IFN CORPORATE MALAYSIA

Opening doors to new opportunities

VOLUME 4 ISSUE 9, 2019

Indonesia issues the world's first blockchain Sukuk – could this be a game changer for Islamic transactions?

The Islamic financial markets are often at the forefront of cutting edge innovation – and October took the industry one step further, with the issuance of a new IDR710 million (US$50,000) Islamic bond from Indonesian microfinance cooperative BMT Bina Umnah through the SmartSukuk platform of Blossom Finance. But why are blockchain deals so exciting from a corporate perspective?



The deal, which was the world's first primary Sukuk issuance on a public blockchain and the world's first micro Sukuk, follows hot on the heels of the world's first conventional end-to-end blockchain bond, which was issued by Santander to the value of US$20 million in September.

A pioneering solution

The Islamic transaction was structured under the contract of Mudarabah, or joint venture, in which one party supplies the money and the other provides management expertise to undertake a specific trade. Although utilizing a public blockchain, the issuance incorporated several layers of permission and identity verification; and only accepted inbound transfers from pre-approved wallet addresses. The entire subscription and investment process for the issuance was completed digitally, and includes an e-KYC (know-your-customer) process.

Like the conventional issuance from Santander, the Sukuk used the public Ethereum blockchain, one of the more advanced open source blockchain technologies. A World Bank trial in August also raised US$81 million through its first blockchain-based bond.

BMT Bina is an Islamic microfinance institution based in Indonesia that supports micro-SMEs and entrepreneurs who are typically excluded from conventional financing pathways.

"The additional funds provided by this Sukuk offers longer term stable funding and increases the overall amount of financing that we can offer our members," said BMT Bina General Manager Arif Yuliyanto.

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ADNAN SUNDRA & LOW
Capital Markets| Islamic Markets

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Success of Saudi sovereign sparks corporate Sukuk surge



In one of the clearest examples yet of how a strong sovereign issuance can support the private sector, Saudi Arabia's triumphant return to the international Islamic debt capital market in October opened the gates for a surge of corporate issuers to follow, piggybacking on the success of the sovereign paper and benefiting from the robust investor demand for Saudi paper. 4

Islamic banks expand overseas



Qatari Islamic banks have seen a year of strong growth and economic recovery in 2019, and the country looks to have fully recovered from the embargo imposed by its neighbours back in 2017. With new business partnerships, new trade routes and a new diversification strategy, the country's Islamic banks are now pushing outwards into new markets as they seek to expand their services – widening coverage for both new and existing corporate customers. 6

World No. 1 in Sukuk
Source: Bloomberg 2015 Global Sukuk League Table
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Continued from page 1

Open access

Platforms like Blossom's SmartSukuk remove the conventional barriers to social impact investing, making micro investments feasible and transparent. Blossom's CEO, Matthew J Martin, said: "Tokenized assets reduce intermediary costs, which makes global finance more accessible regardless of size or borders."

The platform supports both subscription and periodic payments made via any crypto, tokenized asset or bank-held fiat money. SmartSukuk complies with the ERC20 standards, which enable digital exchange via peer-to-peer or secondary markets, and is therefore compatible with all custodial and exchange solutions.

"Through fintech innovation, the Islamic finance industry finally has the means to fulfill the ethical, social and environmental promise of the sector," said Khalid Howladar, Blossom's chief strategy and risk officer.

A growing marketplace

BMT Bina Umnah may be the first corporate to successfully execute a blockchain Sukuk, but there has been growing traction in the sector. In September 2018, the UAE's Al Hilal Bank executed its own Sukuk transaction using blockchain. The transaction involved a secondary market sale and settlement of US$1 million to a private investor.

In August 2019, Dubai fintech startup Wethaq also entered the space - signing a strategic partnership with enterprise blockchain company R3 with a view to developing usage for the Islamic capital markets. Utilizing R3's Corda Enterprise platform, the Wethaq solution aims to digitize the issuance and provide the infrastructure for trading, as well as acting as registrar, CSD, trustee-delegate, paying agent, calculation agent and transfer agent. "Blockchain is driving an unprecedented period of innovation across capital markets, with more assets moving towards complete digitization," noted R3 CEO David Rutter.

"In building the next generation of financial market infrastructure for Sukuks, we have found a valuable and trusted partner in R3 and its Corda Enterprise software," said Mohammed Alsehli, CEO at Wethaq. "Our joint focus is on building world-class financial infrastructure in Saudi Arabia, in alignment with the Kingdom's Vision 2030, and the UAE, pursuant to their ambitious fintech agenda, before we expand to the entire Middle East and Southeast Asia."

Building confidence

S&P Global Ratings has stated that blockchain and smart contract protocols could change the global Sukuk industry for the better. They can increase the transparency of cash flows and the underlying assets, while enhancing investors' decision-making through a greater supply of information. These technologies could also pave the way for more robust Shariah and financial auditing of Sukuk after issuance, thereby reducing the risk of default because of non-Shariah compliance, improving transparency, and increasing corporate confidence in usage of the instrument.

"Shariah scholars and investors have often criticized the opacity of the Sukuk issuance and returns process, and difficulty in tracking the underlying assets or cash flows generated without regular external financial disclosure and post-issuance Shariah audits. This is where we believe blockchain and smart contract protocols could make a difference," said S&P.

"For example, in an Ijarah transaction (similar to a lease), cash collection is relatively straightforward and depends on a single economic agent, the sponsor



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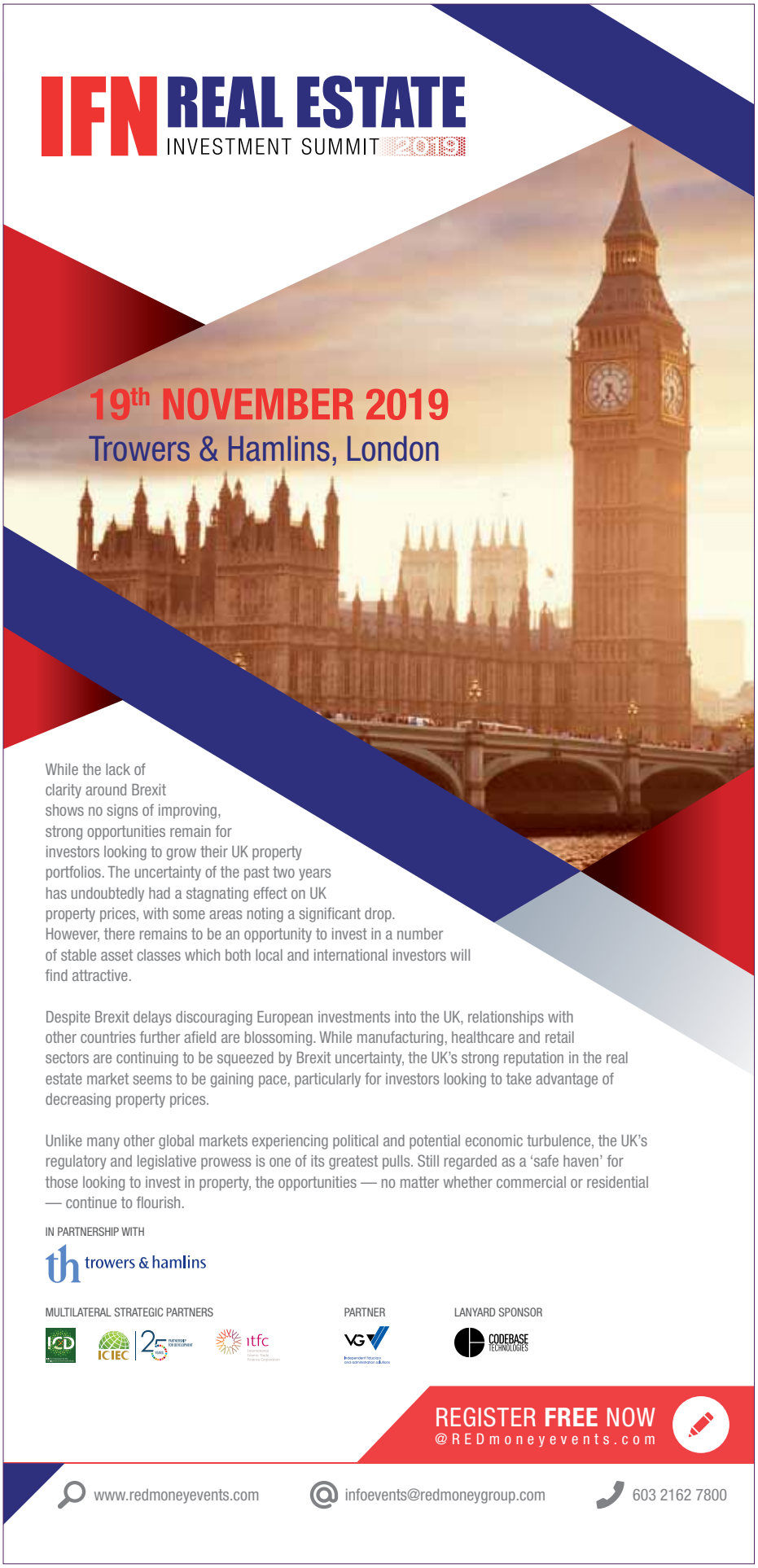
acting in its capacity as servicing agent. However, in complex transactions, such as when external parties lease the underlying assets, tracking cash flow movements may be more difficult. As a result, some stakeholders might question the Shariah compliance of such transactions if, for example, the sponsor goes beyond its contractual obligations and injects additional liquidity to avoid acceleration of repayment or default. Blockchain can allow the recording of cash flows in a transparent and easily reconcilable way that shows the source and timing of payments. Overall, this means cash flows would be easier to trace, enabling prompt corrective action if needed."

Removing doubt

Digital ledgers can also simplify the tracking of underlying assets – which can occasionally be a concern when structuring Sukuk. Generally, for complex deals supported by several underlying assets, the legal documents might specify terms and conditions related to pricing of asset substitution, but they can often omit to detail the nature of the underlying assets beyond their Shariah compliance. "This can cloud investors' view of exposure to certain risks, such as those related to total-loss events," warned S&P. "Some Sukuk documentation also contains clauses that limit investors' recourse in case of a total-loss event. When we rate such Sukuk, we consider the likelihood of total loss events. Our assessment could therefore change if the underlying assets change. We require issuers of rated Sukuk to provide us with updates of underlying assets in a timely fashion to allow us to revise our assumptions if necessary. Neither the market nor investors receive this information unless such changes disrupt repayment."

With a blockchain-based Sukuk, digital ledgers can allow real-time tracking of underlying assets, including any alterations, which would help ensure that the assets are used solely for a specific Islamic finance transaction (as under Shariah, assets tied to a specific transaction cannot support any other transaction). This could not only reinforce compliance, but again reduce the risk of default.

And finally the new technology, alongside the increasing prevalence of peer-to-peer services, could also open up the opportunity for smaller and more innovative market participants to challenge established financial groups, widening the financing options available for potential issuers.



Success of Saudi sovereign sparks corporate Sukuk surge

In one of the clearest examples yet of how a strong sovereign issuance can support the private sector, Saudi Arabia's triumphant return to the international Islamic debt capital market in October opened the gates for a surge of corporate issuers to follow, piggybacking on the success of the sovereign paper and benefiting from the robust investor demand for Saudi paper.

In its first international debt sale since the September attack on its oil facilities, Saudi Arabia came to market in October to sell Sukuk worth US$2.5 billion at a profit rate equivalent to 127bps over midswaps. The deal priced around 20bps below the level at which the bonds were first marketed – highlighting the hefty demand from international investors.



The deal followed an earlier one-notch downgrade for the Kingdom by Fitch Ratings, reducing its credit rating from 'A+' to 'A'. This seemed to make little difference to investors, however, who boosted the orderbook to nearly US$14 billion. The Kingdom also issued SAR7.2 billion (US$1.94 billion) in domestic Sukuk the same month.

> **"The positive reception for Islamic paper has had an inevitable impact on corporate issuance, which has picked up across the GCC as regional firms look to capitalize on the current appetite"**

The Kingdom may have taken advantage of historically low borrowing costs in the international market to issue, but the positive reception for Islamic paper has had an inevitable impact on corporate issuance, which has picked up across the GCC as regional firms look to capitalize on the current appetite.

For example, Saudi Arabian real estate developer Dar Al Arkan raised US$600 million through Sukuk in October, again priced tight with almost no new issue premium offered by the issuer.

But it is not just Saudi firms that are benefiting from the robust demand. Over in the UAE, mall developer Majid Al Futtaim (MAF) also announced plans to issue in the current favorable climate, with plans for yet another benchmark green Sukuk following its debut environmental, social and governance issuance in May this year. With the first deal heavily oversubscribed, it is likely that the second transaction will meet with similar success.

Overall, international Sukuk issuance in 2019 has remained steady despite the global market volatility and concerns over geopolitical tensions and an escalating US-China trade war. Issuance in US dollars from major Islamic finance markets remained almost unchanged in the first nine months of 2019, compared with the same period in 2018, according to the latest figures from Fitch.

However, full-year volumes could still be highly influenced by the funding needs and strategies of large individual borrowers which may come to the market before the end of the year, as well as by geopolitical developments that could have a positive or negative effect on investor appetite.

Sukuk issuance with a maturity of more than 18 months from the GCC region, Malaysia, Indonesia, Turkey and Pakistan totaled US$30.6 billion over the first nine months of 2019 compared with US$31 billion over the same period in the previous year.

ADNAN SUNDRA & LOW

Islamic finance as a real estate funding option: October surge

Real estate is one of the most popular areas for Shariah compliant funding, and there are numerous ways that Islamic finance can be leveraged for your property purchasing requirements. From Sukuk to syndicated loans to revolving finance facilities, if you are a corporate looking to invest in, lease, or otherwise acquire real estate for business purchases, Islamic options may be an alternative avenue to consider. But what are the most popular methods – and how do they stack up to conventional instruments?

October, as always, saw a multitude of Islamic property deals as companies big and small utilized Shariah compliant formats to raise the financing they need for their corporate activities.

> **"Real estate is the perfect asset for entry into the Islamic financing world, especially for corporates that may not have previous experience. The transaction is equitable, tangible and certain; there is no speculation or uncertainty; and the contracts are, in most cases, relatively straightforward"**

The range is immense – in October alone we saw the OMR20 million (US$51.8 million) Islamic facility extended by Muzn Islamic Banking (the Islamic window of the National Bank of Oman) to build The Myriad, an all-female student campus in Muscat; the BHD4.5 million (US$11.86 million) facility from Shariah compliant Khaleeji Commercial Bank to fund Bahrain Real Estate Investment Company's Salmaniya Medical Complex multi-story carpark development; the five-year US dollar Sukuk from Sauid property developer Dar Al-Arkan; and the seven-year Islamic financing of KWD16.5 million (US$54.13 million) for Kuwait Business Town Real Estate.

Islamic investment into real estate transcends borders and boundaries, and almost every country now has the capacity to complete in a Shariah compliant manner – both emerging markets and developed economies. In the Middle East, deals are now usually Islamic as a matter of course but even in Muslim-minority countries such as the UK, the Islamic option is increasingly popular while in the US, major Islamic real estate deals include those conducted this year by VCBank and SEDCO Capital. In October, the well-known private equity firm Arcapita posted exceptional results including US$21.9 million in profit, from five transactions in 2019 worth in excess of US$250 million, of which four were real estate deals in the US.

Real estate is the perfect asset for entry into the Islamic financing world, especially for corporates that may not have previous experience. The transaction is equitable, tangible and certain; there is no speculation or uncertainty; and the contracts are, in most cases, relatively straightforward. If tenanted, the only consideration would be to ensure that the tenant activity is not prohibited under Shariah – so no casinos, conventional banks or insurers, premises selling alcohol, and so on. And in fact even in these cases, as long as the percentage of rental income from these activities is below a certain proportion, it could be allowable.

There are two main financing structures that are used in Islamic finance for real estate: the commodity Murabahah structure and the Ijarah lease structure. For corporates the commodity Murabahah contract is the most popular, while the Ijarah structure is most often used in residential deals – although due to tax advantages, it can also be desirable for use in corporate deals.

The commodity Murabahah structure is built around the principle of cost-plus-profit. The financier sells a commodity to the buyer at a profit, which is usually paid in installments over a period of time, plus a bullet payment at the end. Sometimes the commodity can be the property itself, but more often the commodity is a tradable commodity such as a precious metal. For the purposes of a real estate investment, once the buyer is sold that commodity, the buyer sells the commodity back to the market for cash, which it then pools with its own equity to buy the property. Security over the property is then granted to the seller as security over the term of the facility.

This might sound complicated, but all these steps happen on the same day and usually at the same time. One of the most straightforward and widely used transactions in the Shariah compliant canon, the enduring popularity of this format is underlined by the numerous examples in the past month alone from a diverse variety of corporates.

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Islamic banks expand overseas

Qatari Islamic banks have seen a year of strong growth and economic recovery in 2019, and the country looks to have fully recovered from the embargo imposed by its neighbors back in 2017. With new business partnerships, new trade routes and a new diversification strategy, the country's Islamic banks are now pushing outwards into new markets as they seek to expand their services – widening coverage for both new and existing corporate customers.

Islamic institutions are actively seeking new customers as they look to achieve faster growth and diversify their funding sources – and that means geographical as well as sector diversification. Morocco and the UK are reportedly on the list, according to Fitch Ratings – and Islamic banks are in a better position than their conventional peers to do so, with stronger asset quality metrics and a lower impaired financing ratio making them a strong and stable bet for business users.

Fitch noted that the profitability of Islamic banks in Qatar improved in the first half 2019, while cost efficiency remains strong.

Islamic banks also have lower levels of foreign and wholesale funding and higher portions of retail deposits than their conventional competitors, resulting in fewer funding pressures. In addition, the Qatar Central Bank has issued a large quantity of Islamic bonds in recent years (QAR8.8 billion/US$2.4 billion in 2018 alone) which has given its Islamic banks a boost in terms of liquidity – which is now being passed on to their clients.

Islamic banking assets now make up 22% of total banking assets in the Kingdom. Notably, the Shariah compliant Barwa Bank recently acquired the conventional International Bank of Qatar, which is expected to increase the proportion of Islamic assets in the sector.

In other news…

- The UAE's ADCB Group has partnered with emaratech, a payment gateway and financial service provider in the UAE, to allow multiple payment channels from ADCB for businesses and individuals, according to a press release. The collaboration will also facilitate the inclusion of 'noqodi' in its platform and a top-up facility for the 'noqodi' wallet through ADCB's corporate internet banking portal, ProCash.

> **"Islamic banks have lower levels of foreign and wholesale funding and higher portions of retail deposits than their conventional competitors, resulting in fewer funding pressures"**

- Abu Dhabi Islamic Bank (ADIB) has announced the launch of Samsung Pay, the mobile payment and digital wallet service for Samsung devices, for its Visa covered cardholders. Samsung Pay is the first mobile wallet system to be adopted by ADIB, and the new partnership will allow Visa covered card holders to make payments using their Samsung Pay-enabled devices at any contactless PoS reader around the world. The service will be gradually rolled out for Visa debit cards and the bank's MasterCard portfolio over the next quarter.



- Kuwait's Shariah compliant Boubyan Bank and Zain Telecom are joining forces to create one of the Middle East's first purely digital Islamic banks, it was reported at the Central Bank of Kuwait's International Banking Conference in October. The news follows the launch in September of digital platforms by the UAE's Mashreq Bank and Emirates NBD. Zain Telecom is one of the largest telecom providers in the Middle East, with operations in eight countries across the region.

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Top ratings for green Sukuk highlight SRI advantage in the capital market

Halpro Engineering, a special purpose company set up by Malaysian contractor Majulia and German alternative energy firm Greencells to develop solar plants, was in October awarded the highest possible rating for its proposed RM195 million (US$46.6 million) green Sukuk – a clear demonstration of how SRI considerations can help corporates to achieve higher credit ratings - and, consequentially, stronger investor appetite, tighter pricing and a more positive market reception.

Under a 21-year Power Purchase Agreement (PPA) with Tenaga Nasional, Halpro has been mandated to design, construct, own, operate and maintain a 30 MW solar plant in Pahang, Malaysia. The total estimated project cost of RM264 million (US$63.1 million) will be funded via the issuance proceeds from a proposed Sukuk and the issuance of Redeemable Convertible Preference Shares (RCPS). The RCPS will be subscribed by Halpro's 49%-shareholder, Pekan Energy I (a wholly owned subsidiary of Greencells).

Greencells, a German renewable energy player with more than 110 solar projects globally under its belt (combined capacity in excess of 1.6 GW), will lead the overall implementation of the project. Greencells is indirectly 50% owned by the Zahid Group, a diversified conglomerate based in Saudi Arabia. Besides being the primary equity contributor, Greencells (via its wholly owned subsidiaries) will also be the turnkey engineering, procurement and construction contractor, and will provide operation and maintenance services to the plant under a 10-year agreement. Meanwhile, Halpro's 51% shareholder, Malaysia-based Majulia, will oversee land matters and acquire the necessary approvals for the project.

RAM Ratings has awarded the Sukuk 'AA3/Stable', reflecting Halpro's "sound project fundamentals, backed by the favorable terms of the PPA with a strong utility off-taker, as well as the use of proven solar technology".

This is despite a tighter timeline compared to similar transactions. Owing to earlier delays in the procurement of project funding, Halpro now has less than six months left to its targeted completion date of end-March 2020 - three months later than the project's scheduled commercial operations date of the 30th December 2019.

> **"Issuers who have the option to be rated both in a conventional and on an SRI footing should certainly consider doing so, given the higher profile and positive benefits that thus accrue"**

As of early October 2019, the solar plant was about 29% completed, with RM23 million (US$5.49 million) already spent by Greencells on construction work.

RAM Sustainability, however, has also assigned the highest Environmental Benefit rating to the solar plant under the Sukuk, placing it in the Tier-1 Environmental Benefit (Tier-1 EB) category.

The specialist environmental, social and governance rating provider noted that: "The framework provides clarity on the utilization of proceeds, project evaluation and selection, management of proceeds and reporting commitments. "The Sukuk framework is also consistent with the eligibility requirements of Securities Commission Malaysia's Sustainable and Responsible Investment (SRI) Sukuk Framework, the ASEAN Capital Markets Forum's ASEAN Green Bond Standards and the International Capital Markets Association's Green Bond Principles.

"In our view, the proposed green Sukuk will create positive environmental impact and is consistent with the United Nations Sustainable Development Goals," said RAM Sustainability.

The joint ratings are likely to boost the Sukuk's reception with investors, widen demand and improve its diversification prospects, providing it with the largest possible pool of investors and, in theory, driving down the cost of funding. Issuers who have the option to be rated both in a conventional and on an SRI footing should certainly consider doing so, given the higher profile and positive benefits that thus accrue, as demonstrated by the Halpro plan.



CORPORATE

Aldar issues Sukuk

UAE: Aldar Investment Properties has raised US$500 million through a fixed-rate US dollar 10-year Sukuk facility to refinance existing debts. The facility, which was oversubscribed by six times with international investors accounting for 71% of the total allocation and had offered an initial price guidance of around 260bps over midswaps, carries a 3.88% coupon rate, the lowest rate achieved by the real estate firm. Dubai Islamic Bank, First Abu Dhabi Bank, HSBC and Standard Chartered Bank acted as the transaction's joint global coordinators and joint lead managers, along with Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Emirates NBD Capital and Sharjah Islamic Bank as the joint lead managers.

Dayang establishes Sukuk program

MALAYSIA: Dayang Enterprise has lodged an eight-year Sukuk program with the Securities Commission Malaysia, according to a bourse filing. The first issuance under the program will be made within 60 business days from the lodgment date. Proceeds shall be utilized to part-finance the settlement sum (which shall include the principal and profit/interest amount due) for certain specified financing facilities of Dayang Enterprise and its group of companies.

Triplc Medical issues IMTN

MALAYSIA: Triplc Medical has issued an 18-year Islamic medium-term note (IMTN) worth RM84 million (US$20.06 million) and carrying an 8% profit rate, according to an announcement.

Majid Al Futtaim hires banks for green Sukuk

UAE: Majid Al Futtaim has hired BNP Paribas, Citigroup and HSBC to coordinate a potential issue of a 10-year US dollar-denominated green Sukuk facility. Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD Capital and First Abu Dhabi Bank have been appointed as the joint lead managers.

Perak Transit places paper

MALAYSIA: Perak Transit has issued a seven-year Islamic medium-term note worth RM300 million (US$71.69 million), according to an announcement.

Sunway Treasury Sukuk issues ICP

MALAYSIA: Sunway Treasury Sukuk (STSSB) has issued one Islamic commercial paper (ICP) for RM150 million (US$35.83 million), according to an announcement.

Cagamas issues IMTN

MALAYSIA: Cagamas has issued three Islamic medium-term notes (IMTNs) for a total of RM500 million (US$119.44 million), according to separate announcements.

AEON Credit places ICP

MALAYSIA: AEON Credit Service has placed a 31-day Islamic commercial paper (ICP) for RM390 million (US$93.17 million).

DanaInfra sells ICP

MALAYSIA: DanaInfra Nasional has issued a 183-day Islamic commercial paper (ICP) worth RM1 billion (US$238.27 million).

Bina Darulaman issues ICP

MALAYSIA: Bina Darulaman has issued a 32-day RM30 million (US$7.15 million) Islamic commercial paper (ICP). The paper was arranged by Maybank Investment Bank and will mature on the 18th November 2019.

Press Metal Aluminium prints IMTNs

MALAYSIA: Press Metal Aluminium Holdings has placed five, seven and 10-year Islamic medium-term notes (IMTNs) for a total of RM1 billion (US$238.27 million), according to separate announcements.

Edra Solar sells IMTNs and SRI Sukuk

MALAYSIA: Edra Solar has sold five Islamic medium-term notes (IMTNs) for RM125 million (US$29.81 million). The papers carry profit rates ranging from 3.95% to 4.85%. Earlier in the month, Edra Solar priced Malaysia's first ASEAN Sustainable and Responsible Investment (SRI) Sukuk worth RM245 million (US$58.49 million).

Cypark Ref issues IMTNs

MALAYSIA: Cypark Ref has issued 19 Islamic medium-term notes (IMTNs) for RM550 million (US$131.18 million).

Gas Malaysia issues ICP

MALAYSIA: Gas Malaysia has issued a 30-day Islamic commercial paper (ICP) worth RM150 million (US$35.73 million).

Dar Al Arkan issues Sukuk

SAUDI ARABIA: Dar Al Arkan has issued a five-year RegS senior unsecured Sukuk facility worth US$600 million carrying a 6.75% annual profit rate. Alkhair Capital, Deutsche Bank, Dubai Islamic Bank, Emirates NBD Capital, Goldman Sachs International, Noor Bank, Standard Chartered Bank and Warba Bank were appointed by Dar Al Arkan to manage the transaction.

BANKING

Boubyan Bank receives approval for Sukuk

KUWAIT: Boubyan Bank has obtained the initial approval of the Central Bank of Kuwait for a Sukuk issuance program not in excess of US$1 billion or the equivalent thereof in other currencies, and for offering the first issuance thereof which shall not exceed US$500 million or the equivalent of the same in other currencies, according to a bourse filing.

Albaraka Turk issues Sukuk

TURKEY: Albaraka Turk Katilim Bankasi issued a dual-tranche domestic Sukuk (lease certificates) facility worth a total of TRY600 million (US$101.76 million) via its subsidiary Bereket Varlik Kiralama Sirketi on the 4th October 2019. The certificates have tenors of 98 days and 147 days, worth TRY450 million (US$76.32 million) and TRY150 million (US$25.44 million) respectively.

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Warba Bank lists Sukuk

UAE: Warba Bank has listed its US$500 million Sukuk on NASDAQ Dubai.

WCT Holdings issues Islamic paper

MALAYSIA: WCT Holdings has issued two tranches of Islamic papers totaling RM617 million (US$147.25 million) under its newly established RM1 billion (US$238.65 million) perpetual Sukuk program, reported.

Emaar Sukuk listed on Nasdaq Dubai

UAE: Emaar Properties's US$500 million Sukuk facility has been listed on NASDAQ Dubai.

SOVEREIGN

Saudi sells domestic and international Sukuk

SAUDI ARABIA: Saudi Arabia has sold Sukuk worth US$2.5 billion after receiving large demand for its first international debt sale since an attack on its oil facilities last month. The Sukuk facility offers a profit rate equivalent to 127bps over midswaps - around 20bps below the level at which the bonds were marketed earlier, a sign that hefty demand allowed the Kingdom to tighten the pricing.

In the same month, the Saudi Ministry of Finance has raised SAR7.27 billion (US$1.94 billion) through its October issuance under the government's riyal-denominated Sukuk program.

QCB issues Sukuk

QATAR: Qatar Central Bank (QCB) has issued a three-year Sukuk paper worth QAR200 million (US$54.69 million) on the 20th October 2019, according to an announcement.

Sharjah's Sukuk oversubscribed

UAE: The emirate of Sharjah received orders in excess of US$3.2 billion for its US$750 million 10-year Sukuk issued in October. The overwhelming demand led to a tightening of spreads from 185bps over midswaps to 155bps. Banks involved in the deal include HSBC, Dubai Islamic Bank, Emirates NBD Capital, Sharjah Islamic Bank and Standard Chartered. The Sukuk paper was listed on NASDAQ Dubai. It is the second Sukuk listing this year on NASDAQ Dubai by the emirate following a US$1 billion listing in April.

Bahrain Bourse lists sovereign papers

BAHRAIN: Bahrain Bourse has announced the listing of 13 treasury bills and three Sukuk Ijarah facilities issued by the Central Bank of Bahrain on behalf of the Bahraini government effective on the 13th October 2019.

IDB prices US$1.5 billion issuance

GLOBAL: The IDB has successfully priced US$1.5 billion-worth of five-year trust certificates (Sukuk) under its US$25 billion trust certificate issuance program. The Sukuk issuance, which is the IDB's second public issuance in 2019, was priced at par at 1.96% and is to be payable on a semi-annual basis.

Turkey to issue gold-backed Sukuk

TURKEY: Turkey will issue gold-backed bonds and gold-backed Sukuk on the 1st November 2019, according to a statement. The Shariah securities will be sold to institutional investors, especially retirement and investment funds. The 364-day bonds and Sukuk will have a six-month interest or rent rate of 0.75%.

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MAR 8	**IFN Dubai Awards Dinner** | *Dubai, UAE*
MAR 10	**IFN Oman Forum & Dialogue** | *Muscat, Oman*
MAR 18	**IFN Australia Forum** | *Sydney, Australia*
APR 6	**IFN Asia Forum – Capital Raising Day** | *Kuala Lumpur, Malaysia*
APR 6	**IFN Asia Awards Dinner** | *Kuala Lumpur, Malaysia*
APR 7	**IFN Asia Forum – Investors Day** | *Kuala Lumpur, Malaysia*
APR 13	**IFN Saudi Dialogues** | *Riyadh, Saudi Arabia*
JUN 1	**IFN Nigeria Forum & Dialogue** | *Nigeria*
JUN 3	**IFN WAMU Forum** | *West Africa*
JUN 5	**IFN Kenya Forum & Dialogue** | *Kenya*
JUN 8	**IFN South Africa Forum & Dialogue** | *South Africa*
JUN 24	**IFN INNOVATE Asia** | *Kuala Lumpur, Malaysia*
SEPT 1	**IFN UK Forum** | *London, UK*
SEPT 7	**IFN Turkey Dialogues** | *Istanbul, Turkey*

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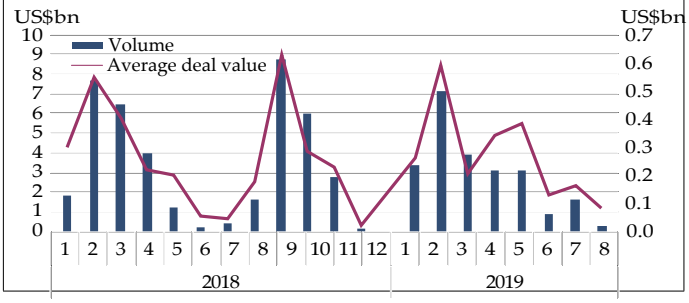
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Top Issuers of Global Sukuk

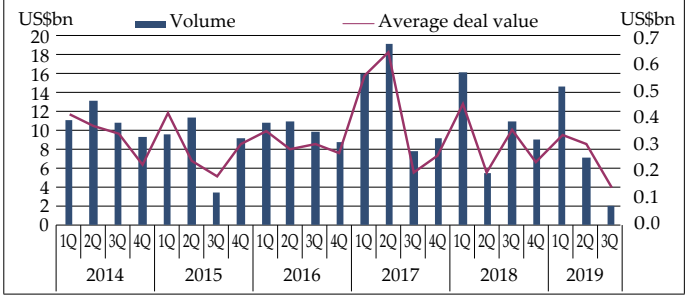
12 Months

Issuer	Nationality	Market	US$ (mln)	Tranches	Managers
Turkey	Turkey	Euro market public issue	2,000	1	Citigroup, KFH, 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, Kuwait Finance House, Standard Chartered Bank
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,500	1	Credit Agricole, Emirates NBD, First Abu Dhabi Bank, Gulf International Bank, HSBC, JPMorgan, Natixis, Standard Chartered Bank
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,500	1	Citigroup, Emirates NBD, First Abu Dhabi Bank, Gulf International Bank, HSBC, LBBW, RHB Bank, SG Corporate & Investment Banking, 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
Sharjah	UAE	Euro market public issue	1,000	1	Arab Banking Corporation, Dubai Islamic Bank, HSBC, Kuwait Finance House, Sharjah Islamic Bank, Standard Chartered Bank
Dubai World	UAE	Euro market public issue	1,000	1	Barclays, Citigroup, Deutsche Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Standard Chartered Bank
Bahrain	Bahrain	Euro market public issue	1,000	1	BNP Paribas, Citigroup, Gulf International Bank, JPMorgan, National Bank of Bahrain, Standard Chartered Bank
DanaInfra Nasional	Malaysia	Domestic market public issue	935	6	AmInvestment Bank, CIMB Group, HSBC, Maybank, RHB Bank

Global Islamic Bond Volume by Month

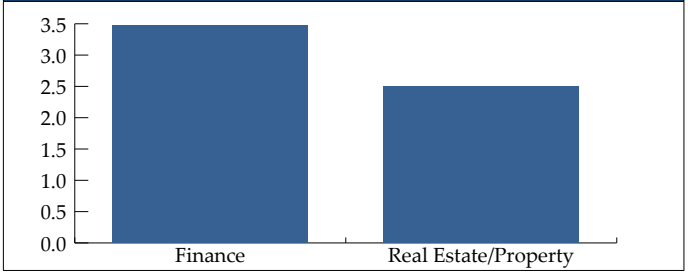


Global Islamic Bond Volume by Quarter



Top Islamic Finance Related Financing by Sector

12 Months



Top Global Islamic Bookrunners

12 Months

	Bookrunner Parents	US$ (mln)	Iss	%
1	**Maybank**	4,878	44	12.28
2	**Standard Chartered Bank**	3,758	31	9.46
3	**CIMB Group**	3,322	40	8.36
4	**HSBC**	3,029	23	7.62
5	**RHB Bank**	2,261	30	5.69
6	**AmInvestment Bank**	2,017	30	5.08
7	**Dubai Islamic Bank**	1,809	18	4.55
8	**Kuwait Finance House**	1,706	9	4.29
9	**Citigroup**	1,637	10	4.12
10	**JPMorgan**	1,602	8	4.03

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
16-Sep-19	**Avrupa Otoyolu Yatirim ve Isletme** **KMO Anadolu Otoyolu Yatirim ve Isletme**	Turkey	4,435
20-Dec-18	**BAPCO**	Bahrain	4,104
20-Feb-19	**Saudi Electricity**	Saudi Arabia	4,053
26-Nov-18	**Al Dur Power & Water**	Bahrain	1,634
24-Dec-18	**Atlantis The Palm**	UAE	1,100
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
16-Oct-19	**Sharjah**	UAE	Sukuk	Euro market public issue	750	Dubai Islamic Bank, Emirates NBD, HSBC, Sharjah Islamic Bank, Standard Chartered Bank
15-Oct-19	**Aldar Properties**	UAE	Sukuk	Euro market public issue	500	Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Sharjah Islamic Bank, Standard Chartered Bank
10-Oct-19	**Dar Al-Arkan Real Estate Development**	Saudi Arabia	Sukuk	Euro market public issue	600	Alkhair Capital (Dubai), Deutsche Bank, Dubai Islamic Bank, Emirates NBD, Goldman Sachs, Nomura, Noor Bank, Standard Chartered Bank, Warba Bank
25-Sep-19	**Islamic Development Bank**	Saudi Arabia	Sukuk	Euro market public issue	1,500	Citigroup, Emirates NBD, First Abu Dhabi Bank, Gulf International Bank, HSBC, LBBW, RHB Bank, SG Corporate & Investment Banking, Standard Chartered Bank
24-Sep-19	**Bahrain**	Bahrain	Sukuk	Euro market public issue	1,000	BNP Paribas, Citigroup, Gulf International Bank, JPMorgan, National Bank of Bahrain, Standard Chartered Bank
24-Sep-19	**Dubai World**	UAE	Sukuk	Euro market public issue	500	Barclays, Citigroup, Deutsche Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, JPMorgan, MUFG, SG Corporate & Investment Banking, Standard Chartered Bank
23-Sep-19	**WCT Holdings**	Malaysia	Sukuk	Domestic market public issue	148	AmInvestment Bank, CIMB Group, Maybank, OCBC, RHB Bank
17-Sep-19	**Warba Bank**	Kuwait	Sukuk	Euro market public issue	500	Abu Dhabi Islamic Bank, Arab Banking, BNP Paribas, Dubai Islamic Bank, Emirates NBD, National Bank of Kuwait, QNB Capital, Standard Chartered Bank
13-Sep-19	**Lembaga Pembiayaan Perumahan Sektor Awam**	Malaysia	Sukuk	Domestic market public issue	720	Maybank

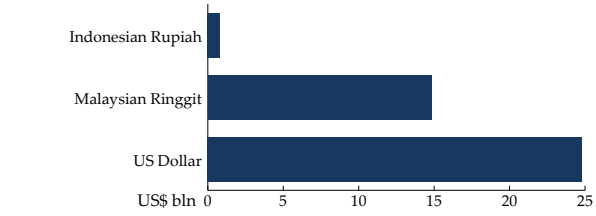
Top Islamic Finance Related Financing Bookrunners

12 Months

	Bookrunner	US$ (mln)	No	%
1	**First Abu Dhabi Bank**	1,337	6	17
2	**Mashreqbank**	1,214	6	16
3	**Emirates NBD**	941	6	12
4	**HSBC**	470	3	6
5	**Dubai Islamic Bank**	360	3	5
6	**Credit Agricole**	340	2	4
6	**MUFG**	340	2	4
6	**Standard Chartered Bank**	340	2	4
9	**Noor Bank**	259	3	3
10	**Abu Dhabi Commercial Bank**	215	1	3

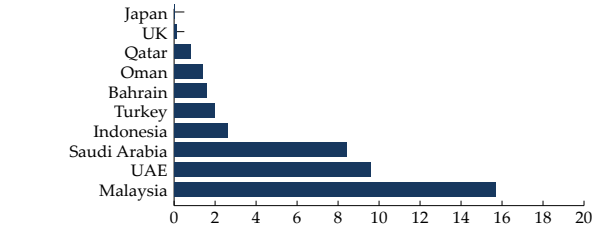
Sukuk Volume by Currency US$ (billion)

12 Months

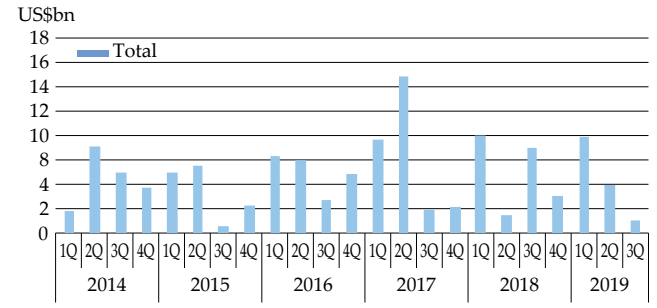


Sukuk Volume by Issuer Nation US$ (billion)

12 Months

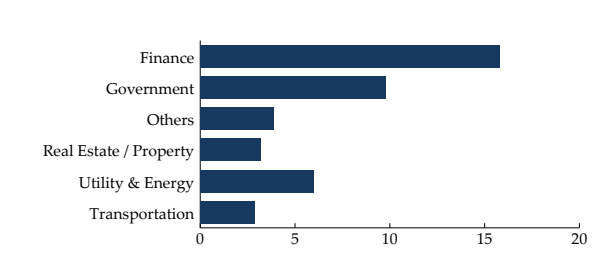


Global Islamic Bond Volume - US$ Analysis



Global Sukuk Volume by Sector

12 Months



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

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