make any payment of interest or other amounts in respect of the SK Deposit save for amounts permitted by the Terms of the SK Deposit, (iii) exercise or consent to any set-off against the SK Deposit, (iv) create or have outstanding any Security over any of its assets in respect of the SK Deposit or (v) amend, vary, waive, release or supplement any of the Terms of the SK Deposit in any manner which would have the effect of increasing the amount payable on them.

(d) ***Capital adequacy***

- (i) The Bank shall ensure that its total capital ratios comply at all times with the applicable regulations of the NBK as may be in effect from time to time.
- (ii) The foregoing limitation shall not apply prior to the completion of the Consolidation, provided that the Consolidation is completed within six months of the Issue Date.

(e) ***Disposals***

Subject to Condition 5(f) (*Restrictions on Intra-Group and Related Party Transactions*), the Bank shall not (and the Bank shall ensure that no member of the Group will), in a single transaction or a series of transactions (whether related or not), sell, lease, transfer or otherwise dispose of any asset or group of assets other than (i) to another member of the Group, (ii) on arm's length terms in its ordinary course of business, (iii) assets which are surplus or obsolete, worn out or of no material value and not required for the efficient operation of the Group's business, (iv) for the purpose of a securitisation of or another asset-backed financing relating to those assets, (v) for another asset which, in the reasonable opinion of the Bank, is comparable or superior as to type, value and quality or (vi) in any other transaction at Fair Market Value; provided that in respect of any such transaction or series of related transactions where the consideration involved exceeds U.S.\$10,000,000, such transaction or series of related transactions shall be approved by a simple majority of the independent directors of the Bank and, where the consideration involved exceeds U.S.\$50,000,000, the Bank shall have received a valuation and/or fairness opinion from a third party of such stature and reputation as shall be appropriate taking into account the size and nature of the transaction in question, as reasonably determined by the Board of Directors.

(f) ***Restrictions on Intra-Group and Related Party Transactions***

The Bank shall not (and the Bank shall ensure that no member of the Group will) directly or indirectly, conduct any business or enter into any transaction or series of related transactions with, or for the benefit of any Affiliate of the Bank (including, without limitation, loans, the sale, purchase, exchange or lease of assets or property or the rendering of any services) unless (i) any such transaction is at Fair Market Value, (ii) the terms of any such transaction or series of related transactions where the consideration involved exceeds U.S.\$2,000,000 are approved by a simple majority of the independent directors of the Bank who are not interested in the transaction and (iii), in respect of any such transaction or series of related transactions where the consideration involved exceeds U.S.\$50,000,000, the Bank shall have received a valuation and/or fairness opinion from a third party of such stature and reputation as shall be appropriate taking into account the size and nature of the transaction in question, as reasonably determined by the Board of Directors.

(g) ***Merger or consolidation***

Other than in relation to the Consolidation, the Bank shall not enter into any corporate reorganisation (including by way of amalgamation, demerger, merger, consolidation or corporate reconstruction) or

convey, transfer, sell or lease or otherwise dispose of all or substantially all of its assets or business (determined on a consolidated basis, and in a single transaction or series of related transactions and whether directly or indirectly) to any Person unless (and subject always to the provisions of Condition 8(b) (*Redemption at the option of the Noteholders*), Condition 5(e) (*Disposals*) and Condition 5(f) (*Restrictions on Intra-Group and Related Party Transactions*), if applicable):

- (i) immediately thereafter no Event of Default or Potential Event of Default shall have occurred and be continuing;
- (ii) the Person (if other than the Bank) formed by or resulting from any such transaction (or to whom the assets or undertakings are transferred or sold):
 - (A) shall assume the performance and observance of all of the obligations and conditions under the Notes to be performed or observed by the Bank and a trust deed or other written form of undertaking is given by such entity to the Trustee, in form and substance satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Deed, the Agency Agreement and the Notes with any consequential or other amendments, which the Trustee may deem appropriate, as fully as if such entity had been named in the Trust Deed, the Agency Agreement and the Notes, and shall have caused to be delivered to the Trustee an opinion of independent counsel to the effect that any and all documents entered into by such entity and the Trustee are valid, binding and enforceable;
 - (B) shall have obtained all governmental and regulatory approvals and consents necessary for its assumption of the obligations and liabilities of the Bank under the Trust Deed and the Agency Agreement and in respect of the Notes; and
 - (C) if such Person is incorporated, domiciled or resident in a territory other than the Republic of Kazakhstan, undertakings or covenants are given in terms corresponding to the provisions of Condition 9 (*Taxation*), with the references to Republic of Kazakhstan replaced with references to the place of incorporation of such Person; and
- (iii) the Bank or such successor corporation has a long term foreign currency obligations rating at the time of the relevant event from at least one Rating Agency and the Trustee has been advised by such Rating Agency or Rating Agencies (or if more than two by a majority of them) that the relevant event will not result in a Rating Decline.

(h) ***The Consolidation***

The Bank will use its reasonable endeavours to complete the transfer, pursuant to the Consolidation, of all property, rights and obligations of JSC Temirbank and JSC ForteBank to the Bank following the execution by the chairmen of the management bodies and chief accountants of the Bank, JSC Temirbank and JSC ForteBank of transfer acts giving effect to the same by no later than 31 January 2015.

(i) ***Rating***

The Bank shall obtain and maintain a rating in respect of the long term foreign currency obligations of the Bank with one or more Rating Agencies.

(j) ***Listing***

The Bank will use its reasonable endeavours to procure (i) the admission of the Notes to trading on KASE and (ii) the admission of the Notes to the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange and to maintain the listing of the Notes on such exchanges (or on any Approved Stock Exchange in substitution for the Luxembourg Stock Exchange), but if it is unable to do so having used such endeavours or if the maintenance of such listings is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Holders of the Notes would not be materially prejudiced thereby, the Bank shall use its reasonable endeavours to procure and maintain the listing of the Notes on another stock exchange or market approved in writing by the Trustee and give notice thereof to the Noteholders.

(k) ***Financial statements***

For so long as the Notes are “restricted securities” within the meaning of Rule 144A(a)(3) under the Securities Act, the Bank shall furnish upon the request of a holder of Notes or a beneficial owner of an interest therein to such holder or beneficial owner or to a prospective purchaser of Notes designated by such holder or beneficial owner, the information with respect to the Bank required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A under the Securities Act, if at the time of such request the Bank is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, or exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

6. Interest

(a) ***Interest Accrual***

The Notes shall bear interest on their outstanding principal amount from ___ December 2014 at the rate of 11.75 per cent. per annum (the “**Rate of Interest**”), payable in arrear on ___ June and ___ December in each year (each, an “**Interest Payment Date**”, with the first Interest Payment Date falling on ___ June 2015), subject as provided in Condition 7 (*Payments*).

(b) ***Cessation of interest***

Each Note will cease to bear interest from the due date for final redemption unless payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying and Transfer Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Calculation of interest for an Interest Period***

The amount of interest payable in respect of each Note for any Interest Period shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(d) ***Calculation of interest for any other period***

For any period other than an Interest Period, interest will be rounded as aforesaid, calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed, from (and including) the first day of the period to (but excluding) the last day of the period.

The determination of the amount of interest payable under Condition 6(c) (*Calculation of interest for an Interest Period*) by the Principal Paying and Transfer Agent shall, in the absence of manifest error, be binding on all parties.

7. Payments

(a) ***Principal***

Payments of principal in respect of the Notes will be made to the Persons shown in the Register at the close of business on the relevant Record Date (as defined below) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Registrar or of any Agent.

(b) ***Interest***

Payments of interest due on an Interest Payment Date will be made to the Persons shown in the Register at the close of business on the Record Date for such Interest Payment Date, subject to (in the case of

interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Registrar or any Agent. Payments of all amounts other than as provided in Condition 7(a) (*Principal*) and this Condition 7(b) will be made as provided in these Conditions.

(c) ***Record Date***

Each payment in respect of a Note will be made to the Person shown as the holder in the Register at the close of business (in the place of the Registrar's specified office) on the day two business days prior to the due date for such payment (the "**Record Date**").

(d) ***Payments***

Each payment in respect of the Notes pursuant to Conditions 7(a) (*Principal*) and 7(b) (*Interest*) will be made by transfer to a United States Dollar account maintained by the payee with a bank in New York City.

(e) ***Payments subject to fiscal laws***

All payments in respect of the Notes are subject in all cases to any applicable or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(f) ***Payment on a business day***

If the due date for payment of any amount in respect of any Note is not a business day, the holder thereof shall not be entitled to payment of the amount due until the next succeeding business day. A holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this Condition 7(f), "**business day**" means any day on which banks are open for business (including dealings in foreign currencies) in New York City and, in the case of surrender (or, in the case of partial payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).

(g) ***Agents***

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Bank and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. The Bank reserves the right (with prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying and transfer agent or registrar and additional or successor agent or agents; provided that the Bank shall at all times maintain a principal paying and transfer agent with a specified office in a European member state, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive, and a registrar. Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 14 (*Notices*).

8. Redemption and purchase

(a) ***Scheduled redemption***

Unless previously redeemed or purchased and cancelled as provided below, subject as provided in Condition 7 (*Payments*), the Notes will be redeemed in 16 semi-annual instalments on ___ June and ___ December of each applicable year, with the first such instalment being payable on ___ June 2017 and the last such instalment being payable on ___ December 2024. The first fifteen instalments of principal shall each be in an amount equal to one-sixteenth of the initial principal amount of the Notes (with fractions of a cent being rounded down and carried forward) and the sixteenth instalment shall be equal to the balance of the outstanding principal amount (with fractions of a cent being rounded down and retained by the Bank for its benefit) so that the outstanding principal amount of each Note shall be reduced by any repayment of an instalment of principal in accordance with these Conditions, with effect from the related due date, unless the payment of the instalment is improperly withheld or refused on

presentation of the Note, in which case such amount shall remain outstanding until the date of payment of such instalment. Each Note shall be finally redeemed on due payment of the final instalment.

(b) ***Redemption at the option of the Noteholders***

Unless the Noteholders have previously by an Extraordinary Resolution (as defined in the Trust Deed) disappplied this Condition 8(b) in relation to the applicable Relevant Event, following the occurrence of a Relevant Event, the Bank shall promptly, and in any event within five Business Days thereafter, give notice (the “**Relevant Event Notice**”) of such Relevant Event to the Noteholders (with a copy to the Trustee) in accordance with Condition 14 (*Notices*), which notice shall specify the date (which shall not be less than 30 days nor more than 60 days after the Relevant Event Notice (the “**Put Settlement Date**”)) on which the Bank shall, at the option of the holder of any Note, redeem such Note at its outstanding principal amount, together with interest accrued and unpaid to the Put Settlement Date. In order to exercise the option contained in this Condition 8(b), the holder of a Note must, not less than 15 days before the Put Settlement Date, deposit with any Paying and Transfer Agent the relevant Note Certificate and a duly completed put option notice (a “**Put Option Notice**”) in the form obtainable from any Paying and Transfer Agent. No Note Certificate, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(b), may be withdrawn; provided that if, prior to the Put Settlement Date, any such Note becomes immediately due and payable or payment of the redemption monies is improperly withheld or refused, such Note Certificate shall, without prejudice to the exercise of the Put Option, be returned to the holder by uninsured first class mail (airmail if overseas) at such address as may have been given by such Noteholder in the relevant Put Option Notice. The Trustee shall not be responsible for monitoring whether or not any Relevant Event has occurred or may occur and shall be entitled to assume (and shall not incur liability for doing so) unless it receives written notice to the contrary, that no Relevant Event has occurred. In the event that a Relevant Event occurs but no Relevant Event Notice is given by the Bank, the Bank shall be deemed to have given a Relevant Event Notice specifying a Put Settlement Date on the date which is 60 days after the occurrence of the Relevant Event, unless such day is not a Business Day, in which event the Put Settlement Date shall be the immediately following Business Day thereafter.

(c) ***Redemption at the option of the Bank***

The Notes may be redeemed at the option of the Bank in whole or, in part, at any time on or after the second Interest Payment Date falling in 2019, on giving not less than 30 days’ nor more than 60 days’ notice to the Noteholders and the Trustee in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), in such principal amount as is specified in the notice at:

- (i) 108 per cent. of the principal amount redeemed in respect of any redemption on or after the second Interest Payment Date falling in 2019 but prior to the second Interest Payment Date falling in 2020;
- (ii) 106 per cent. of the principal amount redeemed in respect of any redemption on or after the second Interest Payment Date falling in 2020 but prior to the second Interest Payment Date falling in 2021;
- (iii) 104 per cent. of the principal amount redeemed in respect of any redemption on or after the second Interest Payment Date falling in 2021 but prior to the second Interest Payment Date falling in 2022;
- (iv) 102 per cent. of the principal amount redeemed in respect of any redemption on or after the second Interest Payment Date falling in 2022 but prior to the second Interest Payment Date falling in 2023;
or
- (v) at par in respect of any redemption on or after the second Interest Payment Date falling in 2023,

in each case together with interest accrued but unpaid on the principal amount redeemed to, but excluding, the date fixed for redemption. Upon the expiry of any such notice as is referred to in this Condition 8(c), the Bank shall be bound to redeem in whole or in part, as the case may be, the Notes in accordance with this Condition 8(c).

(d) *Purchase*

The Bank may at any time purchase or procure others to purchase for its account the Notes in the open market or otherwise and at any price. Notes so purchased may be held or resold (provided that such resale is in compliance with all applicable laws) or surrendered for cancellation at the option of the Bank, in compliance with Condition 8(e) (*Cancellation of Notes*). Any Notes so purchased, while held by or on behalf of the Bank or any member of the Group, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating the quorum at such meetings.

(e) *Cancellation of Notes*

All Notes which are redeemed in full or surrendered for cancellation pursuant to this Condition 8 (*Redemption and purchase*) shall be cancelled and may not be reissued or resold.

9. Taxation

(a) *Taxation*

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Kazakhstan or any other jurisdiction from or through which payment is made, or in any case, any political subdivision or any authority thereof or therein having power to tax (each, a “**Taxing Jurisdiction**”), unless such withholding or deduction is required by law. In that event, the Bank shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) presented for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, a trust, a partnership or a corporation) and the relevant Taxing Jurisdiction, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having or having had a permanent establishment therein other than the mere holding of such Note; or
- (ii) presented (in the case of a payment of principal or interest on redemption) for payment more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note on the last day of such period of 30 days; or
- (iii) to a holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the Note; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to such Directive.

In the event that the foregoing obligation to pay additional amounts is for any reason unenforceable against the Bank, the Bank shall pay to any holder of a Note (subject to the exclusions set out above) which has received a payment subject to deduction or withholding as aforesaid, upon written request of such holder (subject to the exclusions set out above) and provided that reasonable supporting documentation is provided, an amount equal to the amount withheld or deducted, so that the net amount received by such holder after such payment would not be less than the net amount the holder would have

received had such deduction or withholding not taken place. Any payment made pursuant to this paragraph shall be considered an additional amount.

If, at any time, the Bank is required by law to make any deduction or withholding from any sum payable by it hereunder (or if thereafter there is any change in the rates at which or the manner in which such deductions or withholdings are calculated), the Bank shall promptly notify the Trustee in writing, and shall deliver to the Trustee, within 30 days after it has made such payment to the applicable authority, a written certificate to the effect that it has made such payment to such authority of all amounts so required to be deducted or withheld in respect of each Note.

(b) ***Additional amounts***

Any reference in these Conditions to principal or interest shall be deemed to include partial payments of principal as well as any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 9 or any undertaking given in addition to or in substitution for this Condition 9 pursuant to the Trust Deed.

(c) ***Taxing jurisdiction***

If the Bank becomes subject at any time to any taxing jurisdiction other than the Republic of Kazakhstan, references in this Condition 9 to the Republic of Kazakhstan shall be construed as references to the Republic of Kazakhstan and/or such other jurisdiction.

(d) ***FATCA***

Notwithstanding anything to the contrary in this Condition 9, neither the Bank, nor any Paying and Transfer Agent or any other person shall be required to pay any additional amounts with respect to any United States withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (“**FATCA**”), the laws of a Relevant Taxing Jurisdiction implementing FATCA, or any agreement between the Bank and the United States or any authority thereof entered into for FATCA purposes.

10. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years and claims for interest due other than on redemption shall become void unless made within five years of the appropriate Relevant Date.

11. Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than one fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified or provided with security or pre-funded to its satisfaction) shall, give notice to the Bank that the Notes are and they shall become due and repayable at their principal amount together with accrued interest if any of the following events (each, an “**Event of Default**”) occurs and is continuing:

(a) ***Non payment***

the Bank fails to pay any instalment of the principal of the Notes when the same becomes due and payable and, where such failure to pay is caused by technical or administrative errors affecting the transfer of funds by the Bank, the failure to pay continues for a period of three Business Days, or the Bank fails to pay any interest on the Notes and such failure to pay continues for a period of ten Business Days; or

(b) ***Breach of other obligations***

the Bank is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under the Notes or the Trust Deed (other than a default or breach specifically dealt with elsewhere in this Condition 11 (*Events of Default*)) and, where such default or

breach is, in the opinion of the Trustee, capable of remedy, such default or breach is not (in the opinion of the Trustee) remedied within 30 calendar days after notice thereof has been given to the Bank, by the Trustee, requiring the same to be remedied; or

(c) ***Cross default***

any Financial Indebtedness of any member of the Group is declared to be, becomes capable of being declared or otherwise becomes due and payable prior to the due date for the payment thereof by reason of default of the Bank or the relevant Subsidiary (as the case may be), or is not paid when due or within any originally applicable grace period, provided that the aggregate amount of such Financial Indebtedness exceeds U.S.\$25,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Judgment Default***

a final unappealable judgment or order or arbitration award for the payment of an aggregate amount in excess of U.S.\$25,000,000 (or its equivalent in any other currency or currencies) is rendered or granted against the Bank and continues unsatisfied and unstayed for a period of 30 days after the date thereof or, if later, the date therein specified for payment; or

(e) ***Insolvency***

other than in the case of a solvent liquidation, winding-up or reorganisation of any type of a Material Subsidiary where the Net Assets of the Material Subsidiary are distributed *pro rata* (in all material respects) to its shareholders, (i) any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, administrator, liquidator, trustee, assignee in bankruptcy, conservator or similar officer in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar proceedings or arrangements involving the Bank or any Material Subsidiary or all or substantially all of their respective properties and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or (ii) the Bank or any Material Subsidiary shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be adjudicated a bankrupt or be placed into conservation under applicable banking legislation, consent to the filing of a bankruptcy, insolvency or similar proceeding against it, file a petition or answer or consent seeking reorganisation under any such law or consent to the filing of any such petition, consent to the appointment of a receiver, administrator or liquidator, trustee, assignee in bankruptcy, or conservator or similar officer in respect of its property or substantially all thereof, make a general assignment for the benefit of its creditors, otherwise be unable or admit its inability to pay its debts generally as they become due or commence proceedings with a view to the general adjustment of its Financial Indebtedness and, in any case as is specified in (i) or (ii) of this Condition 11(e) in relation to a Material Subsidiary, the event is (in the opinion of the Trustee) materially prejudicial to the interests of the Noteholders; or

(f) ***Compulsory acquisition or disposition***

the authority or ability of the Bank to conduct its business is substantially or wholly limited or curtailed by any seizure, expropriation, nationalisation, intervention, restriction, vesting, divesting, compulsory acquisition or disposition or other action by or on behalf of any governmental, regulatory or other authority in relation to a material portion of the assets of the Group taken as a whole or any Material Subsidiary is seized, expropriated or otherwise compulsorily acquired by any governmental, regulatory or other authority for less than Fair Market Value; or

(g) ***Cessation of business***

the Bank suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or (in the opinion of the Trustee) a material part of its business or its licence to conduct banking operations in Kazakhstan is revoked; or

(h) ***Invalidity or unenforceability***

the validity of the Notes, the Trust Deed or the Agency Agreement is contested by the Bank (or its respective obligations thereunder are denied by the Bank), it is or becomes unlawful for the Bank to

perform or comply with all or any of its obligations thereunder or all or any of the obligations of the Bank provided therein shall be or become unenforceable or invalid.

12. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying and Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Bank may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

13. Meetings of Noteholders; modification and waiver

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Bank, or by the Trustee upon the request in writing of Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented; provided that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three quarters or at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum (a “**special quorum resolution**”). Any Extraordinary Resolution passed at any such meeting shall be binding on all Noteholders, whether or not present.

(b) Written resolution

A resolution in writing will take effect as if it were an Extraordinary Resolution if it is signed (i) by or on behalf of all of Noteholders who for the time being are entitled to receive notice of a meeting of the Noteholders under the Trust Deed or (ii) if such Noteholders have been given at least 21 clear days’ notice of such resolution, by or on behalf of persons holding three quarters of the aggregate principal amount of the outstanding Notes. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(c) Modification without Noteholders’ consent

The Trustee may, without the consent of the Noteholders, agree (i) to any modification of the Notes (including these Conditions) or the Trust Deed (other than in respect of a matter requiring a special quorum resolution) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the Noteholders and (ii) to any modification of the Notes (including these Conditions) or the Trust Deed which is (in its opinion) of a formal, minor or technical nature or to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a matter requiring a special quorum resolution) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby. Any such modification, waiver or authorisation shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be promptly notified to the Noteholders in accordance with Condition 14 (*Notices*).

14. Notices

(a) *To the Noteholders*

Notices to Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day (not being a Saturday or a Sunday) after the date of mailing. In addition, so long as the Notes are listed on an Approved Stock Exchange (as defined in the Trust Deed) and the relevant Stock Exchange so requires, notices to the Noteholders shall be published in a leading newspaper having general circulation in the jurisdiction of the Approved Stock Exchange. Any such notice shall be deemed to have been given on the date of first publication.

(b) *To the Bank*

Notices to the Bank will be deemed to be validly given if delivered to the Bank at 50 Furmanov Street, Almaty 050004, Kazakhstan and clearly marked on their exterior “Urgent – Attention: Investor Relations Department” (or at such other addresses and for such other attentions as may have been notified to the Noteholders in accordance with this Condition 14) and will be deemed to have been validly given at the opening of business on the next day on which the Bank’s principal offices, as applicable, are open for business.

(c) *To the Trustee and Agents*

Notices to the Trustee or any Agent will be deemed to have been validly given if delivered to the registered office, for the time being, of the Trustee or the Specified Office, for the time being, of such Agent, as the case may be, and will be validly given on the next day on which such office is open for business.

15. Trustee

(a) *Indemnification*

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Bank and any entity relating to the Bank without accounting for any profit.

The Trustee’s responsibilities are solely those of trustee for the Noteholders on the terms of the Trust Deed. Accordingly, the Trustee makes no representations and assumes no responsibility for the validity or enforceability of the Notes or for the performance by the Bank of its obligations under or in respect of the Notes or the Trust Deed, as applicable.

(b) *Exercise of power and discretion*

In connection with the exercise of any of its powers, trusts, authorities or discretions (including but not limited to those referred to in these Conditions and the Trust Deed), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular, shall not have regard to the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing jurisdiction. The Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Bank (in the case of a Noteholder), the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(c) *Enforcement; reliance*

The Trustee may at any time, at its discretion and without notice take such steps or actions or institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (i) it has been so requested in writing by the holders of at least one fifth in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified or provided with security or pre-funded to its satisfaction.

The Trust Deed provides that the Trustee may, at any time, or, in making any determination under these Conditions or the Trust Deed, act on the opinion or advice of, or information obtained from, any expert, auditor, lawyer or professional entity, without further enquiry or evidence. In particular, the Trust Deed provides that the Trustee may rely on certificates or reports from auditors whether or not such certificate or report or any engagement letter or other document entered into by the Bank and the auditors contains any limit on liability (monetary or otherwise) of the auditors and provides further that nothing shall require the Trustee to enter into or to agree to be bound by the terms of any engagement letter or other document entered into by the Bank or any such auditor. If such evidence is relied upon, the Trustee's determination shall be conclusive and binding on all parties, and the Trustee will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from it so acting.

Until the Trustee has actual knowledge or express notice to the contrary, the Trustee may assume that no Event of Default or event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (*Events of Default*) become an Event of Default has occurred.

The Trust Deed provides that the Bank is required to deliver to the Trustee, pursuant to, and in the circumstances detailed in, the Trust Deed, a certificate signed by two members of the Management Board that there has not been and is not continuing any Event of Default, an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (*Events of Default*) become an Event of Default, or other breach of the Trust Deed. The Trustee shall be entitled to rely without liability on such certificates. The Trustee shall not be responsible for monitoring any of the covenants and obligations of the Bank set out in these Conditions or the Trust Deed and shall be entitled to rely upon the information provided pursuant to these Conditions and the Trust Deed and to assume, unless it receives actual notice to the contrary, that the Bank is complying with all covenants and obligations imposed upon it, respectively, herein and therein.

(d) ***Failure to act***

No Noteholder may proceed directly against the Bank unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

(e) ***Retirement and removal***

Any Trustee may retire at any time on giving at least two months' written notice to the Bank without giving any reason or being responsible for any costs occasioned by such retirement and the Noteholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, it will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee. In the event of any change of the Trustee, two separate notices shall be published in two leading newspapers one of which will have general circulation in the jurisdiction of the Approved Stock Exchange.

(f) ***Substitution***

The Trust Deed contains provisions to the effect that the Trustee may (without the consent of the Noteholders) agree on such terms as it may specify to the substitution of the Bank's successor in business in place of the Bank as issuer and principal obligor in respect of the Notes and as principal obligor under the Trust Deed, subject to all relevant conditions of the Trust Deed having been complied with (including an unconditional guarantee by the Bank of the obligations assumed by the substitute). Not later than 14 days after compliance with the aforementioned requirements, notice thereof shall be given by the Bank to the Noteholders in accordance with Condition 14 (*Notices*).

16. Further issues

The Bank may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest).

17. Currency indemnity

If any sum due from the Bank in respect of the Notes under the Trust Deed or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions, the Trust Deed or such order or judgment into another currency (the “**second currency**”) for the purpose of making or filing a claim or proof against the Bank, obtaining an order or judgment in any court or other tribunal or enforcing any order or judgment given or made in respect of the Notes or in respect thereof under the Trust Deed, the Bank shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Bank and delivered to the Bank or to the Specified Office of the Principal Agent or the Agent having its Specified Office in London, against any loss suffered as a result of any discrepancy between the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Bank and shall give rise to a separate and independent cause of action.

18. Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect the right or remedy of any Person which exists or is available apart from such Act.

19. Governing law and arbitration

(a) *Governing law*

The Trust Deed, the Notes, the Agency Agreement and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law.

(b) *Arbitration*

The Bank agrees that any claim, dispute or difference of whatever nature arising under, out of or in connection with the Notes or the Trust Deed (including a claim, dispute or difference regarding its existence, termination or validity or any non-contractual obligations arising out of or in connection with the Trust Deed) (a “**Dispute**”), shall be referred to and finally settled by arbitration in accordance with the rules of the London Court of International Arbitration (“**LCIA**”) (the “**Rules**”) as at present in force and as modified by this Condition, which Rules shall be deemed incorporated into this Condition. The number of arbitrators shall be three, one of whom shall be nominated by the Bank, one by the Trustee and the third of whom, who shall act as Chairman, shall be nominated by the two party nominated arbitrators, provided that if the third arbitrator has not been nominated within 30 days of the nomination of the second party nominated arbitrator, such third arbitrator shall be appointed by the LCIA. The parties may nominate and the LCIA may appoint arbitrators from among the nationals of any country, whether or not a party is a national of that country. The seat of arbitration shall be London, England and the language of arbitration shall be English. Sections 45 and 69 of the Arbitration Act 1996 shall not apply. The arbitral tribunal shall not be authorised to take or provide, and the Trustee agrees that it shall not seek from any judicial authority, any interim measures of protection or pre-award relief against the Bank, any provisions of the Rules notwithstanding.

20. Definitions

For the purposes of these Conditions:

“**acting in concert**” means a group of Persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the direct or indirect acquisition by any member or members of such group of shares in the Bank or of any of the assets of any member or members of the Group, to obtain or consolidate control of the Bank;

“**Affiliate**” of the Bank means (i) any other Person, directly or indirectly, Controlling or Controlled by or under direct or indirect common Control with the Bank or (ii) any other Person who is a director or officer of the Bank or of any Subsidiary of the Bank;

“**Approved Stock Exchange**” means a regulated stock exchange established in any member state of the European Economic Area;

“**Business Day**” means a day other than a Saturday or Sunday on which commercial banks are open for business (including dealings in foreign currencies) in London, New York City and Almaty;

“**Change of Control**” means:

- (a) Mr. Bulat Utemuratov and/or members of Mr. Utemuratov’s family cease to control the Bank (other than by reason of or in connection with a Secondary Public Offering), where:
 - (i) “control” of the Bank means:
 - (A) the direct or indirect holding beneficially of more than 50 per cent. of the issued share capital of the Bank (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
 - (B) the direct or indirect power (whether by ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Bank; and
 - (ii) “members of Mr. Utemuratov’s family” means Mr. Bulat Utemuratov’s spouse and any descendants of Mr. Bulat Utemuratov’s father, or
- (b) any person or group of persons acting in concert gains control of the Bank (other than by reason of or in connection with a Secondary Public Offering) where “control” means the power (whether by ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) appoint or remove all, or the majority, of the directors or other equivalent officers of the Bank; or
 - (ii) give directions with respect to the operating and/or financial policies of the Bank with which the directors or other equivalent officers of the Bank are obliged to comply;

“**Consolidation**” means the consolidation (*prisoyedineniye*) of JSC Temirbank and JSC ForteBank into the Bank as described in the Information Memorandum;

“**Control**” means the control exercised, or capable of being exercised, by any Person over another Person (the “**Second Person**”) by virtue of:

- (a) holding a majority of the voting rights in the Second Person; or
- (b) being (directly or indirectly) a member, shareholder or participant (or equivalent) of the Second Person and having the right to appoint or remove a majority of its board of directors; or
- (c) having the right to exercise, or actually exercising, a dominant influence over the Second Person:
 - (i) by virtue of provisions contained in the Second Person’s charter (or equivalent); or
 - (ii) by virtue of any contract; or

- (d) being a member, shareholder or participant (or equivalent) of the Second Person and controlling, pursuant to an agreement with other members, shareholders or participants (or equivalents), a majority of the voting rights in the Second Person

and the terms “**Controlled**” and “**Controlling**” have meanings correlative to the foregoing;

“**Development Organisation**” means any of Asian Development Bank, European Bank for Reconstruction and Development, International Bank for Reconstruction and Development, International Finance Corporation, KfW Bankengruppe, Swedish Export Credits Guarantee Board - EKN, Nederlandse Financierings Maatschappij voor Ontwikkelingslanden N.V. or Deutsche Investitions und Entwicklungsgesellschaft GmbH or any other development finance institution established or controlled by one or more states and any other person which is a, or is controlled by any, Kazakhstan governmental body acting on behalf of, or funded in relation to the relevant Financial Indebtedness, by one or more of the foregoing development finance institutions;

“**Fair Market Value**” means, with respect to any transaction, the value that would be obtained in an arm’s length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined by the Bank;

“**Financial Indebtedness**” means any Indebtedness of any Person for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of Finance Leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under IFRS);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the final redemption or repayment date under the relevant Notes or are otherwise classified as borrowings under the IFRS);
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under IFRS; and
- (j) any liability in respect of any guarantee of or in respect of any of the items referred to in paragraphs (a) to (j) above;

“**Finance Leases**” means any lease or hire purchase contracts which would, in accordance with IFRS, be treated as a finance or capital lease;

“**Group**” means the Bank and each of its Subsidiaries from time to time;

“**guarantee**” means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness including (without limitation) (i) any obligation to purchase such Financial Indebtedness, (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness, (iii) any

indemnity against consequences of a default in the payment of such Financial Indebtedness and (iv) any other agreement to be responsible for the payment of such Financial Indebtedness;

“**holder**” means the person in whose name a Note is registered in the Register (or, in the case of joint holders, the first named thereof) and “**holders**” shall be construed accordingly;

“**IFRS**” means International Financial Reporting Standards in effect from time to time;

“**Indebtedness**” means any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

“**Information Memorandum**” means the information memorandum published by the Bank and dated on 13 October 2014 (as the same may be supplemented from time to time prior to 17 November 2014);

“**Issue Date**” means ___ December 2014;

“**KASE**” means the Kazakhstan Stock Exchange;

“**Management Board**” means the management board of the Bank;

“**Material Subsidiary**” means at any relevant time a Subsidiary of the Bank:

- (a) whose total assets or gross revenues (for the Bank and any Subsidiary carrying on a banking business, “gross revenues” shall mean interest income plus fee and commission income) (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or consolidated gross revenues) attributable to the Bank represent not less than 10 per cent. of the total consolidated assets, pre-tax profits or the gross consolidated revenues of the Bank, as calculated by reference to the then latest audited accounts (or, if none, its then most recent management accounts or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Group, in each case prepared in accordance with IFRS; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary;

“**NBK**” means the National Bank of the Republic of Kazakhstan;

“**Net Assets**” means, in the case of a liquidation, winding-up or reorganisation of a Material Subsidiary, the assets available for distribution to the shareholders of such Material Subsidiary following the discharge of all liabilities of that Material Subsidiary in accordance with the liquidation, winding-up or reorganisation proceedings applicable to such Material Subsidiary;

“**Permitted Security**” means:

- (a) any Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (c) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier’s standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (d) any Security arising pursuant to any agreement (or other applicable terms and conditions) which is standard or customary in the relevant market (and not for the purpose of raising credit or funds for the operation of any member of the Group other than on a short-term basis as part of its liquidity management activities) in connection with (i) contracts entered into simultaneously for sales and purchases at market prices of precious metals or securities, (ii) the establishment of margin deposits and similar securities in connection with interest rate and foreign currency hedging operations and trading

in securities or (iii) foreign exchange dealings or other proprietary trading activities including, without limitation, currency swaps, trading activities with the NBK and/or Samruk-Kazyna and Repos;

- (e) any Security granted in favour of the Bank by any Material Subsidiary to secure Financial Indebtedness or other obligations owed by such Material Subsidiary to the Bank;
- (f) any Security arising in the ordinary course of the Bank's or a Material Subsidiary's trading activities and which is necessary in order to enable the Bank or such Material Subsidiary to comply with any mandatory or customary requirement imposed on it by law or by a banking or other regulatory authority in connection with the Bank's or such Material Subsidiary's business;
- (g) any Security granted on property acquired (or deemed to be acquired) under a Finance Lease, or claims arising from the use or loss of or damage to such property, provided that any such encumbrance secures only rentals and other amounts payable under such lease;
- (h) any Security granted by the Bank in favour of a Development Organisation to secure Financial Indebtedness owed by the Bank to such Development Organisation pursuant to any loan agreement or other credit facility entered into between the Bank and such Development Organisation, provided that the amount of Financial Indebtedness so secured pursuant to this paragraph (h) shall not exceed in aggregate an amount in any currency or currencies equivalent to 25 per cent. of the Bank's shareholders' equity calculated by reference to the most recent financial statements of the Bank prepared in accordance with IFRS;
- (i) any Security arising out of the refinancing, extension, renewal or refunding of any Financial Indebtedness secured by Security permitted by any of the above exceptions, provided that the Financial Indebtedness thereafter secured by such Security does not exceed the amount of the original Financial Indebtedness and such Security is not extended to cover any property not previously subject to such Security;
- (j) any Security granted in the ordinary course of the management of the non-performing loan portfolio of the Bank;
- (k) any Security not included in any of the above exceptions, in aggregate securing Financial Indebtedness with an aggregate principal amount at any time not exceeding U.S.\$50,000,000 (or its equivalent in other currencies) at that time; or
- (l) any other Security to which the Trustee (acting on the instructions of an Extraordinary Resolution) has given its prior written consent;

"Permitted Transferee" means a Person which is a bank or other financial institution which has at the relevant time a long term foreign currency obligations rating from a Rating Agency which is no lower than that of the Bank;

"Person" means any individual, company (including a business trust), corporation, firm, partnership, joint venture, association, organisation, trust (including any beneficiary thereof), state or agency of a state or other entity, whether or not having a separate legal personality;

"Potential Event of Default" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default;

"Rating Agency" means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") or Fitch Ratings Limited ("**Fitch**") or any of their affiliates or successors or any other rating agency substituted for any of them or added by the Bank with the prior written approval of the Trustee;

"Rating Categories" means (i) with respect to S&P, any of the following categories (any of which may or may not include a "+" or "-"): AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories (any of which may or may not include a "1", "2" or "3"): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (iii) the equivalent of

any such categories of S&P or Moody's used by another rating agency (including, without limitation, Fitch), if applicable, and each such category is referred to herein as a "full" Rating Category;

"Rating Decline" means a decrease or downgrade in the long term foreign currency obligations rating of the Bank by a Rating Agency by one or more full Rating Categories below such rating of the Bank at the relevant time;

"Relevant Date" means, in respect of any Note, the date on which payment in respect of such Note first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which notice is duly given to the Noteholders that such payment will be made, provided that payment is in fact made;

"Relevant Event" means a Change of Control (i) which results in a Relevant Rating Decline or (ii) resulting from a transfer to a Person which is not a Permitted Transferee;

"Relevant Period" means the period of 90 days (which period shall be extended so long as the long term foreign currency obligations rating of the Bank is under publicly announced consideration for possible downgrade by any Rating Agency) after the announcement of the relevant Change of Control;

"Relevant Rating Decline" means, in relation to a relevant Change of Control, a Rating Decline within the Relevant Period in the announcement of which the relevant Rating Agency specifies that such actual or proposed Change of Control is a factor in its decision to decrease or downgrade the Bank's rating;

"Repo" means a securities repurchase or resale agreement or reverse repurchase or resale agreement, a securities borrowing agreement or any agreement relating to securities which is similar in effect to any of the foregoing and, for purposes of this definition, the term "securities" means any capital stock, share, debenture or other debt or equity instrument, or other derivative, whether issued by any private or public company, any government or agency or instrumentality thereof or any supranational, international or multilateral organisation;

"Samruk-Kazyna" means joint-stock company Sovereign Wealth Fund "Samruk-Kazyna";

"Security" means any mortgage, charge, pledge, lien, security interest or other encumbrance securing any obligation of any Person or any other agreement or arrangement having a similar effect;

"Securities Act" means the U.S. Securities Act of 1933, as amended;

"Secondary Public Offering" means any sale or public offering of any equity security (including any preference shares) in the Bank or receipts or similar securities representing such equity securities by way of flotation, public placing, listing or other public offering on any recognised international exchange;

"SK Deposit" means the KZT 220,000,000,000 deposit of Samruk-Kazyna to be placed with the Bank on or about Issue Date bearing interest at 4 per cent. per annum and maturing on ___ December 2024;

"Specified Office" has the meaning given to it in the Agency Agreement;

"Subsidiary" of a Person means:

- (a) an entity of which that Person has Control; or
- (b) an entity whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of that Person,

and for these purposes, when determining whether an entity is a **"Subsidiary"** of another Person, the registration of any shares in such **"Subsidiary"** in the name of any nominee of any other Person holding Security over such shares shall be ignored so that such entity is deemed to be the Subsidiary of the Person who created that Security;

"Terms of the SK Deposit" means the terms and conditions on which the SK Deposit will be placed with the Bank as described in the Information Memorandum; and

"Treasury Transactions" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

SCHEDULE 9 — TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS

The following is the text of the terms and conditions of the GDRs which, subject to amendment and completion, and except for any text in italics, will be endorsed on each definitive certificate pertaining to the GDRs and will be attached and (subject to the provisions thereof) apply to the relevant Master GDR:

The Global Depositary Receipts (“**GDRs**”) represented by this certificate are denominated in U.S. dollars and are issued in respect of registered common shares (the “**Shares**”) in JSC Alliance Bank (the “**Bank**”) pursuant to and subject to an amended and restated deposit agreement dated _____ December 2014, and made between the Bank and The Bank of New York Mellon in its capacity as depositary (the “**Depositary**”) (such agreement, as amended from time to time, being hereinafter referred to as the “**Deposit Agreement**”). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed HSBC Bank Kazakhstan as Custodian (in its capacity as custodian, the “**Custodian**”) to receive and hold on its behalf any relevant documentation respecting certain Shares (the “**Deposited Shares**”) and all rights, interests and other securities, property and cash deposited with the Custodian which are attributable to the Deposited Shares (together with the Deposited Shares, the “**Deposited Property**”). The Depositary shall hold Deposited Property for the benefit of the Holders (as defined below) as bare trustee in proportion to their holdings of GDRs. In these terms and conditions (the “**Conditions**”), references to the “**Depositary**” are to The Bank of New York Mellon and/or any other depositary which may from time to time be appointed under the Deposit Agreement, references to the “**Custodian**” are to HSBC Bank Kazakhstan in its capacity as Custodian or any other custodian from time to time appointed under the Deposit Agreement and references to the “**Main Office**” mean, in relation to the relevant Custodian, its head office in the city of Almaty or such other location of the head office of the Custodian in Kazakhstan as may be designated by the Custodian with the approval of the Depositary (if outside the city of Almaty) or the head office of any other custodian from time to time, appointed under the Deposit Agreement.

References in these Conditions to the “**Holder**” of any GDR shall mean the person or persons registered on the books of the Depositary maintained for such purpose (the “**Register**”) as holder. These Conditions include summaries of, and are subject to, the detailed provisions of the Deposit Agreement, which includes the forms of the certificates in respect of the GDRs. Copies of the Deposit Agreement are available for inspection at the specified office of the Depositary and each Agent (as defined in Condition 17) and at the Main Office of the Custodian. Terms used in these Conditions and not defined herein but which are defined in the Deposit Agreement have the meanings ascribed to them in the Deposit Agreement. **Holders of GDRs are not party to the Deposit Agreement and thus, under English law, have no contractual rights against, or obligations to, the Bank or Depositary. However, the Deed Poll executed by the Bank in favour of the Holders provides that, if the Bank fails to perform the obligations imposed on it by certain specified provisions of the Deposit Agreement, any Holder may enforce the relevant provisions of the Deposit Agreement as if it were a party to the Deposit Agreement and was the “Depositary” in respect of that number of Deposited Shares to which the GDRs of which he is the Holder relate. The Depositary is under no duty to enforce any of the provisions of the Deposit Agreement on behalf of any Holder of a GDR or any other person.**

1. Withdrawal of Deposited Property and Further Issues of GDRs

- 1.1 Any Holder may request withdrawal of, and the Depositary shall thereupon relinquish, the Deposited Property attributable to any GDR upon production of such evidence of the entitlement of the Holder to the relevant GDR as the Depositary may reasonably require, at the specified office of the Depositary or any Agent accompanied by:
- (i) a duly executed order (in a form approved by the Depositary) requesting the Depositary to cause the Deposited Property being withdrawn to be delivered at the Main Office of the Custodian, or (at the request, risk and expense of the Holder, and only if permitted by applicable law from time to time) at the specified office located in New York, London or Kazakhstan of the Depositary or any Agent, or to the order in writing of, the person or persons designated in such order;
 - (ii) the payment of such fees, taxes, duties, charges and expenses as may be required under these Conditions or the Deposit Agreement;
 - (iii) the surrender (if appropriate) of GDR certificates in definitive registered form properly endorsed in blank or accompanied by proper instruments of transfer satisfactory to the Depositary to which the Deposited Property being withdrawn is attributable; and

- (iv) the delivery to the Depository of a duly executed and completed certificate substantially in the form set out either (a) in Schedule 3, Part B, to the Deposit Agreement, if Deposited Property is to be withdrawn or delivered in respect of surrendered Regulation S GDRs, or (b) in Schedule 4, Part B, to the Deposit Agreement, if Deposited Property is to be withdrawn or delivered in respect of surrendered Rule 144A GDRs.

Both the certificate to be provided in the form of Schedule 3, Part B to the Deposit Agreement and the certificate to be provided in the form of Schedule 4, Part B to the Deposit Agreement certify, among other things, that the holder is not a person subject to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity (as such law may be amended from time to time), in that it is not (i) a legal entity registered in certain offshore jurisdictions as set out in a list of such jurisdictions published from time to time by the applicable competent authority in Kazakhstan or -which has an affiliate registered in any offshore jurisdictions (except for a bank not resident in Kazakhstan and which has a credit rating of "A" or above from one of Moody's Investors Service Inc., Standard & Poor's Ratings Services, Fitch Ratings Ltd., Capital Intelligence Ltd., Dominion Bond Rating Service, Japan Credit Rating Agency, or Rating & Investment Information) or (ii) a physical person who is a participant or a shareholder in such legal entity.

- 1.2 Upon production of such documentation and the making of such payment as aforesaid for withdrawal of the Deposited Property in accordance with Condition 1.1, the Depository will direct the Custodian, by tested telex, facsimile or SWIFT message, within a reasonable time after receiving such direction from such Holder, to deliver at its Main Office to, or to the order in writing of, the person or persons designated in the accompanying order:

- (i) a certificate (if any) for, or other appropriate instrument of title (if any) to or evidence of a book-entry transfer in respect of the relevant Deposited Shares, registered in the name of the Depository or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and
- (ii) all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof; provided however that the Depository may make delivery at its specified office in New York of any Deposited Property which is in the form of cash;

PROVIDED THAT the Depository (at the request, risk and expense of any Holder so surrendering a GDR):

- (a) will direct the Custodian to deliver the certificates for, or other instruments of title to, or book-entry transfer in respect of, the relevant Deposited Shares and any document relative thereto and any other documents referred to in sub-paragraphs 1.2(i) and (ii) of this Condition (together with any other property forming part of the Deposited Property which may be held by the Custodian or its agent and is attributable to such Deposited Shares); and/or
- (b) will deliver any other property forming part of the Deposited Property which may be held by the Depository and is attributable to such GDR (accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof),

in each case to the specified office located in New York or London of the Depository (if permitted by applicable law from time to time) or at the specified office in Kazakhstan of any Agent as designated by the surrendering Holder in the order accompanying such GDR.

- 1.3 Delivery by the Depository, any Agent and the Custodian of all certificates, instruments, dividends or other property forming part of the Deposited Property as specified in this Condition will be made subject to any laws or regulations applicable thereto.

- 1.4 The Depository may, in accordance with the terms of the Deposit Agreement and upon delivery of a duly executed order (in a form reasonably approved by the Depository) and a duly executed certificate substantially in the form of (a) Schedule 3, Part A of the Deposit Agreement (*which is described in the following paragraph*) (or as amended in accordance with Clause 3.10 of the Deposit Agreement and

Condition 1.8 by or on behalf of any investor who is to become the beneficial owner of the Regulation S GDRs or (b) Schedule 4, Part A of the Deposit Agreement (*which is described in the second following paragraph*) by or on behalf of any investor who is to become the beneficial owner of Rule 144A GDRs, from time to time execute and deliver further GDRs having the same terms and conditions as the GDRs which are then outstanding in all respects (or the same in all respects except for the first dividend payment on the Shares corresponding to such further GDRs) and, subject to the terms of the Deposit Agreement, the Depositary shall accept for deposit any further Shares in connection therewith, so that such further GDRs shall form a single series with the already outstanding GDRs. References in these Conditions to the GDRs include (unless the context requires otherwise) any further GDRs issued pursuant to this Condition and forming a single series with the already outstanding GDRs.

- 1.5 Any further GDRs issued pursuant to Condition 1.4 which (i) correspond to Shares which have rights (whether dividend rights or otherwise) which are different from the rights attaching to the Shares corresponding to the outstanding GDRs, or (ii) are otherwise not fungible (or are to be treated as not fungible) with the outstanding GDRs, will be represented by a separate temporary Master GDR. Upon becoming fungible with outstanding GDRs, such further GDRs shall be evidenced by a Master GDR (by increasing the total number of GDRs evidenced by the Master GDR by the number of such further GDRs, as applicable).
- 1.6 The Depositary may issue GDRs against rights to receive Shares from the Bank (or any agent of the Bank recording Share ownership). No such issue of GDRs will be deemed a “Pre-Release” as defined in Condition 1.7.
- 1.7 Unless requested in writing by the Bank to cease doing so, and notwithstanding the provisions of Condition 1.4, the Depositary may execute and deliver GDRs or issue interests in a Master Regulation S GDR or a Master Rule 144A GDR, as the case may be, prior to the receipt of Shares (a “**Pre-Release**”). The Depositary may, pursuant to Condition 1.1, deliver Shares upon the receipt and cancellation of GDRs, which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such GDR has been Pre-Released. The Depositary may receive GDRs in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation from the person to whom GDRs or Deposited Property are to be delivered (the “**Pre-Releasee**”) that such person, or its customer, (i) owns or represents the owner of the corresponding Deposited Property or GDRs to be remitted (as the case may be), (ii) assigns all beneficial right, title and interest in such Deposited Property or GDRs (as the case may be) to the Depositary in its capacity as such and for the benefit of the Holders, (iii) will not take any action with respect to such GDRs or Deposited Property (as the case may be) that is inconsistent with the transfer of beneficial ownership (including without the consent of the Depositary, disposing of such Deposited Property or GDRs, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralised with cash or such other collateral as the Depositary determines in good faith will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days’ notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of GDRs which are outstanding at any time as a result of Pre-Release will not normally represent more than thirty per cent. of the total number of GDRs then outstanding; provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate and may, with the prior written consent of the Bank, change such limits for the purpose of general application. The Depositary will also set dollar limits with respect to Pre-Release transactions hereunder with any particular Pre-Releasee hereunder on a case by case basis as the Depositary deems appropriate. The collateral referred to in sub-paragraph (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee’s obligations in connection herewith, including the Pre-Releasee’s obligation to deliver Shares and/or other securities or GDRs upon termination of a Pre-Release transaction anticipated hereunder (and shall not, for the avoidance of doubt, constitute Deposited Property hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing including, without limitation, earnings on the collateral.

The person to whom any Pre-Release of Rule 144A GDRs or Rule 144A Shares is to be made pursuant to this Condition 1.7 shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 4 Part A of the Deposit Agreement. The person

to whom any Pre-Release of Regulation S GDRs or Regulation S Shares is to be made pursuant to this paragraph shall be required to deliver to the Depository a duly executed and completed certificate substantially in the form set out in Schedule 3 Part A of the Deposit Agreement.

- 1.8 The Depository may make such amendments to the certificates contained in the Deposit Agreement in Schedule 3 Parts A and B and in Schedule 4 Parts A and B as it may determine are required in order for the Depository to perform its duties under the Deposit Agreement, or to comply with any applicable law or with the rules and regulations of any securities exchange, market or automated quotation system upon which the GDRs may be listed or traded, or to comply with the rules or requirements of any book entry system by which the GDRs may be transferred, or to confirm compliance with any special limitations or restrictions to which any particular GDRs are subject.
- 1.9 In order to comply with any applicable laws and regulations, the Depository may from time to time request each Holder of GDRs to, and each Holder shall upon receipt of such request, provide to the Depository information relating to: (a) the capacity in which such Holder and/or any owner holds GDRs; (b) the identity of any owners of GDRs or other person or persons then or previously interested in such GDRs; (c) the nature of any such interests in the GDRs; and (d) any other matter where disclosure of such matter is required to enable compliance by the Depository with applicable laws or the constitutional documents of the Bank.
- 1.10 In order to comply with any applicable laws and regulations, the Depository may from time to time request Euroclear, Clearstream and DTC to provide the Depository with details of the accountholders within such settlement systems that hold interests in GDRs and the number of GDRs recorded in the account of each such accountholder, and each Holder or owner of GDRs, or intermediary acting on behalf of such Holder or owner, hereby authorises each of Euroclear, Clearstream and DTC to disclose such information to the Depository as issuer of the GDRs.
- 1.11 This Condition 1.11 shall apply in the event that Mr. Bulat Utemuratov (or any member of Mr. Utemuratov's family) proposes to sell a number of his or their Shares to any Third Party sufficient for his shareholding (combined with the shareholdings of other members of Mr. Utemuratov's family) in the Bank to fall below 51 per cent. of the total number of Shares thereby entitling Shareholders to enforce Tag Along Rights in accordance with the undertaking entered into by Mr. Bulat Utemuratov in favour of Shareholders dated on or around 15 December 2014 (the "**Undertaking**"):
 - 1.11.1 The Bank has agreed to provide the Depository with: (a) a copy of the Tag Along Notice of Mr. Bulat Utemuratov, a notice instructing Holders to give a blocking instruction to Euroclear, Clearstream or DTC (as applicable) in relation to any GDRs held by such Holder in respect of which the Holder wishes to request the exercise of Tag Along Rights; and (b) an instruction to request Euroclear, Clearstream and DTC to block GDRs within such systems as requested by Holders, and to provide a list to the Bank and the Depository of all settlement system participants holding GDRs at the time such blocking instructions take effect and details of the GDRs held and (if relevant) blocked by each such participant at such time; and upon receipt of such notices the Depository shall forward copies of the notices described in (a) to the Holders.
 - 1.11.2 Each Holder wishing to request that Tag Along Rights are enforced against Mr. Bulat Utemuratov in respect of the Deposited Shares represented by any GDRs held by such Holder shall send the Bank a Tag Along Acceptance Notice and any other information required by the Bank within 30 calendar days of receipt by the Holders of such notices, and shall give a blocking instruction to Euroclear, Clearstream or DTC (as applicable) in relation to any GDRs held by such Holder which were received by such Holder pursuant to the Restructuring and in respect of which the Holder wishes to request the exercise of Tag Along Rights.
 - 1.11.3 Tag Along Rights of Holders shall only be enforceable in accordance with the terms of the Undertaking and subject to the provisions of this Condition 1.11.
 - 1.11.4 The Bank shall, as soon as practicable, (a) review all responses which were provided by Holders to the Bank within 30 calendar days of the receipt of the notices forwarded by the Depository, (b) notify the Depository of all Holders eligible for enforcement of Tag Along Rights against Mr. Bulat Utemuratov, and the number of Deposited Shares of each such Holder in respect of which such Tag Along Rights are to be exercised, and (c) notify the Depository of the identity of

the person to whom the relevant Deposited Shares are to be transferred pursuant to the exercise of the Tag Along Rights, and any other details regarding such person as required by the Depositary in order to procure the transfer of Deposited Shares to such person.

1.11.5 Each person who is a Holder of GDRs as identified by the Bank to the Depositary pursuant to Condition 1.11.4(b) shall, by submitting a Tag Along Acceptance Notice to the Bank, be deemed to have requested withdrawal of the Deposited Shares represented by such GDRs, and to have instructed the Depositary to cancel such GDRs.

1.11.6 Following receipt by the Depositary of (a) a certification in the form set out in Part B of Schedule 3 or Schedule 4 (as applicable) given by or on behalf of the person who will be the beneficial owner of Deposited Shares following withdrawal in accordance with this Condition 1.11, and (b) the relevant cancellation fee in accordance with Condition 16.1(i) (which may be paid by the Bank or Mr. Bulat Utemuratov or (as the Bank may elect and notify to the Depositary) deducted from the Tag Along Consideration by the Depositary), the Depositary shall, in accordance with the deemed instruction pursuant to Condition 1.11.6, cancel the relevant GDRs and transfer the Deposited Shares formerly represented by such GDRs to the person identified by the Bank in accordance with Condition 1.11.5(c), and, on receipt of the Tag Along Consideration from such person (subject to any deduction of cancellation fees by the Depositary), transfer an amount equal to the Tag Along Consideration to the relevant Holders.

1.11.7 Each Holder acknowledges and agrees that where this Condition 1.11 applies, the ability to transfer GDRs may be restricted until completion of the process for the exercise of Tag Along Rights, and that the Depositary is authorised to give such instructions to Euroclear, Clearstream or DTC, and to take such other action, as may be appropriate to facilitate such process.

1.11.8 Unless the context otherwise requires, terms used in this Condition 1.11 shall bear the meanings given to them in the Undertaking.

2. Suspension of Issue of GDRs and of Withdrawal of Deposited Property

The Depositary shall be entitled, at its reasonable discretion, at such times as it shall determine, to suspend the issue or transfer of GDRs (and the deposit of Shares) generally or in respect of particular Shares. In particular, to the extent that it is in its opinion practicable for it to do so, the Depositary will refuse to accept Shares for deposit, to execute and deliver GDRs or to register transfers of GDRs if it has been notified by the Bank in writing that the Deposited Shares or GDRs or any depositary receipts corresponding to Shares are listed on a U.S. Securities Exchange or quoted on a U.S. automated inter dealer quotation system, unless accompanied by evidence satisfactory to the Depositary that any such Shares are eligible for resale pursuant to Rule 144A. Further, the Depositary may suspend the withdrawal of Deposited Property during any period when the Register, or the register of shareholders of the Bank is closed or, generally or in one or more localities, suspend the withdrawal of Deposited Property or deposit of Shares if deemed necessary or desirable or advisable by the Depositary in good faith at any time or from time to time, in order to comply with any applicable law or governmental or stock exchange regulations or any provision of the Deposit Agreement or for any other reason. The Depositary shall (unless otherwise notified by the Bank) restrict the withdrawal of Deposited Shares where the Bank notifies the Depositary in writing that such withdrawal would result in ownership of Shares exceeding any limit under any applicable law, government resolution or the Bank's constitutive documents or would otherwise violate any applicable laws.

3. Transfer and Ownership

The GDRs are in registered form. Title to the GDRs passes by registration in the Register and accordingly, transfer of title to a GDR is effective only upon such registration. The Depositary will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in violation of any applicable laws. The Holder of any GDR will (except as otherwise required by law) be treated by the Depositary and the Bank as its beneficial owner for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of any certificate issued in respect of it) and no person will be liable for so treating the Holder.

Interests in Rule 144A GDRs corresponding to the Master Rule 144A GDR may be transferred to a person whose interest in such Rule 144A GDRs is subsequently represented by the Master Regulation S GDR only upon receipt by the Depository of written certifications (in the forms provided in the Deposit Agreement) from the transferor and the transferee to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) and that the transferor is not a person subject to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity (as such law may be amended from time to time), in that it is not (a) (except for a bank not resident in Kazakhstan and which has a credit rating of “A” or above from one of Moody’s Investors Services, Inc., Standard & Poor’s Ratings Services, Fitch Ratings Ltd., Capital Intelligence Ltd., Dominion Bond Rating Service, Japan Credit Rating Agency or Rating & Investment Information) a legal entity registered in certain offshore jurisdictions as set out in a list of such jurisdictions published from time to time by the applicable competent authority in Kazakhstan, or which has an affiliate registered in any such offshore jurisdictions, or (b) a physical person who is a participant or a shareholder in such legal entity. Prior to expiration of the Restricted Period (such term being defined as the 40-day period beginning on the later of the commencement of the distribution of GDRs and the original issue date of the GDRs), no owner of Regulation S GDRs may transfer Regulation S GDRs or Shares represented thereby except in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act or to, or for the account of, a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act (each a “QIB”) in a transaction meeting the requirements of such Rule 144A. There shall be no transfer of Regulation S GDRs by an owner thereof to a QIB except as aforesaid and unless such owner (i) withdraws Regulation S Shares from the Regulation S Facility in accordance with Clause 3.5 of the Deposit Agreement, which requires certification that the owner is not a person subject to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity (as such law may be amended from time to time), in that it is not (a) (except for a bank not resident in Kazakhstan and which has a credit rating of “A” or above from one of Moody’s Investors Services, Inc., Standard & Poor’s Ratings Services, Fitch Ratings Ltd., Capital Intelligence Ltd., Dominion Bond Rating Service, Japan Credit Rating Agency or Rating & Investment Information) a legal entity registered in certain offshore jurisdictions as set out in a list of such jurisdictions published from time to time by the applicable competent authority in Kazakhstan, or which has an affiliate registered in any such offshore jurisdictions, or (b) a physical person who is a participant or a shareholder in such legal entity and (ii) instructs the Depository to deliver the Shares so withdrawn to the account of the Custodian to be deposited into the Rule 144A Facility for issuance thereunder of Rule 144A GDRs to, or for the account of, such QIB. Issuance of such Rule 144A GDRs shall be subject to the terms and conditions of the Deposit Agreement, including, with respect to the deposit of Shares and the issuance of Rule 144A GDRs, delivery of the duly executed and completed written certificate and agreement required under the Deposit Agreement by or on behalf of each person who will be the beneficial owner of such Rule 144A GDRs certifying that such person is a QIB and agreeing that it will comply with the restrictions on transfer set forth therein and to payment of the fees, charges and taxes provided therein.

4. Cash Distributions

Whenever the Depository shall receive from the Bank any cash dividend or other cash distribution on or in respect of the Deposited Shares (including any amounts received in the liquidation of the Bank) or otherwise in connection with the Deposited Property, the Depository shall, as soon as practicable, convert the same into United States dollars in accordance with Condition 8. The Depository shall, if practicable in the opinion of the Depository, give notice to the Holders of its receipt of such payment in accordance with Condition 23, specifying the amount per Deposited Share payable in respect of such dividend or distribution and the earliest date, determined by the Depository, for transmission of such payment to Holders and shall as soon as practicable distribute any such amounts to the Holders in proportion to the number of Deposited Shares corresponding to the GDRs so held by them, respectively, subject to and in accordance with the provisions of Conditions 9 and 11; PROVIDED THAT:

- (a) in the event that the Depository is aware that any Deposited Shares are not entitled, by reason of the date of issue or transfer or otherwise, to such full proportionate amount, the amount so distributed to the relative Holders shall be adjusted accordingly; and
- (b) the Depository will distribute only such amounts of cash dividends and other distributions as may be distributed without attributing to any GDR a fraction of the lowest integral unit of currency in which the distribution is made by the Depository, and any balance remaining shall be retained by the Depository beneficially as an additional fee under Condition 16.1(iv).

5. Distributions of Shares

Whenever the Depositary shall receive from the Bank any distribution in respect of Deposited Shares which consists of a dividend or free distribution of Shares, the Depositary shall cause to be distributed to the Holders entitled thereto, in proportion to the number of Deposited Shares corresponding to the GDRs held by them, respectively, additional GDRs corresponding to an aggregate number of Shares received pursuant to such distribution. Such additional GDRs shall be distributed by an increase in the number of GDRs corresponding to the Master GDR or by an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; PROVIDED THAT, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Bank, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) sell such Shares so received and distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

6. Distributions other than in Cash or Shares

Whenever the Depositary shall receive from the Bank any dividend or distribution in securities (other than Shares) or in other property (other than cash) on or in respect of the Deposited Property, the Depositary shall distribute or cause to be distributed such securities or other property to the Holders entitled thereto, in proportion to the number of Deposited Shares corresponding to the GDRs held by them, respectively, in any manner that the Depositary may deem equitable and practicable for effecting such distribution; PROVIDED THAT, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Bank, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall deal with the securities or property so received, or any part thereof, in such way as the Depositary may determine to be equitable and practicable, including, without limitation, by way of sale (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) and shall (in the case of a sale) distribute the resulting net proceeds as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

7. Rights Issues

If and whenever the Bank announces its intention to make any offer or invitation to the holders of Shares to subscribe for or to acquire Shares, securities or other assets by way of rights, the Depositary shall as soon as practicable give notice to the Holders, in accordance with Condition 23, of such offer or invitation, specifying, if applicable, the earliest date established for acceptance thereof, the last date established for acceptance thereof and the manner by which and time during which Holders may request the Depositary to exercise such rights as provided below or, if such be the case, specifying details of how the Depositary proposes to distribute the rights or the proceeds of any sale thereof. The Depositary will deal with such rights in the manner described below:

- (i) if and to the extent that the Depositary shall, at its discretion, deem it to be lawful and reasonably practicable, the Depositary shall make arrangements whereby the Holders may, upon payment of the subscription price in Tenge or other relevant currency together with such fees, taxes, duties, charges, costs and expenses as may be required under the Deposit Agreement and completion of such undertakings, declarations, certifications and other documents as the Depositary may reasonably require, request the Depositary to exercise such rights on their behalf with respect to the Deposited Shares and to distribute the Shares, securities or other assets so subscribed or acquired to the Holders entitled thereto by an increase in the numbers of GDRs corresponding to the Master GDR or an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; or
- (ii) if and to the extent that the Depositary shall at its discretion, deem it to be lawful and reasonably practicable, the Depositary will distribute such rights to the Holders entitled thereto in such manner as the Depositary may at its discretion determine; or
- (iii) if and to the extent that the Depositary deems any such arrangement and distribution as is referred to in paragraphs (i) and (ii) above to all or any Holders not to be lawful and reasonably practicable (including,

without limitation, due to the fractions which would otherwise result or to any requirement that the Bank, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary (a) will, PROVIDED THAT Holders have not taken up rights through the Depositary as provided in (i) above, sell such rights (either by public or private sale and otherwise at its discretion subject to all applicable laws and regulations) or (b) may, if such rights are not transferable, in its discretion, arrange for such rights to be exercised and the resulting Shares or securities sold and, in each case, distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

(iv)

- (a) Notwithstanding the foregoing, in the event that the Depositary offers rights pursuant to Condition 7(i) (the “**Primary GDR Rights Offering**”), if authorised by the Bank to do so, the Depositary may, in its discretion, make arrangements whereby in addition to instructions given by a Holder to the Depositary to exercise rights on its behalf pursuant to Condition 7(i), such Holder is permitted to instruct the Depositary to subscribe on its behalf for additional rights which are not attributable to the Deposited Shares represented by such Holder’s GDRs (“**Additional GDR Rights**”) if at the date and time specified by the Depositary for the conclusion of the Primary GDR Offering (the “**Instruction Date**”) instructions to exercise rights have not been received by the Depositary from the Holders in respect of all their initial entitlements. Any Holder’s instructions to subscribe for such Additional GDR Rights (“**Additional GDR Rights Requests**”) shall specify the maximum number of Additional GDR Rights that such Holder is prepared to accept (the “**Maximum Additional Subscription**”) and must be received by the Depositary by the Instruction Date. If by the Instruction Date any rights offered in the Primary GDR Rights Offering have not been subscribed by the Holders initially entitled thereto (“**Unsubscribed Rights**”), subject to Condition 7(iv)(c) and receipt of the relevant subscription price in Tenge or other relevant currency, together with such fees, taxes, duties, charges, costs and expenses as it may deem necessary, the Depositary shall make arrangements for the allocation and distribution of Additional GDR Rights in accordance with Condition 7(iv)(b).
- (b) Holders submitting Additional GDR Rights Requests shall be bound to accept the Maximum Additional Subscription specified in such Additional GDR Request but the Depositary shall not be bound to arrange for a Holder to receive the Maximum Additional Subscription so specified but may make arrangements whereby the Unsubscribed Rights are allocated *pro rata* on the basis of the extent of the Maximum Additional Subscription specified in each Holder’s Additional GDR Rights Request.
- (c) In order to proceed in the manner contemplated in this Condition 7(iv), the Depositary shall be entitled to receive such opinions from Kazakhstan counsel and U.S. counsel to the Bank as in its discretion it deems necessary which opinions shall be in a form and provided by counsel satisfactory to the Depositary and at the expense of the Bank and may be requested in addition to any other opinions and/or certifications which the Depositary shall be entitled to receive under the Deposit Agreement and these Conditions. For the avoidance of doubt, save as provided in these Conditions and the Deposit Agreement, the Depositary shall have no liability to the Bank or any Holder in respect of its actions or omissions to act under this Condition 7(iv) and, in particular, the Depositary will not be regarded as being negligent, acting in bad faith, or in wilful default if it elects not to make the arrangements referred to in Condition 7(iv)(a).

The Bank has agreed in the Deposit Agreement that it will, unless prohibited by applicable law or regulation, give its consent to, and if requested use all reasonable endeavours (subject to the next paragraph) to facilitate, any such distribution, sale or subscription by the Depositary or the Holders, as the case may be, pursuant to Conditions 4, 5, 6, 7 or 10 (including the obtaining of legal opinions from counsel reasonably satisfactory to the Depositary concerning such matters as the Depositary may reasonably specify).

If the Bank notifies the Depositary that registration is required in any jurisdiction under any applicable law of the rights, securities or other property to be distributed under Conditions 4, 5, 6, 7 or 10 or the securities to which such rights relate in order for the Bank to offer such rights or distribute such securities or other property to the Holders or owners of GDRs and to sell the securities corresponding to such rights, the Depositary will not offer such rights or distribute such securities or other property to the Holders or sell such securities unless and until the Bank procures the receipt by the Depositary of an opinion from counsel to the

Bank reasonably satisfactory to the Depositary that a registration statement is in effect or that the offering and sale of such rights or securities to such Holders or owners of GDRs are exempt from registration under the provisions of such law. Neither the Bank nor the Depositary shall be liable to register such rights, securities or other property or the securities to which such rights relate and they shall not be liable for any losses, damages or expenses resulting from any failure to do so.

If at the time of the offering of any rights, at its discretion, the Depositary shall be satisfied that it is not lawful or practicable (for reasons outside its control) to dispose of the rights in any manner provided in paragraphs (i), (ii), (iii) and (iv) above, the Depositary shall permit the rights to lapse. The Depositary will not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Holders or owners of GDRs in general or to any Holder or owner of a GDR or Holders or owners of GDRs in particular.

8. Conversion of Foreign Currency

Whenever the Depositary shall receive any currency other than United States dollars by way of dividend or other distribution or as the net proceeds from the sale of securities, other property or rights, and if at the time of the receipt thereof the currency so received can in the judgement of the Depositary be converted on a reasonable basis into United States dollars and distributed to the Holders entitled thereto, the Depositary shall as soon as practicable itself convert or cause to be converted by another bank or other financial institution, by sale or in any other manner that it may reasonably determine, the currency so received into United States dollars. If such conversion or distribution can be effected only with the approval or licence of any government or agency thereof, the Depositary shall make reasonable efforts to apply, or procure that an application be made, for such approval or licence, if any, as it may deem desirable. If at any time the Depositary shall determine that in its judgement any currency other than United States dollars is not convertible on a reasonable basis into United States dollars and distributable to the Holders entitled thereto, or if any approval or licence of any government or agency thereof which is required for such conversion is denied or, in the opinion of the Depositary, is not obtainable, or if any such approval or licence is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute such other currency received by it (or an appropriate document evidencing the right to receive such other currency) to the Holders entitled thereto to the extent permitted under applicable law, or the Depositary may in its discretion hold such other currency for the benefit of the Holders entitled thereto. If any conversion of any such currency can be effected in whole or in part for distribution to some (but not all) Holders entitled thereto, the Depositary may at its discretion make such conversion and distribution in United States dollars to the extent possible to the Holders entitled thereto and may distribute the balance of such other currency received by the Depositary to, or hold such balance for the account of, the Holders entitled thereto, and notify the Holders accordingly.

9. Distribution of any Payments

9.1 Any distribution of cash under Conditions 4, 5, 6, 7 or 10 will be made by the Depositary to Holders on the record date established by the Depositary for that purpose (such date to be as close to the record date set by the Bank as is reasonably practicable) and, if practicable in the opinion of the Depositary, notice shall be given promptly to Holders in accordance with Condition 23, in each case subject to any laws or regulations applicable thereto and (subject to the provisions of Condition 8) distributions will be made in United States dollars by cheque drawn upon a bank in New York City or, in the case of the Master GDRs, according to usual practice between the Depositary and Clearstream or Euroclear, or DTC, as the case may be. The Depositary or the Agent, as the case may be, may deduct and retain from all moneys due in respect of such GDR in accordance with the Deposit Agreement all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Deposit Agreement or under applicable law or regulation in respect of such GDR or the relative Deposited Property.

9.2 Delivery of any securities or other property or rights other than cash shall be made as soon as practicable to the Holders on the record date established by the Depositary for that purpose (such date to be as close to the record date set by the Bank as is reasonably practicable), subject to any laws or regulations applicable thereto. If any distribution made by the Bank with respect to the Deposited Property and received by the Depositary shall remain unclaimed at the end of three years from the first date upon which such distribution is made available to Holders in accordance with the Deposit Agreement, all rights of the Holders to such distribution or the proceeds of the sale thereof shall be extinguished and the Depositary shall (except for any distribution upon the liquidation of the Bank when the Depositary

shall retain the same) return the same to the Bank for its own use and benefit subject, in all cases, to the provisions of applicable law or regulation.

10. Capital Reorganisation

Upon any change in the nominal or par value, sub-division, consolidation or other reclassification of Deposited Shares or any other part of the Deposited Property or upon any reduction of capital, or upon any reorganisation, merger or consolidation of the Bank or to which it is a party (except where the Bank is the continuing corporation), the Depositary shall as soon as practicable give notice of such event to the Holders and at its discretion may treat such event as a distribution and comply with the relevant provisions of Conditions 4, 5, 6 and 9 with respect thereto, or may execute and deliver additional GDRs in respect of Shares or may require the exchange of existing GDRs for new GDRs which reflect the effect of such change.

11. Withholding Taxes and Applicable Laws

11.1 Payments to Holders of dividends or other distributions on or in respect of the Deposited Shares will be subject to deduction of Kazakhstan and other withholding taxes, if any, at the applicable rates.

11.2 If any governmental or administrative authorisation, consent, registration or permit or any report to any governmental or administrative authority is required under any applicable law in Kazakhstan in order for the Depositary to receive from the Bank Shares or other securities to be deposited under these Conditions, or in order for Shares, other securities or other property to be distributed under Conditions 4, 5, 6 or 10 or to be subscribed under Condition 7 or to offer any rights or sell any securities represented by such rights relevant to any Deposited Shares, the Bank has agreed to apply for such authorisation, consent, registration or permit or file such report on behalf of the Holders within the time required under such laws. In this connection, the Bank has undertaken in the Deposit Agreement to the extent reasonably practicable to take such action as may be required in obtaining or filing the same. The Depositary shall not be obliged to distribute GDRs representing such Shares, Shares, other securities or other property deposited under these Conditions or make any offer of any such rights or sell any securities corresponding to any such rights with respect to which such authorisation, consent, registration or permit or such report has not been obtained or filed, as the case may be, and shall have no duties to obtain any such authorisation, consent, registration or permit, or to file any such report.

12. Voting of Shares

12.1 Holders will have voting rights with respect to the Deposited Shares, subject to and in accordance with any applicable Kazakhstan law. The Bank has agreed to notify the Depositary of any resolution to be proposed at a General Meeting of the Bank and the Depositary will vote or cause to be voted the Deposited Shares in the manner set out in this Condition 12.

12.2 The Bank has agreed with the Depositary that it will promptly provide to the Depositary notices of meetings of the shareholders of the Bank and the agenda therefor and request the Depositary in writing to prepare, in consultation with the Bank, written requests containing voting instructions by which each Holder may give instructions to the Depositary to vote for or against each and any resolution specified in the agenda for the meeting, which the Depositary shall send to any person who is a Holder on the record date established by the Depositary for that purpose (which shall be the same as the corresponding record date set by the Bank or as near as practicable thereto) as soon as practicable after receipt of the same by the Depositary in accordance with Condition 23. Each Holder will be required to certify in such voting instruction that (a) it is not a person subject to Article 17.5 of the Kazakhstan Law on Banks and Banking Activity (as such law may be amended from time to time), in that it is not (i) a legal entity registered in certain offshore jurisdictions as set out in a list of such jurisdictions published from time to time by the applicable competent authority in Kazakhstan, or (ii) a legal entity whose participant or shareholder is such a legal entity; and (b) such Holder owns less than 10% of the outstanding Shares of the Bank (or such other percentage as shall at the relevant time require an approval from the National Bank of Kazakhstan or any other relevant regulatory authority) or in case it owns more than 10% (or such other percentage, as the case may be) it has obtained the required approvals. If no such certification is provided to the Depositary by a Holder (an “**Uncertified Holder**”), the Depositary will not exercise any voting rights in relation to the Deposited Shares which are represented by the GDRs which are held by the Uncertified Holder and such voting rights shall lapse.

- The Bank also agrees to provide to the Depositary appropriate proxy forms to enable the Depositary to appoint a representative to attend the relevant meeting and vote on behalf of the Depositary.
- 12.3 In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective Holder (or in the case of instructions received from the clearing systems should be received by authenticated SWIFT message) in accordance with the written request containing voting instructions and returned to the Depositary by such record date as the Depositary may specify.
- 12.4 The Depositary will exercise or cause to be exercised the voting rights in respect of the Deposited Shares so that a portion of the Deposited Shares will be voted for and a portion of the Deposited Shares will be voted against any resolution specified in the agenda for the relevant meeting in accordance with the voting instructions it has received.
- 12.5 If the Depositary is advised in the opinion referred to in Condition 12.8 below that it is not permitted by Kazakhstan law to exercise the voting rights in respect of the Deposited Shares differently (so that a portion of the Deposited Shares may be voted for a resolution and a portion of the Deposited Shares may be voted against a resolution) the Depositary shall, if the opinion referred to in Condition 12.8 below confirms it to be permissible under Kazakhstan law, calculate from the voting instructions that it has received from all Holders (x) the aggregate number of votes in favour of a particular resolution and (y) the aggregate number of votes opposed to such resolution and cast or cause to be cast in favour of or opposed to such resolution the number of votes representing the net positive difference between such aggregate number of votes in favour of such resolution and such aggregate number of votes opposed to such resolution.
- 12.6 The Depositary will only endeavour to vote or cause to be voted the votes attaching to Shares in respect of which voting instructions have been received. If no voting , instructions are received by the Depositary (either because no voting instructions are returned to the Depositary or because the voting instructions are incomplete, illegible or unclear) from a Holder with respect to any or all of the Deposited Shares represented by such Holder's GDRs on or before the record date specified by the Depositary, such Holder shall be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Bank with respect to such Deposited Shares, and the Depositary shall give a discretionary proxy to a person designated by the Bank to vote such Deposited Shares, PROVIDED THAT no such instruction shall be deemed given, and no such discretionary proxy shall be given, with respect to any matter as to which the Bank informs the Depositary (and the Bank has agreed to provide such information in writing as soon as practicable) that (i) the Bank does not wish such proxy to be given, or (ii) such matter materially and adversely affects the rights of holders of Shares.
- 12.7 If the Depositary is advised in the opinion referred to in Condition 12.8 below that it is not permissible under Kazakhstan law or the Depositary determines that it is not reasonably practicable to vote or cause to be voted such Deposited Shares in accordance with Conditions 12.4, 12.5 or 12.6, the Depositary shall not vote or cause to be voted such Deposited Shares.
- 12.8 Where the Depositary is to vote in respect of each and any resolution in the manner described in Conditions 12.4, 12.5 or 12.6 above the Depositary shall notify the Chairman of the Board of Directors of the Bank and designate a representative to attend such meeting or otherwise cause to be voted the Deposited Shares in the manner required by this Condition 12. The Depositary shall not be required to take any action required by this Condition 12 unless it shall have received an opinion from the Bank's legal counsel (such counsel being reasonably acceptable to the Depositary) at the expense of the Bank to the effect that such voting arrangement is valid and binding on Holders under Kazakhstan law and the statutes of the Bank and that the Depositary is permitted to exercise votes in accordance with the provisions of this Condition 12 but that in doing so the Depositary will not be deemed to be exercising voting discretion.
- 12.9 The Depositary is entitled to amend this Condition 12 and Clause 5 of the Deposit Agreement from time to time by written notice to the Bank and the GDR Holders (and subject to the approval of (i) the Bank, such approval not be unreasonably withheld or delayed, and (ii) the relevant authority in Kazakhstan, if required) where the Depositary considers it necessary to do so in order to comply with applicable Kazakhstan law. By continuing to hold the GDRs, all Holders shall be deemed to have

agreed to the provisions of this Condition 12 and Clause 5 of the Deposit Agreement as such terms may be amended from time to time in order to comply with applicable Kazakhstan law.

12.10 The Depositary shall not, and the Depositary shall ensure the Custodian and its nominee do not, vote or attempt to exercise the right to vote that attaches to the Deposited Shares other than in accordance with instructions given, or deemed given, in accordance with this Condition 12.

13. Recovery of Taxes, Duties and Other Charges, and Fees and Expenses due to the Depositary

The Depositary shall not be liable for any taxes, duties, charges, costs or expenses which may become payable in respect of the Deposited Shares or other Deposited Property or the GDRs, whether under any present or future fiscal or other laws or regulations, and such part thereof as is proportionate or referable to a GDR (the “Charges”) shall be payable by the Holder thereof to the Depositary at any time on request or may be deducted from any amount due or becoming due on such GDR in respect of any dividend or other distribution. The Depositary may sell (whether by way of public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) for the account of the Holder an appropriate number of Deposited Shares or amount of other Deposited Property and will discharge out of the proceeds of such sale any Charges, and any fees or expenses due to the Depositary from the Holder pursuant to Condition 16, and subsequently pay any surplus to the Holder. Any request by the Depositary for the payment of Charges shall be made by giving notice pursuant to Condition 23.

14. Liability

14.1 In acting hereunder the Depositary shall have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement and these Conditions and, other than holding the Deposited Property for the benefit of Holders as bare trustee, does not assume any relationship of trust for or with the Holders or owners of GDRs or any other person.

14.2 Neither the Depositary, the Custodian, the Bank, any Agent, nor any of their agents, officers, directors or employees shall incur any liability to any other of them or to any Holder or owner of a GDR or any other person with an interest in any GDRs if, by reason of any provision of any present or future law or regulation of Kazakhstan or any other country or of any relevant governmental authority, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or by reason of any other circumstances beyond their control, or in the case of the Depositary, the Custodian, any Agent or any of their agents, officers, directors or employees, by reason of any provision, present or future, of the constitutive documents of the Bank, any of them shall be prevented, delayed or forbidden from doing or performing any act or thing which the terms of the Deposit Agreement or these Conditions provide shall or may be done or performed; nor shall any of them incur any liability to any Holder or owner of GDRs or any other person with an interest in any GDRs by reason of any exercise of, or failure to exercise, any voting rights attached to the Deposited Shares or any of them or any other discretion or power provided for in the Deposit Agreement. Any such party may rely on, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented (including a translation which is made by a translator believed by it to be competent or which appears to be authentic).

14.3 Neither the Depositary nor any Agent shall be liable (except for its own wilful default, negligence or fraud or that of its agents, officers, directors or employees) to the Bank or any Holder or owner of GDRs or any other person, by reason of having accepted as valid or not having rejected any certificate for Shares or GDRs or any signature on any transfer or instruction purporting to be such and subsequently found to be forged or not authentic or for its failure to perform any obligations under the Deposit Agreement or these Conditions.

14.4 The Depositary and its agents may engage or be interested in any financial or other business transactions with the Bank or any of its subsidiaries or affiliates, or in relation to the Deposited Property (including without prejudice to the generality of the foregoing, the conversion of any part of the Deposited Property from one currency to another), may at any time hold or be interested in GDRs for its own account, and shall be entitled to charge and be paid all usual fees, commissions and other charges for business transacted and acts done by it as a bank, and not in the capacity of Depositary, in

relation to matters arising under the Deposit Agreement (including, without prejudice to the generality of the foregoing, charges on the conversion of any part of the Deposited Property from one currency to another and on any sales of property) without accounting to Holders or any other person for any profit arising therefrom.

- 14.5 The Depositary shall endeavour to effect any such sale as is referred to or contemplated in Conditions 5, 6, 7, 10, 13 or 20 or any such conversion as is referred to in Condition 8 in accordance with the Depositary's normal practices and procedures but shall have no liability (in the absence of its own wilful default, negligence or fraud or that of its agents, officers, directors or employees) with respect to the terms of such sale or conversion or if such sale or conversion shall not be reasonably practicable.
- 14.6 The Depositary shall not be required or obliged to monitor, supervise or enforce the observance and performance by the Bank of its obligations under or in connection with the Deposit Agreement or these Conditions.
- 14.7 The Depositary shall have no responsibility whatsoever to the Bank, any Holders or any owner of GDRs or any other person as regards any deficiency which might arise because the Depositary is subject to any tax in respect of the Deposited Property or any part thereof or any income therefrom or any proceeds thereof.
- 14.8 In connection with any proposed modification, waiver, authorisation or determination permitted by the terms of the Deposit Agreement, the Depositary shall not, except as otherwise expressly provided in Condition 22, be obliged to have regard to the consequence thereof for the Holders or the owners of GDRs or any other person.
- 14.9 Notwithstanding anything else contained in the Deposit Agreement or these Conditions, the Depositary may refrain from doing anything which could or might, in its opinion, be contrary to any law of any jurisdiction or any directive or regulation of any agency or state or which would or might otherwise render it liable to any person and the Depositary may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- 14.10 The Depositary may, in relation to the Deposit Agreement and these Conditions, act or take no action on the advice or opinion of, or any certificate or information obtained from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Bank, the Depositary or otherwise, and shall not be responsible or liable for any loss or liability occasioned by so acting or refraining from acting or relying on information from persons presenting Shares for deposit or GDRs for surrender or requesting transfers thereof.
- 14.11 Any such advice, opinion, certificate or information (as is referred to in Condition 14.10) may be sent or obtained by letter, telex or facsimile transmission and the Depositary shall not be liable for acting on any advice, opinion, certificate or information purported to be conveyed by any such letter, telex or facsimile transmission notwithstanding that (without the Depositary's knowledge) the same shall contain some error or shall not be authentic.
- 14.12 The Depositary may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other communication, whether oral or written, signed or otherwise communicated on behalf of the Bank by a director of the Bank or by a person duly authorised by a director of the Bank or such other certificate from persons specified in Condition 14.10 above which the Depositary considers appropriate and the Depositary shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be occasioned by the Depositary acting on such certificate.
- 14.13 The Depositary shall have no obligation under the Deposit Agreement except to perform its obligations as are specifically set out therein without wilful default, negligence or fraud.
- 14.14 Subject as provided in the Deposit Agreement, the Depositary may delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons, whether being a joint Depositary of the Deposit Agreement or not, and not being a person to whom the Bank reasonably objects in writing, all or any of the powers, authorities and discretions vested in the Depositary by the Deposit Agreement and such delegation may be made upon such terms and subject to such conditions, including power to

sub-delegate and subject to such regulations as the Depositary may in the interests of the Holders think fit, provided that no objection from the Bank to any such delegation as aforesaid may be made to a person whose financial statements are consolidated with those of the Depositary's ultimate holding company. Subject as aforesaid, any delegation by the Depositary shall be on the basis that the Depositary is acting on behalf of the Holders and the Bank in making such delegation and the Bank shall not in any circumstances and the Depositary shall not (provided that it shall have exercised reasonable care in the selection of such delegate) be bound to supervise, or be in any way responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any misconduct or default on the part of, any such delegate or sub-delegate. However, the Depositary shall, if practicable, and if so requested by the Bank, pursue (at the Bank's expense and subject to receipt by the Depositary of such indemnity and security for costs as the Depositary may reasonably require) any legal action it may have against such delegate or sub-delegate arising out of any such loss caused by reason of any such misconduct or default. The Depositary shall, within a reasonable time of any such delegation or any renewal, extension or termination thereof, give written notice thereof to the Bank. Any delegation under this Condition which includes the power to sub-delegate shall provide that the delegate shall, within a specified time of any sub-delegation or amendment, extension or termination thereof, give written notice thereof to the Bank and the Depositary.

- 14.15 The Depositary may, in the performance of its obligations hereunder, instead of acting personally, employ and pay an agent, whether a solicitor or other person, to transact or concur in transacting any business and do or concur in doing all acts required to be done by such party, including the receipt and payment of money.
- 14.16 The Depositary shall be at liberty to hold or to deposit the Deposit Agreement and any deed or document relating thereto in any part of the world with any banking company or companies (including itself) whose business includes undertaking the safe custody of deeds or documents or with any lawyer or firm of lawyers of good repute, and the Depositary shall not (in the case of deposit with itself, in the absence of its own negligence, wilful default, or fraud or that of its agents, directors, officers or employees) be responsible for any losses, liability or expenses incurred in connection with any such deposit.
- 14.17 Notwithstanding anything to the contrary contained in the Deposit Agreement or these Conditions, the Depositary shall not be liable in respect of any loss or damage which arises out of or in connection with its performance or non-performance or the exercise or attempted exercise of, or the failure to exercise any of, its powers or discretions under the Deposit Agreement, except to the extent that such loss or damage arises from the wilful default, negligence or fraud of the Depositary or that of its agents, officers, directors or employees. Without prejudice to the generality of the foregoing, in no circumstances shall the Depositary have any liability for any act or omission of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of Deposited Shares or otherwise.
- 14.18 No provision of the Deposit Agreement or these Conditions shall require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and security against such risk of liability is not assured to it.
- 14.19 For the avoidance of doubt, the Depositary shall be under no obligation to check, monitor or enforce compliance with any ownership restrictions in respect of GDRs or Shares under any applicable Kazakhstan law as the same may be amended from time to time. Notwithstanding the generality of Condition 3, the Depositary shall refuse to register any transfer of GDRs or any deposit of Shares against issuance of GDRs if notified by the Bank, or the Depositary becomes aware of the fact, that such transfer or issuance would result in a violation of such law.
- 14.20 No disclaimer of liability under the U.S. Securities Act is intended by any provision of the Deposit Agreement.

15. Issue and Delivery of Replacement GDRs and Exchange of GDRs

Subject to the payment of the relevant fees, taxes, duties, charges, costs and expenses and such terms as to evidence and indemnity as the Depositary may require, replacement GDRs will be issued by the Depositary and will be delivered in exchange for or replacement of outstanding lost, stolen, mutilated, defaced or destroyed GDRs upon surrender thereof (except in the case of destruction, loss or theft) at the specified office of the Depositary or (at the request, risk and expense of the Holder) at the specified office of any Agent.

16. Depositary's Fees, Costs and Expenses

16.1 The Depositary shall be entitled to charge the following remuneration and receive the following remuneration and reimbursement (such remuneration and reimbursement being payable on demand) from the Holders in respect of its services under the Deposit Agreement:

- (i) for the issue of GDRs or the cancellation of GDRs upon the withdrawal of Deposited Property: U.S.\$5.00 or less per 100 GDRs (or portion thereof) issued or cancelled, including for the avoidance of doubt, but not limited to, a transfer from and between the Regulation S Master GDR and the Rule 144A Master GDR which transfer shall be treated as a cancellation from one Master GDR and an issuance into the other Master GDR;
- (ii) for issuing GDR certificates in definitive registered form in replacement for mutilated, defaced, lost, stolen or destroyed GDR certificates: a sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work, costs and expenses involved;
- (iii) for issuing GDR certificates in definitive registered form (other than pursuant to (ii) above): the greater of U.S.\$1.50 per GDR certificate (plus printing costs) or such other sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work plus costs (including but not limited to printing costs) and expenses involved;
- (iv) for receiving and paying any cash dividend or other cash distribution on or in respect of the Deposited Shares: a fee of U.S.\$0.05 or less per GDR for each such dividend or distribution;
- (v) in respect of any issue of rights or distribution of Shares (whether or not evidenced by GDRs) or other securities or other property (other than cash) upon exercise of any rights, any free distribution, stock dividend or other distribution: U.S.\$5.00 or less per 100 outstanding GDRs (or portion thereof) for each such issue of rights, dividend or distribution;
- (vi) a fee of U.S.\$0.05 or less per GDR (or portion thereof) per annum for depositary services, which shall be payable as provided in paragraph (viii) below;
- (vii) a fee of U.S.\$0.01 or less per GDR per annum for local share registry inspection and related services by the Depositary or the Custodian or their respective agents, which shall be payable as provided in paragraph (viii) below; and
- (viii) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents, in connection with the servicing of Deposited Shares or other Deposited Property (which charge shall be assessed against Holders as of the date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders for such charge or deducting such charge from one or more cash dividends or other cash distributions),

together with all expenses (including currency conversion expenses), transfer and registration fees, taxes, duties and charges payable by the Depositary, any Agent or the Custodian, or any of their agents, in connection with any of the above.

16.2 The Depositary is entitled to receive from the Bank the fees, taxes, duties, charges costs and expenses as specified in a separate written agreement between the Bank and the Depositary.

16.3 From time to time, the Depositary may make payments to the Bank to reimburse and/or share revenue from the fees collected from GDR holders, or waive fees and expenses for services provided, generally

relating to costs and expenses arising out of establishment and maintenance of the GDR facilities established pursuant to the Deposit Agreement. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers or other service providers that are affiliates of the Depositary and that may earn or share fees and commissions.

17. Agents

17.1 The Depositary shall be entitled to appoint one or more agents (the “**Agents**”) for the purpose, *inter alia*, of making distributions to the Holders.

17.2 Notice of appointment or removal of any Agent or of any change in the specified office of the Depositary or any Agent will be duly given by the Depositary to the Holders.

18. Listing

The Bank has undertaken in the Deposit Agreement to use its best endeavours to procure the admission of the GDRs to the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange and to maintain, so long as any GDR is outstanding, a listing for the GDRs on such exchange.

For that purpose the Bank will pay all fees and sign and deliver all undertakings required by the Luxembourg Stock Exchange in connection with such listings. In the event that the listing on the Luxembourg Stock Exchange is not obtained or not subsequently maintained, the Bank has undertaken in the Deposit Agreement to use its best endeavours with the reasonable assistance of the Depositary (provided at the Bank’s expense) to obtain and maintain a listing of the GDRs on any other internationally recognised stock exchange in Europe.

19. The Custodian

The Depositary has agreed with the Custodian that the Custodian will receive and hold (or appoint agents approved by the Depositary to receive and hold) all Deposited Property for the account and to the order of the Depositary in accordance with the applicable terms of the Deposit Agreement which include a requirement to segregate the Deposited Property from the other property of, or held by, the Custodian PROVIDED THAT the Custodian shall not be obliged to segregate cash comprised in the Deposited Property from cash otherwise held by the Custodian. The Custodian shall be responsible solely to the Depositary PROVIDED THAT, if and so long as the Depositary and the Custodian are the same legal entity, references to them separately in these Conditions and the Deposit Agreement are for convenience only and that legal entity shall be responsible for discharging both functions directly to the Holders and the Bank. The Custodian may resign or be removed by the Depositary by giving prior notice, except that if a replacement Custodian is appointed which is a branch or affiliate of the Depositary, the Custodian’s resignation or discharge may take effect immediately on the appointment of such replacement Custodian. Upon the removal of or receiving notice of the resignation of the Custodian, the Depositary shall promptly appoint a successor Custodian (approved (i) by the Bank, such approval not to be unreasonably withheld or delayed, and (ii) by the relevant authority in Kazakhstan, if any), which shall, upon acceptance of such appointment, and the expiry of any applicable notice period, become the Custodian. Whenever the Depositary in its discretion determines that it is in the best interests of the Holders to do so, it may, after prior consultation with the Bank, terminate the appointment of the Custodian and, in the event of any such termination, the Depositary shall promptly appoint a successor Custodian (approved (i) by the Bank, such approval not to be unreasonably withheld or delayed, and (ii) by the relevant authority in Kazakhstan, if any), which shall, upon acceptance of such appointment, become the Custodian under the Deposit Agreement on the effective date of such termination. The Depositary shall notify Holders of such change immediately upon such change taking effect in accordance with Condition 23. Notwithstanding the foregoing, the Depositary may temporarily deposit the Deposited Property in a manner or a place other than as therein specified; PROVIDED THAT, in the case of such temporary deposit in another place, the Bank shall have consented to such deposit, and such consent of the Bank shall have been delivered to the Custodian. In case of transportation of the Deposited Property under this Condition, the Depositary shall obtain appropriate insurance at the expense of the Bank if and to the extent that the obtaining of such insurance is reasonably practicable and the premiums payable are of a reasonable amount.

20. Resignation and Termination of Appointment of the Depositary

20.1 The Bank may terminate the appointment of the Depositary under the Deposit Agreement by giving at least 120 days' prior notice in writing to the Depositary and the Custodian, and the Depositary may resign as Depositary by giving at least 120 days' prior notice in writing to the Bank and the Custodian. Within 30 days after the giving of either such notice, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23.

The termination of the appointment or the resignation of the Depositary shall take effect on the date specified in such notice; PROVIDED THAT no such termination of appointment or resignation shall take effect until the appointment by the Bank of a successor depositary under the Deposit Agreement and the acceptance of such appointment to act in accordance with the terms thereof and of these Conditions, by the successor depositary. Save as aforesaid, the Bank has undertaken in the Deposit Agreement to use its reasonable endeavours to procure the appointment of a successor depositary with effect from the date of termination specified in such notice as soon as reasonably possible following notice of such termination or resignation. Upon any such appointment and acceptance, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23.

20.2 Upon the termination of appointment or resignation of the Depositary and against payment of all fees and expenses due to the Depositary from the Bank under the Deposit Agreement, the Depositary shall deliver to its successor as depositary sufficient information and records to enable such successor efficiently to perform its obligations under the Deposit Agreement and shall deliver and pay to such successor depositary all property and cash held by it under the Deposit Agreement. The Deposit Agreement provides that, upon the date when such termination of appointment or resignation takes effect, the Custodian shall be deemed to be the Custodian thereunder for such successor depositary, and the Depositary shall thereafter have no obligation under the Deposit Agreement or the Conditions (other than liabilities accrued prior to the date of termination of appointment or resignation or any liabilities stipulated in relevant laws or regulations).

21. Termination of Deposit Agreement

21.1 Either the Bank or the Depositary but, in the case of the Depositary, only if the Bank has failed to appoint a replacement Depositary within 90 days of the date on which the Depositary has given notice pursuant to Condition 20 that it wishes to resign, may terminate the Deposit Agreement by giving 90 days' prior notice to the other and to the Custodian. Within 30 days after the giving of such notice, notice of such termination shall be duly given by the Depositary to Holders of all GDRs then outstanding in accordance with Condition 23.

21.2 During the period beginning on the date of the giving of such notice by the Depositary to the Holders and ending on the date on which such termination takes effect, each Holder shall be entitled to obtain delivery of the Deposited Property relative to each GDR held by it, subject to the provisions of Condition 1.1 and upon compliance with Condition 1, payment by the Holder of the charge specified in Condition 16. 1(i) and Clause 10.1.1(a) of the Deposit Agreement for such delivery and surrender, and payment by the Holder of any sums payable by the Depositary and/or any other expenses incurred by the Depositary (together with all amounts which the Depositary is obliged to pay to the Custodian) in connection with such delivery and surrender, and otherwise in accordance with the Deposit Agreement.

21.3 If any GDRs remain outstanding after the date of termination, the Depositary shall as soon as reasonably practicable sell the Deposited Property then held by it under the Deposit Agreement and shall not register transfers, shall not pass on dividends or distributions or take any other action, except that it will deliver the net proceeds of any such sale, together with any other cash then held by it under the Deposit Agreement, *pro rata* to Holders of GDRs which have not previously been so surrendered by reference to that proportion of the Deposited Property which is represented by the GDRs of which they are the Holders. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement and these Conditions, except its obligation to account to Holders for such net proceeds of sale and other cash comprising the Deposited Property without interest.

22. Amendment of Deposit Agreement and Conditions

- 22.1 Subject to Condition 22.3, all and any of the provisions of the Deposit Agreement and these Conditions (other than this Condition 22) may at any time and from time to time be amended by agreement between the Bank and the Depositary in any respect which they may deem necessary or desirable. Notice of any amendment of these Conditions (except to correct a manifest error) shall be duly given to the Holders by the Depositary, and any amendment (except as aforesaid) which shall increase or impose fees payable by Holders or which shall otherwise, in the opinion of the Depositary, be materially prejudicial to the interests of the Holders (as a class) shall not become effective so as to impose any obligation on the Holders until the expiration of 30 calendar days after such notice shall have been given. During such period of 30 calendar days, each Holder shall be entitled to obtain, subject to and upon compliance with Condition 1, delivery of the Deposited Property relative to each GDR held by it upon surrender thereof, payment of the charge specified in Condition 16.1(i) for such delivery and surrender and otherwise in accordance with the Deposit Agreement and these Conditions. Each Holder at the time when such amendment so becomes effective shall be deemed, by continuing to hold a GDR, to approve such amendment and to be bound by the terms thereof in so far as they affect the rights of the Holders. In no event shall any amendment impair the right of any Holder to receive, subject to and upon compliance with Condition 1, the Deposited Property attributable to the relevant GDR.
- 22.2 For the purposes of this Condition 22, an amendment shall not be regarded as being materially prejudicial to the interests of Holders if its principal effect is to permit the creation of GDRs in respect of additional Shares to be held by the Depositary which are or will become fully consolidated as a single series with the other Deposited Shares PROVIDED THAT temporary GDRs will represent such Shares until they are so consolidated.
- 22.3 The Bank and the Depositary may at any time by agreement in any form amend the number of Shares represented by each GDR, provided that each outstanding GDR represents the same number of Shares as each other outstanding GDR, and at least 30 calendar days' notice of such amendment is given to the Holders, but in no circumstances shall any amendment pursuant to this Condition 22.3 be regarded as an amendment requiring 30 calendar days' notice in accordance with Condition 22.1.

23. Notices

- 23.1 Any and all notices to be given to any Holder shall be duly given if personally delivered, or sent by mail (if domestic, first class, if overseas, first class airmail) or air courier, or by telex or facsimile transmission confirmed by letter sent by mail or air courier, addressed to such Holder at the address of such Holder as it appears on the transfer books for GDRs of the Depositary, or, if such Holder shall have filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address specified in such request.
- 23.2 Delivery of a notice sent by mail or air courier shall be effective three days (in the case of domestic mail or air courier) or seven days (in the case of overseas mail) after despatch, and any notice sent by telex transmission, as provided in this Condition, shall be effective when the sender receives the answerback from the addressee at the end of the telex and any notice sent by facsimile transmission, as provided in this Condition, shall be effective when the intended recipient has confirmed by telephone to the transmitter thereof that the recipient has received such facsimile in complete and legible form. The Depositary or the Bank may, however, act upon any telex or facsimile transmission received by it from the other or from any Holder, notwithstanding that such telex or facsimile transmission shall not subsequently be confirmed as aforesaid.

24. Reports and Information on the Bank

- 24.1 The Bank has undertaken in the Deposit Agreement (so long as any GDR is outstanding) to furnish the Depositary with electronic copies in the English language (and to make available to the Depositary, the Custodian and each Agent as many further copies as they may reasonably require to satisfy requests from Holders) of:
- (i) in respect of the financial year ending on 31 December 2014 and in respect of each financial year thereafter, the consolidated balance sheets as at the end of such financial year and the consolidated statements of income for such financial year in respect of the Bank, prepared in conformity with

International Financial Reporting Standards and reported upon by independent public accountants selected by the Bank, as soon as practicable after the end of such year;

- (ii) if the Bank publishes semi-annual financial statements for holders of Shares, such semi-annual financial statements of the Bank, as soon as practicable, after the same are published; and
- (iii) if the Bank publishes quarterly financial statements for holders of Shares, such quarterly financial statements, as soon as practicable, after the same are published.

24.2 The Depositary shall upon receipt thereof give due notice to the Holders that such copies are available upon request at its specified office and the specified office of any Agent.

24.3 For so long as any of the GDRs remains outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act if at any time the Bank is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, the Bank has agreed in the Deposit Agreement to supply to the Depositary such information, in the English language and in such quantities as the Depositary may from time to time reasonably request, as is required to be delivered to any Holder or beneficial owner of GDRs or to any holder of Shares or a prospective purchaser designated by such Holder, beneficial owner or holder pursuant to a Deed Poll executed by the Bank in favour of such persons and the information delivery requirements of Rule 144A(d)(4) under the U.S. Securities Act to permit compliance with Rule 144A thereunder in connection with resales of GDRs or Shares or interests therein in reliance on Rule 144A under the U.S. Securities Act and otherwise to comply with the requirements of Rule 144A(d)(4) under the U.S. Securities Act. Subject to receipt, the Depositary will deliver such information, during any period in which the Bank informs the Depositary it is subject to the information delivery requirements of Rule 144(A)(d)(4), to any such holder, beneficial owner or prospective purchaser but in no event shall the Depositary have any liability for the contents of any such information.

25. Copies of Bank Notices

The Bank has undertaken in the Deposit Agreement to transmit to the Custodian and the Depositary on or before the day when the Bank first gives notice, by mail, publication or otherwise, to holders of any Shares or other Deposited Property, whether in relation to the taking of any action in respect thereof or in respect of any dividend or other distribution thereon or of any meeting or adjourned meeting of such holders or otherwise, such number of copies of such notice and any other material (which contains information having a material bearing on the interests of the Holders) furnished to such holders by the Bank (or such number of English translations of the originals if the originals were prepared in a language other than English) in connection therewith as the Depositary may reasonably request. If such notice is not furnished to the Depositary in English, either by the Bank or the Custodian, the Depositary shall, at the Bank’s expense, arrange for an English translation thereof (which may be in such summarised form as the Depositary may deem adequate to provide sufficient information) to be prepared. Except as provided below, the Depositary shall, as soon as practicable after receiving notice of such transmission or (where appropriate) upon completion of translation thereof, give due notice to the Holders which notice may be given together with a notice pursuant to Condition 9.1, and shall make the same available to Holders in such manner as it may determine.

26. Moneys held by the Depositary

The Depositary shall be entitled to deal with moneys paid to it by the Bank for the purposes of the Deposit Agreement in the same manner as other moneys paid to it as a banker by its customers and shall not be liable to account to the Bank or any Holder or any other person for any interest thereon, except as otherwise agreed and shall not be obliged to segregate such moneys from other moneys belonging to the Depositary.

27. Severability

If any one or more of the provisions contained in the Deposit Agreement or in these Conditions shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the

remaining provisions contained therein or herein shall in no way be affected, prejudiced or otherwise disturbed thereby.

28. Governing Law

- 28.1 The Deposit Agreement and the GDRs, and all non-contractual obligations arising from or connected with the Deposit Agreement and the GDRs, are governed by, and shall be construed in accordance with, English law except that the certifications set forth in Schedules 3 and 4 to the Deposit Agreement and any provisions relating thereto shall be governed by and construed in accordance with the laws of the State of New York. The rights and obligations attaching to the Deposited Shares will be governed by Kazakhstan law. The Bank has submitted in respect of the Deposit Agreement and the Deed Poll to the jurisdiction of the English courts and the courts of the State of New York and any United States Federal Court sitting in the Borough of Manhattan, New York City. The Bank has also agreed in the Deposit Agreement, and the Deed Poll to allow, respectively, the Depository and the Holders to elect that Disputes are resolved by arbitration.
- 28.2 The Bank has irrevocably appointed Law Debenture Corporate Services Limited with offices at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent in England to receive service of process in any Proceedings in England based on the Deed Poll and has agreed to receive service of process in any Proceedings in New York by registered post at the Bank's registered office at 50 Furmanov Street, Almaty 050004, Republic of Kazakhstan. If for any reason the Bank does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders and the Depository of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- 28.3 The courts of England are to have jurisdiction to settle any disputes (each a "**Dispute**") which may arise out of or in connection with the GDRs (including any dispute relating to the existence, validity or termination of the GDRs, or any non-contractual obligation arising out of or in connection with the GDRs, or the consequences of the nullity of the GDRs) and accordingly any legal action or proceedings arising out of or in connection with the GDRs ("**Proceedings**") may be brought in such courts. Without prejudice to fee foregoing, the Depository further irrevocably agrees that any Proceedings may be brought in any New York State or United States Federal Court sitting in the Borough of Manhattan, New York City. The Depository irrevocably submits to the non-exclusive jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- 28.4 These submissions are made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdictions (whether concurrently or not).
- 28.5 In the event that the Depository is made a party to, or is otherwise required to participate in, any litigation, arbitration, or Proceeding (whether judicial or administrative) which arises from or is related to or is based upon any act or failure to act by the Bank, or which contains allegations to such effect, upon notice from the Depository, the Bank has agreed to fully cooperate with the Depository in connection with such litigation, arbitration or Proceeding.
- 28.6 The Depository irrevocably appoints The Bank of New York Mellon, London Branch, (Attention: The Manager) of 48th Floor, One Canada Square, London E14 5AL as its agent in England to receive service of process in any Proceedings in England based on any of the GDRs. If for any reason the Depository does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- 28.7 To the extent that the Bank may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Bank or its assets or revenues, the Bank has agreed not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

29. Language

Although the Deposit Agreement or these Conditions may be translated into the Russian language, the Russian version of the Deposit Agreement and these Conditions is for informational purposes only. In the event of any discrepancies between the English version and the Russian version of the Deposit Agreement or these Conditions, or any dispute regarding the interpretation of any provision in the English version or Russian version of the Deposit Agreement or these Conditions, the English version of the Deposit Agreement and these Conditions shall prevail and questions of interpretation shall be addressed solely in the English language.

SCHEDULE 10 — REPRESENTATIONS AND UNDERTAKINGS OF CLAIMANTS

The Claimant represents and undertakes as follows:

- (1) the Claimant hereby authorises the Bank to execute and deliver on its behalf the Deed of Release substantially in the form contained in the Annex (*Deed of Release*) to Schedule 1 (*The Restructuring Plan*) to the Information Memorandum and agrees to be bound by the Restructuring Plan.
- (2) the New Notes, Common Shares and GDRs have not been and will not be registered under the Securities Act or any other securities laws and are being offered in transactions not involving any public offering in the United States within the meaning of Section 4(2) of the Securities Act;
- (3) unless so registered, the New Notes, Common Shares and GDRs may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws;
- (4) it is either:
 - (i) not a U.S. Person or acting for the account or benefit of a U.S. Person, it is located outside the United States and it acknowledges that until the expiration of the period which expires on and includes the 40th day after the later of the commencement of the offering of the New Notes, Common Shares and GDRs and the Closing Date (the “**distribution compliance period**”), any offer or sale of these New Notes, Common Shares or GDRs shall not be made by it except (a) to a person whom it reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A or (b) to a person that is not a U.S. Person or acting for the account or benefit of a U.S. Person in an offshore transaction in accordance with Rule 903 or 904 of Regulation S; and, in each case, in accordance with any applicable securities laws of any state or other jurisdiction of the United States; or
 - (ii) an Accredited Investor or a QIB and, if it is participating on behalf of one or more investor accounts, each of these investor accounts is an Accredited Investor or a QIB, and it:
 - (a) is acquiring the New Notes, Common Shares and GDRs for investment, in the normal course of its business, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act;
 - (b) invests in or purchase securities similar to the New Notes, Common Shares and GDRs and it has such knowledge and experience in financial and business matters that makes it capable of evaluating the merits and risks of acquiring the New Notes, Common Shares and GDRs; and
 - (c) is aware that it (or any of these investor accounts) may be required to bear the economic risk of an investment in the New Notes, Common Shares and GDRs for an indefinite period of time and it (or that investor account) is able to bear this risk for an indefinite period;
- (5) it understands that the New Notes, Common Shares and GDRs offered pursuant to an exemption from the Securities Act other than Regulation S will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. BY ACCEPTANCE OF THIS SECURITY, EACH BENEFICIAL OWNER OF ANY INTEREST HEREIN REPRESENTS AND AGREES, FOR THE BENEFIT OF THE ISSUER THAT (A) IT IS EITHER (I) NOT A U.S. PERSON AND IS LOCATED OUTSIDE THE UNITED STATES AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OR (II) IN THE CASE OF THE INITIAL BENEFICIAL OWNER OF THAT INTEREST ONLY, AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT (AN “**ACCREDITED INVESTOR**”) OR (III) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**QIB**”), (B) NO BENEFICIAL INTEREST IN THIS SECURITY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) TO THE ISSUER, (II) OUTSIDE THE UNITED STATES TO

PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S, (III) WITHIN THE UNITED STATES IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB OR (IV) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (C) THE BENEFICIAL OWNER WILL, AND EACH SUBSEQUENT BENEFICIAL OWNER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY (OR INTEREST HEREIN) FROM IT OF THE RESTRICTIONS REFERRED TO IN (A) AND (B) ABOVE. TRANSFERS IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE.

THIS SECURITY AND ALL RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS SECURITY THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

- (6) if it is a QIB or an Accredited Investor, it understands that the New Notes offered pursuant to an exemption from the Securities Act other than Regulation S will be represented by a Restricted Global Note. Before any interest in the Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws;
- (7) if it has elected to participate in compliance with Regulation S, it understands that the New Notes will be represented by an Unrestricted Global Note. Prior to the expiration of the distribution compliance period, before any interest in the Unrestricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Restricted Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws; and
- (8) the Bank, the Registrar, the New Notes Trustee and the Principal Paying and Transfer Agent and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SCHEDULE 11 — REPRESENTATIONS AND WARRANTIES OF THE BANK

As a condition precedent to the Restructuring, the Bank will make the following representations and warranties, for the benefit of the Claimants with respect to itself, Temirbank, ForteBank and its Subsidiaries only which shall be correct immediately before the Restructuring Date:

(a) Status

- (i) The Bank is a joint stock company duly incorporated and validly existing under the laws of the Republic of Kazakhstan.
- (ii) Each of Temirbank, ForteBank and each of the Bank's Subsidiaries is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (iii) It, each of Temirbank, ForteBank and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

(b) Binding Obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Restructuring Document to which it is a party are legal, valid, binding and enforceable obligations.

(c) Non-Conflict with other Obligations

The entry into and performance by it of, and the transactions contemplated by, the Restructuring Documents to which it is a party do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) the constitutional documents of Temirbank, ForteBank or any member of the Group; or
- (iii) any agreement or instrument binding upon it, Temirbank, ForteBank or any member of the Group or any of its, Temirbank's, ForteBank's or any member of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument, where the conflict has or is reasonably likely to have a Material Adverse Effect.

(d) Power and Authority

- (i) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Restructuring Documents to which it is or will be a party and the transactions contemplated by the Restructuring Documents.
- (ii) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Restructuring Documents to which it is a party.

(e) Validity and Admissibility in Evidence

- (i) All Authorisations required or desirable:
 - (A) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Restructuring Documents to which it is a party;
 - (B) to make the Restructuring Documents to which it is a party admissible in evidence in Kazakhstan and, where the relevant Restructuring Document is expressed to be governed by English law, also England,

have been obtained or effected and are in full force and effect except for presentation of a certified Russian and/or Kazakh translation of the Restructuring Documents and payment of any related state duty which will be promptly obtained or effected after the Restructuring Date.

- (ii) All Authorisations necessary for the conduct of the business, trade and ordinary activities of Temirbank, ForteBank and the members of the Group have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

(f) Governing Law and Enforcement

- (i) Subject to the Legal Reservations, the choice of governing law of the Restructuring Documents will be recognised and enforced in Kazakhstan and, where the relevant Restructuring Document is expressed to be governed by English law, also England and the consent to arbitration under the LCIA rules by the Bank in the relevant Restructuring Documents is valid and binding upon it and not subject to revocation in any proceedings taken in Kazakhstan.
- (ii) Subject to the Legal Reservations, any judgment obtained in relation to a Restructuring Document in the jurisdiction of the governing law of that Restructuring Document will be recognised and enforced in Kazakhstan and, where the relevant Restructuring Document is expressed to be governed by English law, also England.

(g) No Default under Terms of Restructuring Documents and Restructuring Plan

- (i) No Default will be continuing immediately after the Restructuring and the Consolidation are completed or is reasonably likely to result from the entry into, the performance of, or any transaction contemplated by, any Restructuring Document.
- (ii) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any of its Subsidiaries (including, without limitation, under the Restructuring Documents or the Restructuring Plan) or to which its (or any of its Subsidiaries' or Temirbank's or ForteBank's) assets are subject which has or is reasonably likely to have a Material Adverse Effect.

(h) No Misleading Information

Save as otherwise disclosed in the Information Memorandum and to the Bank's best knowledge and belief:

- (i) the Information Memorandum contains all information with respect to the Group, Temirbank, ForteBank, the Restructuring, the Consolidation and the Restructuring Documents which is material in the context of the Restructuring and the Consolidation (including, without limitation, all information required by applicable laws of Kazakhstan and details of all material intra-group debt (if any));
- (ii) any factual information contained in the Information Memorandum was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given; and
- (iii) no event or circumstance has occurred or arisen and no information has been omitted from the Information Memorandum and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Information Memorandum being untrue or misleading in any material respect.

(i) Accuracy of Financial Statements

- (i) The Bank Financial Statements present fairly, in all material respects, the financial position of the Group as at 30 June 2014, 31 December 2013 and 31 December 2012, and its financial performance and its cash flows for the relevant period in accordance with IFRS.
- (ii) The Temirbank Financial Statements present fairly, in all material respects, the financial position of Temirbank as at 30 June 2014, 31 December 2013 and 31 December 2012, and its financial performance and its cash flows for the relevant period in accordance with IFRS.

- (iii) The ForteBank Financial Statements present fairly, in all material respects, the financial position of ForteBank as at 30 June 2014, 31 December 2013 and 31 December 2012, and its financial performance and its cash flows for the relevant period in accordance with IFRS.
- (iv) Save as disclosed in the Information Memorandum, there has been no material adverse change in its assets, business operations, property, prospects or condition (financial or otherwise) (or the assets, business, operations, property, prospects or consolidated condition (financial or otherwise) of the Group) since 31 December 2013.

(j) Pari Passu Ranking

Its payment obligations under the Restructuring Documents rank at least *pari passu* with the claims of all its other unsubordinated and unsecured creditors, except for obligations mandatorily preferred by relevant law and which apply to companies generally.

(k) No Proceedings Pending or Threatened

No litigation, arbitration, administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any of its Subsidiaries save as expressly disclosed in the Information Memorandum.

(l) No Breach of Money Laundering, Corruption, Anti-Terrorist, Employment or other Laws

- (i) Save as disclosed in the Information Memorandum, it has not (and none of its Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (ii) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.
- (iii) It has not (and none of its Subsidiaries has) engaged in, nor authorised any person acting on its behalf to engage in:
 - (A) Corrupt Practices, Fraudulent Practices, Collusive Practices or Coercive Practices in connection with their respective business and operations, including the procurement or the execution of any contract for goods or works relating to their respective business;
 - (B) Obstructive Practices;
 - (C) Money Laundering, or breached any applicable law relating to Money Laundering; or
 - (D) the Financing of Terrorism.

(m) No Winding Up

Save for the Restructuring, or as described in the Information Memorandum, no corporate action, legal proceeding or other procedure or step described in paragraph (e) (*Insolvency*) of condition 11 (*Events of Default*) of Schedule 8 (*Terms and Conditions of the New Notes*) has been taken or, to the knowledge of the Bank, threatened in relation to the Bank, Temirbank, ForteBank or any Subsidiary.

(n) Share Capital and no Security

- (i) There are no agreements in force which provide for the issue or allotment of, or grant to any person of the right to call for the issue or allotment of, any share or loan capital of Temirbank, ForteBank or any member of the Group (including any option or right of pre-emption or conversion) or which restrict or prohibit the issue of any securities save as contemplated by the Information Memorandum, the Restructuring Documents, Restructuring Plan and/or the Consolidation.

- (ii) The Bank's share capital details as set out in the Information Memorandum are correct and up to date as at the date of the Information Memorandum.
- (iii) The Bank has no Subsidiaries save for those Subsidiaries disclosed in the Information Memorandum, or in any supplement thereto or in a public announcement by the Bank made after the date of the Information Memorandum.
- (iv) The shares to be issued to, or for the benefit of, the Claimants and to be placed in the GDR Programme are or will be, when issued, properly registered, fully paid up and not subject to any Security.
- (v) No Security other than a Permitted Security exists over all or any of the present or future assets of Temirbank, ForteBank or any member of the Group to secure any Financial Indebtedness.

(o) No Withholding Tax on Payments to be made to the Claimants

The Bank is not required to make any deduction for or on account of Tax from any payment it may make under any Restructuring Document other than in respect of withholding tax on interest payments and gains under the New Notes and on dividends on the Shares.

(p) No Filing or Stamp Taxes

Under the laws of Kazakhstan, it is not necessary that the Restructuring Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Restructuring Documents or the transactions contemplated by the Restructuring Documents except for the approval of the Restructuring Plan by the Court and the decision of the Court on the termination of the Restructuring.

(q) Taxation and Arm's Length Basis of Restructuring Transactions

- (i) It is not (and none of its Subsidiaries is) overdue in the filing of any Tax returns and it is not (and none of its Subsidiaries is) overdue in the payment of any amount in respect of Tax of U.S.\$1,000,000 (or its equivalent in any other currency) or more.
- (ii) Save as disclosed in this Information Memorandum, no claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any of its Subsidiaries) with respect to Taxes which have or are reasonably likely to have a Material Adverse Effect.
- (iii) It is a resident for Tax purposes only in the jurisdiction of its incorporation.
- (iv) Accumulated and other losses of the Bank and its Subsidiaries that are tax residents of Kazakhstan immediately prior to the Restructuring Date will be retained thereafter and will be available for set-off against future trading gains for 10 years after such losses were incurred.
- (v) Each transaction entered into by each member of the Group pursuant to the Restructuring has been, in the context of the Restructuring, entered into on arm's length (or better) terms and for full market value.

(r) Good Title to Assets

Save as disclosed in the Information Memorandum, it and each of its Subsidiaries has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted save to the extent that failure so to do does not have and is not reasonably likely to have a Material Adverse Effect.

(s) No Adverse Consequences

- (i) It is not necessary under the laws of Kazakhstan:
 - (A) in order to enable the New Notes Trustee or the Depositary to enforce its rights under any Restructuring Document; or

(B) by reason of the execution of any Restructuring Document or the performance by it of its obligations under any Restructuring Document,

that the New Notes Trustee or Depositary should be licensed, qualified or otherwise entitled to carry on business in Kazakhstan.

(ii) None of the New Notes Trustee or the Depositary is or will be deemed to be resident, domiciled or carrying on business in Kazakhstan by reason only of the execution, performance and/or enforcement of any Restructuring Document.

(t) Validity of Acts/Recognition of Restructuring

(i) The actions taken by the NBK with respect to the Bank from and including the date of the NBK Agreement to and including the Restructuring Date and all subsequent actions to be taken by the NBK as contemplated by this Information Memorandum are, or will be, legal, valid and binding acts under Kazakhstan law.

(ii) The Restructuring has received preliminary recognition in the United Kingdom.

Any certificate signed by two officers of the Bank and delivered to the Steering Committee and/or the New Notes Trustee in connection with the entry into of the Restructuring Documents and the completion of the Restructuring shall be deemed to be a representation and warranty by the Bank to the Claimants as to the matters covered thereby.

SCHEDULE 12 — CONDITIONS PRECEDENT TO THE RESTRUCTURING PLAN BECOMING EFFECTIVE

Conditions precedent to the Restructuring becoming effective are the receipt by the Steering Committee of the documents and other evidence set out below, which are to be in form and substance satisfactory to at least three fifths in number of the Steering Committee members:

Authorisations and other approvals

- (a) All approvals and corporate authorisations required under the laws of Kazakhstan (including from the Claimants' Meeting, the Court, the Bank, the shareholders of the Bank, the NBK and Samruk-Kazyna) for the Restructuring Documents to come into effect and be binding on the Bank and all Claimants and for the Bank to be able to perform its obligations under the Restructuring Documents, including but not limited to:
 - (i) approval by the Board of Directors of the Bank:
 - (A) of the commencement of the Restructuring;
 - (B) of the Restructuring Plan;
 - (C) of the transactions contemplated by the Restructuring Plan (including, such approvals as may be required in respect of large transactions and related party transactions); and
 - (D) of the Restructuring Documents to which the Bank is a party;
 - (ii) approval by the shareholders of the Bank of the Restructuring Plan including the entering into all agreements and the implementation of actions contemplated therein;
 - (iii) approval by the Management Board of the Bank of the Restructuring Plan and transactions contemplated by the Restructuring Plan (including, such approvals as may be required in respect of large transactions and related party transactions) and of the issuance of the Information Memorandum and any supplements thereto; and
 - (iv) the minutes of the Claimants' Meeting approving the Restructuring Plan;
- (b) All approvals and corporate authorisations required under the laws of Kazakhstan (including from the NBK, the Competition Committee and the shareholders of the Bank, Temirbank and ForteBank) for the Consolidation to come into effect and be binding on the Bank, Temirbank, ForteBank and all shareholders in the Bank, Temirbank and ForteBank and for the Bank, Temirbank and ForteBank to be able to perform their respective obligations under the Consolidation Agreement.
- (c) Evidence that any necessary regulatory and other approvals enabling the Bank to enter into and complete the Restructuring and the Consolidation and to conduct its business have been obtained, including but not limited to:
 - (i) the NBK Agreement;
 - (ii) the decision of the Court on commencement of the Restructuring and approving the Restructuring Plan; and
 - (iii) publication of an appropriate announcement in at least two periodicals circulated nationwide in both the Kazakh and Russian languages informing the Bank's depositors, creditors, correspondent banks and other clients of the Restructuring in accordance with Article 59 3(6) of the Banking Law,and, with respect to paragraphs (i) and (ii) above, evidence that there are no outstanding breaches in respect of any such approvals or any conditions set forth therein;

Financials

- (d) An Independent Accountants' Report on Applying Agreed-upon Procedures from the Bank's auditors requested by the Bank in relation to certain financial information in the Information Memorandum;

Documents

- (e) Evidence that:
 - (i) the Restructuring Documents, in form and substance satisfactory to the Steering Committee, have been executed by all parties thereto;
 - (ii) all conditions precedent under the Restructuring Documents have been or will on the Restructuring Date be satisfied (including the delivery of all relevant documents and evidence);
 - (iii) the Restructuring Documents will become effective on a date no later than the Restructuring Date;
 - (iv) the Consolidation Agreements have been executed by all parties thereto;
- (f) Certified copy of the NBK Agreement;
- (g) Evidence that any process agent(s) required under the Restructuring Documents have been appointed and have accepted such appointments;

Steps

- (h) Following the date of publication of the Information Memorandum, no settlement of debts by the Bank with any Claimant (whether by way of payment, voluntary set off by the Bank or otherwise), so as to reduce the amount of any Claim below the level stated in "*Information for Shareholders and Claimants — Information for all Claimants regarding Voting Amounts and the Claimants' Meeting*";
- (i) Publication on the Bank's website, no earlier than three Business Days prior to the Restructuring Date, of a copy of an officer's certificate confirming that the representations to be given by the Bank immediately before the occurrence of the Restructuring Date (specified in Schedule 11 (*Representations and Warranties of the Bank*)) are true and correct;
- (j) The common shares and preference shares in Temirbank and ForteBank having been transferred to the Bank;

Recognition

- (k) An order from the High Court of England and Wales recognising the Kazakhstan restructuring proceedings as a foreign main proceeding in accordance with the UNCITRAL Model Law on Cross-Border Insolvency, as set out in Schedule 1 to the Cross-Border Insolvency Regulations 2006, and granting a stay under Article 20(1) of Schedule 1 to the Cross-Border Insolvency Regulations 2006;
- (l) the Bank will have (i) issued an application in the High Court of Justice of England and Wales, if no such application has previously been issued, for a permanent stay of actions or proceedings or executions against the assets of the Bank in relation to claims based on or arising out of or in connection with the Designated Financial Indebtedness being restructured, such stay to continue notwithstanding the termination of the restructuring proceedings pending with respect to the Bank in Kazakhstan and (ii) filed a motion with the United States Bankruptcy Court for the Southern District of New York, if no such motion has previously been made, for an order giving full force and effect to the Restructuring Plan within the territorial jurisdiction of the United States;

Legal Opinions

- (m) Legal opinions from White & Case London and from White & Case Almaty addressed, as applicable, to the New Notes Trustee and the Depository in relation to, *inter alia*: (i) the due authorisation by the Bank of, and the legality, validity and binding effect for the Bank of, the Restructuring Documents; (ii) the due authorisation by the Bank of the Restructuring Plan and of the issuance of new Common Shares under

Kazakhstan law; and (iii) no registration under the Securities Act of the New Notes, Common Shares or GDRs;

Other

- (n) Confirmation from the NBK that, following the Restructuring Date, it shall treat the Bank no less favourably than other second tier banks in Kazakhstan and will waive any outstanding breaches under any applicable regulation;
- (o) Consultation with the Steering Committee in respect of any public announcement or disclosure by the Bank relating to the Restructuring;
- (p) No material adverse change in the business operations, property, condition (financial or otherwise), indebtedness or prospects of the Bank or in the international financial or capital markets compared to that envisaged by the Information Memorandum or in any relevant domestic financial or capital market (including any material devaluation of Tenge) or in the regulatory treatment applied to the Bank by the NBK;
- (q) A copy (with a certified English translation) of all applications and other papers filed with the Court, and all orders issued by the Court, in connection with the Restructuring (to and including the order approving the Restructuring Plan following the Claimants' Meeting), and the official record of the outcome of the Claimants' Meeting; and
- (r) All fees properly incurred by the Steering Committee and its advisers pursuant to the terms of their respective engagement letters having been paid by the Bank.

In their consideration of whether any document or matter submitted for their approval or consideration in connection with the conditions precedent set out in this Schedule 12 is satisfactory, the Steering Committee shall:

- (a) be entitled to rely on officers' certificates and any confirmation, statement or assurance provided by any other third party or other supporting evidence without further investigation;
- (b) have the right but not the obligation to request further details or other documents and evidence reasonably required by the Steering Committee; and
- (c) have the right but not the obligation to determine that a condition precedent is not satisfied if it is not in form and substance satisfactory to at least three fifths in number of the Steering Committee members.

The Steering Committee shall be entitled to waive satisfaction of any condition precedent with the approval of at least three fifths in number of its members. The Steering Committee members accept no duty towards and shall have no liability to any person for any act or omission on their part in connection with these Conditions Precedent.

