

PRESS RELEASE

Announcement

2 June 2017

On 2 June 2017, the Government of the Republic of Kazakhstan (represented by the Ministry of Finance of the Republic of Kazakhstan), the National Bank of Kazakhstan, JSC “Sovereign Wealth Fund Samruk-Kazyna” (“**Samruk-Kazyna**”), JSC “Problem Loans Fund”, JSC “Halyk Bank” (“**Halyk Bank**”), JSC “BTA Bank” (“**BTA Bank**”), JSC “Kazkommertsbank” (“**Kazkommertsbank**”) and Mr K. Kh. Rakishev, its major shareholder, signed a Framework Agreement (the “**Agreement**”).

As communicated earlier, JSC Halyk Bank had entered into the negotiations on the potential purchase of a controlling equity stake in JSC Kazkommertsbank from Mr Rakishev and separately from Samruk-Kazyna (the “**Transaction**”). For their part, the Government of the Republic of Kazakhstan and the National Bank of Republic of Kazakhstan view the potential Transaction as contributing to the stability of the financial system and intend to provide support for the benefit of the Transaction. To this end, on 2 March 2017 the parties executed the non-binding Memorandum of Understanding (the “**MoU**”). This Agreement is made pursuant to the MoU and stipulates legally binding actions to be taken by each Party in the course of Transaction implementation.

In particular, the Agreement provides for the following:

- (a) Acquisition of certain assets and claims from BTA Bank by the Problem Loans Fund for the purpose of general turnaround and stabilization of the financial sector;
- (b) Repayment of BTA Bank’s debt owed to Kazkommertsbank;
- (c) Subject to a number of conditions precedent, acquisition by Halyk Bank of shares in Kazkommertsbank owned by Mr Rakishev and Samruk-Kazyna (“**Target Shares**”), with a potential subsequent capital injection into Kazkommertsbank by Halyk Bank to ensure Kazkommertsbank’s capital adequacy as required (“**Capital Injection**”);
- (d) The actual amount of the Capital Injection will be determined on the basis of the due diligence that is carried out jointly by Halyk Bank and the National Bank of Kazakhstan;
- (e) Subject to the amount of the Capital Injection (as per the preliminary due diligence by Halyk Bank), the purchase price of the Target Shares will be a notional amount of KZT 1 per equity stake;
- (f) Support as needed from the Government represented by the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan.

The Parties are planning to soon sign additional legally binding documents on the Transaction, which will be announced separately.

In executing the Agreement, Halyk Bank was guided by the need to respect the interests of its shareholders, including minority ones, lenders, depositors and customers.

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