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PRESS-RELEASE

Halyk Finance announces successful completion of issuance and placement of KZT 62.5 billion 5-year KZT-denominated Eurobond by JSC “Development Bank of Kazakhstan”

13 February 2020

Halyk Finance has successfully acted as the Joint Lead Manager & Bookrunner in KZT 62.5 billion 5-year KZT-denominated Eurobond issuance and placement by JSC “Development Bank of Kazakhstan” (“DBK”) under DBK’s \$3 bn Medium Term Note Programme, in which Halyk Finance acts as the Joint Arranger and Dealer.

On February 5th, DBK collected global orders for its international bonds with a maturity of 5 years and a total nominal issue amount of KZT 62.5 billion. Orders from investors in Kazakhstan were collected through the Kazakhstan Stock Exchange (the “KASE”) concurrently with the international bookbuilding. The initial price guidance was set at a yield to maturity in the range of 10.95% - 11.05% per annum. Upon the book’s closing on the same day, DBK priced the deal at the tight end of the announced range – at 10.95% YTM with the coupon rate of 10.75% per annum and the price of 99.245%. Investors’ orders through the KASE represented a total of KZT 18.75 billion of which KZT 15.75 billion was allocated by DBK, while the total issue amount was set at KZT 62.5 billion. DBK’s Eurobond transaction has been settled on February 12th, 2020.

Mr. Talgat Ayupov, Halyk Finance’s CEO, says “we are proud that DBK has once again mandated Halyk Finance to act as its Joint Lead Manager and Bookrunner in such an important complex transaction which required impeccable execution under an extremely tight timeframe. This is the 3rd KZT-denominated Eurobond issue by DBK which evidences robust credit story of DBK as an issuer, attracting favorable financing under the current market conditions. Moreover, it also confirms international investor community’s confidence in Tenge instruments. The debt issuance structure employed in this transaction – attracting competitive Tenge financing through the Eurobonds offering – allowed to diversify DBK’s funding base in the national currency. We believe this is an excellent example for other Kazakhstan issuers.”

Earlier in December 2017, Halyk Finance had successfully acted as the Joint Lead Manager and Bookrunner for issuance and placement of debut KZT-denominated KZT 100 billion 3-year Eurobond by DBK which had become the 1st ever public KZT-denominated Eurobond offering to a wide range of international and domestic investors by a Kazakhstan issuer.

JSC Development Bank of Kazakhstan is a development institution of the Republic of Kazakhstan with the mission to promote the sustainable development of the national economy by investments into the non-resource sector of the country. JSC Development Bank of Kazakhstan is 100% owned by JSC National Managing Holding “Baiterek”.

JSC Halyk Finance is 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 and AIX, investment portfolio management and research. Halyk Finance is the 1st investment bank in Kazakhstan which has received and keeps on maintaining its robust international credit rating. (Rating: Fitch – “BB+”/Positive)

JSC Halyk Bank of Kazakhstan is 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, Kyrgyzstan, Tajikistan and Uzbekistan. (Ratings: Moody's – "Ba1", Fitch Ratings – "BB+" and S&P – "BB")

PR Office
JSC Halyk Bank
tel. +7 727 2 590 891
www.halykbank.kz

Mr. Oleg Khvan
Director
Consulting & Underwriting
JSC Halyk Finance
Тел.: +7 727 357 31 77
www.halykfinance.kz