



Press release

Halyk Bank to acquire 96.81% of ordinary shares in Kazkommertsbank

15 June 2017

JSC Halyk Bank (“**Halyk Bank**”) hereby announces the signing of the sale and purchase agreements (the “**Agreements**”) with Mr.Kenges Rakishev to acquire 86.09% of ordinary shares of JSC Kazkommertsbank (“**Kazkommertsbank**”) for a consideration of 1 Kazakhstan tenge, and separately with JSC “Sovereign Wealth Fund “Samruk-Kazyna” (“**Samruk-Kazyna**”) to acquire 10.72% of ordinary shares of Kazkommertsbank also for a consideration of 1 Kazakhstan tenge.

The signing of the Agreements with Mr.Rakishev and Samruk-Kazyna follows the signing on 2 June 2017 of the Framework Agreement between the Government of the Republic of Kazakhstan (represented by the Ministry of Finance of the Republic of Kazakhstan), the National Bank of the Republic of Kazakhstan, Samruk-Kazyna, JSC Fund of Problem Loans, JSC BTA Bank (“**BTA Bank**”), Kazkommertsbank, Mr.Rakishev and Halyk Bank, as previously announced.

The closing of the transaction is subject to certain conditions precedent, including, *inter alia*:

- Acquisition by JSC Fund of Problem Loans of certain assets and loans from BTA Bank;
- Repayment of the loan by BTA Bank to Kazkommertsbank for an amount of up to 2.4 trillion tenge;
- Mr.Rakishev having acquired ordinary shares (including those in the form of global depository receipts issued with regards to these ordinary shares) currently held by Qazaq Financial Group, Mr. Subkhanberdin and Central Asian Investment Company; and
- Receipt of customary regulatory approvals from the relevant regulatory bodies in Kazakhstan and certain other jurisdictions.

The closing of the transaction is currently expected to take place in the third quarter 2017, but in any case prior to 31 December 2017.

As part of the transaction and in addition to cash consideration paid for the acquired ordinary shares, after satisfaction of the conditions precedent, Halyk Bank expects to recapitalise Kazkommertsbank for KZT 185bn in accordance with capital requirements set by the National Bank of the Republic of Kazakhstan, to bring Kazkommertsbank's capital adequacy ratio (K1-2) in line with those maintained by domestic peers. It is expected that Halyk Bank will finance the recapitalisation of Kazkommertsbank from its own internal sources.

Following completion of the transaction enlarged Halyk Group would be able to become an undisputed leader of the Kazakhstan financial sector with materially improved position across all client segments, strengthened branch, ATM and POS-terminal network, expanded products and services proposition to its clients in banking, insurance, brokerage and asset management.

Umut Shayakhmetova, CEO of Halyk Bank, said:

“This deal is landmark for the Kazakhstan financial sector. It will allow to enhance the health and stability of the banking system, as well as to create a major financial group, not only able to compete domestically, but also expand its foreign operations and address the challenges associated with Kazakhstan's membership in the WTO.

It remains Halyk Bank's priority to ensure safety of our clients' savings, provide a wide range of products and services, and to work on the increase of market capitalisation of the group for the benefit of our investors and shareholders.

We will focus our efforts on both Halyk Bank's and Kazkommertsbank's clients, and implement the best practices used by each of the banks.”

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About Halyk Group

JSC Halyk Bank and its subsidiaries (together – Halyk Group) is Kazakhstan's leading financial services group, operating across a variety of segments, including retail, SME & corporate banking, insurance, leasing, brokerage and asset management. Halyk Group also operates in Georgia, Kyrgyzstan and Russia.

With total assets of KZT 5,201.1 billion, Halyk Bank is Kazakhstan's leading lender. The Bank has the largest customer base and broadest branch network in Kazakhstan, with 506

branches and outlets across the country. Halyk Bank has been listed on the Kazakhstan Stock Exchange since 1998 and on the London Stock Exchange since 2006.