

All about Saudi: Sukuk surges ahead

Since bursting onto the Islamic bond market in 2017 with its debut US\$9 billion Sukuk issuance, Saudi Arabia has shown no signs of slowing down – quite the opposite in fact. The first quarter of 2019 has seen an impressive stream of issuances, announcements and updates from the Kingdom that look set to confirm its position in the firmament of leading global Sukuk jurisdictions. What does that mean for the corporate issuer? A stronger yield curve, a more liquid market, a deeper investor pool and a more robust issuing environment. This month, we take a look at the journey so far.



It's been a big year so far for the Saudi Sukuk market – and one that other markets keen to build up their debt capital markets may wish to emulate – culminating in the news, announced by Reuters on the 2nd May 2019, that the Kingdom plans to issue a further US\$3-5 billion in international Islamic bonds in the third quarter of the year, as part of its plans to diversify the financing of its national budget deficit.

This is a bold move for a country that only began issuing international debt in 2016, in a bid to push back against oil price pressures. But Saudi has since become one of the biggest sovereign issuers in the emerging markets sector, selling almost US\$60 billion-worth of bonds to international investors over the past two years – including US\$11 billion in Sukuk across two issuances (the debut US\$9

billion in 2017 and a further US\$2 billion in September 2018) – as well as almost US\$80 billion in domestic paper, both conventional and Islamic. It's fair to say that the Kingdom has taken to debt like a duck to water.

This is in part due to the immense demand from international investors, which saw its first Sukuk issuance heavily oversubscribed with an orderbook in excess of US\$33 billion – a trend which has continued to this day, both at home and abroad, with the latest international bond issuance in January topping US\$27.5 billion in demand for a US\$7.5 billion size. Investors are eager, and appetite is unwavering.

But it hasn't all been easy sailing, with substantial changes taking place within the regulatory framework, legislative landscape and governance structure in order to ensure

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Islamic bond issuance increases, expansion and diversity on the up



It's been a better month for the Sukuk market after a quiet few weeks towards the end of the first quarter – and across multiple markets, a spate of new issuances have highlighted some of the top trends in the global Islamic debt capital sector. We pick out the most interesting transactions for your perusal.

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Gulf mergers transform Islamic banking landscape



Continuing the flurry of banking consolidation across the Middle East, on the 1st May leading UAE players Abu Dhabi Commercial Bank (ADCB), Union National Bank (UNB) and Al Hilal Bank officially confirmed their long-awaited merger to create the UAE's third-largest lender. But what does this mean for the corporate market?

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World No. 1 in Sukuk

Source: Bloomberg 2015 Global Sukuk League Table

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a robust, transparent and trustworthy regime in which international investors are willing to participate.

The latest move, in April 2019, was an update of Sukuk and bond fees by the Capital Market Authority (CMA), Saudi Stock Exchange (Tadawul), and Debt Management Office (DMO), designed to further stimulate the development of the local debt market.

In a joint statement, the partners announced recently changes to fees for issuers, and members and investors, effective from the 9th June. "This restructuring of fees showcases the cooperation to stimulate development of the debt market and encourage Sukuk and bonds issuance and trading," said CMA chairman Mohammed Al Kuwaiz.

"Changes for issuers include a reduction of the minimum fee required for annual listing of first issuances on Tadawul, from SAR30,000 (US\$8,009) to SAR10,000 (US\$2,669). For debut issuances, Tadawul will introduce a cap of SAR50,000 (US\$13,349) for annual listing fees. For subsequent transactions, annual listing fees will be cut to SAR5,000 (US\$1,334) as a minimum fee, down from SAR30,000, while Tadawul will also introduce a cap of

SAR25,000 (US\$6,674) as annual listing fees for following issuances. Annual registry fees paid by issuers to the Securities Depository Center (Edaa) will be slashed by 80% from SAR100,000 (US\$26,698) to SAR20,000 (US\$5,339) for listed Sukuk and bonds."

In addition, minimum commission charges for investors and brokers will be eliminated in order to "encourage fair competition with the services provided by brokerage firms," while Sukuk and bonds trading commissions will be cut from 2bps to 1bp of their traded value.

"Increased liquidity of the debt market will, in turn, contribute to the issuance of more diversified debt instruments and introduction of new asset classes for investors," said Tadawul CEO Khalid Al Hussain. "The changes will encourage issuers to list more local currency Sukuk and bonds in the public debt market and facilitate increased trading by investors, which will result in greater market liquidity."

The encouragement of local currency issuance has been a core focus of the Saudi authorities – most recently with the extension of its domestic debt curve to 30 years, the longest tenor ever issued by the sovereign. The latest issuance, launched



Mohammad Al Jadaan

on the 24th April 2019, was divided into four tranches: the first issued at SAR768 million (US\$204.73 million), maturing in 2024; the second floated at SAR918 million (US\$244.71 million) maturing in 2028; the third issued at SAR686 million (US\$182.87 million), maturing in 2034; and the fourth tranche, which will be listed on the Saudi Stock Exchange, floated at SAR9.25 billion (US\$2.47 billion) and maturing in 2049.

Notably, as part of its bid to open up the market to retail investors, Saudi Arabia

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also reduced the minimum investment for the 30-year Sukuk from SAR1 million (US\$266,542) to SAR1,000 (US\$266.54). "We want to encourage savings; our market has very little savings schemes. It will help families to plan better, retirement, education... but also help the economy significantly because that money is used to finance businesses and generate more GDP," the Kingdom's finance minister, Mohammed Al-Jadaan, told the Financial Times. "Redemption becomes very difficult if you are trading in millions. So, by making it SAR1,000 it becomes a lot easier for the financial industry to create new products."

The strong sovereign support is already having an impact on the corporate market, where a steady stream of giant issues are hitting the market to huge demand. Last month the debut US\$12 billion international bond issuance from Saudi Aramco broke emerging market records with an orderbook exceeding US\$100 billion: an enormous vote of confidence for the oil giant and a positive relationship-building exercise in advance of its upcoming IPO, which is expected to list (in a Shariah compliant manner) on the London Stock Exchange in 2021. State-run Saudi Telecom on the 2nd May also began marketing its own debut 10-year international Sukuk, with initial price guidance of around 155bps over midswaps and a benchmark size of at least US\$500 million under a US\$5 billion program, in order to diversify its funding sources.

Earlier this year dairy giant Almarai came to market with a US\$500 million Sukuk that saw an outstanding oversubscription of 10 times in the largest orderbook oversubscription ever achieved by a Saudi corporate – as well as the first US dollar denominated Sukuk from a GCC food and beverage company, and the first international investment grade non-government related corporate issuance from Saudi. With over 60% of the Sukuk sold to non-GCC investors (despite not being offered to US entities), the issuance also demonstrated the strong international demand for corporate Islamic paper.

Despite a borrowing market historically dominated by highly liquid and well-capitalized bank lending, it is clear that the corporate Sukuk market is gathering momentum. With strong regulatory support at their backs, Saudi corporates are expected to increasingly turn to the debt capital markets, both local and international – supported by the inclusion of Saudi Arabia in key JP Morgan and MSCI indices later this year, expected to rapidly boost investor demand into its bond market. (👉)

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Islamic bond issuance increases, expansion and diversity on the up

It's been a better month for the Sukuk market after a quiet few weeks towards the end of the first quarter – and across multiple markets, a spate of new issuances have highlighted some of the top trends in the global Islamic debt capital sector. We pick out the most interesting transactions for your perusal.

In Oman, Meethaq Islamic Banking (the Islamic banking arm of Bank Muscat) launched its second Sukuk issuance of OMR25 million (US\$65.1 million), due in 2024, as part of its OMR100 million (US\$260.4 million) Sukuk program. The Sukuk Series 2 comes with a green shoe option in case of oversubscription, and the issue has an indicative profit rate of 5.5% per annum with a tenor of five years.

"The Shariah compliant Sukuk from Meethaq offers a good investment opportunity to investors who are looking for stability, growth and long-term prosperity," said Abdul Wahid Mohammed al Murshidi, the deputy general manager of Islamic personal banking at Bank Muscat. "Reiterating core Islamic banking values, Meethaq believes in spreading wealth for the progress and prosperity for all. After the successful issue of the first series in 2017, we are delighted to offer the second series of the Meethaq Sukuk."

In the UAE and experienced Sukuk issuer Majid Al Futtaim, a leading developer and operator of shopping malls, has finally decided to take the plunge and go green, hiring banks to arrange investor meetings ahead of a planned US dollar-denominated ESG Sukuk issuance. The proceeds of the issuance - which will have a maturity ranging between seven and 10 years - will be used to finance a portfolio of "green" projects. HSBC and Standard Chartered are acting as global coordinators and joint-lead managers, joined by Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates

NBD Capital, First Abu Dhabi Bank and Gulf International Bank.

Moving onto a less well-developed market, Tunisia's Wifak International Bank confirmed plans this month to issue TND10 million (US\$3.4 million) in corporate Sukuk – a major step forward for the country, which has not yet released its debut sovereign Sukuk despite plans for launch since 2014. Progress is finally being made, however – with the Financial Market Council currently in the process of updating regulations and developing a standardized prospectus to ease Sukuk listing and issuance in advance of the planned corporate and sovereign debuts later this year.

The regulator also recently released a draft reform of Tunisia's stock exchange regulatory framework, introducing a minimum size of TND1 million (US\$326,750) for Sukuk to be listed on the Tunisian stock exchange. "We decided to introduce a minimum size as we want to make sure that the deal is viable in terms of yield for the issuer who wants to list its Sukuk. It is worth noting that we have set a relatively low minimum size in comparison with issuances at the international level," noted Mehdi Ben Mustapha, the head of the communication department at the Financial Market Council.

And finally Malaysia, the grand old lady of the global Sukuk market, has this month indicated cautious optimism in the future of the Sukuk market for 2019 – which should reassure investors concerned over current economic headwinds in the ASEAN country.



Zainal Izlan Zainal Abidin

According to Securities Commission Malaysia (SC) deputy CEO Zainal Izlan Zainal Abidin, the regulator saw "a stream of new applications" coming in over the first quarter, leading to a pick-up in Sukuk activity compared to the end of last year.

"Hopefully, [these applications] will follow with issuances soon. I think there are still requirements for fundraising in the market and therefore, we do see these Sukuk issuances picking up over last year's level," he confirmed. "Global conditions are still quite volatile, so it's too early to say whether it will be better than last year or not... but we are cautiously optimistic that it should be a fairly good year for fundraising," he told reporters at the SC/World Bank International Organisation of Securities Commissions Asia Pacific Hub Conference 2019 in Kuala Lumpur. ☺

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Gulf mergers transform Islamic banking landscape

Continuing the flurry of banking consolidation across the Middle East, on the 1st May leading UAE players Abu Dhabi Commercial Bank (ADCB), Union National Bank (UNB) and Al Hilal Bank officially confirmed their long-awaited merger to create the UAE's third-largest lender. But what does this mean for the corporate market?

The merger creates a powerful new force in the region, with over a million customers, AED423 billion (US\$115.16 billion) in assets and a 21% share of the retail lending market. As regards to its Shariah compliant offering, Al Hilal Bank will remain a separate Islamic entity focusing on retail customers through digital channels under its own brand, while the ADCB brand will replace the now-dissolved UNB brand.

"This transaction is an important step in the transformation of the UAE's economy. The new ADCB Group is well-placed to make an even greater contribution to the economic development of our nation," said Ala'a Eraiqat, ADCB group chief executive officer and board member.

The merger comes two years after the previous major shake-up in the UAE banking landscape – the combination of First Gulf Bank and the National Bank of Abu Dhabi to create First Abu Dhabi Bank (FAB) back in 2016. Also offering Islamic retail services through First Abu Dhabi Islamic Finance, the bank has gone from strength to strength since its merger, which transformed it into the country's largest lender. In April, FAB reported impressive first quarter profits of AED3.1 billion (US\$844.1 million) with total assets surging 8% to AED733 billion (US\$199.5 billion) as loans and advances rose 6% to AED359 billion (US\$97.7 billion) and customer deposits increased by 7% to AED433 billion (US\$117.9 billion).

The bank is now reportedly considering a potential merger with Abu Dhabi Islamic

Bank (ADIB) – a move that would create the biggest lender in the Middle East with US\$267 billion in assets (just ahead of Qatar National Bank with US\$235.9 billion). Both banks have denied the rumors but the market continues to price in the possibility.



Whatever happens, this ongoing trend for consolidation in the retail marketplace can only be a positive development for consumers, who are already benefiting from price competition and cost savings



"FAB currently has not entered discussions with ADIB to pursue any merger activity. Following the recent completion of our integration process, the bank is fully focused on unlocking its full potential and maximising shareholder value in 2019," said the bank in April.

However, analysts at Arqaam Capital have confirmed that: "We expect FAB to use its lofty valuation for inorganic growth," predicting that despite the denials: ""We still assign a very high likelihood

of completion on strong merit, cost rationalization...for ADIB, growth in Islamic finance, [earnings per share] increase for FAB and attractive exit opportunity for core shareholders of ADIB."

Notably, ADIB currently has an exceptionally strong retail book accounting for a substantial 62.5% of its total loans (versus just 18% for FAB) which would make for a compelling case in terms of retail strength and dominance – especially given the recently announced interest from UAE giant Dubai Islamic Bank in the acquisition of Noor Bank, and the resumption in April of serious merger talks between Invest Bank, Bank of Sharjah and United Arab Bank - moves that could sharpen up competition in an already highly aggressive market.

Whatever happens, this ongoing trend for consolidation in the retail marketplace can only be a positive development for consumers, who are already benefiting from price competition and cost savings.

A more robust banking sector offers corporate customers a host of unseen benefits – including cost synergies, economies of scale, diversified loan books and more stable funding sources, all increasingly important in such a volatile global environment – while bigger warchests and stronger competition leads to improved product offerings, better customer service and a stronger focus on investment in areas such as digital banking and innovation. In short, what's not to like? ☺

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Boom in Islamic syndicated finance continues

Since the figures came out earlier this year demonstrating an unprecedented surge in syndicated finance deals in the MENA region (with Bloomberg data stating loan issuance of US\$133 billion over 2018, driven by project finance and outpacing bond issuance by 49%) the Islamic financing market has gone from strength to strength. This month, we take a look at some of the biggest deals to emerge over the first quarter.

The past month has seen an exceptionally strong showing in the Islamic syndicated financing market, demonstrating the continued liquidity and strength of Islamic banks even in the midst of global economic turbulence.

In April Indonesia's state electricity utility, Perusahaan Listrik Negara (PLN), signed a giant IDR16.75 trillion (US\$1.17 billion) loan deal with local banks, including IDR3.5 trillion (US\$246.3 million) of Islamic financing from institutions including Bank Mandiri, Bank Rakyat Indonesia, Bank Central Asia and CIMB Niaga. The loan will be used to help finance PLN's power projects as part of its latest 35gw power program.

In Saudi Arabia and state-controlled Saudi Electricity Co recently agreed a SAR15.2 billion (US\$4.05 billion) Islamic syndicated loan provided by a group of local banks. With a cost-plus-profit (Murabahah) structure, the loan will be used for general corporate purposes, including capital expenditure. It follows the US\$2.15 billion secured by the firm in Islamic syndicated revolving credit facilities in November, along with a further US\$2 billion raised through Sukuk in September last year. The latest financing, which has a seven-year maturity, was provided by Al Rajhi Bank, National Commercial Bank, Saudi British Bank, Banque Saudi Fransi, Samba Financial Group and Arab National Bank.



Saudi Arabia's sovereign wealth fund Public Investment Fund (PIF) is also reportedly considering a syndicated loan to raise financing, in place of an Islamic bond. The fund, which successfully raised a US\$11 billion syndicated loan back in 2018 in its first ever commercial borrowing, is seeking to raise further financing to fund its Vision 2030 operations, and has reportedly been in talks with local banks to raise a short-term bridge loan of up to US\$8 billion for new investments.

In Abu Dhabi, investment firm Gulf Capital last month secured a long-term AED500 million (US\$136.14 million) syndicated revolving credit facility from Abu Dhabi Commercial Bank (ADCB) and First Abu Dhabi Bank (FAB) which fully covers its current funding needs. "This new flexible

line of credit will further enhance the company's liquidity and its ability to continue its investment activities across the region," said CFO Wissam Daoud.

And finally, in Turkey Islamic financial institution Ziraat Bank in April secured a US\$250 million syndicated dual currency cost-plus-profit (Murabahah) financing facility, with the goal of diversifying its funding base and developing new bank relationships. Bank ABC, Dubai Islamic Bank, Emirates NBD Capital, Standard Chartered Bank and Warba Bank acted as lead arrangers and bookrunners of the one-year financing facility. Originally planned at US\$150 million, the facility size was increased to US\$250 million due to significant oversubscription from 17 local, regional and international participants. ☺

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In Malaysia's thriving Sukuk market, size really doesn't matter

Engineering solutions and energy services provider Serba Dinamik on the 1st May successfully brought to market a RM30 million (US\$7.25 million) one-year Islamic commercial paper, maturing on the 20th April 2020. The company, which posted a record annual profit of RM387.9 million (US\$93.8 million) for 2018, up 25% on the previous year, is nevertheless relatively small scale – recording RM3.28 billion (US\$793 million) in revenues. Yet its modest size has not stopped it from tapping the Islamic market to fund its ambitious overseas expansion plans.



From small beginnings in Bintulu as a private company offering maintenance, repair and overhaul (MRO) rotary equipment, Serba Dinamik began punching above its weight in 2001, with its first investment outside Malaysia (launching operations in Qatar, which now account for 16% of total group revenue). It has since gone from strength to strength, with offices in Malaysia, Indonesia, UAE, Qatar, Bahrain, and the UK. In February 2019, the firm announced new contracts in three countries - Uzbekistan, UAE and Qatar - worth a combined RM448 million (US\$26.6 million), lifting its orderbook to RM8.3 billion (US\$2 billion).

Moving into 2019, the local firm hopes to strengthen its international position in the Middle East, Southeast Asia and Central Asia regions, which have increasingly contributed to its earnings in recent years. "With the penetration into Laos, more contribution is expected from Southeast Asia in 2019," said Serba Dinamik in its latest earnings note. The group is also expecting more contributions from Turkmenistan, and Kazakhstan in Central Asia, following its expansion there last year; and from Tanzania (following a US\$100 million investment in 2018) and the Congo in Africa.

The firm in March 2019 also announced new plans for increased capacity to build networks in Saudi Arabia, United Arab Emirates, Oman, Bahrain and Kuwait, establishing its position in six major oil and gas producing countries, and has big plans to bid for up to RM20 billion (US\$4.8 billion) in new contracts this year.

But this aggressive growth needs financing behind it, and in April 2019 Serba Dinamik looked to the Islamic debt capital market for the first time to provide much-needed backing for its international ambitions.

The one-year Islamic commercial paper was arranged by RHB Investment and was



structured on a straightforward cost-plus-profit (Murabahah) basis with a lease (Wakalah) arrangement. Although the company listed on Bursa Malaysia's main market in 2017, this is the first time it has tapped the debt capital market – and the response was positive.

The firm is currently also in the middle of an international roadshow for a proposed US dollar Sukuk (launched on the 24th April), with HSBC as sole global coordinator, joint bookrunner and joint lead manager, with Credit Suisse as joint bookrunner and joint lead manager, which could offer even greater prospects. S&P Global Ratings has issued the proposed US dollar Sukuk a 'BB-' investment grade rating with a stable outlook, noting that the decision reflected the firm's "modest scale" and large investment needs, but also took into consideration its record of timely project execution within budget, strong client base, good cost control and short but prudent history of equity raising.

"Serba Dinamik's services are relatively narrow compared with larger players in the engineering and services segment. The company offers largely commoditized services in nature — that is, operations and maintenance, and engineering project execution — primarily targeted at the oil and gas and power sectors. This means pricing invariably takes precedence over branding and technical capabilities for new contract bidding," said the ratings agency in a statement.

Serba Dinamik is expected to need upwards of RM1 billion (US\$241.9 million) per year in working capital and expenditure to sustain its growth prospects over the next three years – meaning that the firm is likely to return to the Islamic capital markets following its recent success. The inaugural issuance came as the first step in a proposed RM500 million (US\$121 million) multi-currency Islamic commercial papers program and RM1.5 billion (US\$362.9 million) Islamic medium-term notes program with a combined limit of RM1.5 billion, first announced in August last year.

"We believe the company's proposed US dollar-denominated Sukuk will help fund its investments over fiscal [year] 2019 and part of 2020. Still, to fund such continued investments, Serba Dinamik will need to raise fresh long-term funding almost every year," said S&P. "Serba Dinamik has maintained good project delivery and superior margins. We therefore believe the company can maintain healthy growth and margin sustenance over the projected time horizon."

This successful maiden issuance, from a small company and in the middle of challenging economic circumstances, ideally demonstrates the versatility and breadth of the Sukuk market – which is not only designed for big blue-chip firms, but can assist companies of all sizes with their expansion plans and long-term fundraising ambitions. ☺

Corporate

Dar Al Arkan repays Sukuk

Saudi Arabia's Dar Al Arkan Real Estate Development Company has fully repaid its SAR1.5 billion (US\$399.52 million) Series 3 Islamic medium-term note, confirmed a bourse filing. The company bought back SAR264.3 million (US\$70.4 million) of the facility this year, leaving SAR1.24 billion (US\$330.27 million).

Eco World places Sukuk

Eco World International, a Malaysian property group, has auctioned a four-year Islamic medium-term note for RM270 million (US\$64.47 million). According to an official announcement on the Bond and Sukuk Information Exchange, the paper, issued with a profit rate of 6.4%, will mature on the 24th May 2023 and was arranged by Maybank Investment Bank.

STSSB prints three short-term ICPs

Malaysian conglomerate Sunway Group through its SPV Sunway Treasury Sukuk (STSSB) has printed three short-term Islamic commercial papers (ICPs) for a total of RM500 million (US\$119.35 million), according to separate announcements.

Cagamas places ICP

Cagamas, the National Mortgage Corporation of Malaysia, has issued a three-month Islamic commercial paper (ICP) worth RM305 million (US\$72.8 million), according to a statement. The facility follows the Murabahah, Musharakah, Ijarah, Wakalah, Mudarabah and Istithmar structures and carries a 3.44% profit rate.

Al Maathar to acquire hotel

The Al Maathar REIT Fund, based in Saudi Arabia, has signed an agreement to purchase the Tulane hotel in Al Khobar for SAR22 million (US\$5.87 million), subject to the necessary approvals and securing bank financing, which will be Shariah compliant. According to a bourse filing, the transaction is expected to have a positive financial impact on the REIT

following the transfer of ownership of the property.

Gamuda places 92-day ICP

Malaysian infrastructure company Gamuda has issued a 92-day RM50 million (US\$11.94 million) Islamic commercial paper (ICP), according to a disclosure on the Bond and Sukuk Information Exchange. Arranged by Maybank Investment, the paper is rated 'P1' by RAM Ratings.

Banking

KFH-Bahrain offers financing for Al Barez project

Kuwait Finance House (KFH)-Bahrain has launched a property financing plan for customers acquiring Al Barez Villas in Diyar Al Muharra, according to a statement. The plan includes a downpayment at a reduced rate of 3% of the total property value, along with a flexible repayment period of up to 25 years.

RHB launches SME e-Solutions platform

RHB Banking Group, which runs RHB Islamic, has launched the RHB SME e-Solutions platform in collaboration with cloud-based accounting software provider Financio, offering SMEs complete interoperability to optimize efficiency. According to a press statement, the Malaysian banking group over the next 12 months will offer more business-friendly features on the new platform to enable customers to make direct payment through FPX and DuitNow. The bank will also expand tie-ups with new business solutions partners to include point-of-sale solutions, e-wallet operators, payroll providers and inventory management solutions.

KIB to offer perpetual Sukuk

Kuwait International Bank (KIB) has received approval from the Capital Markets Authority to issue up to US\$300 million in perpetual additional Tier 1 capital Sukuk, according to Mubasher. The offering will be limited to professional clients under the relevant regulatory instruction.

Meethaq exercises green shoe option and lists Sukuk

Oman's Meethaq Islamic Banking has received the Capital Market Authority's approval to exercise a greenshoe option to increase original offer size of Meethaq Sukuk Series 2 from OMR25 million (US\$64.75 million) to OMR45.6 million (US\$118.12 million), which is the total amount of the subscription received, and to list the facility, according to a bourse filing.

Turkiye Finans issues Sukuk

Turkiye Finans Participation Bank has announced via a statement that it has floated a 90-day domestic Sukuk paper worth TRY500 million (US\$81.65 million). The issuance was floated via the bank's subsidiary, TF Varlik Kiralama Sirketi, and was structured as a public offer.

The issuance brings the total amount of outstanding local currency Sukuk issuances of the bank to TRY2.58 billion (US\$421.3 million) and the total issuances in 2019 to TRY4.26 billion (US\$695.64 million).

Alliance Islamic launches SocioBiz

Alliance Islamic Bank has collaborated with Ethis Ventures Malaysia, Yayasan Kebajikan Negara, Yayasan Noor Al-Syakur and Pertubuhan Kebajikan Islam Malaysia to launch its first-ever social crowdfunding platform, SocioBiz. According to a statement, the platform will facilitate crowdfunding for financially disadvantaged individuals planning to start or expand a business, or learn a new life skill to earn a sustainable livelihood.

For the first year, 100% of the funds sourced will be channeled to the recipients as Alliance Islamic will bear all the administration fees. The bank aims to raise up to RM240,000 (US\$57.437) this year, and is planning to include social enterprises that are focused on elevating or improving social or environmental issues, start-ups and SMEs in the future. To-date, SocioBiz has rolled out six campaigns, and successfully raised over RM23,000 (US\$5,504.38) through its platform.

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Emirates Islamic partners with SZHP

Emirates Islamic has entered into a partnership with Sheikh Zayed Housing Program (SZHP), which will see the bank provide home financing facilities to the beneficiaries of projects built and delivered by the housing program. According to a statement, benefits received by SZHP's clients will include a 50% discount on processing fees for auto and personal finance solutions.

MBSB plans Sukuk program

Malaysia's MBSB Bank is looking to establish a Sukuk program by the end of the year to raise up to RM10 billion (US\$2.39 billion) in several tranches. The proceeds of the Sukuk will be used for expansion of business, as well as to boost its net stable funding ratio and capital. Concurrently, the Islamic bank looks to convert 16 of its 44 branches into digital branches over a period of two years, with each branch run by about five to six employees. There are no plans to cut branches or the bank's 1,800 workforce, as employees will be retrained for other roles. The bank is also planning to roll out mobile apps, such as one relating to a referral management system, soon.

Maisarah launches Wakalah product

Maisarah Islamic Banking Services, based in Oman, has launched a restricted Wakalah-based short-term finance facility

for corporate customers, confirmed a statement. Wakalah refers to a contract where a party, as principal authorizes another party as his agent to perform a particular task on matters that may be delegated, with or without imposition of a fee.

BisB introduces Dana

Bahrain Islamic Bank (BisB) has introduced a digital virtual employee. Named Dana, the new addition will provide customers with general information on the bank's products and services and insights on fintech and financial trends and support customer engagement across BisB's digital platforms.

Sovereign

Indonesia's ST004 savings Sukuk oversubscribed

The Indonesian Ministry of Finance's latest issuance of savings Sukuk, ST004, has received a total orderbook volume of IDR2.63 trillion (US\$182.83 million) with a total of 12,528 investors. According to an announcement, the Wakalah paper saw millennials taking up 51.8% of the subscription, slightly higher than ST003's 51.7%, whereas Gen Z investors surged from 12 for ST003 to 32 for ST004.

As at May, the ministry has issued IDR33.14 trillion (US\$2.3 billion)-worth of retail and savings Sukuk. Two more savings Sukuk are scheduled for this year: ST005 will be sold

from the 8th to the 22nd August whereas ST006 will be sold from the 6th to the 20th November 2019.

Separately, NASDAQ Dubai has announced in a statement that it has listed two green Sukuk issued by the government of Indonesia, with a total value of US\$2 billion.

Mauritania sets dates for Sukuk facilities

Mauritania will be placing an Islamic paper on the 29th May 2019, according to an official statement. Two more instruments will follow on the 27th June and the 30th July 2019.

Bangladesh Bank's BGILB receives eight bids

Bangladesh Bank has sold a six-month Bangladesh Government Islami Investment Bond (BGILB). The issuance received eight bids worth BDT8.03 billion (US\$93.3 million) and all the bids were accepted. The profit-sharing ratio of the accepted bids was 90:10.

Turkey to sell euro Sukuk

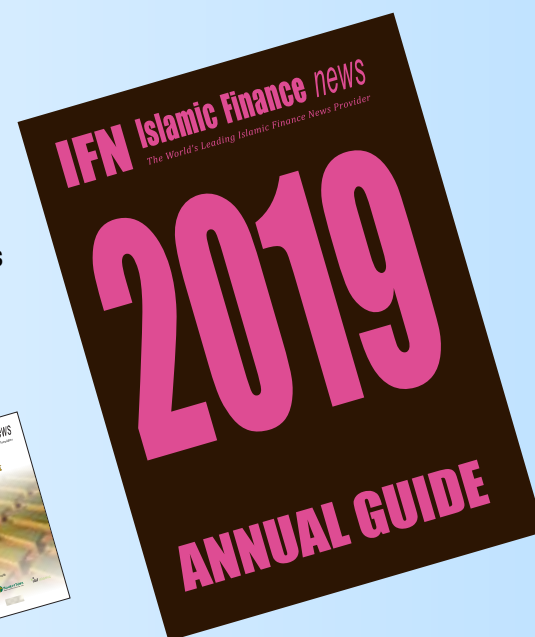
The Turkish Treasury has announced that it will float euro-denominated fixed rent rate lease certificates on the 31st May and participants are required to submit their bids by the 29th May. The paper, which will be sold via a direct method, has a periodic rent rate of 1.5% payable every six months and will be maturing on the 29th May 2020. ☺

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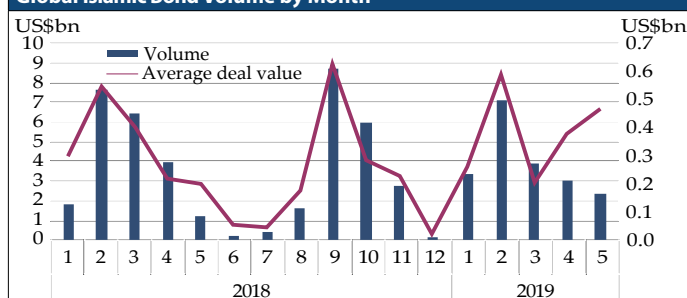
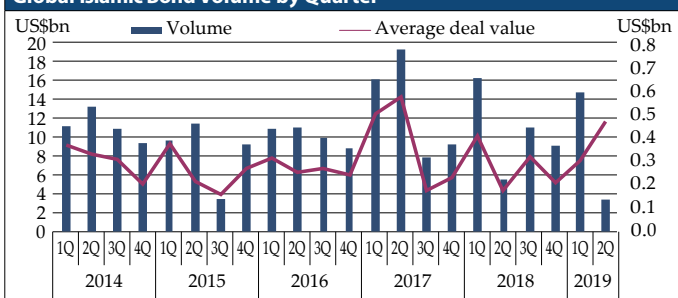
IFN Annual Guide

Since 2006, IFN has produced the industry's leading annual guide to the global Islamic financial markets. Published every December, this in-depth report features more than 50 country and 50 sector reports authored by industry leading lights, providing an early glimpse into what the year ahead holds in store.

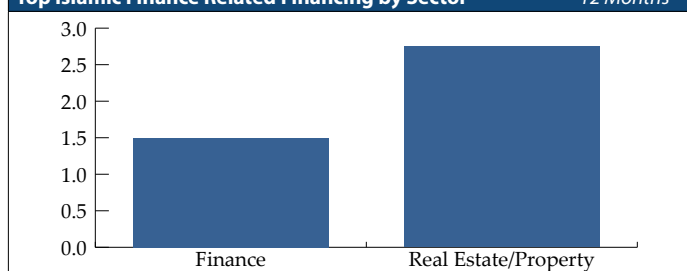
Serving as a review of the year just past and a preview to the year ahead, the IFN Annual Guide is globally recognized as the one almanac to be featured. With a worldwide complimentary distribution to the IFN database, exceeding 60,000, and copies distributed throughout the year at IFN Forums and Seminars, you're guaranteed far and wide coverage.



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	1,500	1	CIMB Group, Citigroup, Dubai Islamic Bank, Gulf International Bank, HSBC, Natixis, 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, LBBW, Natixis, Standard Chartered Bank
Saudi Telecom	Saudi Arabia	Euro market public issue	1,250	1	First Abu Dhabi Bank, HSBC, JPMorgan, Kuwait Finance House, Samba Capital, 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

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	4,248	49	10.74
2	Standard Chartered Bank	3,464	26	8.76
3	CIMB Group	3,355	46	8.48
4	HSBC	3,354	23	8.48
5	RHB Bank	2,441	35	6.17
6	AmInvestment Bank	2,275	30	5.75
7	JPMorgan	2,052	11	5.19
8	Citigroup	1,985	9	5.02
9	Kuwait Finance House	1,606	7	4.06
10	First Abu Dhabi Bank	1,476	13	3.73

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

Most Recent Global Sukuk

Priced	Issuer	Nationality	Instrument	Market	US\$ (mln)	Managers
9-May-19	RHB Bank	Malaysia	Sukuk	Domestic market public issue	120	RHB Bank
7-May-19	Majid Al Futtain Capital	UAE	Sukuk	Euro market public issue	600	Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, Gulf International Bank, HSBC, Standard Chartered Bank
2-May-19	Saudi Telecom	Saudi Arabia	Sukuk	Euro market public issue	1,250	First Abu Dhabi Bank, HSBC, JPMorgan, Kuwait Finance House, Samba Capital, Standard Chartered Bank
2-May-19	Serba Dinamik Holdings	Malaysia	Sukuk	Euro market public issue	300	Credit Suisse, HSBC
24-Apr-19	Khazanah Nasional	Malaysia	Sukuk	Domestic market private placement	485	Maybank, RHB Bank
18-Apr-19	KLCC Property Holdings	Malaysia	Sukuk	Domestic market public issue	121	AmlInvestment Bank, CIMB Group, Maybank
17-Apr-19	Islamic Development Bank	Saudi Arabia	Sukuk	Euro market public issue	1,500	Credit Agricole, Emirates NBD, First Abu Dhabi Bank, Gulf International Bank, HSBC, JPMorgan, Natixis, Standard Chartered Bank
3-Apr-19	Lembaga Pembiayaan Perumahan Sektor Awam	Malaysia	Sukuk	Domestic market public issue	734	AmlInvestment 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	AmlInvestment Bank, CIMB Group, HSBC, Maybank, RHB Bank

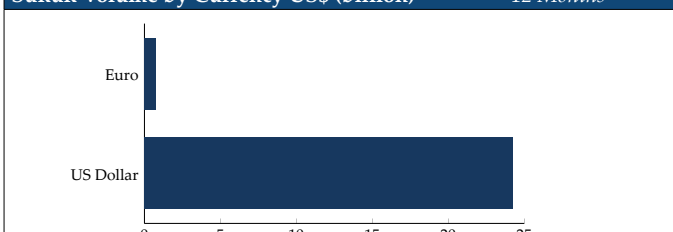
Top Islamic Finance Related Financing Bookrunners

12 Months

	Bookrunner	US\$ (mln)	No	%
1	First Abu Dhabi Bank	1,443	7	16
2	Mashreqbank	1,363	6	15
3	Emirates NBD	854	6	9
4	HSBC	537	4	6
5	Samba Capital	368	2	4
6	Credit Agricole	340	2	4
6	MUFG	340	2	4
6	Standard Chartered Bank	340	2	4
9	Dubai Islamic Bank	335	2	4
10	Warba Bank	250	1	3

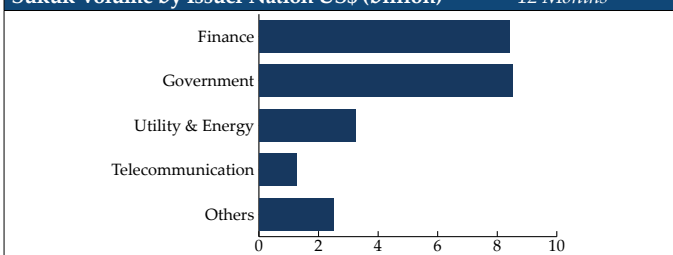
Sukuk Volume by Currency US\$ (billion)

12 Months

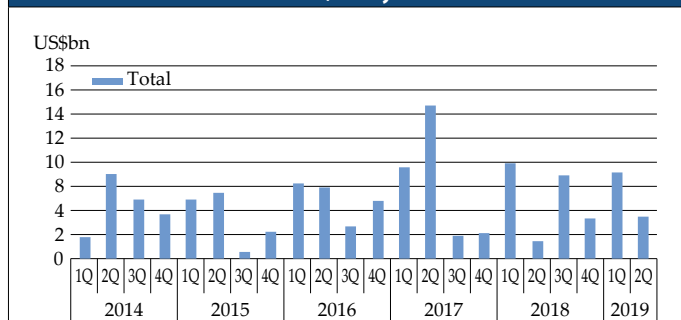


Sukuk Volume by Issuer Nation US\$ (billion)

12 Months

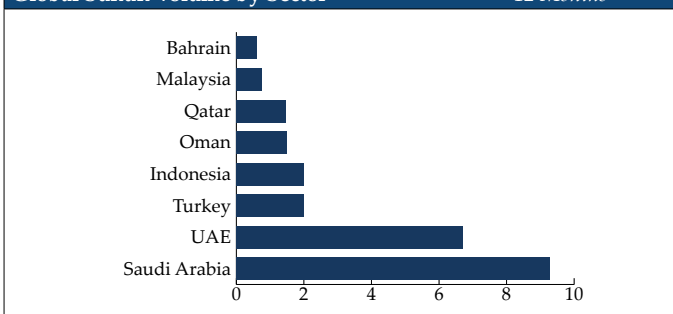


Global Islamic Bond Volume - US\$ Analysis



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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