

Dated: 2 October 2012

To: Ashmore Investment Management Limited  
(as agent for and on behalf of certain funds and  
accounts for which it acts as investment manager  
and/or adviser)

Asian Development Bank

D. E. Shaw Laminar International, Inc. and  
D. E. Shaw Oculus International, Inc.

Gramercy Funds Management LLC  
(for certain funds and accounts for which it acts  
as investment manager and/or adviser)

J.P. Morgan Securities Ltd. (now called  
JPMorgan Securities Plc)

The Royal Bank of Scotland plc

Swedish Export Credits Guarantee Board – EKN

VR Advisory Services Ltd. (in its capacity as  
General Partner of VR Global Partners, L.P.)

SAM Salute Advisors Ltd., Moscow Branch

Dear Sirs,

## **TERM SHEET**

1. This letter records the key terms of the restructuring (the “**Restructuring**”) of the financial indebtedness of JSC BTA Bank (the “**Bank**” or “**BTA**”) as agreed in principle by the Bank and a group of its financial creditors appointed by the Bank as members of its creditors’ steering committee.
2. The steering committee (in this letter, the “**Steering Committee**”) pursuant to an appointment letter dated 5 April 2012 and an accession letter dated 15 June 2012 (together, the “**Appointment Letter**”) presently comprises Ashmore Investment Management Limited (as agent for and on behalf of certain funds and accounts for which it acts as investment manager and/or adviser), Asian Development Bank, D. E. Shaw Laminar International, Inc. and D. E. Shaw Oculus International, Inc., Gramercy Funds Management LLC (for certain funds and accounts for which it acts as investment manager and/or adviser), J.P. Morgan Securities Ltd. (now called JPMorgan Securities Plc), Nomura International plc, The Royal Bank of Scotland plc, Swedish Export Credits Guarantee Board – EKN, VR Advisory Services Ltd. (in its capacity as General Partner of VR Global Partners, L.P.) and SAM Salute Advisors Ltd., Moscow Branch.
3. The schedule to this letter includes the key terms of a plan of restructuring agreed between the Bank and the members of the Steering Committee to whom this letter is addressed. This letter (including the schedule hereto) shall be published by the Bank on its website on or around noon (London time) on 3 October 2012.
4. No provision of this letter or the schedule hereto shall:
  - (a) have legal effect or constitute any binding obligation on any of the parties to it other than paragraph 7 of this letter; nor

- (b) be binding on any creditor in relation to any financial indebtedness of the Bank (collectively, the “**Financial Creditors**”).
5. We acknowledge that the members of the Steering Committee:
- (a) shall not be bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring; and
  - (b) are not authorised to act on behalf of any Financial Creditor and are not acting in their capacity as agents under syndicated facilities with the Bank or otherwise and are not acting as fiduciary for or advisor to any person in connection with this letter or the arrangements contemplated under this letter (save as pursuant to obligations arising under any investment management agreement). The members of the Steering Committee give no covenants and have no duties or obligations to any person in connection with this letter or the Restructuring (save as pursuant to obligations arising under any investment management agreement).
6. This letter is expressly:
- (a) without prejudice to and shall not be construed as a waiver or variation of any of the rights and remedies of Financial Creditors under their respective contractual documentation with the Bank (the “**Financing Agreements**”) and/or under applicable law, all of which rights and remedies are hereby specifically reserved;
  - (b) without prejudice to the Bank’s continuing obligations under the Financing Agreements, which shall remain in full force and effect; and
  - (c) subject to all necessary approvals of the Bank, of JSC National Welfare Fund “Samruk-Kazyna” and of each member of the Steering Committee to whom this letter is addressed.
7. This letter and any non-contractual obligations arising out of or in connection with this letter shall be governed by and construed in accordance with the laws of England. This letter may be translated into Russian. However, in the event of any discrepancy, the English version of this letter shall prevail. This letter may be executed in any number of counterparts and this shall have the same effect as if the signatures on the counterparts were on a single copy of this letter.
8. Please confirm your agreement and acceptance of the provisions of this letter by signing below.

Yours faithfully

/S/ YERIK BALAPANOV

.....  
 Yerik Balapanov  
 Chairman of the Management Board  
 For and on behalf of  
**JSC BTA Bank**

/S/ ELENA BAKHMUTOVA

.....  
 Elena Bakhmutova  
 Deputy Chairman of the Management Board  
 For and on behalf of  
**JSC National Welfare Fund “Samruk-Kazyna”**

**ACCEPTANCE**

We agree to and accept the provisions of this letter as of the date first above written.

/S/ ALEXANDRA AUTREY

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for and on behalf of

**Ashmore Investment Management Limited**

(as agent for and on behalf of certain funds and accounts for which it acts as investment manager and/or adviser)

Name: Alexandra Autrey

Title: Authorised Signatory

/S/ JUANITO LIMANDIBRATA

.....

for and on behalf of

**Asian Development Bank**

Name: Juanito Limandibrata

Title: Authorised Signatory

/S/ NEIL COSGROVE

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for and on behalf of

**D. E. Shaw Laminar International, Inc. and D. E. Shaw Oculus International, Inc.**

Name: Neil Cosgrove

Title: Authorised Signatory

/S/ ROBERT L. RAUCH

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for and on behalf of

**Gramercy Funds Management LLC**

(for certain funds and accounts for which it acts as investment manager and/or adviser)

Name: Robert L. Rauch

Title: Partner

/S/ VICTORIA MILES

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for and on behalf of

**J.P. Morgan Securities Ltd. (now called JPMorgan Securities Plc)**

Name: Victoria Miles

Title: Managing Director

/S/ RUTH TRAUOGOTT

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for and on behalf of

**The Royal Bank of Scotland plc**

Name: Ruth Traugott

Title: Authorised Signatory

/S/ ANNE ABRAHAMSEN

.....

for and on behalf of

**Swedish Export Credits Guarantee Board – EKN**

Name: Anne Abrahamsen

Title: Deputy Director General

/S/ RICHARD DEITZ

.....

for and on behalf of

**VR Advisory Services Ltd.** (in its capacity as General Partner of VR Global Partners, L.P.)

Name: Richard Deitz

Title: Authorised Signatory

/S/ GENNA LOZOVSKY

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for and on behalf of

**SAM Salute Advisors Ltd., Moscow Branch**

Name: Genna Lozovsky

Title: Authorised Signatory

## SCHEDULE

### SUMMARY OF NON-BINDING RESTRUCTURING TERMS

<b>RCTFF</b>	The terms of the RCTFF (as defined below) will provide as follows:
Total Commitments	\$348.2 million
Availability Period	Up to 31 December 2014
Amortisation of Legacy Loan	\$50 million on completion of the restructuring, which is anticipated to be prior to 31 December 2012. Remaining \$298.2 million to be paid over 10 quarters (ca. \$29.8 million per quarter) commencing on 31 December 2012 and ending on 31 March 2015
Maturity	31 December 2015
Covenants	To be aligned with the New Notes, subject to appropriate modifications given the purpose of the facility
<b>OIDs</b>	The OIDs (as defined below) will be exchanged for:
New Notes	\$600 million New Notes (nominal amount)
<b>Senior Notes</b>	The Senior Notes (as defined below) will be exchanged for:
Cash	\$957.77 million
New Notes	\$88.79 million New Notes (nominal amount)
<b>Recovery Units</b>	The Recovery Units (as defined below) will be exchanged for:
Cash	\$660.23 million (of which approximately \$26 million will come from the existing RU Collection Account)
New Notes	\$61.21 million New Notes (nominal amount)
<b>Form of New Notes</b>	
Coupon	5 1/2% payable in cash semi-annually as from the earlier of completion or 1 January 2013
Maturity	The earlier of the tenth anniversary of completion or 31 December 2022 – bullet
Applicable Law	English law, LCIA
Listing	London or Luxembourg
Covenants	<ul style="list-style-type: none"><li>• Negative pledge</li><li>• No dividends during event of default; any dividends require prepayment/redemption of New Notes in an equivalent amount, at par</li><li>• Limitation on repurchases of equity and repayment of the Subordinated Loan</li><li>• Maintenance of capital adequacy in accordance with local rules; minimum Tier 1 capital ratio of 10% calculated pursuant to Basel II</li></ul>

guidelines in alignment with IFRS principles

- Disposals (subject to certain exceptions) required to be at FMV (subject to a reputable third party valuation including with respect to the value of any non-cash consideration if asset exceeds \$100 million)
- Change of control limitations; subject to permitted transferees, including any non-sanctioned bank group (a) with a minimum net worth of \$500 million under IFRS, and rated BB- or better (if a non-Kazakh bank group) and (b) with a minimum net worth of \$325 million under IFRS and rated no worse than BTA immediately prior to such change of control (if a Kazakh bank group)
- “Merger and consolidation” covenant to ensure New Notes transfer to successor
- Provision of audited annual and unaudited semi-annual IFRS financial statements

## Other

OIDs and Senior  
Notes/RUs Exchange

Prior to completion of the restructuring, existing holders of Senior Notes and RUs may elect to exchange all or a portion of their cash consideration, for New Notes to be issued to OID holders, subject to the following limitations:

- The amount of New Notes eligible for such exchange shall be limited by elections made by existing OID holders;
- The amount of cash eligible for such exchange shall be limited by elections made by existing Senior Note and RU holders;
- The exchange price of the New Notes shall be 55% of the notional amount of New Notes;
- Any excess of demand for cash and/or New Notes by respective holders shall be cancelled, and the matching amount shall be allocated rateably among noteholders who have elected to participate in the exchange.

Elections shall be undertaken prior to closing at the most practical date. Allocations shall be announced as soon as reasonably practicable thereafter.

Treatment of  
Subordinated Notes

The amount and form of restructuring consideration (if any) to be delivered or paid with respect to any series of the Subordinated Notes shall be determined by BTA. Such consideration shall not alter or reduce any entitlements to the holders of Senior Notes, RUs, OIDs or RCTFF, as contemplated herein.

Corporate Governance

Creditor-focused rights in the governance processes of BTA to be removed

## **SK CONTRIBUTION**

Subordinated Loan	Subordinated Loan of \$1,592 million or Tenge equivalent (calculated by reference to forex spot rate at time of advance for purchase of U.S. dollars for Tenge); up to 4% p.a. coupon; subordination methodology set out in the Schedule.
Coupon Increase	SK to increase coupon of existing SK bonds held as an asset by BTA from 4% p.a. to 6% p.a.
Conversion of Deposits	SK to convert deposits with BTA into equity in an amount required to achieve a minimum regulatory Tier 1 capital under Basel II guidelines in alignment with IFRS principles of at least 10% post-restructuring, resulting in an increase in its shareholding in the Bank

## **Definitions**

BTA	BTA Bank JSC
SK	National Welfare Fund JSC “Samruk-Kazyna”
SC	Steering Committee
RCTFF	The \$348.2 million revolving committed trade finance facility
Senior Notes	\$2,082 million of USD 10.75% and KZT 32,604 million of 14.75% Senior Notes due 2018 (and holders thereof), less such amounts held by BTA. The total USD amount of Senior Notes outstanding and not held by BTA is \$2,247 million
RUs	\$5,221 million (reference amount) of Recovery Units maturing 2020 (and holders thereof), less such amounts held by BTA. The total reference amount of RUs outstanding and not held by BTA is \$5,107 million
OIDs	\$385 million and EUR 437 million of fully accreted value of Original Issue Discount Notes due 2021 (and holders thereof)
Subordinated Notes	\$497 million of 7.2% notes, EUR 28 million of 6.75% notes, KZT 7,396 million of 11.2% subordinated notes due 2025, and KZT 28,000 million of 8.0% subordinated notes due 2030, in each case less such amounts held by BTA. The total US\$ equivalent amount of subordinated notes outstanding and not held by BTA is \$759 million

### Schedule of Subordination Methodology

Subordinated Loan	<p>Maturity: following maturity date of New Notes</p> <p>Subordinated Loan provides:</p> <ul style="list-style-type: none"><li>- it is subordinated to the New Notes and the RCTFF</li><li>- no payment of principal can be made under it until the New Notes have been paid in full</li><li>- interest payment stop following and for so long as default on New Notes</li><li>- only events of default are non-payment and insolvency, plus cross-acceleration to New Notes and other senior debt</li><li>- no set-off by BTA</li><li>- no set-off by SK without consent</li><li>- governed by Kazakh law, Kazakh courts</li></ul>
Turnover Obligation	<p>SK to undertake a binding obligation enforceable by the New Note Trustee providing principally:</p> <ul style="list-style-type: none"><li>- if monies are paid out on or set-off effected with relation to the Subordinated Loan (other than permitted payments of interest and certain <i>de minimis</i> usual exceptions) before the New Notes have been paid out, such monies must be paid (“turned over”) to the New Note Trustee to be distributed to the holders of the New Notes</li><li>- Trust Deed to provide that New Note Trustee shall comply with Turnover Obligation in making onward payment of monies received pursuant to the Subordinated Loan</li></ul>
Other Terms of Turnover Obligation	<ul style="list-style-type: none"><li>- SK will not set off the Subordinated Loan against the SK bonds or other obligations of SK</li><li>- SK will not amend, demand (other than with respect to permitted interest or other permitted payments), enforce or take any insolvency commencement step by reference to the Subordinated Loan without consent of the New Notes Trustee</li><li>- Turnover Obligation will terminate if New Notes are rated BBB- or better by at least two of Fitch, S&amp;P and Moody’s on a post-termination basis or if BTA no longer has any obligations in respect of the New Notes</li><li>- English law, LCIA arbitration</li></ul>