



Press Release

BTA Bank summarized its 2012 financial performance

Almaty, April 8, 2013 – Today BTA Bank (the Bank) announced 2012 performance results both of the Bank and BTA Group (the Group) on the basis of audited consolidated IFRS financial statements as preliminary approved by Management Board and Board of Directors and to be finally approved by the Annual General Shareholder's Meeting of the Bank.

MAIN FINANCIAL RESULTS FOR 2012

At the end of 2012 the Bank successfully completed rather difficult and scaled restructuring process that had a remarkable positive influence on its financial status. The Restructuring resulted in considerable decrease of the Bank's debt load as well as its recapitalization to the level fully compliant with the current regulatory norms and requirements of the Basel Accord.

As of December 31, 2012 assets grew by 8% and amounted to KZT 1,611 bln. (USD 10.7 bln.), where the asset growth is mostly related to liquid assets.

Loan portfolio (net) decreased by 1% and amounted to KZT 645 bln. (USD 4.3 bln.).

Other assets increased by 28% and amounted to KZT 87 bln. (USD 0.6 bln.). Increase is determined by acceptance onto the Bank's balance of collateral under ongoing asset recovery procedures.

Liabilities decreased by 34% and amounted to KZT 1,342 bln. (USD 8.9 bln.).

Issued debt securities decreased by 89% and amounted to KZT 74 bln. (USD 0.5 bln.) which was achieved based on the restructuring results under which the Bank's financial indebtedness decreased.

Funds of credit institutions decreased by 31% and amounted to KZT 65 bln. (USD 0.4 bln). Under restructuring the Bank reconsidered terms of its trade finance facility (RCTFF). In December, 2012 the Bank repaid two tranches under RCTFF for the total amount of USD 80 mln.

Consolidated IFRS equity was recorded positive for the first time during five years and amounted to KZT 268.6 bln. (USD 1.8 bln.), capital adequacy restoration was enabled by the Bank's restructuring.

K2 Capital adequacy ratio more than twice exceeds the fixed ratio (23.7% versus 10% fixed ratio). First-tier capital **adequacy ratio**, calculated in accordance with the Basel Accord, amounted to 32.5%.

Charge for impairment during 2012 decreased by 91.8% versus 2011, thus reflecting adequate level of created reserves. As the result **net interest expense after impairment** decreased by 86% up to KZT 19 bln. during 2012 from KZT 138 bln. during 2011.

Non-interest income grew by 54.3% mainly due to increase of net income of commissions and fees, net income from trade transactions and income from redeemed bonds.

Non-interest expenses (less expenses from recognition of Recovery Units on Reference Amount) decreased by 49.8% or KZT 64 bln. for 2012 versus 2011.

KEY EVENTS AND DECISIONS

The secondary restructuring of a part of the Bank's financial liabilities held at the end of 2012 is one of the main key results of the Bank during the reporting period. Herewith, it shall be noted that restructuring envisaged more favorable terms for the Bank than those of the first restructuring. The following particular advantages may be underlined:

- Considerable decrease of external liabilities and coupon;
- Considerable softening of limitation terms under new instruments;
- Cancellation of complicated instruments (OID bonds and Recovery Bonds) as well as cancellation of creditors' claims under debts written off during restructuring;
- Exclusion of a complex procedure for corporate decisions.

In 2012 the Bank made headway in the proceedings initiated in the Great Britain against former managers of the Bank. Thus, during the period since November, 2012 to March, 2013 High Court of England (the Court) made a number of decisions on recovery of around USD 3.9 bln. Another important event under the Bank's asset recovery process became decision taken by Bishkek city court on recovery of 71% share in BTA Bank CJSC (Kyrgyzstan) granted to the Bank which became effective on January 15, 2013.

In 2013 the Bank intends to continue intensive work on NPL recovery which provides for considerable increase of asset recovery indicators.

During 2012 simultaneously with the restructuring, management of the Bank actively reformed Bank's management system, optimized its activities setting a primary goal of establishing an effectively working financial institution.

CURRENT EVENTS

In February 2013, Mr. Nursultan Nazarbayev, President of the Republic of Kazakhstan, ordered the Government of the Republic of Kazakhstan, to exit from the capital of BTA Bank JSC. In its turn, management of the Bank will take all relevant measures for duly and timely performance of the President's order.

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