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

**Jeddah, 06.04.2017** : The Islamic Development Bank ("IsDB"), rated AAA by Moody's, S&P and Fitch (all stable outlook), has successfully priced a US\$1.25 billion, 5-year Trust Certificates (Sukuk) under its US\$25 billion Trust Certificate Issuance Programme. The Sukuk was priced at par at 2.393%, to be payable on semi-annual basis. This issuance marked the Bank's first benchmark issuance in 2017.

Boubyan Bank, Emirates NBD Capital, GIB Capital, Goldman Sachs International, HSBC, Maybank, Natixis, Standard Chartered Bank acted as the joint lead managers and joint bookrunners.

The mandate was announced on Monday, April 3<sup>rd</sup>. While the initial price thoughts was released the following day on Tuesday, April 4<sup>th</sup>. The book building process began officially on Wednesday, April 5<sup>th</sup> and the Sukuk was priced at the same day at Mid Swap (MS) plus 40 basis points (bps) at 1:30PM London time. It should be noted that the deal was priced at a lower spread compared with IsDB's November 2016 issuance which was priced at MS + 45 bp, an improvement of 5 bps from the previous issuance.

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

In terms of the final allocation, the distribution was well diversified with 56% allocated to MEA, 37% to Asia, and 7% to Europe, respectively. Overall the deal saw strong participation from real money accounts and official institutions providing credence to IsDB's credit strength, where 78% of issue size was allocated to central banks and official agencies, followed by 22% to banks.

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

Dr. Ahmet Tiktik, the Acting Vice President, Finance, and CFO commented: "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, and we are also happy to see new investors subscribing in the Sukuk. I would like to thank the IsDB's member countries and other investors for their continuous support and commend the lead managers for delivering a deal that fully met our developmental objectives."

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