

IFR GULF CAPITAL MARKETS BRIEFING

JULY 27 2011

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BONDS BOOKRUNNERS 2011 TO DATE

Managing bank or group	No. of issues	Total US\$(m)	Share (%)
1 HSBC Holdings PLC	9	1,613.6	15.0
2 Deutsche Bank AG	4	1,366.6	12.7
3 Standard Chartered PLC	5	1,068.5	9.9
4 BNP Paribas SA	2	908.9	8.4
5 UniCredit	1	721.4	6.7
=5 Santander	1	721.4	6.7
=5 Credit Agricole CIB	1	721.4	6.7
=5 Goldman Sachs & Co	1	721.4	6.7
9 RBS	4	443.2	4.1
10 National Bank of Abu Dhabi	2	397.7	3.7
Total	14	10,782.6	

LOANS BOOKRUNNERS 2011 TO DATE

Managing bank or group	No. of issues	Total US\$(m)	Share (%)
1 Citi	4	832.3	14.1
2 Arab National Bank	1	600.1	10.2
3 Mitsubishi UFJ Fin'l Grp	2	500.0	8.5
4 Credit Agricole CIB	2	299.0	5.1
5 RBS	2	297.9	5.0
6 Standard Chartered PLC	2	280.0	4.7
7 Nat'l Bank of Kuwait SAK	1	260.0	4.4
=7 BNP Paribas SA	1	260.0	4.4
9 Mizuho Financial Group	1	250.0	4.2
=9 ING	1	250.0	4.2
=9 Sumitomo Mitsui Fin'l Grp	1	250.0	4.2
Total	13	5,912.1	

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Abu Dhabi's **FIRST GULF BANK** (FGB) saw its US\$650m 3.797% five-year sukuk offering trade up in the secondary market to 101.15 earlier today, having priced at par on Tuesday, 10bp tighter than initial guidance of 210bp over midswaps. The second largest bank by market value in the UAE, which is 63.7% owned by the ruling family of Abu Dhabi, attracted more than 200 orders from a range of investor bases, boosting the final book size to US\$3.8bn.

Middle Eastern buyers accounted for 46% of the Reg S deal, which is FGB's first foray into sukuk. Asian and European investors took 24% of the issue each, while US offshore investors brought up the rear with 6%. Banks claimed 49% of the offering; investment funds 39%; 6% went to retail investors and the final 6% made its way into the hands of insurance and pension providers.

High demand prompted the deal's roadshow to be accelerated over the weekend, with yesterday's scheduled investor meetings in Switzerland scrapped, said a source at Standard Chartered, which led the deal alongside HSBC and Citi. The banker added that allocation figures suggested the cancellation did not dampen Swiss enthusiasm for FGB, which visited investors in the country in January when it sold CHF200m (US\$249.7m) in a Swiss Franc-denominated 3% five-year offering.

FGB continues the trend of GCC names taking the Islamic route to market. While volatile market conditions have seen conventional transactions struggle to come to fruition, the lack of shari'a-compliant paper has meant that the sector's dedicated investor base has been eager to support sukuk deals when they have surfaced. Yesterday's FGB sukuk was the third shari'a-compliant deal from the region in the last two weeks, following Saudi BinLadin Group and Almana Group.

In the loan market, **BANK OF SHARJAH** has completed a US\$135m two-year facility, although it failed to add to the four banks originally signed up to the deal. The group – consisting of Commerzbank, National Bank of Abu Dhabi, Intesa Sanpaolo and Wells Fargo – were the four institutions which were mandated earlier this month to lead the fundraising, which was aimed at raising a minimum of US\$100m. Commerzbank was also coordinator and agent on the facility, according to a statement to the Abu Dhabi Securities Exchange.

The two-year piece carries a margin of 150bp – the same as the US\$150m one-year loan which Bank of Sharjah signed last year and which it repaid this month. The cash raised will be used for general dollar funding requirements.

The pricing level for the loan points towards a relationship call by the institutions involved. Activity in the FI market this year has been restricted to this basis as GCC banks look to complete tightly-priced deals. National Bank of Fujairah offered 200bp all-in for its US\$250m two-year transaction which signed last month. Meanwhile the other FI loan currently in the market, the US\$400m refinancing for Commercial Bank of Dubai (CBD), pays 225bp but this is for three-year money.

The 30% public offering from **UNITED WIRE FACTORIES COMPANY** will look to raise SAR331.5m (US\$88.4m) when it begins on Monday. The price of shares has been set at SAR34 each, according to the Tadawul website, following the bookbuild process. United Wire is offering 9.75m shares to the public between 1-7 August through lead manager Falcom Financial Services.

The United Wire is only the second Saudi IPO this year, after the SAR350m 35% IPO by Saudi Integrated Telecommunications Company (SITC) in early May. One other public offering has been scheduled in the kingdom, the SAR489.5m 50% Hail Cement Company IPO which is due to take place in late September.

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EDITORIAL ENQUIRIES

David French, Reporter
+44 (0)20 7369 7571
davidj.french@thomsonreuters.com

Isla Binnie, Reporter
+44 207 369 7562
Isla.binnie@thomsonreuters.com

Rod Morrison, Editor
+44 (0)20 7369 7570
rod.morrison@thomsonreuters.com

SUBSCRIPTION ENQUIRIES

EMEA
+44 20 7369 7317
rm.emesales@thomsonreuters.com

ASIA-PACIFIC
+852 3762 3336
rm.apsales@thomsonreuters.com

JAPAN
+813 5218 7687
rm.apsales@thomsonreuters.com

US
+646 223 4878
rm.usales@thomsonreuters.com

CLIENT SUPPORT

+44 20 7369 7323
rm.clientsupport@thomsonreuters.com

MARKETING

+44 20 7369 7855
rpp.marketing@thomsonreuters.com

DEAL PIPELINE

BAHRAIN

BAHRAIN TELECOMMUNICATIONS CO
FUNDRAISING FOR ZAIN KSA STAKE VIA CITI, BANK TALKS BEGUN

KUWAIT

KUWAIT PROJECTS COMPANY
KWD BOND VIA 2 BANKS

QATAR

UNITED DEVELOPMENT COMPANY
US\$294M CONVI BOND VIA 2 BANKS

SAUDI ARABIA

SAUDI OGER
US\$2BN LOAN VIA DB, BANK TALKS BEGUN
UNITED WIRE FACTORIES COMPANY
US\$88M 30% IPO VIA FALCOM, 1/8-7/8
HAIL CEMENT COMPANY
50% IPO VIA GIBFS, 20/9-26/9

UAE

COMMERCIAL BANK OF DUBAI
US\$400M 3-YR LOAN VIA COMMERZ, IN SYNDIC
INVESTMENT CORPORATION OF DUBAI
US\$2.8BN 5-YR LOAN VIA 5 BANKS, IN SYNDIC
DOLPHIN ENERGY
BOND VIA 5 BANKS, PRICING ON HOLD
INTERNATIONAL PETROLEUM INVESTMENT CO
US\$1.5BN BRIDGE VIA 3 BANKS, IN SYNDIC
TOURISM DEVELOPMENT & INVESTMENT CO
BOND VIA 5 BANKS, ROADSHOWS COMPLETE
LAMPRELL
US\$305M FACILITY VIA 2 BANKS, IN SYNDIC
PORT & FREE ZONE WORLD
US\$850M LOAN VIA 4 BANKS, IN SYNDIC
BANK OF SHARJAH
US\$135M LOAN VIA 4 BANKS, SIGNED