



BTA Bank issues committal proceedings against Mukhtar Ablyazov in English High Court

18 May 2011: BTA Bank has issued committal proceedings in the English High Court against its former Chairman, Mukhtar Ablyazov. By those proceedings, the Bank is seeking to have Mr Ablyazov committed to prison for what the Bank considers to be numerous breaches of injunction orders made against him in the court actions by which the Bank is claiming over US\$4 billion in compensation.

The Bank is concerned that Mr Ablyazov has not complied with numerous orders requiring full disclosure of all his assets, underscored by the Bank's recent discovery of over 600 companies which were not properly disclosed. The Bank has also discovered evidence of multiple dealings in assets that it considers were prohibited by the court's injunctions.

In August 2010 the UK court took the rare decision to appoint KPMG as receivers over Mr Ablyazov's assets because the judge did not trust Mr Ablyazov to comply with previous freezing orders, and to prevent dissipation of his assets.

The Bank's intentions in seeking to have Mr Ablyazov committed to prison are to persuade him to comply with the court's orders and unwind the improper transactions that he has carried out, as well as to ensure that all improper conduct is appropriately sanctioned.

As part of BTA Bank's restructuring process, since August 2009 the Bank has initiated a series of legal proceedings in the UK against Mr Ablyazov to recover billions of dollars misappropriated during his leadership of the Bank. The committal application should allow the Bank, as it is obliged to do under contract with creditors, to maximise the recovery on the enforcement of any judgments that it obtains against Mr Ablyazov.

Since 2009, the English High Court has made a series of orders designed to prevent Mr Ablyazov dealing in or disposing of his assets, wherever they are located in the world, and to require him to disclose details of such assets to the Bank.

Anvar Saidenov, Chairman of the Management Board, JSC BTA Bank, said: "As part of our contractual obligation to creditors in line with the Bank's restructuring agreement, we are seeking to recover billions of dollars through the English High Court which the investigations to date of the Bank's asset recovery team, advised by international specialists, indicate were misappropriated under previous management. This latest action is related to the proceedings in the UK court and will help protect the interests of the Bank's creditors."

The Bank is also investigating the roles of third parties in the wrongful dealings with Mr Abylazov and will take all necessary steps against parties that have assisted Mr Abylazov to dispose of, or diminish the value of, his assets or do so in the future.

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Notes to editors:

- BTA Bank issued committal proceedings in the English High Court on Monday 16 May 2011.
- In a judgement in July 2010 (upheld in October 2010), Justice Teare ordered that Mr Abylazov's assets be put into receivership, stating:

“In the circumstances of this case, in particular the nature of the case against Mr. Abylazov and the reasons why I am not convinced that he can be trusted to obey the Freezing Order, I consider that despite that difficulty the Receivership Order should be granted.”

- Based on new evidence, the receivership order has since been extended to over 600 companies.
- To date, the Bank has served seven claims against Mr Abylazov seeking over US\$4 billion in compensation.
- In September 2010 the Specialized Financial Court of Almaty recognised the completion of the Bank's US\$16.7 billion debt restructuring which was pursued in close cooperation with the Bank's creditors. It has since been approved by the US courts, the courts of the Russian Federation and the courts of the Ukraine. The Chancery Division of the UK court recognised the restructuring in August 2010.