



Islamic Development Bank prices US\$ 1.25 billion Fixed-Rate Trust Certificates issuance

Jeddah, Kingdom of Saudi Arabia, 3 December 2016 – The Islamic Development Bank (IsDB) has successfully priced a US\$1.25 billion, five-year Trust Certificates (Sukuk) under its US \$25 billion Trust Certificate Issuance Programme.

The Sukuk was priced at par at 2.263%, to be payable on semi-annual basis. This issuance marked the Bank's second benchmark issuance in 2016.

IsDB continues to maintain ratings of Aaa/AAA/AAA by Moody's, S&P and Fitch (all stable outlook).

The joint lead managers and joint bookrunners were Boubyan Bank, Credit Agricole CIB, GIB Capital, J.P. Morgan, Mizuho Securities, National Bank of Abu Dhabi, NATIXIS, RHB Investment Bank Berhad and Standard Chartered Bank.

The mandate was announced on Monday, November 28th. The bookbuilding process began on Tuesday, November 29th with the release of the initial price thoughts of MidSwap rate (MS) plus 50 basis points (bps) area at the London Stock Exchange opening. The deal was eventually priced on Wednesday, November 30th at MS plus 45 bps, which resulted in a lower spread on top of the five-year MS rate compared with IsDB's March 2016 issuance, which was priced at MS + 50 basis points.

IsDB's ability to issue a sizeable benchmark in a volatile environment is a clear testament to its strong credit and financial position reaffirmed by its AAA ratings.

In terms of the final allocation, the distribution was well diversified with 72% allocated to the Middle East and North Africa (MENA) region, 25% to Asia

and 3% to Europe, respectively. Central banks and official agencies were allocated 90% followed by 10% to banks.

Overall, the deal saw strong participation from money managers and official institutions, which showed confidence in IsDB's credit strength.

The Trust Certificates will be listed on the London Stock Exchange, NASDAQ Dubai and Bursa Malaysia (under the Exempt Regime).

"We are very pleased with the outcome of the deal, which met our objectives for the transaction to continue building on the success of our prior deals," said Dr. Ahmet Tiktik, IsDB's Acting Vice President of Finance and Chief Financial Officer.

"I would like to thank IsDB's member countries and other investors for their continuous support and commend the lead managers for delivering a deal that fully met our objectives. We hope that this further IsDB funding will continue to contribute towards extending bigger financing to our member countries to support their developmental needs."