IFN CORPORATE OMAN

Opening doors to new opportunities

VOLUME 3 ISSUE 8, 2018

UAE picks up the pace as Q3 corporate activity increases

After a slow summer, the UAE's Sukuk market is gathering momentum – with a plethora of deals emerging or announced over the last month that look set to drive the Emirates into the forefront of the US global Sukuk market and cement its position particularly as a leading location for corporate Sukuk activity. While other jurisdictions may have captured headlines for landmark sovereign issuances, the UAE has quietly built up a sterling reputation for its private sector proposition – and with the recent introduction of new Sukuk regulations, activity looks to be ramping up as we head toward the close of the year.



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In June 2018, the Securities and Commodities Authority published regulations on the issuance of Islamic securities both inside and outside the UAE, following the meeting in February of the Higher Shariah Authority for the first time since the oversight body was established in 2016. "The new rules governing Sukuk offerings in the UAE could support market activity in tandem with other regulatory initiatives, although consistent adoption and implementation remains key to their success," said Fitch Ratings.

Following on from the chaos of the recent Dana Gas Sukuk controversy (where the UAE company declined to pay its Sukuk obligations based on a claim of non-Shariah compliance), the new regulations should go some way toward calming investor concerns and boosting issuer confidence – an ambition that already appears to be having some effect, given the recent activity in the market.

Islamic banks themselves are leading the way - on the 15th September, Abu Dhabi Islamic Bank (ADIB, the largest Shariah compliant lender in the UAE) announced the raising of US$750 million of additional Tier 1 capital through a perpetual Sukuk facility. Listed on the Irish Stock Exchange, the deal was sold as part of a wider capital-raising exercise, initiated to strengthen the bank's capital adequacy ratio. The five-year first Tier 1 perpetual paper carried a profit rate of 7.13% and complied with the Basel

continued next page…

CONTENTS

COVER STORY **1**

UAE picks up the pace as Q3 corporate activity increases

CAPITAL MARKETS **4**

RETAIL FOCUS **5**

COPRORATE FINANCE **6**

CASE STUDY **7**

Hospital Sukuk demonstrates Sukuk support for construction projects

NEWS **8**

MARKET DATA **10**

Malaysia to boost retail investor involvement in the domestic Sukuk market



Following on from our August cover story on the growing impetus toward retail participation in Sukuk investment, Malaysia's Securities Commission (SC) in September took a significant new step – with the landmark liberalization of its regulatory framework to facilitate greater retail access to the RM1.3 trillion (US$314.8 billion) bond and Sukuk market. **4**

Digital innovations push Islamic banks ahead



Shariah compliant banks are well known for being first movers on the digital front. Often younger, quicker and more agile than their more ponderous conventional competitors, Islamic institutions have acclimatized well to the new drive for fintech solutions – and a growing number of banks are leveraging this trend to push the barriers of service, providing new and effective digital solutions that not only improve customer experience, but give the banks themselves a competitive edge against larger peers struggling with legacy systems and maneuverability issues. **5**

IC THE DEVELOPMENT
ICD helps private sector businesses to finance projects by providing a wide range of Sharia compliant services
ICD

Continued from page 1

III regulatory framework issued by the Central Bank of the UAE. It was three times oversubscribed, receiving a total of US$2.1 billion in bids, and attracted a wide mix of investors from the MENA region, Europe and Asia. Private banks accounted for 34%, commercial banks 31% while asset and fund managers bought 28% of the Sukuk.

"The strong appetite from a broad range of international investors, particularly in current global capital market conditions, was testament to ADIB's prudent financial management, and the bank's prospects for further growth and development," said Khamis Buharoon, ADIB's acting CEO and vice-chairman.

ADIB, HSBC and JPMorgan acted as the joint global coordinators and structuring agents for the Sukuk, while ADIB, Citi, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Sharjah Islamic Bank and Standard Chartered Bankacted as the joint lead managers and joint bookrunners.

ADIB is not the only UAE bank to tap the Islamic capital market. Al Hilal Bank in September also closed a landmark US$500 million five-year senior Sukuk facility - marking the first senior public Sukuk from the UAE since April 2018 and the first such deal from the bank itself since 2013. Led by CEO Alex Coelho, the bank met with over 90 institutional investors in London, Hong Kong, Singapore, Kuala Lumpur, Kuwait, Abu Dhabi and Dubai prior to placing the Sukuk, resulting in a highly successful launch that saw the orderbook reach US$1.4 billion (almost three times oversubscribed) with demand from over 70 investors. The investor base was diversified geographically, with a 25% allocation to Europe, 20% to Asia and 55% to the Middle East. The Sukuk paper was issued as a "drawdown" under Al Hilal Bank's US$2.5 billion trust certificate issuance program, which is also listed on the Irish Stock Exchange. Al Hilal Bank, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Nomura and Standard Chartered Bank acted as the joint lead managers and joint bookrunners on the Sukuk.



Abu Dhabi

> **"The climate for corporate issuance could once again be improving, as oil prices creep up and the public sector subsequently pulls back from the Sukuk market to free up further liquidity for private sector issuance"**

"Al Hilal Bank is very pleased with the success of this transaction, which highlights the confidence placed by investors in the bank's board, management team and

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Continued from page 2

strategic direction," said Coelho. "We are proud to have access to a diverse and international investor base, which allows us to implement our funding strategy in a timely and cost-efficient manner. The capital markets are ever more important to us going forward and we, as always, appreciate investors' confidence in our name."

But it is not just Islamic banks that are getting in on the act. Other corporates too are recognizing and reaping the benefits that the highly liquid Islamic debt capital market has to offer.

> **"With higher crude production and recovering oil prices expected to stimulate GCC growth in the second half of the year, and Middle East GDP set to jump from 0.9% in 2017 to 2.4% in 2018 the timing looks perfect for a new corporate Sukuk push"**

Emaar Properties recently hired banks including Standard Chartered, Emirates NBD and Dubai Islamic Bank to manage a new perpetual Islamic bond sale as the property developer seeks to raise new funds for growth. The firm last sold debt in 2016, when it raised US$750 million from the sale of 10-year notes. Its return to the market suggests that the climate for corporate issuance could once again be improving, as oil prices creep up and the public sector subsequently pulls back from the Sukuk market to free up further liquidity for private sector issuance.

DP World, the giant logistics firm and one of the world's biggest port operators, is also in the process of meeting fixed income investors ahead of a planned 10-year benchmark US$1 billion Sukuk issuance, offering a reported 175bps over midswaps. Meeting began in London on the 12th September, and the bank has hired Barclays, Citi, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Societe Generale and Standard Chartered Bank as the joint bookrunners. Subject to market conditions, the company may also consider the issuance of 30-year Regulation S/144A bonds, with Barclays, Citi, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Societe Generale and Standard Chartered Bank arranging the upcoming deals.

Finally, Abu Dhabi's Aldar Properties has also commenced a series of fixed income investor meetings in the Middle East, Europe and Asia for its fixed rate US dollar-denominated Sukuk. The paper is expected to be issued with a tenor of five to 10 years, and is likely to refinance the company's existing and outstanding US$750 million Sukuk due to mature in December 2018. The upcoming Sukuk is rated 'Baa1' by Moody's Investors Service, with First Abu Dhabi Bank, JPMorgan Securities and Standard Chartered Bank hired to manage the deal.

Sukuk issuance in the region is also diversifying away from the dominant banking and property sectors, as well as spreading out from Dubai and into new market hotspots. At the end of August, for example, Abu Dhabi Global Market (ADGM), Abu Dhabi's financial free zone, facilitated the issuance of a 12-year Islamic bond by French bank Natixis and the UAE's Noor Bank. The transaction marks the first time an ADGM-devised structure has been used specifically to hold aircraft assets in the issuance of Sukuk, although the size of the transaction was not revealed. "This



Khamis Buharoon, ADIB

transaction allowed us to use our aviation and Islamic finance expertise to offer Islamic investors diversification into an otherwise unreachable asset class and open new sources of funding for aviation borrowers," said Simon Eedle, the regional head of corporate and investment banking for the Middle East at Natixis.

The UAE banking sector topped the GCC region in the first half of 2018, with assets surging 2% to AED2.7 trillion (US$748 billion) according to Moody's, which expects the market to remain largely resilient to oil price volatility and its impact on government finances. Although the wider GCC Sukuk market dipped slightly this year (with GCC issuance falling by 32% in the first half to reach just U$16.7 billion) as sovereigns pull back and the giant issuances of 2017 failed to repeat, this has left a new window of opportunity that canny corporates could to well to exploit. With higher crude production and recovering oil prices expected to stimulate GCC growth in the second half of the year, and Middle East GDP set to jump from 0.9% in 2017 to 2.4% in 2018 (according to forecasts from Oxford Economics), the timing looks perfect for a new corporate Sukuk push.

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Malaysia to boost retail investor involvement in the domestic Sukuk market

Following on from our August cover story on the growing impetus toward retail participation in Sukuk investment, Malaysia's Securities Commission (SC) in September took a significant new step – with the landmark liberalization of its regulatory framework to facilitate greater retail access to the RM1.3 trillion (US$314.8 billion) bond and Sukuk market.

The liberalization forms part of the SC's continued efforts to further develop its debt capital market, currently the third-largest in Asia (relative to GDP) and the world's largest Sukuk market.



> **"The liberalized framework will allow a more efficient issuance process for corporate bonds and Sukuk to be offered to retail investors"**

"The liberalized framework will allow a more efficient issuance process for corporate bonds and Sukuk to be offered to retail investors," said an SC spokesperson on the 19th September. "Qualified issuers no longer need to make disclosures through a prospectus, and are only required to issue a product highlight sheet. The range of corporate bonds and Sukuk that can be offered to retail investors has also been expanded beyond plain vanilla bonds."

The SC is also introducing a new seasoning framework to enable retail investors to access existing corporate bonds and Sukuk that are currently traded by sophisticated investors in the over-the-counter (OTC) market. Under this framework, corporate bonds and Sukuk that are eligible for retail investment must have been in the market for at least 12 months, and have a minimum credit rating of 'A', among other requirements.

In tandem with these measures, distributors of corporate bonds and Sukuk in the OTC market are required to observe the sales practices prescribed by the SC, such as the requirement to undertake necessary client on-boarding assessment and ensure fair treatment of investors.

The new retail framework is supported by the centralized online information platform, Bond and Sukuk Information Exchange Malaysia, established by the SC in November 2017. BIX Malaysia enables investors to obtain necessary information on ringgit Sukuk to assist in their investment decisions.

The SC has confirmed that the new rules will come into effect on the 11th October 2018, following which date retail investors will be able to access the Sukuk market subject to the aforementioned conditions. In terms of investor protection, it should be noted that distributors of corporate Sukuk are required to observe rigorous sales practices prescribed by the SC, including client onboarding assessments and fair treatment of investors. Nevertheless, the move should deepen the pool of liquidity available, thus increasing demand and potentially tightening the price point. For highly rated onshore issuers, the new framework could open up access to a whole new market of investors.

IFN FORUM
INDONESIA
2018

Indonesia is an Islamic finance giant waiting to be awakened, and events from recent years have indeed stirred the world's most populous Muslim nation awake. Under the leadership of President Joko Widodo, the government has upped the ante raising its Islamic finance game to a whole new level propped up by a slew of new regulations and initiatives.



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Digital innovations push Islamic banks ahead

Shariah compliant banks are well known for being first movers on the digital front. Often younger, quicker and more agile than their more ponderous conventional competitors, Islamic institutions have acclimatized well to the new drive for fintech solutions – and a growing number of banks are leveraging this trend to push the barriers of service, providing new and effective digital solutions that not only improve customer experience, but give the banks themselves a competitive edge against larger peers struggling with legacy systems and maneuverability issues.

In September, a Bahraini Islamic bank became one of the first in the region to implement a biometric payment network, using a platform developed by Bahrain-based Eazy Financial Services and powered by NCR Corporate, a US company specializing in self-service kiosks, point-of-sale (POS) terminals, automated teller machines (ATMs), check processing systems, barcode scanners and business consumables.

Eazy will deploy the plan using Authentic, NCR's transaction-processing platform. Authentic can be used as an omnichannel system handling ATM and POS channels as well as branch and digital banking or as a consumer payment service hub integrating gateways to services such as Faster Payments or other interbank networks. According to NCR, Authentic is designed to integrate with any core banking, fraud detection or other internal or external system. It adds that Authentic can accept any type of transaction from any device, source or system, authorize and authenticate it, and route it to any destination.

Consumers will be able to register their fingerprint through any bank linked to Eazy's network and then use that at any device (ATM or POS) to start a transaction rather than using a card.

The first phase will see Eazy and NCR developing the appropriate payment infrastructure to serve participating financial institutions in Bahrain, before expanding over time into the wider Middle Eastern market.

According to the Bahraini Islamic retail bank, the biometric solution, which is being implemented as part of its wider digital strategy, will give customers a safer, much easier and more secure way to bank. "Our customers are tech-savvy and expect frictionless access to banking services – and the introduction of biometrics is another major step in that direction," said the CEO.

The new biometric payment network will become available in a phased manner to retail customers of the selected Islamic bank by the first quarter of 2019.

> **"Payments stand out as the single largest driver for the biometrics market. We are driving biometric verification in the region, which is the future of the financial industry"**

"Payments stand out as the single largest driver for the biometrics market. We are driving biometric verification in the region, which is the future of the financial industry," commented Eazy Financial Services CEO Khaled Al Ahli.



Substantial new deal set to boost intra-Arab trade

In September 2018, the League of Arab States (LAS) and the International Islamic Trade Finance Corporation (ITFC) have agreed to work together to accelerate the growth of intra-Arab trade, in a move that could significantly boost the opportunities and advantages of Islamic trade finance facilities in the region.

The LAS was founded in Cairo in 1945 and currently comprises 22 members, namely Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Palestine, Qatar, Syria (suspended), Oman, Saudi Arabia, Somalia, Sudan, Tunisia, the UAE and Yemen. The ITFC, meanwhile, is the trade finance arm of supranational agency the IDB, with a mandate of helping regional entities to gain better access to trade finance.



Signed during a recent ministerial meeting of the Economic and Social Council of the LAS and ITFC in Cairo, the MoU outlines clear objectives aimed at enhancing trade capacities and improving structures and mechanisms of trade cooperation among Arab countries.

As part of the agreement, the LAS and ITFC have solidified their commitment to jointly coordinate the design, financing and implementation of technical assistance and capacity-building programs as well as tackling issues related to the development of intra-Arab trade. The MoU will also enable both parties to achieve their objectives of enhancing trade capacities among Arab countries as outlined in the 10-year work program adopted by the Islamic Summit held in Makkah, as well as the Arab summit (the Jerusalem summit - Dhahran).

"The signing of this MoU is an important step toward enabling cooperation between the LAS and ITFC," said ITFC CEO Hani Salem Sonbol. "With our shared goals of achieving Arab economic integration and enhancing trade and capacity-building activities within the region, we are very optimistic about the opportunities that will arise from this collaboration. This is an important step toward accelerating the process of trade development of Arab nations and their participation in the regional and global market."

Ambassador Kamal Hassan Ali, the assistant secretary-general for economic affairs at the LAS, added that: "The signing of this MoU will establish a legal basis for the cooperation between the LAS and ITFC. It will open up new prospects of collaboration, which will certainly be reflected on the completion of the requirements of the Greater Arab Free Trade Area and therefore the Arab Customs Union. Particularly, a decision has been communicated to the Economic and Social Council, at its current session, to further develop the Greater Arab Free Trade Area and conform with the World Trade Organization, as well as to similar regional agreements, which will positively affect the positioning of the intra-Arab trade."

Initial programs agreed under the MoU, such as the Arab Africa Trade Bridges Program and the second phase of the Aid for Trade Initiative for Arab States Program have been earmarked for rollout in a bid to meet set objectives toward strengthening cooperation between the two parties. The MoU will support the Greater Arab Free Trade Area through hosting regional training courses, conferences and workshops covering the trade development area.

Since 2008, the ITFC has provided more than US$40 billion in trade financing to member countries of the OIC. Most recently, it committed to implementing US$3 billion-worth of framework agreements in Egypt to finance the importation of commodities such as petroleum, petroleum products, gas, wheat, foodstuff and other goods.

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Hospital Sukuk demonstrates Sukuk support for construction projects

In August 2018 TRIplc Medical (TMSB), a wholly-owned subsidiary of Malaysian investment holding company Triangle Research International (TRIplc), issued a RM40 million (US$9.77 million) 19-year junior Sukuk to fund the ongoing costs associated with the construction of a new hospital for Universiti Teknologi MARA (UiTM) and the government of Malaysia. The second series in the program, the paper demonstrates the versatility of Islamic financing in the field of complex construction projects – a speciality not restricted to the healthcare sector, but applicable in any field where development is required.

The paper, structured under a "cost-plus-profit" (Murabahah) principle via a commodity-based (Tawarruq) arrangement, was floated under a junior Sukuk Murabahah program of up to RM150 million (US$36.51 million) in nominal value. Arranged by Hong Long Investment Bank, the 19-year paper will mature on the 21st August 2037 and offers a fixed profit rate of 8% payable semi-annually.



In February 2016, TMSB was awarded a 25-year concession agreement to develop the 400-bed UiTM teaching hospital, academic facilities and accommodation for Zone 1 Phase 3 (ZIP3) of the UiTM Puncak Alam campus in Selangor, and thereafter to undertake asset management services for the project. In October 2017, the firm raised an 18-year senior Sukuk of RM639 million (US$154.7 million) rated 'AA1' by RAM Ratings, and a further RM27 million (US$6.53 million) via an unrated 19-year junior Sukuk. Both issues were guaranteed irrevocably and unconditionally by Danajamin Nasional for a period of 48 months.

The latest issuance builds on this successful track record, and will be used to part-finance the estimated RM599 million (US$145.79 million) total construction costs of the project, and to pay the incidental fees - including expenses for professional advisors, consultants and other expenditure.

Each certificate of the unrated RM40 million (US$9.77 million) paper was issued in multiples of RM1,000 (US$243.38). The issuance also comes with a call to upsize, provided that after upsizing, voting on any resolution for the program is carried out on a 'per series' basis and not on a collective basis, and that all documents are submitted for review by the Securities Commission Malaysia.

The sale comes in the middle of a high-profile acquisition of TMSB by Puncak Niaga, another major Malaysian investment holding company. Months after the procurement of the multimillion ringgit hospital project, TRIplc shareholders agreed to a proposed restructuring and transfer of listing exercise that will see the group become a subsidiary of Pimpinan Ehsan before being sold to Puncak Niaga Holdings. In December 2016, Puncak Niaga announced the proposed acquisition of TRIplc for RM210 million (US$51.11 million) to expand its construction division.

The successful Sukuk issuance, in the midst of a major corporate restructuring, demonstrates the resilience of the Islamic debt capital market and the current appetite for paper, while the simple and effective structure highlights how easy it is to raise funds for a wide range of construction-based requirements.

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MAALEM RECEIVES RATING APPROVAL

SAUDI ARABIA: Maalem Financing Company, which is planning to print Sukuk, has received a preliminary long-term rating of 'BB' from Simah Rating Agency for the proposed issuance.

EMAAR SELECTS BANKS

UAE: Emaar Properties has reportedly mandated Standard Chartered, Emirates NBD and Dubai Islamic Bank to arrange a perpetual Sukuk facility.

DP WORLD TO ISSUE AGAIN

UAE: DP World is planning to issue a 10-year Sukuk facility for US$1 billion offering 175bps over midswaps. Apart from the Islamic paper, the company is also looking to sell three conventional bonds at US$1 billion, EUR750 million (US$876.18 million) and GBP350 million (US$460.14 million). The company started its investor meetings for the planned Sukuk in London and Continental Europe on the 12th September 2018, and has hired Barclays, Citi, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Societe Generale and Standard Chartered Bank as the joint bookrunners.

HEKMAT TO FLOAT SUKUK

IRAN: Hekmat Iranian Leasing Company has received a license to print a four-year Sukuk Musharakah facility for IRR200 billion (US$4.75 million). The Sukuk will be paid monthly with a coupon rate of 16%. The paper's yield-to maturity will be determined by the market upon issuance and when trading commences.

ALDAR STARTS INVESTOR MEETINGS

UAE: Aldar Investment Properties has commenced a series of fixed income investor meetings in the Middle East, Europe and Asia for its fixed rate US dollar-denominated Sukuk. The paper is expected to be issued with a tenor of five to 10 years, and is expected to be at least US$750 million in order to refinance the company's outstanding Sukuk of the same size.

FORTUNE PREMIER ISSUES THIRD SUKUK

MALAYSIA: Fortune Premiere, a subsidiary of IOI Properties Group, has raised RM1.2 billion (US$288.87 million) in total via its third Sukuk transaction. The issuance consists of two tranches: a five-year paper for RM300 million (US$72.22 million) with a profit rate of 4.85% per annum and a seven-year paper for RM900 million (US$216.65 million) with a profit rate of 5.05% per annum. The issuance was floated under the company's multicurrency Islamic medium-term note program of up to RM3 billion (US$722.17 million). The joint lead managers were AmInvestment Bank, CIMB Investment Bank, Maybank Investment Bank and RHB Investment Bank. The proceeds will be used for capital expenditure, working capital requirements, refinancing of existing borrowings and/or general corporate purposes.

BYCO PETROLEUM LISTS SUKUK

PAKISTAN: Byco Petroleum Pakistan has listed its privately placed, rated and guaranteed five-year Sukuk, issued last year for the amount of PKR3.12 billion (US$25.17 million), on the Pakistan Stock Exchange. The listing took effect on the 5th September 2018 and the trading of the Sukuk commenced from the 6th September 2018.

BANKING

AL HILAL BANK ISSUES SUKUK

UAE: Al Hilal Bank has issued a US$500 million five-year senior Sukuk facility, as a 'drawdown' under Al Hilal Bank's US$2.5 billion trust certificate issuance program, which is listed on the Irish Stock Exchange. The orderbook reached US$1.4 billion with demand from over 70 investors. The investor base was diversified geographically, with a 25% allocation to Europe, 20% to Asia and 55% to the Middle East.

PRIVATE PLACEMENT FOR TURKIYE FINANS

TURKEY: Turkiye Finans is to print lease certificates for the value of TRY5 billion (US$798.4 million) via private placement, according to the Capital Markets Board of Turkey. The certificates will be issued by the Islamic bank's leasing unit, Turkiye Finans Varlik Kiralama.

ADIB ISSUES SUKUK

UAE: Abu Dhabi Islamic Bank (ADIB) has raised US$750 million via a Tier 1 perpetual Sukuk issuance. The offering, which carries a 7.13% profit rate, received US$2.1 billion in orders from investors from the MENA region (69%), Europe (22%), Asia (8%) and others (1%). By investor type, they were sold to private banks (34%), commercial banks (31%), asset and fund managers (28%) and other investors (7%).

SOVEREIGN

SAUDI CHOOSES LONDON

SAUDI ARABIA: The Saudi government has listed its US$2 billion US dollar-denominated Sukuk offering on the main market of the London Stock Exchange (LSE). The paper carries a 4.3% yield and is due to mature in January 2029. The Kingdom received total orders of more than US$10 billion for the facility, which was due to be settled on the 19th September and will mature in January 2029.

It is the second international Sukuk for

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Group Managing Editor Lauren McAughtry lauren.mcaughtry@REDmoneygroup.com

Editor Vineeta Tan vineeta.tan@REDmoneygroup.com

Senior Copy Editor Kenny Ng kenny.ng@REDmoneygroup.com

Journalist Durgahyeni Mohgana Selvam durgahyeni.selvam@redmoneygroup.com

Head of Production Hasnani Aspari hasnani.aspari@REDmoneygroup.com

Senior Production Manager Norzabidi Abdullah zabidi.abdullah@REDmoneygroup.com

Finance Manager Fatimah Omar fatimah.omar@redmoneygroup.com

Managing Director Andrew Tebbutt andrew.tebbutt@REDmoneygroup.com

Managing Director & Publisher Andrew Morgan andrew.morgan@REDmoneygroup.com

Published By: REDmoney

MALAYSIA
Suite 22-06, 22nd Floor, Menara Tan & Tan, 207, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel: +603 2162 7800 Fax: +603 2162 7810

UAE
PO Box 126732, 3rd Floor, X2 Tower, Jumeirah Lake Tower (JLT), Jumeirah Bay, Dubai, UAE

UK
Level 1, Devonshire House, 1 Mayfair Place
London W1J 8AJ, United Kingdom

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Saudi Arabia following the creation of the Saudi government Sukuk program in US dollars, and completes Saudi's external funding requirements for 2018.

IDB SELLS SUKUK

GLOBAL: The IDB has raised US$1.3 billion in senior, unsecured Sukuk. The facility has a five-year maturity and a profit rate of 3.39%, corresponding to a spread of 32bps over midswaps. The deal was marketed in mid-September with an initial price guidance in the high 30bps over midswaps.

MOROCCO TO DEBUT SUKUK IN Q3

MOROCCO: Morocco will issue its maiden Sukuk in the first week of October, according to Faouzia Zaaboul, the director of the Treasury and External Finances Department at the Ministry of Economy and Finance.

The debut Shariah securities will be worth around MAD1 billion (US$106.33 million). The exact value has not been decided yet as the government is still studying investors' appetite. The Sukuk facility, which aims at offering Islamic banks an investment tool, will follow the Ijarah structure with real estate assets owned by the government as underlying assets. Rents will be used to pay a coupon rate to investors.

INDONESIA FLOATS SUKUK

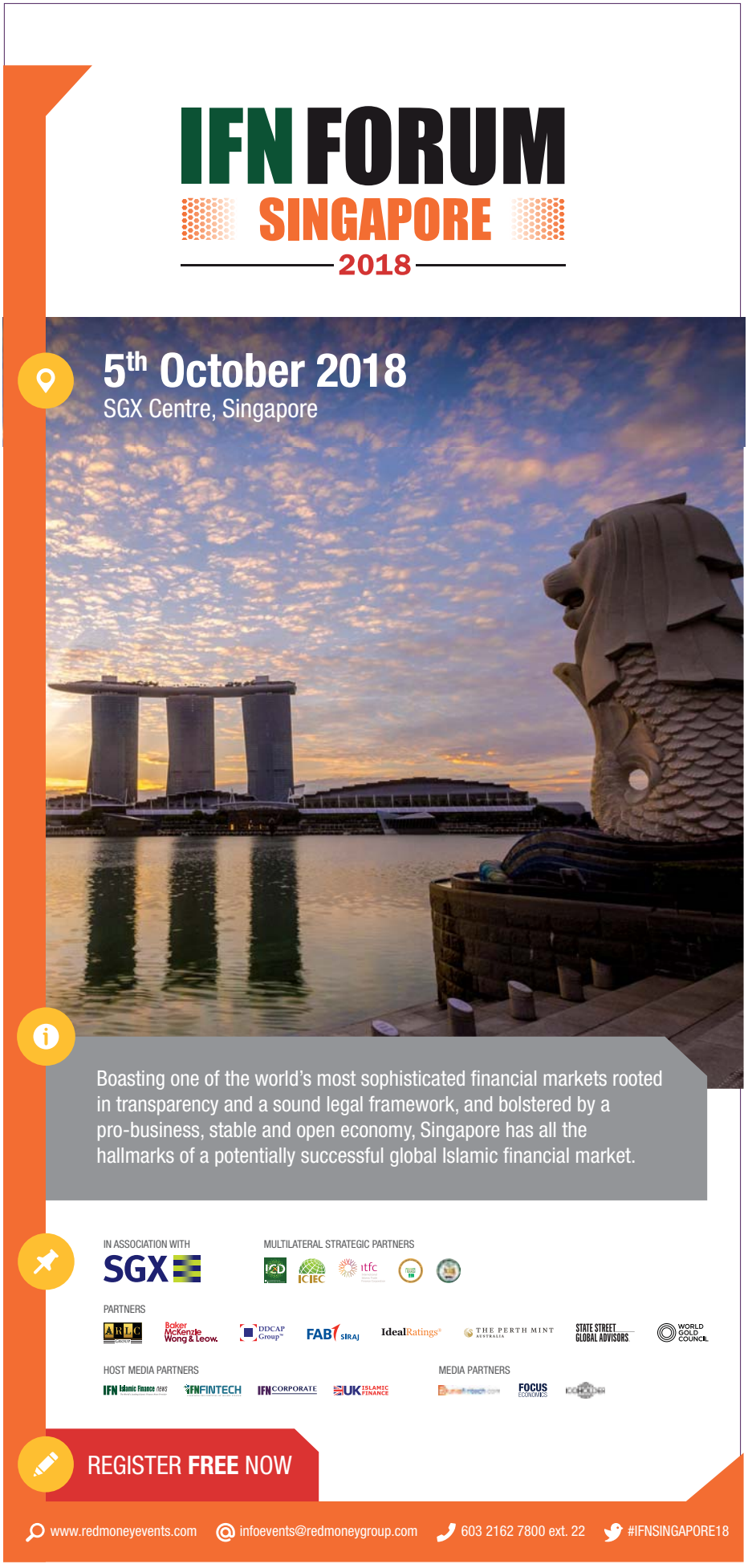
INDONESIA: The Indonesian Ministry of Finance floated six Shariah securities for IDR4.9 trillion (US$329.19 million) on the 18th September 2018. The exercise received total bids worth IDR8.22 trillion (US$552.23 million).

IILM ISSUES SHORT-TERM SUKUK

GLOBAL: The International Islamic Liquidity Management Corporation (IILM) has auctioned a six-month Sukuk facility. The issuance has a profit rate of 2.84% and received an orderbook of US$1.25 billion. The paper is the second auction through competitive bidding on the Bloomberg AUPD platform.

OVERWHELMING DEMAND FOR SAUDI ELECTRICITY'S SUKUK

SAUDI ARABIA: Saudi Electricity has received over US$5 billion in orders for its US$2 billion Sukuk – a five-year offering and a 10-year paper – which were allocated a final price guidance of around 120bps over midswaps and 165bps over midswaps respectively, according to Reuters. Citi, First Abu Dhabi Bank, HSBC, Mizuho, MUFG, Natixis, SMBC Nikko and Standard Chartered Bank are involved in the transaction.

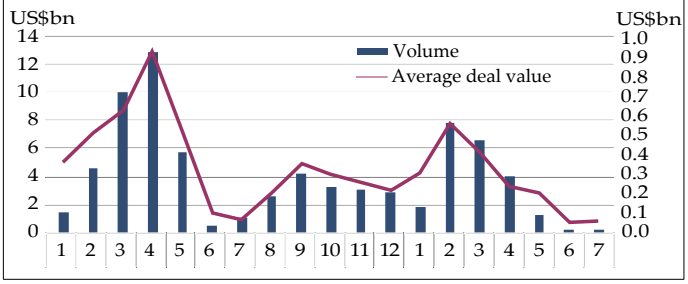


Top Issuers of Global Sukuk

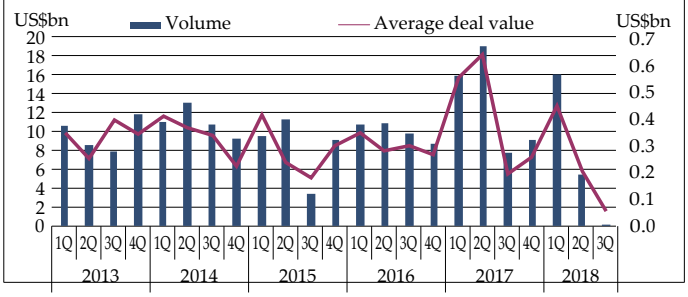
12 Months

Issuer	Nationality	Market	US$ (mln)	Tranches	Managers
Indonesia	Indonesia	Euro market public issue	3,000	2	Abu Dhabi Islamic Bank, CIMB Group, Citigroup, Dubai Islamic Bank, HSBC
Saudi Arabia	Saudi Arabia	Euro market public issue	2,000	1	BNP Paribas, Citigroup, HSBC, JPMorgan, Mizuho, Samba Capital
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,250	1	Dubai Islamic Bank, First Abu Dhabi Bank, Gulf International Bank, HSBC, Maybank, Natixis, Standard Chartered Bank, Warba Bank
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,250	1	CIMB Group, Citigroup, Emirates NBD, Gulf International Bank, HSBC, Natixis, Standard Chartered Bank, Sumitomo Mitsui Financial Group
China General Nuclear Power	China	Domestic market public issue	1,246	33	CIMB Group, Maybank, RHB Bank
DanaInfra Nasional	Malaysia	Domestic market public issue	1,022	5	AmInvestment Bank, CIMB Group, HSBC, Maybank, RHB Bank
Pakistan	Pakistan	Euro market public issue	1,000	1	Citigroup, Deutsche Bank, Dubai Islamic Bank, Industrial & Commercial Bank of China, Noor Bank, Standard Chartered Bank
Dubai Islamic Bank	UAE	Euro market public issue	1,000	1	Arab Banking Corporation, Dubai Islamic Bank, First Abu Dhabi Bank, HSBC, JPMorgan, KFH, Sharjah Islamic Bank, Standard Chartered Bank
Sharjah	UAE	Euro market public issue	1,000	1	Dubai Islamic Bank, HSBC, Sharjah Islamic Bank, Standard Chartered Bank
Bahrain	Bahrain	Euro market public issue	1,000	1	BNP Paribas, Citigroup, Gulf International Bank, National Bank of Bahrain, Standard Chartered Bank

Global Islamic Bond Volume by Month

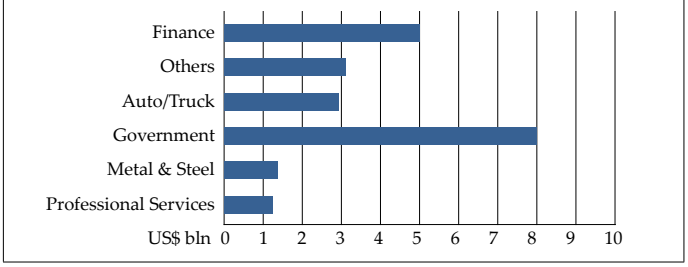


Global Islamic Bond Volume by Quarter



Top Islamic Finance Related Financing by Sector

12 Months



Top Global Islamic Bookrunners

12 Months

	Bookrunner Parents	US$ (mln)	Iss	%
1	**Maybank**	5,637	45	15.14
2	**CIMB Group**	5,173	44	13.90
3	**RHB Bank**	2,957	32	7.94
4	**AmInvestment Bank**	2,820	26	7.58
5	**HSBC**	2,506	14	6.73
6	**Standard Chartered Bank**	2,181	20	5.86
7	**Dubai Islamic Bank**	1,772	12	4.76
8	**Citigroup**	1,708	8	4.59
9	**JPMorgan**	1,080	5	2.90
10	**BNP Paribas**	904	4	2.43

Top Islamic Finance Related Financing Deal List

12 Months

Credit Date	Borrower	Nationality	US$ (mln)
19th Mar 2018	**Saudi Arabia**	Saudi Arabia	7,650
16th Mar 2018	**Canakkale Otoyol Ve Koprusu Insaat Yatirim Ve Isletme**	Turkey	2,238
18th Dec 2017	**Ma'aden Aluminum**	Saudi Arabia	1,782
3rd Dec 2017	**GEMS MENASA (Cayman)**	UAE	1,250
21st Mar 2018	**ICD**	UAE	1,200
13th Oct 2017	**DanaInfra Nasional**	Malaysia	948
11th Oct 2017	**PR1MA Corporation Malaysia**	Malaysia	592
2nd Oct 2017	**Kuwait Food (Americana)**	Kuwait	592
6th Aug 2018	**Aldar Properties**	UAE	500
17th May 2018	**Dubai Aerospace Enterprise (DAE)**	UAE	480

Most Recent Global Sukuk

Priced	Issuer	Nationality	Instrument	Market	US$ (mln)	Managers
12-Sep-18	**Al Hilal Bank**	UAE	Sukuk	Euro market public issue	500	Al Hilal Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, JPMorgan, Nomura, Standard Chartered Bank
12-Sep-18	**Saudi Arabia**	Saudi Arabia	Sukuk	Euro market public issue	2,000	BNP Paribas, Citigroup, HSBC, JPMorgan, Mizuho, Samba Capital
3-Sep-18	**Prasarana Malaysia**	Malaysia	Sukuk	Domestic market public issue	243	Affin Hwang Capital, AmInvestment Bank, CIMB Group, Kenanga Investment Bank, Maybank
29-Aug-18	**Progressive Holdings**	Malaysia	Sukuk	Domestic market public issue	293	AmInvestment Bank, CIMB Group, Maybank, RHB Bank
20-Aug-18	**Tenaga Nasional**	Malaysia	Sukuk	Domestic market public issue	731	AmInvestment Bank, CIMB Group, Maybank
13-Aug-18	**DanaInfra Nasional**	Malaysia	Sukuk	Domestic market public issue	343	AmInvestment Bank, CIMB Group, Maybank, RHB Bank
24-May-18	**Pengurusan Aset Air**	Malaysia	Sukuk	Domestic market public issue	528	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Maybank, RHB Bank
21-May-18	**Qatar Islamic Bank**	Qatar	Sukuk	Euro market private placement	120	Standard Chartered Bank
21-May-18	**Qatar Islamic Bank**	Qatar	Sukuk	Euro market private placement	100	Standard Chartered Bank
17-May-18	**Cagamas**	Malaysia	Sukuk	Domestic market public issue	378	AmInvestment Bank, CIMB Group

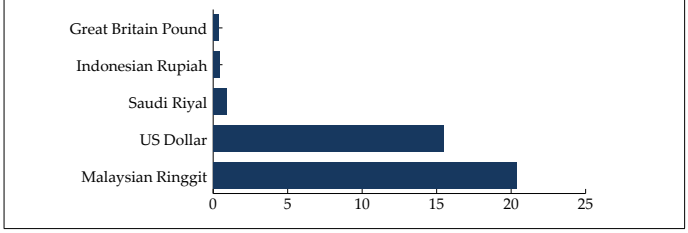
Top Islamic Finance Related Financing Bookrunners

12 Months

	Bookrunner	US$ (mln)	No	%
1	**Standard Chartered Bank**	1,445	8	11
2	**First Abu Dhabi Bank**	1,221	7	9
3	**MUFG**	841	2	6
4	**Citigroup**	823	2	6
4	**HSBC**	823	2	6
4	**Industrial & Commercial Bank of China**	823	2	6
7	**Bank of China**	765	1	6
7	**Credit Agricole**	765	1	6
7	**JPMorgan**	765	1	6
7	**Mizuho**	765	1	6

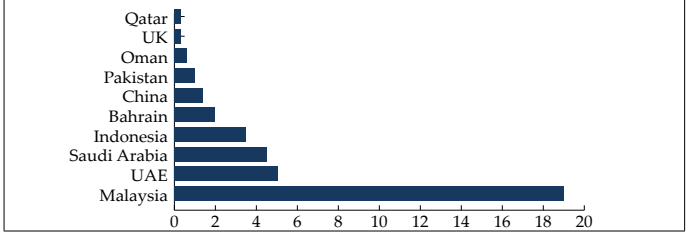
Sukuk Volume by Currency US$ (billion)

12 Months

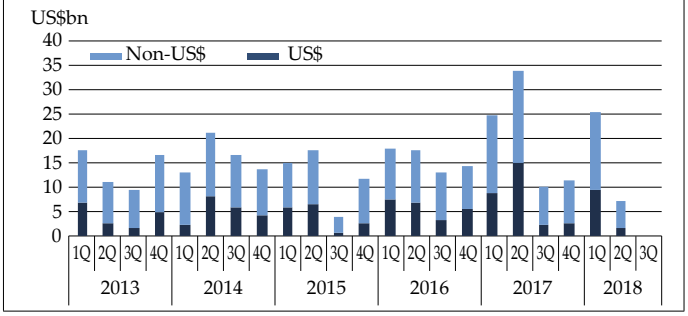


Sukuk Volume by Issuer Nation US$ (billion)

12 Months

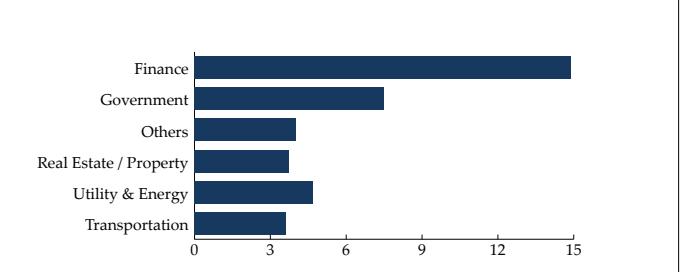


Global Islamic Bond Volume - US$ Analysis



Global Sukuk Volume by Sector

12 Months



If you feel that the information within these tables is inaccurate, you may contact the following directly:

Mimi Lee (Media Relations)
Email: mimi.lee@dealogic.com
Tel: +852 3698 4715

dealogic