

July 14, 2017
Mizuho Bank, Ltd.

Advisory Agreement Signed with National Water Company, Saudi Arabia

Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara, hereinafter “MHBK”) signed an advisory agreement concerning three wastewater treatment privatization projects with National Water Company (hereinafter “NWC”) of the Kingdom of Saudi Arabia (hereinafter “Saudi Arabia”) on July 11, 2017.

NWC is a state-owned company in Saudi Arabia which manages water distribution, wastewater treatment and other related services. Saudi Arabia has been diversifying and modernizing the industrial base of the country in line with the National Transformation Program, Saudi Vision 2030, in order to be less dependent on petroleum resources. The National Transformation Program is also aimed at promoting privatization in order to reduce public spending. In water sector, NWC tackles the lack of sufficient water treatment facilities to accommodate the rapidly growing population, which has become prominent especially in large Saudi cities and which it seeks to solve through privatization and improved management.

The agreement involves using the Built-Operate-Transfer (BOT)* scheme to finance the construction of water treatment facilities. This engagement will serve as one of the main flagship privatization projects in the country as well as the first privatization project for NWC, and therefore will have a major impact on future water-related privatization projects.

Based on this agreement, Mizuho will act as a lead advisor in addition to being a financial advisor for NWC. As a lead advisor Mizuho will work with two other companies—a legal advisor and a technical advisor—to assist three privatization projects in the wastewater sector in Saudi Arabia. It will thereby provide knowhow on public-private collaboration as well as insights on the financing for such infrastructure projects and other financial solutions to NWC.

Mizuho is the only Japanese bank that has an office in Saudi Arabia. Since the opening of Mizuho Saudi Arabia Company in November 2009, it has been providing full financial services, including advisory business, in the country. It will continue to provide enhanced services to customers, including Japanese and other companies entering the Middle Eastern market, and thereby contribute to the economic development of both Saudi Arabia and Japan.

* BOT scheme

A form of project financing, wherein a private entity raises funds to construct a facility and commercially operates it for a certain period of time, after which the ownership is transferred to the public entity.