

The Private Department of Skh Mohamed Bin Khalid Al Nahyan LLC successfully settles a US\$50 million Tap of their US\$300 million Sukuk issuance

The Private Department of Skh Mohamed Bin Khalid Al Nahyan LLC (“PD”) has successfully closed a US\$50 million tap of its existing US\$300 million senior unsecured Sukuk, issued in September and listed on the London Stock Exchange. The US\$ RegS senior unsecured Sukuk tap offering was successfully concluded under PD’s US\$ 1.0 billion Trust Certificate Issuance Programme. Mashreq Al Islami (the Islamic Window of Mashreqbank psc) (‘Mashreq’), acted as the Sole Bookrunner & Lead Manager on the tap.

In September, PD confirmed its BB- rating from S&P along with a Stable outlook while its debut three-year fixed rate Sukuk issuance was rated, one notch lower, B+ by S&P . With the successful settlement of the tap, S&P has upgraded the issue to BB- equalizing it with the Issuer rating. This tap was instrumental in PD achieving desired level of unsecured debt in their total debt profile and resulted in the rating upgrade of the certificates.

This Tap was underpinned by the strong demand from investors for PD, as can be noted from the prevailing market price and secondary market performance, and the obvious dichotomy in the ratings. The issuance benefited from swift execution on the back of investor calls and meetings arranged by Mashreq over the last month.

Dr. Ahmed Mansour, Chief Investment & Strategy Officer of PD, said: “PD continues to take positive strides in its strategy to be one of the leading residential real estate investors in Abu Dhabi. This tap issuance supports the PD’s financial strategy to diversify its funding sources by type, security & investors. The proceeds from the tap will be used for refinancing a portion of existing secured debt of PD and release encumbered assets. We are pleased to have closed this tap issuance during volatile time for global markets, building on the success of our debut sukuk issuance in September this year.”

PD established in 1964 is 100% owned by members of the Abu Dhabi ruling family and is the owner of one of the largest diversified recurring income real estate portfolios located primarily in the Emirate of Abu Dhabi. PD’s portfolio has over 2,201 recurring income generating residential units, 47,002 sq. m of commercial spaces, one operational hotel in Abu Dhabi, one under-construction tower block project in Abu Dhabi and one hotel under construction in Dubai (expected completion in 2023).