



## NEWS RELEASE

### **APICORP issues a benchmark USD750 million 5-year bond**

- Financing will bolster APICORP's business operations, including its countercyclical role in mitigating the impact of the COVID-19 pandemic and oil price fluctuations in the MENA region
- Issuance attracted more than USD 1.1 billion in orders for the debt sale from over 40 investors of various types
- At 1.46% per annum, the fixed cost of funding is the lowest in the history of APICORP
- 110bps spread is the lowest in the region compared to other sovereign, semi-sovereign issuances and MDB peers' USD issuances that came to market after COVID-19

**Dammam, Saudi Arabia – June 29, 2020:** The Arab Petroleum Investments Corporation (APICORP), a multilateral development financial institution, today announced the issuance of a benchmark USD750 million dollar-denominated five-year bond in the RegS markets.

The latest issuance, part of APICORP's USD3 billion Global Medium-Term Note (GMTN) program, will bolster the corporation's business operations. This also includes undertaking a countercyclical role in 2020 aimed at supporting the MENA energy sector in mitigating the impact resulting from the COVID-19 pandemic as well as oil price fluctuations.

The issuance attracted robust and diverse investor demand, with more than USD1.1 billion in orders for the debt sale from over 40 investors of various types from within and outside the MENA region.

The five-year note's fixed cost of funding (1.46%) is the lowest in the history of APICORP. Moreover, the spread of 110bps is the lowest in the region compared to the sovereign, semi-sovereign and MDB peers' US Dollar issuances that came to the market since the COVID-19 outbreak.

Notably, APICORP is currently the only financial institution in the MENA region rated 'AA' by Fitch and 'Aa2' by Moody's, both with stable outlook.

**Dr. Ahmed Ali Attiga, APICORP's Chief Executive Officer, commented:** "Despite challenging market conditions, the successful issuance of this benchmark US dollar bond, with this level of competitive pricing, reflects the confidence that global investors have in APICORP. We are appreciative that more than 50% of the investors for this issuance are central banks and official institutions, both from within and outside the region. We are also pleased with the number and profile of our investors spanning MENA, Asia, Europe and the Americas. As a trusted financial partner for supporting the sustainable development of the MENA region's energy sector, this milestone is another step towards fulfilling our mandate and a testament to our position as a leading MDB."

**Dr. Sherif Elsayed Ayoub, Chief Financial Officer of APICORP, said:** "The remarkable achievements of this benchmark issuance, including the repricing of APICORP's curve, attests to the effectiveness of our



approach which is anchored by strong fundamentals with clear pricing and quantum objectives. Indeed, this issuance reinforces our strategic objective of meeting our operational ambitions by way of cost-effective financing that can add value to our partners and solidify APICORP's profile as a high-grade issuer that is firmly within the sovereign, supranational and agency (SSA) space."

The Global Coordinators, Joint Lead Managers and Bookrunners included Citibank, Emirates NBD, Goldman Sachs International and Standard Chartered, whereas the billing and delivery agent was Standard Chartered. Furthermore, Allen & Overy served as the issuer's counsel, while Clifford Chance served as the banks' counsel. KPMG undertook the role of the auditor on the issuance.

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**For further information:**

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**About APICORP:**

The Arab Petroleum Investments Corporation (APICORP) is a multilateral development financial institution established in 1975 by an international treaty between the ten Arab oil exporting countries. It aims to support and foster the development of the Arab world's energy sector and petroleum industries. APICORP makes equity investments and provides project finance, trade finance, advisory and research. APICORP is rated 'Aa2' with stable outlook by Moody's and 'AA' with a stable outlook by Fitch. APICORP's headquarters is in Dammam, Kingdom of Saudi Arabia.

More information can be found at: [www.apicorp.org](http://www.apicorp.org)

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