

### **Arcapita Sukuk Over-subscribed at US\$210 Million**

(Manama, 19 October 2005) - **Arcapita Bank B.S.C.(c)** – a leading Bahrain-based investment firm, is pleased to announce that following significant over-subscription for its 5-year Murabaha-backed Sukuk, an Islamic financing instrument, the issue was increased in size from its initial target of US\$200 million and closed in two tranches of US\$155 million and €46 million, a total of approximately US\$210 million.

Although this was Arcapita's 3<sup>rd</sup> Sukuk issue, it was particularly noteworthy as it constituted the bank's first Sukuk to be marketed to the international market outside the Middle East, generating strong demand from Europe, the Middle East and Asia. The syndication was managed by HVB Group, Standard Bank Plc and WestLB AG, London Branch (together the "Mandated Lead Arrangers") and was underwritten by a number of international and regional financial institutions.

Key details of the multicurrency facility include final maturity in October 2010, bullet repayment and a Sukuk Profit Margin of LIBOR/EURIBOR plus 175 basis points.

Commenting on the announcement, Atif A. Abdulmalik, Arcapita's Chief Executive Officer, said, "We have been pleased by the strong response received for this issue, with demand significantly in excess of the original target and the final placement of more than US\$210 million. In particular, we are pleased that much of the demand was generated from outside the region. We think this shows the growing understanding of the Sukuk as an instrument amongst international investors. It is also an endorsement for Arcapita's track record and enhances our ability to support the growing number of corporate, real estate and asset-based investments which we are identifying in the United States, Europe and Asia."

According to Mohamed Nooruddin, Executive Director of Arcapita's Investment Placement, "As a leading global financial institution, Arcapita continues to develop new and innovative structures by which to further strengthen its balance sheet and provide the necessary financing in support of its ongoing growth and investment across key markets. We have been pleased by the strong demand for participation in this Sukuk, which demonstrates confidence in the bank and its performance. We extend our thanks to all of our partners in this issue for their support and commitment."

To date, Arcapita has completed 43 transactions with a total value exceeding US\$8.7 billion across its three principal lines of business – corporate investment, real estate investment and asset-based investment – with approximately 90% of these transactions sourced from international markets outside the region.