

Positive outlook for Malaysian Sukuk despite economic pressures

Malaysia continues to display a healthy Shariah compliant capital market despite a worrying slowdown in domestic economic performance for 2019 amid political paralysis and industrial depression – confirming the role of Islamic finance market as a very real driver of financial growth and a vital cog in the wheel of corporate activity.



ADNAN SUNDRA & LOW

Capital Markets | Islamic Markets

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Malaysia's economic data for the first two months of 2019 paints a less-than-positive picture - underpinning analyst forecasts of a slowdown in GDP growth to around 4.2% in the first quarter of the year. The economy plunged into deflation in January for the first time in a decade, leading to predictions of a possible interest rate cut to pre-empt any further growth downside in the rest of the year.

"Our full-year 2019 growth forecast remains at 4.6%. We believe the central bank (Bank Negara Malaysia) will use the current low inflation backdrop to provide more policy stimulus to the economy," said ING in its latest analysis, released on the 11th April. "We have pencilled in a 25bp cut to the BNM's overnight policy rate to 3.00% at the next meeting on the 7th May."

And there was worse news to come. On the 17th April, FTSE Russell placed

Malaysia on its bonds watch list for six months and warned that the country could be dropped from its influential World Government Bond Index (WGBI) in September 2019 – a move that could have a catastrophic effect on the local bond market, with the potential exodus of up to RM30 billion (US\$7.2 billion) according to some estimates.

"Malaysia, currently assigned a '2' and included in the WGBI since 2004, is being considered for a potential downgrade to '1', which would render Malaysia ineligible for inclusion in the WGBI," said the index provider in a statement.

The potential ratings downgrade places further pressure on the ringgit (one of the worst-performing Asian currencies so far this year) and on the local stock market, both of which have plummeted in recent

continued next page...

Slow month for Sukuk, with sovereigns and supranationals driving the market



April has been a quiet month for the Islamic capital markets, as economic headwinds in key jurisdictions such as Malaysia's subdued growth while ongoing concerns of a global trade war and the impact of ongoing Federal Reserve rate hikes continue to cast a dampener on issuance.

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New developments in Islamic retail finance



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World No. 1 in Sukuk

Source: Bloomberg 2015 Global Sukuk League Table

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weeks – adding additional strain for capital raisers.

Corporates are already coming under pressure in this competitive environment. Released on the 11th April, Malaysia's industrial production (IP) growth nearly halved to 1.7% year-on-year in February from 3.2% in January. The result was in fact better than initial forecasts, which predicted a slight contraction, underpinned by a sharp export decline in the month. Nevertheless, it was still weaker than the consensus estimate of 2.2% growth.

The slowdown in export growth over the same period was even worse at -2.1%, down from 5% in January, while average manufacturing sales growth of 6.2% in the first two months of 2019 was the slowest in two years, as was wages and salaries growth of 8%. Employment growth remained stuck in low single-digits (2% in both January and February). Comparing these figures with their 2018 rates of 7.9%, 15.0%, and 2.4%, respectively, it is hard not to conclude substantially weaker domestic demand – a state of affairs that could place significant strain on the country's corporates, already suffering from external uncertainties including international trade tensions, weak global demand and low oil prices.

Yet amid all the chaos, the domestic Sukuk market is bucking this trend, with a positive performance over the first quarter and a strong pipeline for the rest of the year that suggests that Malaysian corporates could turn to the Shariah compliant capital market as a means of supporting themselves over this lean period.

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Moody's in its latest Sukuk forecast specifically identified higher Sukuk refinancing needs in Malaysia as a key



Rafe Haneef, CIMB Islamic

driver for market growth in 2019, leading to a deepening of the overall market. And last month Lee Kok Kwan, the chairman of Malaysia's Bond and Sukuk Information Exchange, noted that a trend towards longer tenors among domestic firms was also boosting the Sukuk pipeline.

So far this year, the Malaysian Sukuk market has enjoyed its best start in seven years – with data compiled by Bloomberg showing that Sukuk offerings topped RM30.1 billion (US\$7.25 billion) in the first three months of 2019 – the most since local borrowers

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sold RM40.2 billion (US\$9.68 billion) in the first quarter of 2012. Much of this is down to highly attractive borrowing costs, which are currently hovering at a 29-month low – while confirmed state support for government infrastructure spending has also boosted the market. Major domestic transactions such as the recent RM6.8 billion (US\$1.63 billion) issuance from DanaInfra Nasional and RM3.7 billion (US\$891.7 million) from Maybank have also supported growth.

Robust onshore liquidity, low inflation and a relaxing global monetary policy should support Sukuk sales throughout the rest of the year, according to CIMB Islamic CEO Rafe Haneef. "The Malaysian Sukuk market is expected to remain resilient in 2019," he said in an April interview.

"We believe Sukuk will continue to be a viable option among corporate issuers, as well as for sovereign and quasi-sovereign issuers in Malaysia given the wider investor base and past successful issuance."

Maybank and CIMB have predicted that Malaysian Sukuk sales could top RM80 billion (US\$19.28 billion) in 2019, an increase of 11% from the previous year - driven by demand for railway and road projects as well as corporate refinancing needs.

Malaysia was the world's largest Sukuk market last year with RM1.88 trillion (US\$453.1 billion) as at end-2018, representing approximately 61% of the country's overall capital market, according to deputy finance minister Amiruddin Hamzah, speaking at the Islamic Development Bank's Annual General Meeting on the 8th April.

Local banking players are also displaying optimism even in the face of economic headwinds. Most recently, speaking to reporters on the 15th April, RHB Group managing director Khairussaleh Ramli emphasized that the current turbulence in the stock market (as exemplified by the volatility of the FTSE Bursa Malaysia KLCI) was in his opinion a temporary phase rather than a consistent downturn.

"We actually have a positive outlook on the index as our fundamentals are strong. External factors are causing the volatility," he commented. On the subject of Malaysia's potential exclusion from the WGBI he was equally sanguine, noting that: "Malaysia's bond market is deep and its fundamentals are sound, plus it is mere speculation, so we are not too worried." (☺)

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Slow month for Sukuk, with sovereigns and supranationals driving the market

April has been a quiet month for the Islamic capital markets, as economic headwinds in key jurisdictions such as Malaysia's subdued growth while ongoing concerns of a global trade war and the impact of ongoing Federal Reserve rate hikes continue to cast a dampener on issuance. However, a few bright spots emerged over the month – including the long-awaited return of the World Bank to the Sukuk stage, and a major new corporate program from Saudi Arabia.

The International Facility for Immunisation (IFFIm) completed a private placement Sukuk transaction on the 9th April, 2019. The Sukuk, the third in the series, raised US\$50 million to accelerate funding for immunization programs that save children's lives in the world's poorest countries.

The Sukuk was supported by the World Bank Treasury, which acts as IFFIm's treasury manager, with First Abu Dhabi Bank (FAB) as sole placement agent on the transaction. It was sold exclusively to the Islamic Development Bank (IDB), which acted as the only investor in the transaction.

IFFIm raises funds for Gavi (the Vaccine Alliance)'s immunization and health-strengthening programs by issuing vaccine bonds and Sukuk in the international capital markets. IFFIm's bonds and Sukuk are supported by legally binding, long-term grants (approximately US\$6.54 billion) from 10 sovereign donors.

The latest deal marks IFFIm's third entry to the Islamic market, highlighting its commitment to building a presence in Islamic capital markets and raising awareness and support for Gavi program among Gulf Cooperation Council investors. Two previous Sukuk issuances raised US\$500 million (December 2014) and US\$200 million (September 2015), respectively.

"The IDB's leadership on this Sukuk demonstrates its growing engagement

in immunization programs to reach every child with life-saving vaccines in the world's poorest countries," said Dr Seth Berkley, CEO of Gavi. "Gavi is grateful for the IDB's involvement in this important innovative financing opportunity, and we look forward to deepening our relationship in the future."

"Gavi's strong impact on saving lives through immunization is a perfect fit with the IDB's strong priority on public health investments," added Dr Bandar Hajjar, IDB president. "That's why we are very pleased to support IFFIm's Sukuk and extend our relationship with Gavi."

In other news...

Pakistan announced plans to issue a further Sukuk worth PKR200 billion (US\$1.4 billion) in a bid to support its struggling power sector by reducing its ballooning circular debt down to manageable levels and easing its impending liquidity crunch. The bond will be floated on the Pakistan Stock Exchange and will have a 10-year maturity. Meezan Bank has been chosen as lead arranger of the issuance. The government will provide irrevocable and unconditional sovereign guarantee to the investors for all payments of the Sukuk, demonstrating yet another method in which Islamic issuance can support the corporate sector – even when corporates themselves are not required or capable of issuing directly.

The Turkish government has issued a decree allowing lease certificates and Eurobonds issued outside the country (including Islamic issuances) to qualify for a zero percent withholding tax, as long as they

have a maturity of three years or more. This is a reduction from the previous five-year requirement, and is aimed at smoothing the path for bond issuance abroad by Turkish originators – meaning we could soon see Turkish corporates hit the Islamic capital markets in Malaysia or the Middle East to raise funding. Issuances with maturities up to one year have also seen their tax rate cut from 10% to 7%, while between one and three years the tax is reduced from 7% to 3%. In addition, the withholding tax applicable to interest payments on Tier II bank loans and securitizations has also been cut to 0%, which is also likely to act as a stimulus for the country's capital market.

Finally, Saudi Telecom Co (STC, the GCC's largest telecommunications provider) on the 22nd March announced one of the biggest Sukuk programs to hit the market this year, in the form of a US\$5 billion international program to be made available in one or more tranches and through either one issue or a series of issues, by way of private placement or public offering. The aim of the program is to support the execution of the company's strategy and future plans. It will also help the company to diversify the sources of funding and benefit from the features of international debt capital market in terms of liquidity, competitive pricing and diversification of investors' base, said the company in a statement. "In addition, having an international presence in debt capital market through this program will enhance STC's financial standing," added STC. ☺

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New developments in Islamic retail finance

Sukuk and syndicated finance may steal most of the headlines, but it is Islamic retail banks that provide the foundation for the majority of corporate financial needs. From auto solutions to property financing, digital options to wealth management windows, Islamic banks continue to expand the variety, sophistication and strength of their corporate offerings. This month, we bring you the latest in new launches.

In April, Oman's Bank Nizwa launched its first ever wealth management center to offer tailored products and services as well as grow its high net worth customer base. One of only two fully-fledged Shariah compliant banks in Oman, Bank Nizwa has grown in leaps and bounds – registering a 97% expansion in net profit over 2018 alone. Its new wealth management initiative is targeted not just at wealthy individuals but at corporations seeking Islamic solutions to manage their excess capital, and is a natural extension of its already extensive suite of retail banking products. The offering includes a full range of tailored products and services to cater to corporates' exclusive needs: including 24/7 direct access to a personal banker, joint venture-based (Mudharabah) investment options and other value-added benefits.

Over in the UAE, Emirates NBD and its Shariah compliant unit Emirates Islamic also broke new ground this month – with the launch of Chat Banking services for customers via WhatsApp, marking a global first in the Islamic banking sector. The Chat Banking solution, supported by Infobip, allows customers to use features such as checking account balances and temporarily blocking or unblocking of an existing card, and represents a radical new use of technology for retail banking purposes.

The lender reassured customers that all messages on its verified WhatsApp Business account are encrypted, ensuring confidentiality as well as security.



Bank Nizwa launches new wealth management service

The offering includes a full range of tailored products and services to cater to corporates' exclusive needs: including 24/7 direct access to a personal banker, joint venture-based (Mudharabah) investment options and other value-added benefits

"With customers increasingly turning to online and mobile banking services, Emirates NBD's Chat Banking via WhatsApp solution is to make banking easy and intuitive," said Suvo

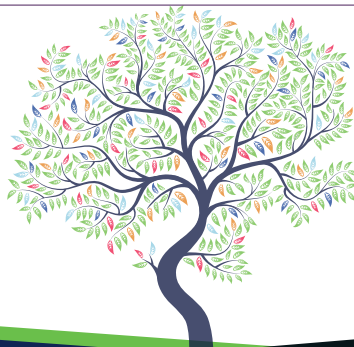
Sarkar, the head of retail banking and wealth management at Emirates NBD.

Also in the UAE, Dubai Islamic Bank this month took a new commercial step with a partnership with Azizi Developments, one of the leading property developers in the UAE, to provide private and corporate customers with a new Islamic property buying solution called MyHome.

The new service is designed to simplify the real estate buying process by improving flexibility and affordability. Customers can choose payment plan options of up to 48 months at "mortgage-like" rates. Those opting for payment plans of up to six months will pay no charges. The solution addresses all types of payments towards home buying, allowing customers to budget payments to the developer, service fees, registration fees, bank processing fees, and more.☺

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Breaking barriers in Islamic trade finance

Shariah compliant trade finance is a huge market, yet one which up till now has been notably underserved by mainstream players. All that could now be changing, however. Muslim countries account for over US\$3.5 trillion in annual trade, of which 20% is intra-OIC — and with global trade forecast to expand by 3.7% in 2019 (according to the latest WTO forecasts), the first quarter of this year has seen numerous new initiatives aimed at leveraging this growing area of Islamic opportunity.

The catalyst, of course, was the new and long-awaited Master Agreement on Islamic trade finance, released on the 23rd January 2019 by the International Islamic Financial Market (IIFM) in partnership with the Bankers' Association for Finance and Trade (BAFT). Designed to provide a blueprint for the commercial progression of a sector that has long been heralded as one of the most important potential growth pillars of Shariah compliant finance, the new standard has already seen a surge of activity in the arena – across multiple jurisdictions.

Just this month, amid growing demand for Shariah compliant import finance from its business customers, South African banking provider First National Bank (FNB) launched its brand new FNB Islamic Trade Finance offering, modelled on a cost-plus-profit (Murabahah) agreement which entails the bank entering into an agreement to purchase and assume legal possession of items being imported and selling them to the customer upon delivery. As part of the agreement, the customer is required to facilitate logistics relating to the purchasing and receipt of goods from the supplier/ exporter.

The new offering also includes access to a variety of additional trade finance products such as, import letters of credit, foreign bills for collection, forward exchange contracts, guarantees and open account payments. "There's strong appetite in the market for Islamic trade finance products amongst South African businesses. Therefore, access to this finance will create opportunities for more businesses to actively participate in trade activities, which will have a positive impact on GDP in the long-term," said FNB Islamic Bank CEO Amman Muhammad, noting further that although Islamic banking is one of the fastest-growing segments of the global financial markets, Islamic trade finance products are still largely untapped, which presents significant growth opportunities for the industry.

In March, the UAE's largest bank signaled its own plans in the trade finance arena, entering into a new partnership with



ECI partners with FAB on trade finance

national export credit agency Etihad Credit Insurance (ECI). First Abu Dhabi Bank (FAB), which operates an Islamic banking arm, has committed to help local businesses with their trade finance needs and support international expansion through the joint development of products and solutions for UAE-based exporters looking to mitigate commercial and political risks.

although Islamic banking is one of the fastest-growing segments of the global financial markets, Islamic trade finance products are still largely untapped, which presents significant growth opportunities for the industry

Areas of collaboration will include conventional and Islamic trade credit insurance, credit risk and supply risk solutions, export and SME financing, factoring and letter of credit confirmations.

"This initiative enables increased trade financing to the local SME export sector, which is an increasingly significant customer

segment within the UAE economy," noted Manoj Menon, FAB's head of global transaction banking. "This partnership significantly enhances the financing capacity to local exporting and re-exporting companies, providing innovative solutions and alternative channels by which financing can be readily accessed."

ECI aims to support UAE-based companies with over US\$1.1 billion in exposure and revolving credit limits in 2019, with the goal of supporting US\$3 billion worth of non-oil exports and re-exports as part of the UAE Vision 2021 agenda. The agency is currently building a "comprehensive platform of strategic partnerships" across government, insurers, re-insurers, brokers, banks and lenders, regional and international ECAs, governments and trade promotion agencies.

As part of this drive, a delegation from Russia's biggest bank, Sberbank, recently visited the UAE to explore opportunities in Islamic banking – and particularly in Islamic trade finance. Sberbank is reportedly already in the process of testing a number of products in trade finance and leasing operations to expand its presence in Islamic banking, as it moves to cater to the needs of more than 25 million Muslims in Russia. Bilateral trade between the two countries is estimated to top US\$2 billion, while the UAE has committed US\$5 billion to investment in the Russian oil and gas, logistics and infrastructure sectors. ☺

Indonesian gas giant funds expansion through Islamic issuance

Indonesia's Aneka Gas, one of the country's biggest industrial gas companies, in March launched a public offering for Shelf-Registered Bonds I Phase III 2019 amounting to IDR180 billion (US\$12.8 million) and Shelf-Registered Sukuk I Phase III 2019 amounting to IDR110 billion (US\$7.8 million). The proceeds from the issuance will be used to refinance the company's outstanding conventional debt of IDR240 billion (US\$17.1 million) maturing this year, with the remaining IDR50 billion (US\$3.5 million) used as capital expenditure.



Aneka Gas is the first and largest industrial gas company in Indonesia, and a market leader in the medical gas sector; with a well-diversified end customer base, nationwide distribution network and experienced management team. The company, owned by private family firm Samator, currently has 44 plants and 100 filling stations across Indonesia, with ambitious plans for further expansion.

A frequent issuer of bonds, Aneka Gas is no stranger to the Sukuk market - in April 2018 the firm issued IDR400 billion (US\$28.4 million) in conventional and Islamic paper (with the Shariah compliant tranche accounting for a full 75% of the total transaction).

The latest Sukuk paper is the third tranche in the Aneka Gas Industri I Sustainable Bonds I and Sukuk Ijarah I program, with a target of issuing a total of IDR500 billion (US\$35.6 million) each to reach IDR1 trillion (US\$71.23 million) in fundraising by 2020.

Based on the well-known lease (Ijarah) structure, the contract refers to securities in which the owner, jointly, owns some part of the assets from which the profits have been transferred to the consumer or the originator according to the Ijarah contract. In Ijarah Sukuk, the right to



use the profits of the assets or a series of assets is transferred from the owner to another party in exchange for the payment of the rent, making it a popular choice for manufacturing and commercial transactions.

Maturing on the 19th March 2022, the first interest payment for the recent Sukuk will be on the 19th June 2019. Listed on the Indonesia Stock Exchange (IDX), it brings the total Sukuk listed on the bourse to US\$47.5 million. Underwriters for the Sukuk, which is rated 'A-(idn)' by Fitch Ratings Indonesia, are Indo Premier Securities and Mandiri Sekuritas.

The industrial gas supplier previously confirmed that it needs around IDR250 billion (US\$17.55 million) to IDR300 billion

(US\$21.06 million) in capital expenditure to acquire assets including liquefaction units (among others). As of late 2018, the company owned 99 liquefaction units.

Aneka Gas has expanded by double digits over the past two years, and Islamic issuance has underpinned this aggressive growth strategy. In March 2019, the company announced that it would be building a new filling station, with a target of 10 stations by the end of the year.

With various plans and targets underway for the company for 2019, the Sukuk issuance is a timely exercise for the company, demonstrating the depth and convenience of the Islamic capital market as a method of financing asset expansion as well as refinancing existing debt. (P)

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CORPORATE

ADIRA LISTS ON IDX

Indonesia's Adira Finance listed three series of joint venture (Mudarah) Sukuk, along with conventional papers, on the Indonesia Stock Exchange (IDX) on the 18th April 2019. The Sukuk papers, which raised a total of IDR96 billion (US\$6.81 million), have tenors ranging from one to five years.

GAMUDA PRINTS ICP

Gamuda, a Malaysian infrastructure group, has printed a 91-day Islamic commercial paper (ICP) amounting to RM50 million (US\$12.15 million). The paper, which was arranged by Maybank Investment Bank, will mature on the 16th July 2019.

SUNWAY TREASURY ISSUES SUKUK

Malaysia's Sunway Treasury Sukuk has issued a RM200 million (US\$48.52 million) Islamic commercial paper (ICP), according to its tender results. The one-month offering received 12 bids, with RM414 million (US\$100.43 million) in bids rejected.

MASOOD TEXTILES LOOKS TO SUKUK

Pakistan's Masood Textile Mills has been approved to raise PKR5 billion (US\$35.2 million) by way of Sukuk to meet its working capital requirements. The date and terms of the offering have not been disclosed.

AEON ISSUES ICP

Malaysia's AEON Co has sold a 28-day Islamic commercial paper (ICP) worth RM70 million (US\$17.15 million). Arranged by Maybank Investment Bank, the ICP is rated 'P1' by RAM Ratings and will mature on the 30th April 2019.

DANAINFRA SELLS IMTNs

Malaysia's DanaInfra Nasional has issued

six tranches of Islamic medium-term notes. The papers, worth a total of RM3.8 billion (US\$930.33 million), have tenors ranging from seven to 29 years and with profit rates ranging from 4.03% to 4.82%.

BANKING

SAIB ISSUES SUKUK

The Saudi Investment Bank (SAIB) has privately placed a subordinated Tier I perpetual Sukuk worth SAR215 million (US\$57.31 million).

BANQUE SAUDI FRANSI TO REDEEM SUKUK

Banque Saudi Fransi has announced its intention to early redeem its Tier 2 subordinated Sukuk worth SAR2 billion (US\$532.6 million). The facility was issued on the 18th June 2014 under the Basel III framework and was due to mature on the 18th June 2024.

TID REACHES SETTLEMENT WITH NOOR

Following the final judgment from Bahrain's Cassation Court in favor of Noor Financial Investment Company, The Investment Dar (TID), without cash to pay Noor, has finalized a settlement with Noor over the US\$100 million it defaulted on in 2009. The two parties have agreed for TID to transfer a certain percentage ownership interest in a subsidiary company in exchange for total releases. In a statement, TID noted that the settlement protects it from bankruptcy and maintains the integrity and availability of other company assets as well as allowing other settlements to be agreed with other creditors.

TURKIYE FINANS FLOATS SUKUK

Turkiye Finans Participation Bank has floated a 105-day domestic Sukuk paper worth TRY150 million (US\$26.61 million). The issuance was floated via the bank's

subsidiary, TF Varlik Kiralama Sirketi, and was structured for qualified investors. The offering brings the total amount of outstanding local currency Sukuk issuances of the bank to TRY2.33 billion (US\$413.4 million).

MAYBANK ISLAMIC PRINTS PAPER

Maybank Islamic has printed one Murabahah paper worth RM1 billion (US\$244.93 million). The paper, which will mature on the 5th April 2029, carries a 4.5% profit rate.

ALLIANCE ISLAMIC ISSUES 100YR SUKUK

Malaysia's Alliance Islamic Bank has raised RM100 million (US\$24.51 million) through a 100-year Sukuk facility, with a 5.95% profit rate to be paid semi-annually. The facility is rated 'BBB1' by RAM Ratings.

SOVEREIGN

IDB TO RAISE US\$1.5 billion in Sukuk

The Islamic Development Bank (IDB), which began marketing its five-year Sukuk on the 17th April, will raise US\$1.5 billion from the exercise at 40bps over midswaps. The multilateral bank has appointed Credit Agricole CIB, Emirates NBD Capital, Gulf International Bank, HSBC, JPMorgan, Natixis and Standard Chartered as the joint lead managers and bookrunners.

INDONESIA PLACES SUKUK

The Indonesian government reopened the auction of six Sukuk series, namely SPNS03102019, PBS014, PBS015, PBS019, PBS021 and PBS022, on the 16th April 2019. The sale had a total nominal value of IDR6.06 trillion (US\$430.13 million) and received bids worth IDR18.52 trillion (US\$1.31 billion).

MALAYSIA, PHILIPPINES JOIN MORTGAGE FORCES

Malaysia's Cagamas and the National

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Home Mortgage Finance Corporation (NHMFC) of the Philippines have sealed a memorandum of cooperation (MoC) to jointly explore home financing methods to promote homeownership in their respective countries, according to a press release. With the NHMFC's impending Sukuk issuance, Cagamas's assistance was requested for the establishment of a Shariah council. Cagamas is also helping on the structuring and marketing of the Sukuk facility. The NHMFC has identified five potential projects suitable for Sukuk issuance.

The MoC enables experience in housing finance, mortgage and financial instruments to be mutually exchanged between Malaysia and the Philippines. This is expected to enhance the stability of housing and mortgage markets, mortgage-backed securities as well as other funding instruments to leverage private capital to the housing market. A central feature includes identifying and attracting private and public capital investment.

IFFIm ISSUES THIRD SUKUK

The International Finance Facility for Immunisation (IFFIm) has raised US\$50 million from the IDB through a privately-placed Sukuk. Proceeds from the transaction, the third Sukuk from the IFFIm, will be channeled toward the IFFIm's immunization programs through Gavi, the vaccine alliance, a public-private partnership of major stakeholders in immunization.

MALAYSIAN CENTRAL BANK FLOATS ISLAMIC INSTRUMENTS

Bank Negara Malaysia (BNM) has issued four Money Market Tender Qard papers and one Money Market Tender cost-plus-profit (Murabahah) Overnight Borrowing Acceptance Islamic instrument for a total of RM14.85 billion (US\$3.61 billion).

EGYPTIAN SUKUK ON THE CARDS

Egyptian Finance Minister Mohamed Maaait has said that the country is preparing to diversify its funding sources through the inaugural offerings of Sukuk, green, Panda and Samurai bonds in the fiscal year starting in July. Maaait also confirmed that Egypt will not issue any new international debt this fiscal year.

MALAYSIA ISSUES ISLAMIC FACILITY

The government of Malaysia on the 15th April has issued a six-year GII cost-plus-profit (Murabahah) facility, raising RM3.5 billion (US\$850.44 million) at a profit rate of 3.66%.

IILM REISSUES SUKUK

The International Islamic Liquidity Management Corporation (IILM) has reissued its US\$500 million Sukuk in two tranches. The tranches consist of a one-month US\$200 million paper with a profit rate of 2.67%, which received a bid-to-cover ratio of 214%, and a three-month US\$300 million paper with a profit rate of 2.76% which received a 329% bid-to-cover ratio.

BANGLADESH BANK PLACES ISLAMIC BOND

Bangladesh Bank has sold a six-month Bangladesh Government Islami Investment Bond (BGIIIB). The issuance received seven bids worth BDT1.94 billion (US\$22.67 million) and all the bids were accepted. The profit-sharing ratio of the accepted bids was 90:10.

BAHRAIN SUKUK LISTED ON BOURSE

The Bahraini government's 11 capital market instruments, including one lease-based (Ijarah) Sukuk paper, were listed on the Bahrain Bourse effective the 10th April 2019. The six-month Sukuk facility was floated on the 14th March for BHD26 million (US\$68.62 million).

SHARJAH LISTS SUKUK ON NASDAQ DUBAI

NASDAQ Dubai has welcomed the listing of a US\$1 billion Sukuk facility issued by the Emirate of Sharjah. The Emirate's total Sukuk value listed on NASDAQ Dubai has now reached US\$3.45 billion. The joint lead managers for the latest Sukuk listing were Arab Banking Corporation, Dubai Islamic Bank, HSBC Bank, Kuwait Finance House Capital Investment Company, Sharjah Islamic Bank and Standard Chartered Bank. The legal advisors to the Emirate of Sharjah were Clifford Chance, and Maples and Calder (Dubai). The total value of all Sukuk listed in Dubai has now reached US\$61.34 billion.

TURKEY PLANS TWO-YEAR LEASE CERTIFICATE

The Turkish Treasury plans to issue a two-year lease certificate amounting to TRY500 million (US\$89.89 million) on the 18th June 2019 via a direct sale, according to its domestic borrowing strategy as viewed by IFN. However, the amount is subject to change depending on market conditions. The planned issuance will mature on the 16th June 2021.

PAKISTAN TO ISSUE SUKUK IN MAY

The Pakistan government will issue a 10-year Sukuk facility worth PKR200 billion (US\$1.42 billion) in May to resolve the power sector's ballooning circular debt. The bond will be floated on the Pakistan Stock Exchange in an over-the-counter listing to raise proceeds and the profit rate will be based on the Karachi Interbank Offered Rate plus a margin of 80bps.

TADAWUL APPROVES SAUDI LISTING

The Saudi Stock Exchange (Tadawul) has approved the listing of one Sukuk facility worth SAR2.4 billion (US\$639.71 million) issued by Saudi Arabia. ☺

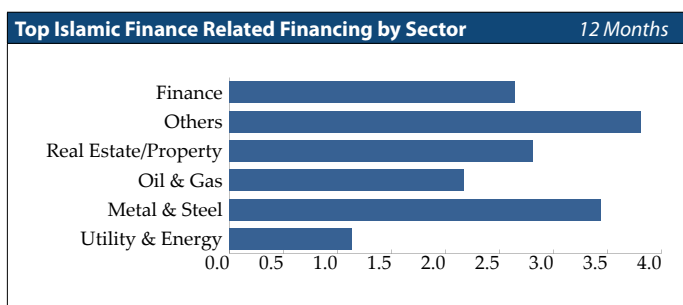
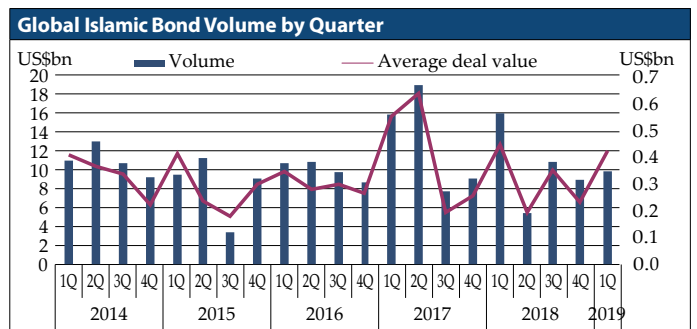
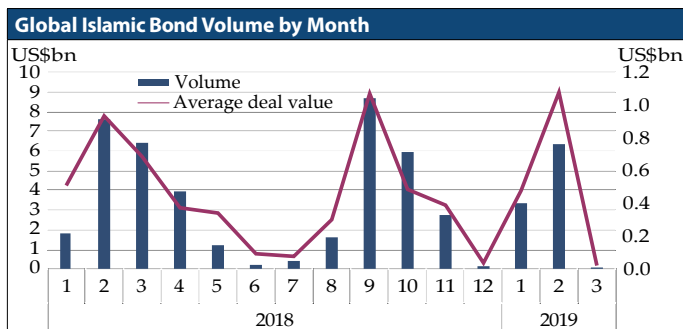
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Top Issuers of Global Sukuk					12 Months
Issuer	Nationality	Market	US\$ (mln)	Tranches	Managers
Saudi Arabia	Saudi Arabia	Euro market public issue	2,000	1	BNP Paribas, Citigroup, HSBC, JPMorgan, Mizuho, Samba Capital
Saudi Electricity	Saudi Arabia	Euro market public issue	2,000	2	Citigroup, First Abu Dhabi Bank, HSBC, Mizuho, MUFG, Natixis, Standard Chartered Bank, Sumitomo Mitsui Financial Group
Turkey	Turkey	Euro market public issue	2,000	1	Citigroup, Kuwait Finance House, Standard Chartered Bank
Indonesia	Indonesia	Euro market public issue	2,000	2	Deutsche Bank, Dubai Islamic Bank, HSBC, Mandiri Sekuritas, Maybank
Oman	Oman	Euro market public issue	1,500	1	Gulf International Bank, HSBC, JPMorgan, KFH, Standard Chartered Bank
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,300	1	CIMB Group, Citigroup, Dubai Islamic Bank, Gulf International Bank, HSBC, Natixis, Standard Chartered Bank
Dubai World	UAE	Euro market public issue	1,000	1	Barclays, Citigroup, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, JPMorgan, SG Corporate & Investment Banking Standard Chartered Bank
Sharjah	UAE	Euro market public issue	1,000	1	Arab Banking, Dubai Islamic Bank, HSBC, Kuwait Finance House, Sharjah Islamic Bank, Standard Chartered Bank
Danainfra Nasional	Malaysia	Domestic market public issue	935	6	AmlInvestment Bank, CIMB Group, HSBC, Maybank, RHB Bank
First Abu Dhabi Bank	UAE	Euro market public issue	850	1	Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, KFH, Saudi National Commercial Bank, Sharjah Islamic Bank, Standard Chartered Bank



Top Islamic Finance Related Financing Deal List				12 Months
Credit Date	Borrower	Nationality	US\$ (mln)	
28-Jan-19	Emirates Global Aluminium	UAE	6,545	
1-Nov-18	Duqm Refinery & Petrochemical Industries	Oman	4,610	
20-Dec-18	BAPCO	Bahrain	4,104	
26-Nov-18	Al Dur Power & Water	Bahrain	1,634	
11-Sep-18	Emaar Properties	UAE	1,500	
24-Dec-18	Atlantis The Palm	UAE	1,100	
6-Jun-18	Ma'aden Bauxite & Alumina	Saudi Arabia	1,073	
18-Dec-18	Deira Mall	UAE	844	
20-Dec-18	Egyptian General Petroleum	Egypt	750	
18-Dec-18	Kuwait Food (Americana)	Kuwait	627	

Top Global Islamic Bookrunners				12 Months
Bookrunner Parents	US\$ (mln)	Iss	%	
1 Maybank	4,944	51	12.87	
2 CIMB Group	3,735	47	9.73	
3 Standard Chartered Bank	3,248	25	8.46	
4 AmlInvestment Bank	2,833	34	7.38	
5 HSBC	2,772	19	7.22	
6 RHB Bank	2,288	36	5.96	
7 Citigroup	2,047	10	5.33	
8 JPMorgan	1,657	9	4.31	
9 Dubai Islamic Bank	1,417	12	3.69	
10 Kuwait Finance House	1,397	6	3.64	

Most Recent Global Sukuk

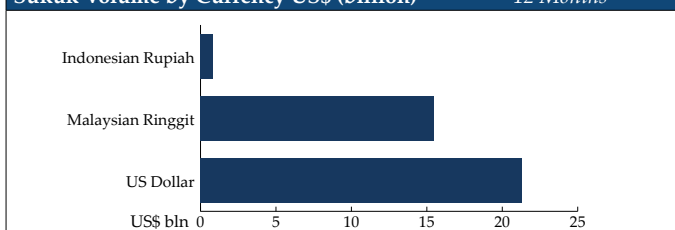
Priced	Issuer	Nationality	Instrument	Market	US\$ (mln)	Managers
3-Apr-19	Lembaga Pembiayaan Perumahan Sektor Awam	Malaysia	Sukuk	Domestic market public issue	734	AmInvestment Bank, CIMB Group, Maybank, RHB Bank
26-Mar-19	Sharjah	UAE	Sukuk	Euro market public issue	1,000	Arab Banking Corporation, Dubai Islamic Bank, HSBC, Kuwait Finance House, Sharjah Islamic Bank, Standard Chartered Bank
21-Mar-19	DanaInfra Nasional	Malaysia	Sukuk	Domestic market public issue	935	AmInvestment Bank, CIMB Group, HSBC, Maybank, RHB Bank
19-Mar-19	Qatar Islamic Bank	Qatar	Sukuk	Euro market public issue	750	Barclays, Barwa Bank, Credit Agricole, National Bank of Kuwait, QInvest, QNB Capital, Standard Chartered Bank
14-Mar-19	SME Bank	Malaysia	Sukuk	Domestic market public issue	147	AmInvestment Bank, Kuwait Finance House, Maybank
11-Mar-19	IJM Corporation	Malaysia	Sukuk	Domestic market public issue	159	CIMB Group
4-Mar-19	Prasarana Malaysia	Malaysia	Sukuk	Domestic market public issue	368	CIMB Group, Kenanga Investment Bank, Maybank, RHB Bank
26-Feb-19	Qatar International Islamic Bank	Qatar	Sukuk	Euro market public issue	500	Al Khalij Commercial Bank, Barclays, Barwa Bank, Maybank, National Bank of Kuwait, QNB Capital, Standard Chartered Bank
26-Feb-19	Almarai	Saudi Arabia	Sukuk	Euro market public issue	500	First Abu Dhabi Bank, Gulf International Bank, HSBC, JPMorgan, Standard Chartered Bank
22-Feb-19	Perbadanan Tabung Pendidikan Tinggi Nasional	Malaysia	Sukuk	Domestic market public issue	736	Bank Islam Malaysia, Maybank

Top Islamic Finance Related Financing Bookrunners

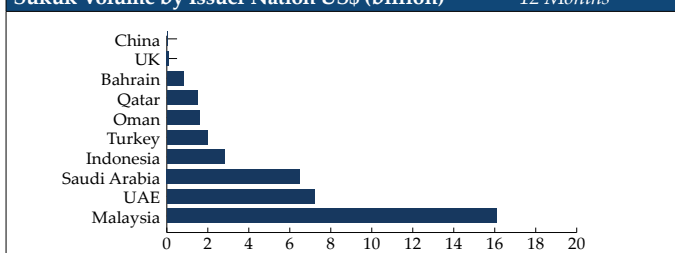
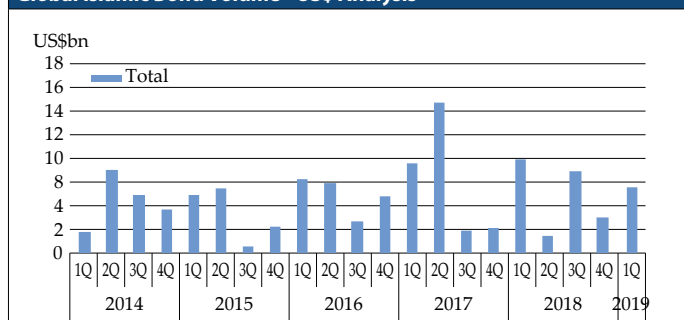
	Bookrunner	US\$ (mln)	No	%
1	First Abu Dhabi Bank	1,547	7	15
2	Mashreqbank	1,342	7	13
3	Emirates NBD	908	8	9
4	Standard Chartered Bank	461	5	5
5	Dubai Islamic Bank	426	4	4
6	Al Ahli Bank of Kuwait	385	3	4
7	HSBC	370	2	4
8	Samba Capital	368	2	4
9	Credit Agricole	340	2	3

Sukuk Volume by Currency US\$ (billion)

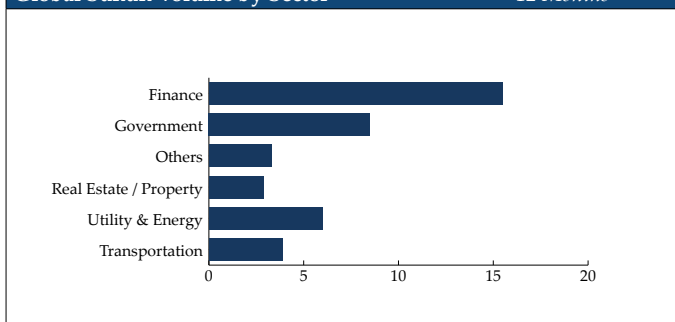
12 Months


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)
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