

Press Release

Bahrain Mumtalakat Prices USD 600 Million 4.000% Sukuk Issuance

Manama, Kingdom of Bahrain – 18th November 2014: On Tuesday November 18th 2014, Bahrain Mumtalakat Holding Company B.S.C. (c) (“Mumtalakat”), rated BBB (stable) by both Fitch and Standard & Poor’s, successfully priced a USD 600 million 7-year Sukuk with a 4.000% profit rate.

The transaction represents Mumtalakat’s first USD Sukuk issuance and was executed as a drawdown under its recently established USD 1,000 million Regulation S Multicurrency Trust Certificate Issuance Programme which is listed on the Irish Stock Exchange. It also marks the company’s return to the USD debt capital markets following its inaugural bond issuance in 2010.

The success of Mumtalakat’s Sukuk issuance was underpinned by a comprehensive set of investor meetings covering key financial centres, namely, Kuala Lumpur, Singapore, Abu Dhabi, Dubai and London. Mumtalakat’s strong credit fundamentals and robust financial position made a compelling story for fixed income investors. Moreover, the innovative Sukuk structure (a hybrid structure comprised of a Commodity Murabaha and a Wakala based on Mumtalakat’s holding in its portfolio companies) allowed the company to capitalize on the strong Islamic pool of liquidity.

The orderbook, which was opened on Monday November 17th during London morning, reached USD 2.6bn (4.3 times oversubscription), with over **150** accounts participating. **81%** of the issuance went to Middle Eastern accounts, with **19%** allocated to Asian and European investors. The majority of investors were banks and fund managers (collectively **95%** of the issuance).

Leveraging off the strong participation from regional and international investors, Mumtalakat was able to achieve a final price of 205bps over USD Mid-Swaps.

Mr. Mahmood Al Kooheji, Chief Executive Officer of Mumtalakat, commented “We are extremely pleased with the success of this transaction. The remarkable support provided by fixed income investors is a testament to their confidence in our credit and trust in our strategy. We are also delighted to have played an important role in further developing the Bahraini debt capital markets.”

BNP Paribas, Deutsche Bank, MUFJG and Standard Chartered Bank acted as Joint Lead Managers on the issuance, while Arab Banking Corporation and National Bank of Bahrain acted as Co-Lead Managers.

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