

THIS SUPPLEMENTAL INFORMATION MEMORANDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek advice from your own appropriately authorised independent financial adviser.

SUPPLEMENTAL INFORMATION MEMORANDUM

Prepared for the information of the holders of (i) certain financial indebtedness of JSC Alliance Bank and (ii) the Shareholders of JSC Alliance Bank in connection with the Restructuring Plan and the Consolidation referred to herein.



ALLIANCE BANK

JSC ALLIANCE BANK

(a joint stock company incorporated in the Republic of Kazakhstan with registered number 4241-1900-AO)

Terms defined in the information memorandum dated 13 October 2014 (the “**October Information Memorandum**”) published by the Bank in connection with its Restructuring Plan and the proposed Consolidation are used in this Supplemental Information Memorandum as so defined.

This Supplemental Information Memorandum should be read in conjunction with the October Information Memorandum and, as used herein, the term “Information Memorandum” shall mean the October Information Memorandum as supplemented by this Supplemental Information Memorandum unless the context otherwise requires.

In making its voting decision, a Claimant or Shareholder should rely only on the information contained in the Information Memorandum.

The New Notes, Common Shares and GDRs have not been and will not be registered under the Securities Act. As a result, Claimants who are in the United States or who are U.S. Persons will be eligible to participate in the Restructuring Plan only if they are either QIBs or Accredited Investors unless the Bank in any instance otherwise agrees. Offers and issuances of New Notes, Common Shares and GDRs to persons outside the United States who are not U.S. Persons will be made in reliance on Regulation S.

No person has been authorised by the Bank to give any information or make any representation other than those contained in this Supplemental Information Memorandum and/or the Information Memorandum and the accompanying documents and, if given or made, such information or representation must not be relied upon as having been so authorised.

This Supplemental Information Memorandum is, subject to certain restrictions, available on the Bank’s website (www.alb.kz/en/investor_relations).

10 November 2014

IMPORTANT NOTICE

You must read the following before continuing. The following applies to this Supplemental Information Memorandum and the October Information Memorandum, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing this Supplemental Information Memorandum and the October Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THIS SUPPLEMENTAL INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NEW NOTES, COMMON SHARES AND GDRS ARE BEING OFFERED, AND WILL BE ISSUED ONLY TO, CLAIMANTS (I) OUTSIDE THE UNITED STATES THAT ARE NOT U.S. PERSONS OR (II) WITHIN THE UNITED STATES (IN PRIVATE TRANSACTIONS PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT) THAT ARE EITHER ACCREDITED INVESTORS OR QIBS (EACH AN “ELIGIBLE INVESTOR”) UNLESS THE BANK IN ANY INSTANCE OTHERWISE AGREES. ONLY ELIGIBLE INVESTORS AND CLAIMANTS WHO ARE OUTSIDE THE UNITED STATES, ARE NOT U.S. PERSONS AND ARE OTHERWISE ELIGIBLE, AS PROVIDED HEREIN, ARE AUTHORISED TO ACCESS OR RECEIVE THIS SUPPLEMENTAL INFORMATION MEMORANDUM.

THIS SUPPLEMENTAL INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS SUPPLEMENTAL INFORMATION MEMORANDUM SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

The New Notes, Common Shares and GDRs are subject to restrictions on transferability and resale and may not be transferred or resold except in accordance with the Securities Act and other applicable securities laws, pursuant to registration or an exemption therefrom. See “*Issuance and Transfer Restrictions*” in the October Information Memorandum.

CONFIRMATION OF YOUR REPRESENTATION: By accessing this Supplemental Information Memorandum you shall be deemed to represent that you are either (i) a person other than a U.S. Person and have received this Information Memorandum outside the United States or (ii) an Eligible Investor that is receiving the New Notes, Common Shares or GDRs for its own account or the account of another person that is an Eligible Investor.

If you wish to participate in the Restructuring Plan and you are a Claimant who is a U.S. Person and is not an Eligible Investor, please contact the Bank by emailing IR@alb.kz or calling +7 727 258 4040 (extension 52034, 52630 or 52447).

Lazard Frères is acting as Financial Adviser to the Bank and to no one else in connection with the Restructuring and will not be responsible to anyone other than the Bank for providing the protections afforded to clients of Lazard Frères for giving advice in relation to the Restructuring and the Consolidation.

You should not construe the contents of this Supplemental Information Memorandum and the October Information Memorandum as legal, tax or financial advice. You are recommended to consult your own professional advisers as to legal, tax, financial or other matters relevant to the action you

should take in connection with the Restructuring Plan and the Consolidation (as applicable). The Information Memorandum has been prepared to assist Claimants and Shareholders to decide whether and how to vote on the Restructuring Plan and the Consolidation (as applicable). Pursuant to Clause 2.3 of the Restructuring Plan, various provisions of the Information Memorandum form an integral part of the Restructuring Plan.

The summary of the principal provisions of the Restructuring Plan contained in the Information Memorandum is qualified in its entirety by reference to the Restructuring Plan itself, the full text of which is set out in Schedule 1 (*The Restructuring Plan*) to the Information Memorandum. Each Claimant and Shareholder is advised to read and consider carefully the full text of the Restructuring Plan.

The distribution of this Supplemental Information Memorandum and the October Information Memorandum and the distribution of New Notes, Common Shares and GDRs may be restricted by law in certain jurisdictions. The Bank makes no representation that this Supplemental Information Memorandum, the October Information Memorandum or the New Notes, Common Shares or GDRs may be lawfully distributed in any jurisdiction and assumes no responsibility for facilitating any such distribution. Accordingly, neither this Supplemental Information Memorandum, nor the October Information Memorandum nor any other offering material may be distributed or published, and none of the New Notes, Common Shares or GDRs may be distributed, in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Supplemental Information Memorandum or the October Information Memorandum may come must inform themselves about, and observe any such restrictions on the distribution of this Supplemental Information Memorandum and the October Information Memorandum and the distribution of the New Notes, Common Shares and GDRs.

Claimants entitled to the distribution of New Notes, Common Shares or GDRs under the Restructuring Plan must comply with all laws and regulations applicable to them in force in any jurisdiction and must obtain any consent, approval or permission required to be obtained by them under the laws and regulations applicable to them in force in any jurisdiction to which they are subject and the Bank shall not have any responsibility therefor.

Nothing in this Supplemental Information Memorandum or any other document issued with or appended to it should be relied on for any purpose other than to make a decision on voting in respect of the Restructuring Plan or the Consolidation (as applicable). In particular and without limitation, nothing in this Supplemental Information Memorandum or any other document issued with or appended to it should be relied on in connection with the purchase of any securities (other than under the Restructuring Plan) of the Bank. This Supplemental Information Memorandum has been prepared in connection with (i) the proposal in relation to the Restructuring Plan of the Bank under the Restructuring Law and (ii) the Consolidation.

The information contained in this Supplemental Information Memorandum has been prepared based upon information available to the Bank. To the best of the Bank's knowledge, information and belief, the information contained in this Supplemental Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Bank has taken all reasonable steps to ensure that the Information Memorandum, read together with this Supplemental Information Memorandum, contains the information reasonably necessary to enable Claimants and Shareholders to make an informed decision about the Restructuring Plan and the Consolidation (as applicable). None of the Bank's legal, financial or tax advisers, the members of the Steering Committee, the Steering Committee's legal, financial, tax or other advisers, the Trustee, the Trustee's legal advisers or Samruk-Kazyna have authorised the contents of this Supplemental Information Memorandum or any part of it nor do they accept any responsibility for the accuracy, completeness or reasonableness of the statements contained within it. None of the Bank's legal, financial, tax or other advisers, the members of the Steering Committee, the Steering Committee's legal, financial, tax or other advisers, the Trustee or the Trustee's legal advisers or Samruk-Kazyna

have verified that the information contained in this Supplemental Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information and each of those persons expressly disclaims any responsibility for such information.

Nothing contained in this Supplemental Information Memorandum shall be deemed to be a forecast, projection or estimate of the Bank's future financial performance except where otherwise specifically stated. This Supplemental Information Memorandum may contain certain statements, statistics and projections that are, or may be, forward-looking. See "*Forward-Looking Statements*" in the October Information Memorandum. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although the Bank believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Claimants should inform themselves about and observe any legal requirements applicable in their own jurisdictions to the participation in the Restructuring Plan and the receipt of any New Notes, Common Shares or GDRs and should consult their professional advisers and satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in all applicable jurisdictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

Claimants should consult their own financial, legal and tax advisers with respect to the financial, legal and tax consequences of the Restructuring Plan in light of their particular circumstances. The members of the Steering Committee are not acting as fiduciary or adviser to any person, give no covenants and have no duties or obligations to any person in connection with the Restructuring (save as pursuant to obligations arising under any investment management agreement). No member of the Steering Committee expresses any opinion as to the merits of the Restructuring Plan. The members of the Steering Committee are not bound to accept or reject or recommend this or any subsequent proposal set out as part of the Restructuring.

The Bank has been required by the members of the Steering Committee to make public in this document all inside information, material non-public information or information that is price sensitive which has been supplied to the members of the Steering Committee by the Bank. The Bank believes that it has performed this obligation and that, following the publication of this Supplemental Information Memorandum and the October Information Memorandum, the members of the Steering Committee have no inside information, material non-public information or information that is price sensitive which has been supplied to them by the Bank. None of the members of the Steering Committee or the Steering Committee's legal, financial or tax advisers have verified such assertion and each of those persons expressly disclaims any responsibility for such assertion.

NO ADMISSION OF LIABILITY OR WAIVER

All the statements in this Supplemental Information Memorandum are made solely in connection with the Restructuring Plan and the Consolidation. Accordingly, they do not constitute, and should not be deemed to be, admissions of liability on the part of the Bank or any other party. Nothing herein shall prejudice any right of the Bank in any pending or future legal or other proceedings to dispute the claim of any person in respect of or in connection with any indebtedness or the amounts of such indebtedness or to bring any claim or counterclaim against any person and nothing herein shall imply that any person described herein as a Claimant or having the benefit of a claim has a valid claim against the Bank or any other party nor shall the payment of any Distributions constitute a waiver or relinquishment of any claim available to the Bank against any person.

NOTICE TO CLAIMANTS IN THE UNITED STATES

THE NEW NOTES, COMMON SHARES AND GDRS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE NEW NOTES, COMMON SHARES AND GDRS NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE NEW NOTES, COMMON SHARES, GDRS OR THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENTAL INFORMATION MEMORANDUM OR THE OCTOBER INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO CLAIMANTS IN THE EUROPEAN ECONOMIC AREA

This Supplemental Information Memorandum and the October Information Memorandum are only addressed to and directed at persons in member states of the European Economic Area (the “**EEA**”) who are “Qualified Investors” within the meaning of Article 2(1)(e) of the Prospectus Directive. The New Notes, Common Shares and GDRs are only available to Qualified Investors, unless in any instance the Bank otherwise agrees. This Supplemental Information Memorandum and the October Information Memorandum and its contents should not be acted upon or relied upon in any member state of the EEA by persons who are not Qualified Investors. The expression “**Prospectus Directive**” means Directive 2003/71/EC as amended by Directive 2010/73/EU and includes any relevant implementing measure in each relevant member state.

NOTICE TO CLAIMANTS IN THE REPUBLIC OF KAZAKHSTAN

The New Notes, Common Shares and GDRs may only be distributed in Kazakhstan to institutions or individuals in Kazakhstan, including banks, brokers, dealer participants, pension funds and collective investments institutions, as well as central government, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities.

AMENDMENTS TO THE INFORMATION MEMORANDUM

The October Information Memorandum is amended as follows and the October Information Memorandum as so amended and as supplemented by this Supplemental Information Memorandum shall be the Information Memorandum for all purposes in connection with the Restructuring and the Consolidation:

Amendment to the Letter from the Chairpersons of the Board of Directors and the Management Board of the Bank

The third bullet point in “*Letter from the Chairpersons of the Board of Directors and the Management Board of the Bank – Advantages of the Restructuring and Consolidation*” in the October Information Memorandum is amended as follows:

“the Combined Bank will also benefit from the creation of additional tax assets (approximately U.S.\$106.2 million) and the positive capital contributions of Temirbank (U.S.\$478.2 million, including the capital creation stemming from the addition of ~~KZT~~ U.S.\$407.0 million of deposits of Samruk-Kazyna with Temirbank into the New SK Deposit) and ForteBank (U.S.\$194.0 million, including the capital creation stemming from the addition of U.S.\$358.3 million deposits of Samruk-Kazyna with ForteBank into the New SK Deposit);”

Amendment to the Anticipated Date for Distribution of Notices of Settlement Instructions

The indicative date for the anticipated distribution of the notices of Settlement Instructions to Noteholders specified in “*Expected Sequence of Principal Events*” and in “*Information for Shareholders and Claimants – Entitlement to and Distribution of Cash, New Notes and/or Common Shares or GDRs – Settlement Instructions*” in the October Information Memorandum is amended from 14 November 2014 to 20 November 2014.

Amendment to Certain Definitions

The definition of “New SK Deposit” set out in “*Key Terms and Definitions*” in the October Information Memorandum is amended as follows:

“New SK Deposit” means ~~the KZT 220 billion principal amount of~~ a deposit to be placed with the Bank by Samruk-Kazyna consisting of: (i) the deposit to be placed with the Bank by Samruk-Kazyna on or about the Restructuring Date (in an amount equal to the principal amount of the SK Deposits), and (ii) additional deposits to be placed with the Bank by Samruk-Kazyna on or before 31 December 2014 in such amounts as to ensure that the total amount of the New SK Deposit is equal to at least KZT 220 billion, provided that all such deposits shall bear interest at 4 per cent. per annum and mature on or after the tenth anniversary of the Restructuring Date.”

The following definition set out in “*Key Terms and Definitions*” in the October Information Memorandum is amended as follows:

“~~“Tax Code”~~ means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);”

Amendments to Certain Disclosures

The reference to “KZT 18,308.40” in “*Terms of the Restructuring Packages – Terms of the Restructuring Packages – Illustrative Entitlements*” in the October Information Memorandum shall be replaced by a reference to “KZT 18,257.95”.

The title of the item appearing in the eighth line of the table set out in “*Operating and Financial Review – Temirbank – Financial Condition as at 30 June 2014, 31 December 2013 and 31 December 2012 – Shareholders’ Equity*” in the October Information Memorandum is amended from “Total equity” to “Non-controlling interests”.

The following paragraph set out in “*Operating and Financial Review – ForteBank – Results of Operations for the Six-Month periods ended 30 June 2014 and 2013 – Net Interest Income*” in the October Information Memorandum is amended as follows:

“Interest income principally comprises income on loans to customers, interest income on amounts due from other banks, income on held-to-maturity investment securities, interest on cash and cash equivalents and interest income on trading securities. Total interest income increased by 24.2 per cent. to KZT 1,389 million for the six months ended 30 June 2014 from KZT 1,118 million for the six months ended 30 June 2013, largely as a result of a 19.9 per cent. year-to-year increase in interest on loans to customers to KZT 1,312 million for the six months ended 30 June 2014 from KZT 1,094 million for the six months ended 30 June 2013 due to the expansion of ForteBank’s loan portfolio.”

The last paragraph of “*Share Distribution and the GDR Programme – The GDR Programme – Distribution of Common Shares and GDRs on the Restructuring Date*” in the October Information Memorandum is amended as follows:

“The maximum amount of Common Shares in respect of which GDRs will be issued to Claimants is, at the date of this Information Memorandum, expected to be approximately 9,966,484,918 Common Shares corresponding to 10.32 per cent. of the Common Share capital of the Combined Bank. ~~Each GDR will represent 500 Common Shares~~ It is currently intended that each GDR will represent 500 Common Shares. However, the Bank may, following consultation with the Steering Committee, agree with the Depositary to change the ratio at any time prior to the Restructuring Date.”

Amendments to the Conditions of the New Notes

In order to align Condition 15(f) with the substitution provisions in the New Notes Trust Deed, Condition 15(f) of the terms and conditions of the New Notes set out in Schedule 8 (*Terms and Conditions of the New Notes*) to the October Information Memorandum is amended as follows:

“(f) Substitution

The Trust Deed contains provisions to the effect that the Trustee may (without the consent of the Noteholders) agree on such terms as it may specify to the substitution of the Bank’s successor in business or any Subsidiary of the Bank in place of the Bank as issuer and principal obligor in respect of the Notes and as principal obligor under the Trust Deed, subject to all relevant conditions of the Trust Deed having been complied with (including an unconditional guarantee by the Bank of the obligations assumed by the substitute in the circumstances set out in the Trust Deed). Not later than 14 days after compliance with the aforementioned requirements, notice thereof shall be given by the Bank to the Noteholders in accordance with Condition 14 (Notices).”

In order to align Condition 19(b) with the arbitration provision in the New Notes Trust Deed, the following sentence shall be deleted from Condition 19(b) of the terms and conditions of the New

Notes set out in Schedule 8 (*Terms and Conditions of the New Notes*) to the October Information Memorandum:

“The arbitral tribunal shall not be authorised to take or provide, and the Trustee agrees that it shall not seek from any judicial authority, any interim measures of protection or pre-award relief against the Bank, any provisions of the Rules notwithstanding.”

The definition of “SK Deposit” set out in Condition 20 of the terms and conditions of the New Notes set out in Schedule 8 (*Terms and Conditions of the New Notes*) to the October Information Memorandum is amended as follows:

*“**SK Deposit**” means the KZT 220,000,000,000 deposit of Samruk-Kazyna to be placed with the Bank on or ~~about~~after Issue Date bearing interest at 4 per cent. per annum and maturing on ~~December 2024~~ or after the tenth anniversary of the Issue Date;”*

Amendments to the Terms and Conditions of the Global Depositary Receipts

The terms and conditions of the GDRs set out in Schedule 9 (*Terms and Conditions of the Global Depositary Receipts*) to the October Information Memorandum are amended as follows:

- (i) all references to “HSBC Bank Kazakhstan” in the introductory paragraph shall be replaced by references to “JSC Kazkommertsbank”;
- (ii) the reference to “Condition 16.1(i) in Condition 1.11.6 shall be replaced by a reference to “Clause 10.1.1(a)”;
- (iii) the reference to “Conditions 5, 6, 7, 10, 13 or 20” in Condition 14.5 shall be replaced by a reference to “Conditions 5, 6, 7, 10, 13 or 21”; and
- (iv) the references to “best endeavours” in Condition 18 shall be replaced by references to “reasonable endeavours”.

Amendment to Description of the Undertaking by Mr. Utemuratov

The following sentence shall be added at the end of “*Management and Corporate Governance – Management and Corporate Governance Following the Restructuring and Consolidation – Undertaking by Mr. Utemuratov*” in the October Information Memorandum:

“Only candidates fluent in Russian and resident in Kazakhstan will be eligible for such nomination.”

INFORMATION CONCERNING THE NOTICE OF SETTLEMENT INSTRUCTIONS

The Claimants are hereby made aware that the notice of Settlement Instructions to be distributed to the Noteholders as outlined in the October Information Memorandum will contain the following provision:

“If a Noteholder makes both an Equity Exchange Election and an Equity for Cash Exchange Election for an aggregate amount in excess of its Equity Entitlements, to the extent that there are sufficient Exchangeable New Notes Entitlements, such Noteholder’s Equity Exchange Election shall be satisfied in priority to the Equity for Cash Exchange Election in respect of that amount of Common Shares or GDRs in excess of the Noteholder’s Equity Entitlements. For example, if a Noteholder makes an Equity Exchange Election in respect of 60 per cent. of its Equity Entitlements and an Equity for Cash Exchange Election in respect of 60 per cent. of its Equity Entitlements, provided there are sufficient Exchangeable New Notes Entitlements, such Noteholder will receive New Notes in respect of 60 per cent. of its Equity Entitlements and cash in respect of the remaining 40 per cent. of its Equity Entitlements.”.