



Press Release

BTA welcomes further English High Court judgments

Almaty, March 19, 2013 – The English High Court has today handed down further judgments in favour of BTA at the conclusion of a series of trials which commenced in November 2012.

In November 2012, the High Court granted judgment against **Mr. Ablyazov** in the amount of US \$2 billion plus interest, in what are known as the “Drey” and “DCM” proceedings. At the same time, the Court granted judgment against **Roman Solodchenko**, former Chairman of BTA's Management Board, in the amount of approximately US \$400 million in the “Drey” proceedings.

In his decision delivered today, Mr. Justice Teare granted judgments in the “Drey”, “Granton” and “Vitino” actions against:

1. **Zhaksylyk Zharimbetov** (former Deputy chairman of the Bank's Management Board) in the amount of approximately US \$1.5 billion, plus interest in the “Drey” and “Granton” actions;
2. **Usarel Investments Limited** (a Cyprus company which owns, indirectly, the valuable Vitino port facility on the White Sea in Russia) requiring Usarel to transfer to BTA shares in the companies which own and operate the port and to compensate BTA in the event that the value of those shares does not exceed US \$120 million, plus interest; and
3. **Ildar Khazhaev** (former Head of the Bank's representative office in Moscow) to compensate BTA to the extent that the value of the abovementioned Vitino shares is less than US \$120 million, plus interest.

Mr. Justice Teare also indicated today that he will grant further judgments in BTA's favour against Mr. Ablyazov (in the “Vitino” and “Granton” actions). These further judgments are expected to exceed approximately US \$1.5 billion.

Pavel Prosyankin, BTA Managing Director overseeing the asset recovery process and Member of BTA's Management Board, said:

“The Bank is very satisfied with today's decision. Mr. Justice Teare has not only awarded very substantial sums to the Bank in full satisfaction of these claims, but has also made detailed findings as to how Mr. Ablyazov, supported by trusted associates like Mr. Zharimbetov , Mr. Khazhaev and others, routinely used the Bank's money for fraudulent transactions for his personal benefit. The Court has also demonstrated that it will unwind transactions which involved the fraudulent diversion of the Bank's monies. The Bank will continue to take steps in England, the CIS and elsewhere to recover assets taken from it by Mr. Ablyazov.”

END

Notes to editors

- The trial of the “Drey”, “Granton” and “Vitino” actions commenced against Mr. Zharimbetov, Mr. Khazhaev and Usarel on 7 November 2012 and concluded on 13 February 2013. None of the other defendants in the actions, including Mr. Ablyazov, participated in the trial.
- In his judgment, Mr. Justice Teare found that each of Mr. Zharimbetov, Mr. Khazhaev and Mr. Pouchlikov (who gave evidence on behalf of Usarel) had been unreliable and evasive witnesses.
- The “Drey” action concerned a series of improper payments made in 2008 totalling over US \$400 million whereby the Bank transferred monies to companies secretly owned and controlled by Mr. Ablyazov, purportedly connected with the acquisition by BTA of shares in affiliated banks in Russia, Ukraine and Belarus. The Court held that the payments were a fraud by Mr. Ablyazov on BTA and that Mr. Zharimbetov knowingly assisted and facilitated him in these improper transactions.
- The “Granton” action concerned a series of improper "loans" totalling over US \$1 billion made in 2008 to companies secretly owned and controlled by Mr. Ablyazov which were used to “repay” various earlier loans granted improperly to other companies also owned and controlled by Mr. Ablyazov. The Court held that these transactions were also a fraud by Mr. Ablyazov on the Bank and that Mr. Zharimbetov knowingly assisted and facilitated him in these improper transactions.
- The “Vitino” action, sometimes also referred to as the “Chrysopa” action, concerned an improper “loan” of US \$120 million, also made in 2008, which was used to acquire the Vitino port facility on the White Sea in Russia. The companies controlling and operating the port were purchased by Usarel, a Cypriot company. Usarel was secretly owned and controlled by Mr. Ablyazov, along with others including two Russian citizens, Maxim Pouchlikov and Sergey Shekhlanov. The US \$120 million "loan" was granted by BTA on terms highly unfavourable to BTA, including the absence of any security. The Court held that Usarel, along with Mr. Khazhaev, knowingly assisted and facilitated Mr. Ablyazov in making this fraudulent "loan". Usarel has been ordered by the Court to transfer to BTA the shares of the companies which own and operate the Vitino port.
- As previously reported, Mr. Ablyazov was found guilty of contempt of court in February 2012 and sentenced to three concurrent 22 month prison sentences. Mr. Ablyazov fled the jurisdiction before sentencing and was subsequently debarred from defending various claims brought against him by the Bank. His appeals against the contempt and debarment orders were dismissed by the Court of Appeal in November 2012, with Lord Justice Maurice Kay saying that “It is difficult to imagine a party to commercial litigation who has acted with more cynicism, opportunism and deviousness towards court orders than Mr. Ablyazov”. On 26 February 2013, the Supreme Court of the United Kingdom refused Mr. Ablyazov's application for permission to appeal the debarment judgment.

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