



Update on the Restructuring Process – 23rd July 2009



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Agenda

1. Description of Targeted Liabilities
2. Update on the Financial Situation
3. Restructuring Considerations
4. Q&A



1. Description of Targeted Liabilities



LIABILITIES TARGETED IN THE RESTRUCTURING

LIABILITIES		BREAKDOWN	
LOANS	\$ 2 384m	4 SYNDICATED LOANS	\$ 1 094 m
		6 COMMERCIAL BANKS LOANS	\$ 1 130 m
		5 IFIs LOANS	\$ 160 m
BONDS	\$ 6 206 m	18 EURO BONDS	\$ 5 189 m
		6 DOMESTIC BONDS	\$ 1 016 m
TRADE FINANCE	\$ 3 555 m	ON BALANCE SHEET	\$ 1 773 m
		OFF BALANCE SHEET	\$ 1 781 m
DERIVATIVES	\$ 7 m	2 SWAP COUNTERPARTIES	\$ 7 m
TOTAL	\$ 12 152 m	TOTAL	\$ 12 152 m
<i>Excl Off Balance Sheet TF</i>	<i>\$ 10 362 m</i>	<i>Excl Off Balance Sheet TF</i>	<i>\$ 10 362 m</i>
<i>Excl On Balance Sheet TF</i>	<i>\$ 8 598 m</i>	<i>Excl On Balance Sheet TF</i>	<i>\$ 8 598 m</i>
<i>Swap</i>	<i>\$ 7 m</i>	<i>Swap</i>	<i>\$ 7 m</i>

Note: Figures as of July 2009 based on statutory accounts (unaudited Parents' company)

Description	Maturity	Currency	Par Value (mn)	Outstanding Amount (mn)	Outstanding in USD mn
Syndicated Loans					
Standard Chartered	11/09/2009	USD	580	193	193
ING Bank	20/04/2010	JPY	58,938	58,938	626
Wakala Facility	10/07/2009	USD	250	250	250
Bayern LB	27/11/2009	USD	200	25	25
Total Syndicated Loans					1,094
Bilateral Loans (Commercial Banks)					
Commerzbank	18/06/2011	USD	100	100	100
SMBC	27/05/2009	USD	2	2	2
JPMorgan Chase Bank	01/02/2012	RUR	3,000	3,000	94
Morgan Stanley (partly DB)	22/05/2010	JPY	36,420	31,474	334
Credit Suisse	25/06/2010	USD	500	500	500
Standard Bank London	19/12/2011	USD	100	100	100
Total Bilateral Loans (Commercial Banks)					1,130
Bilateral Loans (IFIs)					
OPIC Loan with NatCity	16/11/2011	USD	25	15	15
OPIC Loan with Wachovia	26/07/2011	USD	25	18	18
DEG	15/07/2017	USD	82	69	69
ADB	14/07/2011	USD	75	54	54
DEG Subordinated Loan	15/12/2010	USD	10	5	5
Total Bilateral Loans (IFIs)					160

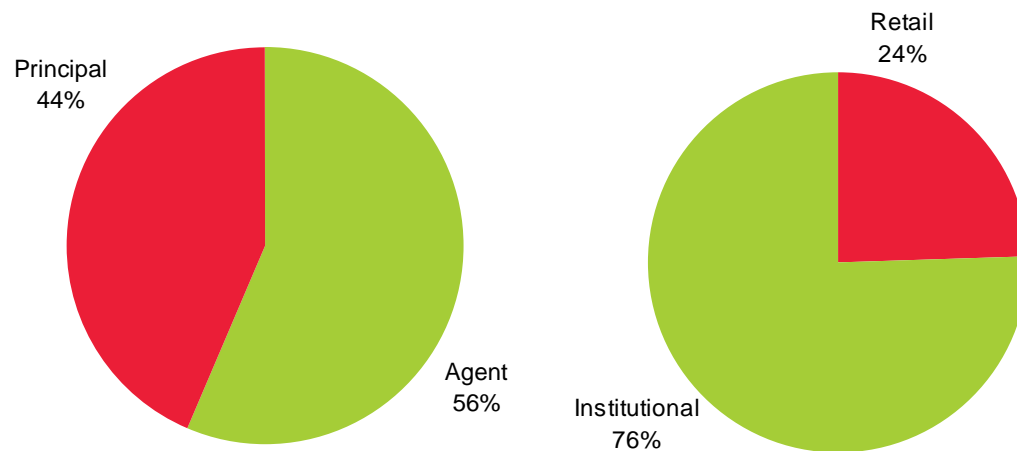
**Total Loans:
\$2.38bn**

Description	ISIN	Maturity	Currency	Par Value (mn)	Outstanding Amount (mn)	Outstanding in USD mn
Eurobonds						
RUR 3,000,000,000 Notes due 2009		06/10/2009	RUR	3,000	3,000	94
GBP 200 million 7.125% Notes due 2009	XS0279181662	20/12/2009	GBP	200	197	322
U.S.\$375,000,000 7.875% Notes due 2010	XS0205868697 Reg-S					
U.S.\$225,000,000 7.875% Notes due 2010	XS0168848801 Reg-S / US89989EAC12 144A	02/06/2010	USD	600	552	552
PLN \$200,000,000 6.3% Notes due 2011	XS0249842732	31/03/2011	PZI	200	200	66
EUR500,000,000 6.25% Notes due 2011	XS0269267000	27/09/2011	EUR	500	500	705
U.S.\$100,000,000 11.50% Notes due 10 April 2013	XS0358035482	10/04/2013	USD	100	100	100
U.S.\$100,000,000 11.50% Notes due 10 April 2013	XS0358035482	10/04/2013	USD	100	100	100
U.S.\$250,000,000 7.75% Notes due 2013	US89989EAG26	25/04/2013	USD	250	192	192
U.S.\$400,000,000 8% Notes due 2014	USN89065AF89 Reg-S / US89989EAD94 144A	24/03/2014	USD	400	384	384
U.S.\$100,000,000 11.250% Notes due 27 May 2014	XS0366697059	27/05/2014	USD	100	100	100
U.S.\$350,000,000 8.50% Notes due 2015	XS0211873053 Reg-S / US89989EAF43 144A	10/02/2015	USD	350	313	313
JPY20,000,000,000 4.25% Notes due 2016	XS0280531772	28/12/2016	JPY	20,000	20,000	212
JPY30,000,000,000 Floating Rate Puttable Notes due 2017	XS0303361603	31/05/2017	JPY	30,000	30,000	318
CHF200,000,000 Floating Rate Senior Note due 2017	XS0312352601	07/08/2017	CHF	200	200	186
JPY15,000,000,000 Floating Rate Puttable Notes due 2017	XS0323864313	11/10/2017	JPY	15,000	15,000	159
U.S.\$1,000,000,000 8.25% Putable Notes due 2037	XS0283156270 Reg-S / US8998X0AB68 144A	22/01/2037	USD	1,000	1,000	1,000
U.S.\$400,000,000 8.250% Perpetual Notes	XS0242012796	Perpetual	USD	400	400	400
Total Eurobonds						5,204
Eurobonds owned by BTA			USD		14	14
Total Less bonds owned by BTA						5,190

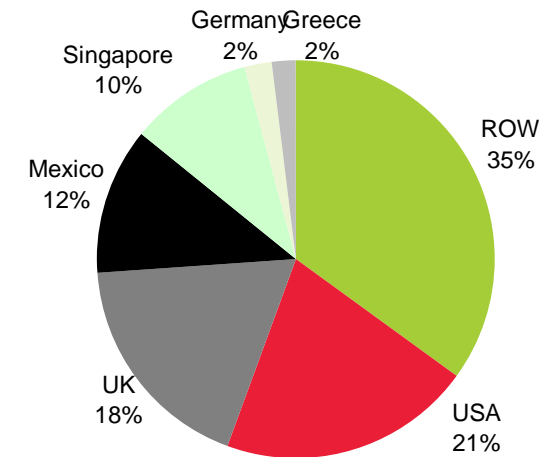
**Total Eurobonds
\$5.19bn**

- Through process of self registration over 246 bondholders have submitted over 454 claim registration forms

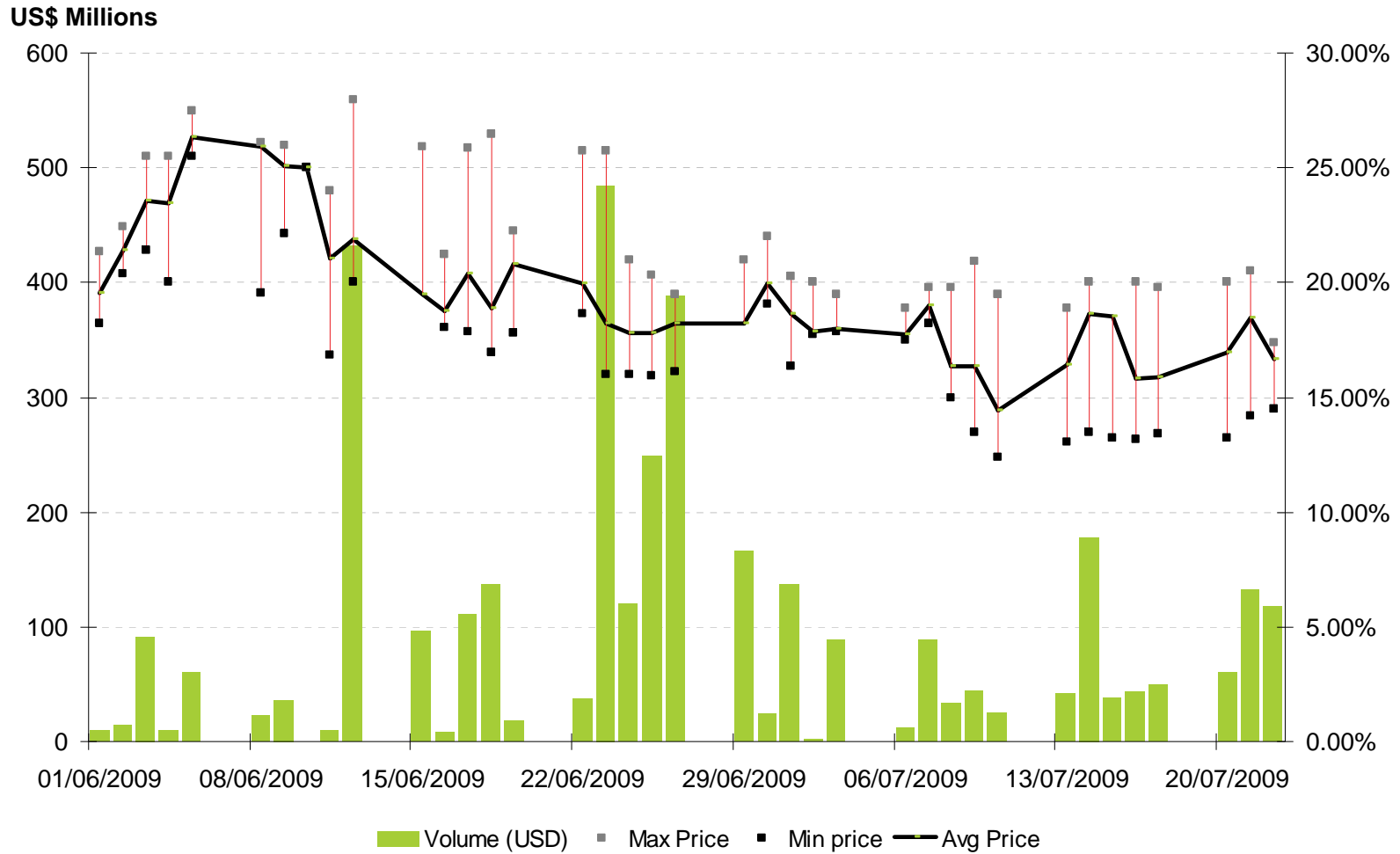
Bondholders by type



Bondholders' claims by location



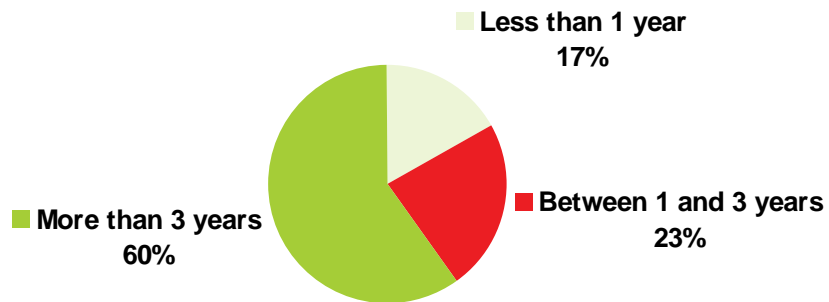
■ Reg S/144a 8.25% Notes due 01/2037 – Settlement Volumes & Prices



Description	Maturity	Currency	Par Value (mn)	Outstanding Amount (mn)	Outstanding in USD mn
Local Bonds (Subordinated)					
KZT 3,750,000,000 Notes due 2010	29/04/2010	KZT	3,750	3,750	25
KZT 7,500,000,000 Notes due 2013	06/11/2013	KZT	7,500	7,500	50
KZT 14,000,000,000 Notes due 2014	10/06/2014	KZT	14,000	14,000	93
KZT 20,000,000,000 Notes due 2015	30/12/2015	KZT	20,000	15,686	104
KZT 100,000,000,000 Notes due 2018	16/06/2018	KZT	100,000	51,412	341
KZT 125,000,000,000 Notes due 2036	29/06/2036	KZT	125,000	96,415	640
Total Local Bonds					1,252
Local Bonds owned by BTA		KZT		35,513	236
Total Less bonds owned by BTA					1,017

**Total Domestic Bonds
\$1.02bn**

Trade Finance (on Balance Sheet) by original maturities



Total On Balance-Sheet Trade Finance \$1.77bn

Off Balance-Sheet

Off Balance Sheet	Total Outstanding in USD mn
Discounting of deferred payment	477.1
Other LCs	230.0
Credit Repayment Guarantees	886.6
Other Guarantees	187.7
Total	1,781.4

Total Off Balance-Sheet \$1.78bn



2. Update on the Financial Situation



SIMPLIFIED BALANCE SHEET (Statutory accounts - \$m)

ASSETS			LIABILITIES		
	31/12/2008	30/06/2009°		31/12/2008	30/06/2009
CASH, OBLIGATORY RESERVES & TRADE SECURITIES (*)	\$1,808m	\$5,513m	SECURITIES SOLD BY REPO AGREEMENTS	\$429m	\$2,423m
LOANS TO OTHER BANKS	\$611m	\$218m	BANK ACCOUNTS AND CLIENT DEPOSITS	\$12,809m	\$9,936m
DEPOSITS IN OTHER BANKS (*)	\$164m	\$329m	DEBT SECURITIES ISSUED	\$603m	\$5,010m
NET LOANS TO CUSTOMERS (*)	\$18,592m	\$8,484m	DEBT DUE TO BANKS	\$5,188m	\$3,668m
INVESTMENTS	\$2,073m	\$1,852m			
<i>o/w Investments in securities (*)</i>	<i>\$295m</i>	<i>\$296m</i>	SUBORDINATED DEBT	\$1,321m	\$978m
<i>o/w Investments in capital and subordinated debt</i>	<i>\$1,778m</i>	<i>\$1,556m</i>			
FIXED AND INTANGIBLE ASSETS	\$97m	\$74m	OTHER LIABILITIES	\$469m	\$1,027m
OTHER ASSETS	\$948m	\$636m	EQUITY	\$3,474m	\$(5,935)m
TOTAL	\$24,293m	\$17,107m	TOTAL	\$24,293m	\$17,107m

Source: Company – Statutory accounts (unaudited Parents' company) in accordance with local GAAP

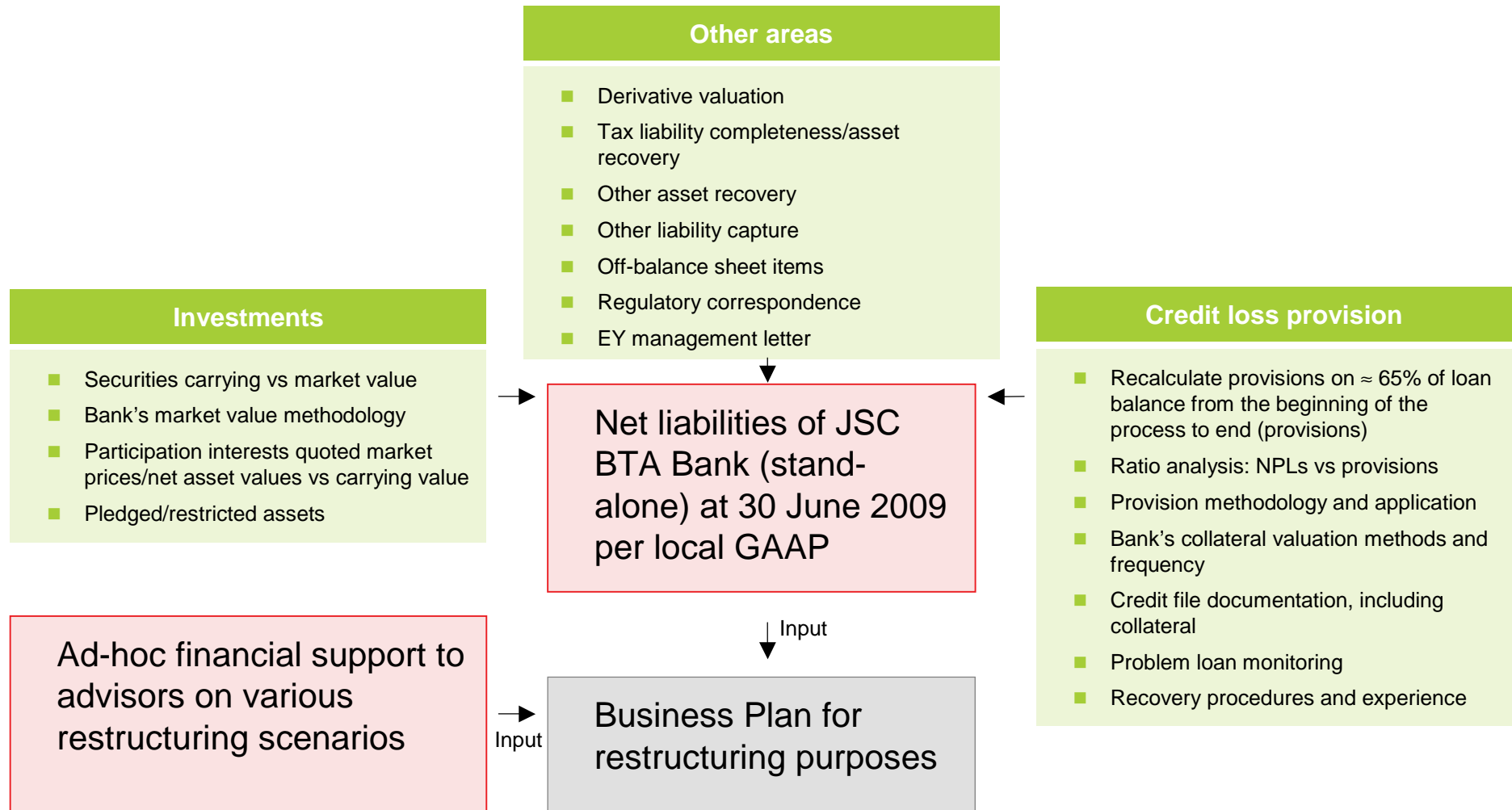
°The 30/06/2009 numbers represent BTA management's view only and have not been independently verified

Note: exchange rate : 31/12/08 US\$1=120KZT; 30/06/09 US\$1=150KZT

(*) With the deduction of reserves on possible losses

KPMG
Engagement scope and BTA loan portfolio
23 July 2009

The KPMG detailed engagement scope and timing are currently being discussed with the Bank



Loan portfolio at 30 June 2009

Customer loan reconciliation

Reconciliation - Customer loans at 30 June 2009				
USDm	Principal	Accrued Interest	Provisions	Net
As reported, per Accounting department	17,056	1,910	(10,482)	8,484
Non-client leasing	378	-	(201)	177
General provisions	-	-	(60)	(60)
Accrued interest	-	(1,910)	-	(1,910)
Per Risk management department	17,434	-	(10,743)	6,691

Source: BTA Bank – Statutory accounts (unaudited Parents’ company) in accordance with local GAAP
 Note: exchange rate : 30/06/09 US\$1=150KZT

Under local GAAP, provisions are not raised on accrued interest but on principal only

Loan portfolio information on the following pages is based on Risk management figures

Net customer loans per the Bank’s stand-alone balance sheet at 30 June 2009 per local GAAP

Include \$1,872m of accrued interest and \$38m of accounts receivable of contingent liabilities

Loan portfolio at 30 June 2009

Loan principal and provisions by business

Loan provision development and forecast - local GAAP

USDm	31 Dec 2008			30 June 2009			Stress Test		
	Principal	Provision	%	Principal	Provision	%	Principal	Provision	%
CIS excluding Kazakhstan	5 972	604	10,1%	6 127	5 075	82,8%	6 127	6 127	100,0%
Investment loans	3 222	143	4,4%	4 571	3 087	67,5%	4 571	4 571	100,0%
Commercial loans	6 347	598	9,4%	3 823	1 795	47,0%	3 823	1 912	50,0%
Total corporate	15 541	1 345	8,7%	14 521	9 957	68,6%	14 521	12 609	86,8%
SME	1 762	186	10,5%	1 338	324	24,2%	1 338	334	25,0%
Retail	1 899	257	13,5%	1 575	461	29,3%	1 575	473	30,0%
Loan portfolio	19 202	1 788	9,3%	17 434	10 743	61,6%	17 434	13 416	77,0%

Note: Kazakh real estate projects were not included in total corporate provisions

Source: BTA Bank

Note: exchange rate : 31/12/08 US\$1=120KZT; 30/06/09 US\$1=150KZT

Approx \$133m increase is due to converting to individual loan basis from portfolio basis as the threshold for individually determined loans (.02% of regulatory capital) was eliminated when equity turned negative

The \$9.0bn increase occurred in H1 2009 after the results of the audit work were applied subsequently to the local GAAP provision figures. It is not allowed to restate local GAAP figures

Loans mainly relate to construction projects connected with ex-shareholders backed by illiquid collateral. On a worst-case basis, management expects 100% provision by year-end

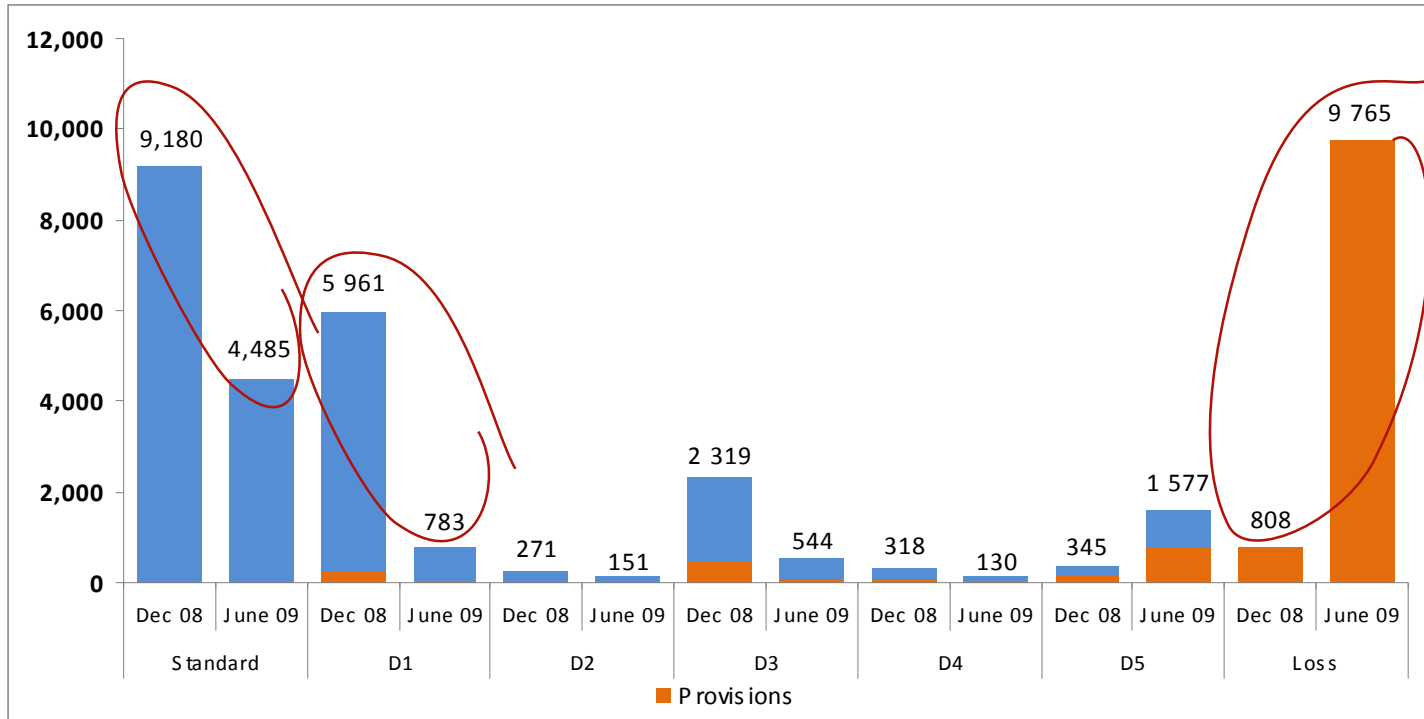
- The movement of loan portfolio between 31/12/2008 and 30/06/2009 is mainly due to tenge devaluation and reclassification between portfolio categories
- The 30/06/2009 numbers represent BTA management's view only and have not been independently verified
- The Stress Test numbers represent BTA management's view only and are not in accordance with any particular regulatory methodology or requirement

- The quality of the Bank's loan portfolio significantly deteriorated as a result of circumstances and actions taken before the current management of the Bank were appointed by the controlling shareholder
- Certain loan documentation, including collateral and associated additional agreements, primarily relating to financing of projects outside of Kazakhstan, is no longer available
- Many loans were transferred to new borrowers without adequate repayment sources and collateral
- A number of significant borrowers, primarily registered outside Kazakhstan, have ceased servicing their loans, have not allowed the Bank to monitor collateral or failed to provide information about their financial performance
- Bank's management considers that loans where a borrower fails to service debt, monitoring of the borrowers has not been possible, there is neither properly registered collateral nor other necessary legal documentation, to be fully impaired and has created an allowance for the full carrying amount of such loans

(EY 2008 IFRS audit report, 8 May 2009, page 25)

Loan portfolio at 30 June 2009

Loan classification development in H1 2009



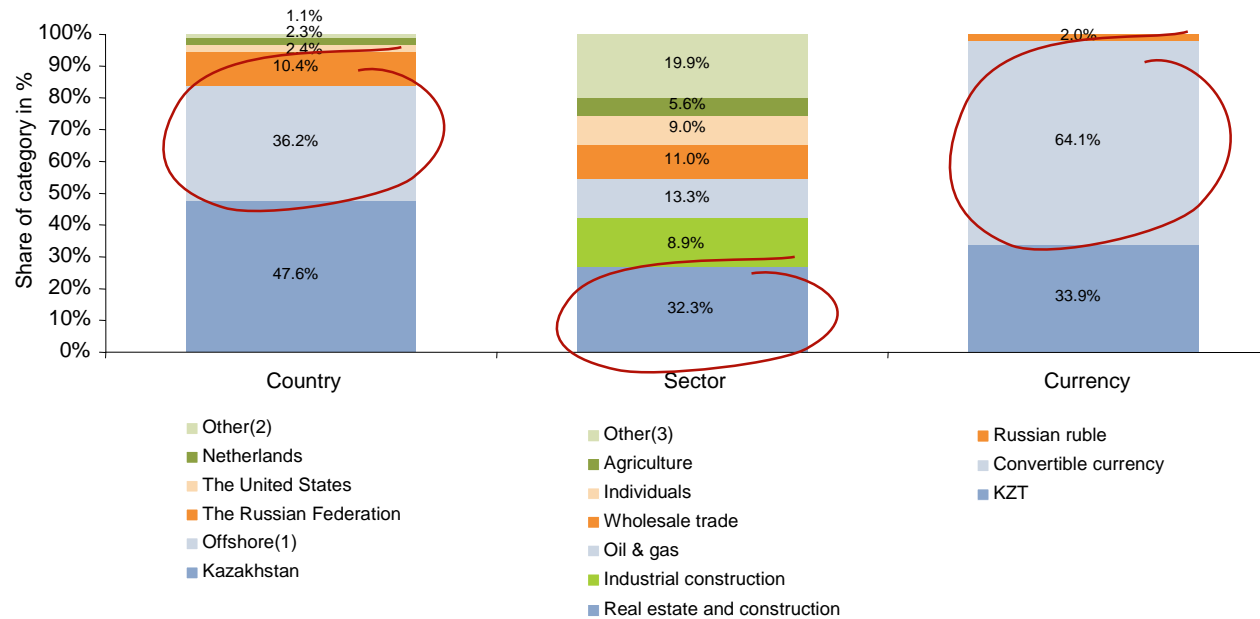
Notes: Provisions on Kazakh real estate projects were excluded at 31 December 2008

D = Doubtful

Source: BTA Bank

Loan portfolio at 30 June 2009

Loan principal concentrations



Notes: (1) Offshore countries: Luxembourg, Virgin Islands, Seychelles, Cyprus, Isle of Man (UK) and Panama
 (2) Other countries: Georgia, Switzerland, Hong Kong, Uzbekistan, Kyrgyzstan, Armenia, Hungary, Azerbaijan, Iran, Tajikistan, Turkey, India, Ukraine and Cuba
 (3) Other sectors: Energy, Chemical, Retail, Transport, Mining, Food, Telecommunication, Metallurgical, Hospitality, Textile and Leather, Production of machinery and equipment, production of rubber and plastic articles, R&D and publishing

Source: BTA Bank



3. Restructuring Considerations



\$bn ⁽¹⁾

	30/06/09 Case	Stress Case	
Total Regulatory Capital @ 30 06 09	(7.6)	(7.6)	Include \$10.7bn of provisions as of 30/06/09 (i.e. 62% of cover ratio)
Additional loans provisions	-	(2.7)	
Additional trade securities provisions	-	(0.3)	
Total Regulatory Capital post impact (a)	(7.6)	(10.6)	Stress case additional provisions due to future portfolio deterioration in H2 2009 (i.e. 76% cover ratio)
RWA @ 30 06 2009	19.9	19.9	
Impact of additional provisions	-	(3.0) ⁽²⁾	
RWA @ 30 06 2009 post impact	19.9	16.9	
Minimum total Regulatory Capital @ 12% (b)	2.4	2.0	
Implied capital injection (b) – (a) = (c)	10.0	12.6	
SK capital increase by debt conversion (d)	4.3	4.3	
Implied restructuring impact (c) – (d)	5.7	8.3	Based on \$10.4bn (incl. on balance sheet Trade Finance) and \$8.6bn (excl. on BS TF) of debt to be restructured (excluding SK debt and bought back bonds)
<i>Implied Haircut with TF (%)</i>	55%	80%	
<i>Implied Haircut without TF (%)</i>	66%	97%	

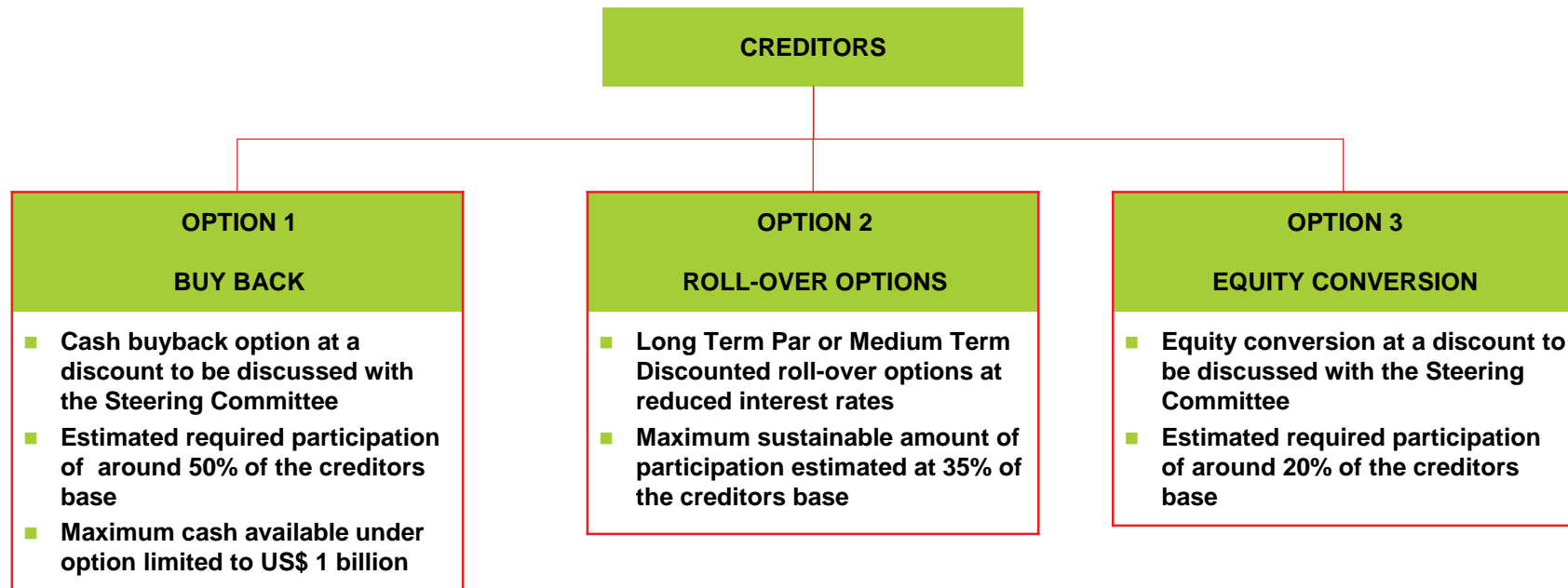
(1) Exchange rate: 1\$ = 150 KZT

(2) Assuming 100% weighting

Note: Based on statutory accounts (unaudited Parents' company) in accordance with local GAAP

- The 30/06/2009 numbers represent BTA management's view only and have not been independently verified. The Stress Test numbers represent BTA management's view only and are not in accordance with any particular regulatory methodology or requirement
- Regulatory ratios are watched on a stand-alone basis (i.e. not consolidated). The Bank's target level of capital will be established at the level which will ensure full compliance with prudential capital requirements and which will be adequate for successful execution of BTA's new business strategy
- These figures assume no material change in H2 2009

- Based on KPMG’s final findings and on the revised strategic business plan of BTA Bank, creditors will be offered a choice between three NPV equivalent options



- Negotiations on the final structure of the menu of options will start with the Global Steering Committee after production by KPMG LLP of a preliminary due diligence report, and will reflect the revised strategic and financial business plan of BTA Bank

Restructuring Process – Key Steps

KEY STEPS OF THE RESTRUCTURING PLAN OF BTA BANK		TARGET COMPLETION DATE
FINANCIAL DUE DILIGENCE	<ul style="list-style-type: none"> ■ Presentation of financial due diligence loan review results <ul style="list-style-type: none"> ■ Detailed review of the assets & quantification of additional provisions required (loan portfolio) ■ Impact of the overstatement on capital position ■ Additional provisions on residual financial assets 	TBD
LEGAL DUE DILIGENCE	<ul style="list-style-type: none"> ■ Finalization of Due Diligence review by White & Case ■ Finalization of Due Diligence review by Lovells 	TBD
STRATEGIC ASSESSMENT OF THE BANK / BUSINESS PLAN	<ul style="list-style-type: none"> ■ Management Presentation to Creditors ■ Technical Meetings (Q&A Sessions) ■ Meetings with FMSA & SK ■ Presentation of BTA Bank's revised Business Plan results <ul style="list-style-type: none"> ■ Review of the new corporate / SME / retail strategies ■ Identification of the impacts of the ongoing debts restructuring / agreements, if any 	TBD
DEBT RESTRUCTURING NEGOTIATIONS	<ul style="list-style-type: none"> ■ Further Negotiations on debt restructuring options ■ Steering Committee Due Diligence ■ Approval by the Steering Committee of the debt restructuring plan 	TBD
RECAPITALISATION SCHEME	<ul style="list-style-type: none"> ■ Identification of required solvency capital in accordance with conclusions stemming from the financial due diligence, Business Plan and debt restructuring negotiations 	TBD



4. Q&A

