

Mashreq opens CEEMEA markets with successful pricing of its US\$500 million debut Sukuk

- *Mashreq successfully completes its inaugural Sukuk issuance under the US\$ 2.5 billion Trust Certificate Issuance Programme*
- *Marks the first public issuance from the CEEMEA region since the U.S. tariffs announcement, signalling a reopening of the primary markets*
- *Achieves the largest orderbook in Mashreq's history, with demand reaching US\$ 2.90 billion despite heightened market volatility*

Dubai, UAE, Thursday, 17th April 2025 – Mashreq, one of the leading financial institutions in the MENA region and rated A3 (Moody's), A (S&P) and A (Fitch), all with a stable outlook - successfully priced its debut US \$ 500 million 5 year Sukuk offering with a profit rate of 5.03 percent per annum on Tuesday 15th April 2025. The Sukuk will be rated A by S&P and will be listed on Euronext Dublin.

The transaction marks Mashreq's successful return to the debt capital markets, following its last issuance in 2024. Notably, it is also the first deal from the CEEMEA region since the announcement of U.S. tariffs on international trade partners, which triggered heightened volatility across global markets.

Despite a challenging market backdrop, Mashreq made the strategic decision to proceed with a public issuance, becoming the first and only issuer in the CEEMEA region to access the market following the tariffs announcement on 2 April. Demonstrating confidence and clarity, the bank announced a capped issuance size of USD 500 million, firmly communicating to investors that the transaction "will not grow." The market responded positively, with the Sukuk attracting significant demand from a diverse investor base across Europe, Asia, and the Middle East. The orderbook peaked at USD 2.9 billion — the largest ever for a Mashreq issuance — representing an oversubscription of nearly six times and drawing interest from over 90 investors.

Ahead of pricing, senior members of Mashreq's management team, including Group CFO Norman Tambach and Group Head of Treasury and Global Markets Salman Hadi, conducted investor meetings in London on Monday, 14 April 2025. While the initial plan was to close the transaction on Wednesday, 16 April, strong investor feedback prompted the team to accelerate execution and close a day earlier, on Tuesday. Initial Price Thoughts (IPTs) were released on Tuesday morning at U.S. Treasuries plus 140 basis points. Given the substantial demand, final pricing was tightened to U.S.

Treasuries plus 105 basis points by noon London time. This 35 basis point tightening, achieved in a single iteration, underscores the strength and quality of the orderbook, which featured participation from leading global fund managers, banks, pension funds, and insurance firms. Despite the pricing adjustment, the orderbook remained robust, allowing Mashreq to successfully launch the transaction at a credit spread of 105 basis points and a fixed profit rate of 5.03 percent per annum.

Mashreq's Group Chief Executive Officer, Ahmed Abdelaal, remarked: "We are pleased with the strong investor engagement and support for this landmark transaction. Being the first public issuance in the CEEMEA region since the onset of the trade war and the subsequent market dislocation, this Sukuk issuance underscores the depth of investor confidence in Mashreq's credit profile, strategy, and long-term fundamentals. The substantial oversubscription, despite ongoing market volatility, is a testament to our standing with global investors and reinforces our disciplined approach to market execution. This successful outcome not only supports Mashreq's growth ambitions into 2025 and beyond but also helps re-open the debt capital markets for regional issuers seeking to re-enter with confidence."

Salman Hadi, Mashreq's Group Head of Treasury and Global Markets, who led the issuance, stated: "We had strong conviction in Mashreq's credit fundamentals, which gave us the confidence to move forward with the transaction despite challenging market conditions. This strategic timing allowed us to benefit from a clear issuance window, resulting in significant investor demand and the largest orderbook ever for a Mashreq issuance."

The transaction was well distributed across international and regional investors, reaffirming the investor community's long trust in Mashreq's credit. The Middle East received the majority of the allocation at 75%, while Europe - including the United Kingdom - accounted for 16% of the demand. The balance was divided between Asian markets and offshore US interest. Islamic and conventional Bank treasury divisions took the lion's share of the issuance securing 64% of the allocations. A combination of hedge funds, asset managers, insurance and pension funds took the remainder.

The Joint Lead Managers and Bookrunners on the transaction were Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Al Rajhi Capital, Bank ABC, Dubai Islamic Bank, Emirates NBD Capital, KFH Capital, Mashreq, Sharjah Islamic Bank, Standard Chartered Bank and The Islamic Corporation for the Development of the Private Sector.

Notes to editors

About Mashreq

Mashreq is more than half a century old bank, yet proudly thinks like a challenger, start-up, and innovator. Mashreq pioneered key innovations and developments in banking, starting with entry-level digital-first customers, all the way to powering some of the region's most prominent corporations and wealth accounts.

The bank's mandate is to help customers find their way to Rise Every Day, partnering through the highs and lows to help them reach fulfillment, achieve financial goals, and unlock their vision of success.

Reassuringly present in major financial centers of the world, Mashreq's home and global HQ remains in the Middle East, offering services wherever opportunity takes its customers.

Find your way to Rise Every Day at Mashreq.com/RiseEveryDay

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