



Almaty, 12 June 2017

Press release

Halyk Finance successfully leads issuance of the 1st ever Russian ruble denominated bond out of Kazakhstan

On June 8th, JSC National Company “Kazakhstan Temir Zholy” (“**KTZ**”) has successfully placed (via its SPV – “KTZ Finance”) its debut RUR 15 billion (c. \$264 million) 5-year international bond issue with a dual listing on the Moscow Exchange (the “**MOEX**”) and on the Kazakhstan Stock Exchange (the “**KASE**”).

The initial price guidance was set at the coupon level of 8.85%-9.15% p.a. Investors submitted their orders simultaneously on both the MOEX and the KASE, and the total order book had exceeded RUR 27 billion (c. \$474 million) after just 3 hours of book-building, which allowed to tighten the price guidance down to 8.75%-9.00% p.a. The final coupon rate was eventually set at the lowest price guidance level i.e. at just 8.75% p.a.

This unique, innovative and truly successful transaction marks **the 1st ever bond issue on the Russian market out of Kazakhstan and the 1st ever corporate bond issue by a foreign issuer on the Russian market out of the whole CIS region.**

KZT’s strong credit history as well as rigorous and meticulous work done by KTZ together with its arrangers – including Halyk Finance – prior to launching this groundbreaking dual-listed Ruble issue has secured significant investor interest which was fully confirmed during the actual book-building process.

Mr. Arnat Abzhanov, Halyk Finance’s CEO, says that “we are honored that KTZ regularly mandates Halyk Finance as its trusted advisor on highly complex pioneering transactions to address KTZ’s funding needs and timely deliver the most optimal solution for the challenges faced. Many of our transactions not only set unique historic records for our client, but also become ice-breakers and positive disruptors for the entire Kazakhstan’s capital market as well. For instance, KTZ’s KZT 50 billion 10-year bond issuance in April 2016 – in which Halyk Finance acted as the Sole Financial Advisor and Underwriter – had been named “**The Best Sub-Sovereign Bond in EMEA**” by EMEA Finance, a renowned international finance magazine. Yet another example is KTZ’s dual-tranche Eurobond denominated in Swiss francs, which was effectively placed back in June 2014 when Halyk Finance had acted as the Joint Lead Manager & Joint Bookrunner. That deal had become the 1st-ever public CHF issue out of Kazakhstan and our client had successfully become the 1st Kazakhstan issuer in our country’s history to publicly tap the Swiss market,” adding that “the latest KTZ deal is not only an excellent continuation of our client’s credit history at a low borrowing rate when current tenge funding for a 5-year period is available only in the double-digit territory, but it also hands in new exciting funding alternatives to all other Kazakhstan’s issuers who had just learned how they themselves can diversify their funding sources and effectively employ the Russian capital market for raising debt finance on attractive terms.”

JSC "National Company "Kazakhstan Temir Zholy" - the national transport and logistics holding that is a part of Sovereign Wealth Fund Samruk-Kazyna's assets. The company operates the railway, sea port and airport infrastructure, transport and logistics centers.

JSC Halyk Finance – the leading investment bank in Kazakhstan rendering a full range of investment banking services including consulting and underwriting, corporate finance (M&A advisory and corporate debt restructurings), sales and trading with market making on the KASE, investment portfolio management and research.

JSC Halyk Bank of Kazakhstan – one of Kazakhstan's leading financial services groups 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.

For more information, please contact:

Mr. Sanzhar Ospanov
Consulting & Underwriting
JSC Halyk Finance
www.halykfinance.kz/en
tel: + 7 (727) 357 31 77

PR office
JSC Halyk Bank
www.halykbank.kz/en
tel: +7 (727) 259 08 16