Press-release

BTA Bank successfully completed restructuring of financial debt for the amount of USD 11.1 bln.

Almaty, December 27, 2012 – BTA Bank JSC (hereinafter – Bank) announces, that on December 24 of current year the Restructuring Plan relating to USD 11.1 bln. of the Bank's financial indebtedness (hereinafter – Plan) has been successfully realized. According to the Plan, the Bank distributed more than 90% of entitlements to the claimants.

Under the exchange mechanism provided by the Plan, Holders of 2018 Notes and Recovery Units were given the option to elect to exchange all or a portion of their entitlements for new 10-year notes of the Bank (hereinafter – New Notes). Such exchange may be made with the OID Noteholders wishing to receive cash instead of the New Notes. The number of cash entitlements made available for exchange by Holders of 2018 Notes and Recovery Units was greater than the number of the New Notes offered for exchange by OID Noteholders. Consequently, OID Noteholders who elected to make such an exchange will receive the full amount of their requested cash entitlements at a ratio of USD 0.55 in cash for every USD 1.00 of the New Notes offered for exchange, whereas Holders of 2018 Notes and Recovery Units who elected to make such an exchange will only receive 58.4 per cent. of their requested New Notes entitlements (at the same exchange ratio).

As part of the Restructuring, designated financial indebtedness of the Bank subject to the Restructuring has been cancelled. In consideration thereof, the creditors received cash in the amount of USD 1,618 mln. and New Notes in the amount of USD 750 mln. The Bank has also entered into a novation of its Revolving Committed Trade Finance Facility Agreement, under which the current commitments of the Bank total approximately USD 348 mln.

Moreover, the Bank issued 597,286,607,949 common shares distributed in the form of Shares or GDRs, pursuant to the conversion of USD 1,189 mln. of deposits from Samruk-Kazyna and USD 19 mln. of the Bank's subordinated debt into equity. Further, the Bank has received a USD 1,592 mln. subordinated loan from Samruk-Kazyna (denominated in tenge) relating to the New Notes and RCTFF.

Key results of the Bank's Restructuring:

- the Bank has been recapitalised by approximately U.S.$10 bln. as a result of:

  1) the conversion of USD 1,208 mln. of the Bank's financial indebtedness into common shares and the distribution of shares and GDRs to subordinated debt holders;
  2) the cancellation of USD 9,044 mln. of other Claimants' claims in exchange for a total of USD 1,618 mln. in cash and USD 750 mln. New Notes;

3) the additional capital created through the IFRS treatment of the USD 1,592 mln. loan from Samruk-Kazyna and the increase from 4 per cent. to 6 per cent. of the coupon on the existing Bonds of Samruk-Kazyna JSC.

- The Bank's estimated equity and regulatory capital, calculated by the requirements of Basel II, as at 31 December 2012 comprise KZT 219.2 bln. and KZT 195.7 bln., respectively. Owing to this, the Bank as at 31 December 2012 will have a new, sustainable capital structure with Tier 1 ratio of 21.8 per cent. Further, this ratio will be maintained above 10 per cent. Under Basel II based on the Bank's business plan.
- The financial indebtedness of the Bank subject to the Restructuring has been reduced from approximately USD 11.1 bln. to approximately USD 3.3 bln. (including approximately USD 600 mln. of deposits remaining in the Bank from Samruk-Kazyna JSC)
- Samruk-Kazyna has increased its majority shareholding in the Bank to 97.3 per cent., with the Claimants holding in aggregate 2.5 per cent. and minority shareholders who held shares prior to the 2010 Restructuring now holding 0.2 per cent. in aggregate of the Bank's shares.

As mentioned earlier, the Restructuring Plan was approved at the Extraordinary General Shareholders' Meeting of the Bank held on 3 December 2012 by a majority of 99.4 per cent. (including the approval of 89.5 per cent. of the holders of GDR that voted), and at the Claimants' Meeting of the Bank on 5 December 2012 by a majority of 93.8 per cent.

The Chairman of the Bank's Management Board, Mr. Yerik Balapanov, commented on the implementation of the Restructuring Plan: "We are happy that our extensive work over the last few months has now come to a successful end. The completion of the Restructuring Plan will now enable the Bank to fully focus on the implementation of work on creating effective financial institute. We would like to thank all of our stakeholders, the Steering Committee, as well as our customers and partners for their support of the Bank."

The Bank's financial adviser during the Restructuring was Lazard Frères and its legal adviser was White & Case LLP. The Bank was also advised by M.Favale-Tarter, LLC. The Steering Committee was advised by Houlihan Lokey and Baker & McKenzie LLP, as financial and legal advisers, respectively.

Terms used in this press release and defined in the Information Memorandum of the Bank dated 8 November 2012, as supplemented, are used in this press release as so defined.

Media contacts:

Tel.: +7(727) 266 43 22
e-mail: pr@bta.kz
www.bta.kz