

10 March 2011

## **Intention to exercise option for common shares of JSC “Halyk Bank”**

Joint Stock Company “Halyk Savings Bank of Kazakhstan” (“**Halyk Bank**” or the “**Bank**”) (LSE: HSBK) hereby announces that it has reached a preliminary agreement with Holding Group Almex JSC (“**Almex**”), its largest shareholder, regarding a partial transfer by Almex to Halyk Bank of a call option (the “**Option**”) granted to Almex under the call option agreement dated 15 January 2009 (“**Option Agreement**”) between Almex and JSC “National Wealth Fund “Samruk-Kazyna” (“**Samruk-Kazyna**”) in respect of common shares of Halyk Bank. The Option entitles its holder to purchase all of the 259,064,909 common shares of Halyk Bank (representing 19.8% of the total outstanding common shares of the Bank) currently held by Samruk-Kazyna. Under the preliminary agreement, Almex will transfer part of the Option, exercisable in respect of 213,000,000 common shares of Halyk Bank, to Halyk Bank for a cash consideration of KZT 12.9 billion. Halyk Bank and Almex expect to sign the Option transfer agreement in the near future and intend to jointly and simultaneously exercise the Option in full on 28 March 2011.

Upon exercise of the Option, out of the 259,064,909 common shares of Halyk Bank currently held by Samruk-Kazyna, 213,000,000 common shares will be repurchased by Halyk Bank and 46,064,909 common shares will be purchased by Almex. The purchase (strike) price, calculated as of an expected exercise date of 28 March 2011 according to a formula stipulated in the Option Agreement and applicable to both the Bank’s part and Almex’s part of the Option, is expected to be KZT 126.8 per common share and will provide a nominal rate of return of 15.75% per annum to Samruk-Kazyna. The Bank plans to hold the repurchased common shares as treasury shares and currently does not have any intentions to resell them. Treasury shares are equivalent to cancelled shares as they do not carry any voting rights or any entitlement to dividends. Any resale of treasury shares will be required to follow the same authorization procedures as a new issuance out of authorized capital.

The terms of transfer of the Option and exercise of the Option are subject to approval by the respective corporate bodies of Almex and Halyk Bank.

“Halyk Bank is the first among the country’s financial institutions to start returning ahead of schedule the government funds received in 2009 under the Kazakhstan Government’s stabilization program,” said Umut Shayakhmetova, Halyk Bank’s CEO. “On 18 June 2010, we made an early repayment of the KZT 60 billion deposit placed by Samruk-Kazyna with the Bank for financing and refinancing the real sector of economy. On 15 October 2010, we made an early repayment of the KZT 11.7 billion loan received from Damu Entrepreneurship Development Fund for the financing of SME customers. Now we intend to return the government funds invested by Samruk-Kazyna in the common shares of the Bank in March 2009. Consequently, Halyk Bank is repaying the government capital after two years, instead of over a 5-year period as initially contemplated. Samruk-Kazyna will receive an income of approximately KZT 5.9 billion for the 2-year holding period. We thank the Government and Samruk-Kazyna for their support and are hopeful that Halyk will continue to participate actively in the new economic programs of the Government and Samruk-Kazyna. The results achieved by the Bank for the last two years is a testament to the efficiency of the Bank’s growth strategy. We believe Halyk is currently the most stable and successful Kazakhstan bank. The Government’s exit from the Bank’s capital is an important event for us which marks a new stage of development for the Halyk Group.”

### **About Halyk Bank**

*Halyk Bank is one of Kazakhstan's leading financial services groups and a leading retail bank with the largest customer base and distribution network among Kazakhstan banks. The Bank is developing as a universal financial group offering a broad range of services (banking, pensions, insurance, leasing, brokerage and asset*

*management) to its retail customers, small and medium enterprises and corporate clients. As at 30 September 2010, Halyk Bank had total assets of KZT 2,064 billion and shareholders' equity of KZT 309 billion.*

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