



Press release

**Halyk Finance successfully leads issuance and placement of \$3.25 bn 7-, 12- and 30.5-year Eurobonds by JSC NC “KazMunayGas” (“KMG”) under KMG’s ongoing complex liability management exercise**

Almaty, 25 April 2018

JSC Halyk Finance has successfully acted as a Joint Lead Manager and Bookrunner in \$3.25 bn 7-, 12- and 30.5-year Eurobonds issuance and placement by JSC NC “KazMunayGas” (“KMG” or the “Company”). This timely groundbreaking transaction has become an integral part of KMG’s ongoing complex liability management project of enhancing the Company’s debt profile.

On April 3<sup>rd</sup>, KMG and KMG FINANCE SUB B.V. (“KMG Finance”) announced their invitation to each holder of KMG’s outstanding notes due 2020, 2021, 2025 and 2043 with a total outstanding principal amount of \$3.14 bn (the “Notes”) to tender any or all of such Notes for purchase by KMG for cash and concurrently to consent to amend the terms and conditions of the Notes to provide for mandatory early redemption of these Notes by KMG. Halyk Finance has successfully acted as Dealer Manager and Consent Solicitation Agent on this transaction. As of the early participation deadline on April 16<sup>th</sup>, KMG and KMG Finance received instructions for the tender offers and consent solicitations of the holders of the Notes representing a total nominal value of \$2.96 bn. Thus, a minimum quorum of 75% of each series of the outstanding Notes for the holders to approve the above agenda was achieved after only two weeks from the launch of KMG’s and KMG Finance’s proposals.

On April 17<sup>th</sup>, KMG opened a global investor book for its new benchmark-sized 7-, 12- and 30.5-year Eurobonds. Orders from investors in Kazakhstan were collected through the Kazakhstan Stock Exchange (the “KASE”) concurrently with the international bookbuilding. The initial price guidances were set at yields to maturity of around 4.875%, 5.500% and 6.600% respectively, but backed by strong investor support they were later revised to the final ranges of 4.750%–4.875%, 5.375%–5.500% and 6.450%–6.600%, respectively. Upon the books’ closing on the same day, a very robust global book represented by orders from over 230 accounts for a total of \$8.5 billion allowed KMG to price the deal at the lowest levels of the revised ranges – i.e. at 4.750% for the \$500 MM 7-year series with the same coupon rate, at 5.375% for the \$1.25 bn 12-year series with the same coupon rate and at 6.450% for the \$1.5 bn 30.5-year series with the coupon rate of 6.375% per annum. Geographically, the investor distribution was as follows:

	<u>7-year</u>	<u>12-year</u>	<u>30.5-year</u>
USA	58%	46%	52%
UK	23%	36%	28%
Europe	14%	13%	12%
Kazakhstan, Asia and Middle East	5%	5%	8%

The Eurobonds were settled on April 24<sup>th</sup>. The net proceeds received by KMG will be used to fund the purchase of any or all of the outstanding Notes, tendered and accepted for purchase in the tender offers and the redemption of any such Notes remaining outstanding after the settlement of the tender offers, as

well as the payment of early consent fees in connection therewith, and the balance to be used for general corporate purposes.

**Mr. Arnat Abzhanov, Halyk Finance's CEO**, comments:

“We are proud that the timely continuous adaptation and constant upskilling of our team together with relentless enhancement of our team's substantial experience not only in arrangement of new issues, but also in impeccable execution of effective liability management exercises for our clients was noted by KMG, who has chosen Halyk Finance as its Joint Lead Manager, Bookrunner, Dealer Manager and Consent Solicitation Agent for such a critically important and complex project – the early redemption of KMG's Eurobonds outstanding backed by their timely replacement with new longer-term issues. This is already our second successful liability management transaction in a span of the last six months, which attests to a strong interest from debt issuers with maturing liabilities towards their proactive management.”

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**JSC Halyk Finance** – the leading investment bank in Kazakhstan which provides a full range of investment banking services.

**JSC Halyk Bank of Kazakhstan** – Kazakhstan's leading financial services group and a leading retail bank with the largest customer base and distribution network among banks in Kazakhstan. The Bank is developing as a universal financial group offering a broad range of services (banking, insurance, leasing, brokerage and asset management) to its retail, small and medium enterprises and corporate customers. Halyk Bank also operates in Russia, Georgia and Kyrgyzstan.

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