

June 2022

## IFN *Awards*

2021

## Special Awards Report



## 2021 Winners

Deals of  
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# Light at the end of the tunnel?

**As the COVID-19 pandemic drags on, the collective hope of returning to normalcy has morphed into an acceptance (resignation, almost) of embracing a new normal, whatever that new normal may look like.**

COVID-19 has fundamentally changed our social fabric in ways we never imagined, and the effects would likely reverberate for years to come. Compounding the debilitating impact of this global health crisis are ongoing geopolitical crises which have led to staggering inflation and financial market volatility.

Times are tough — this is not an understatement. And it is precisely for this reason that this series of accolades are so significant. Because every win is a show of triumph during truly challenging times — let it be deal-structuring innovation, product development ingenuity or delivery agility. Each winner rose to the occasion to best meet client needs, to support government efforts in cushioning the impact of COVID-19 and also to further the use of Islamic finance as a development tool.

The Islamic finance industry is adjusting to changing times and its agility and resilience are paying off. In 2021, Shariah compliant financing sustained double-digit growth rates, recording a cumulative annual growth rate of 10.5% over 2020-21, when conventional loans retracted 4%, according to Moody's Investors Service. Assets under management of Islamic funds hit a record-high and Moody's expects growth prospects for Takaful to be promising. Sukuk deals have moderated as a result of higher energy prices, yet we have seen impressive Sukuk deals, particularly within the ESG space.

The growth and perseverance of the Islamic finance community — from bankers to asset managers to lawyers and insurers as well as scholars and other finance professionals — are reflected in the results of the prestigious IFN Awards.

Our heartiest congratulations to all winners! We thank you for your invaluable contributions to the Islamic finance industry.



**Vineeta Tan**  
**Managing Editor & Director**  
**Islamic Finance news**

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# *EnerTech is awarded the 'Pakistan Deal of the Year' and 'Most Innovative Deal of the Year'*

EnerTech's Long-Term Sukuk Facility is structured as a quasi-equity instrument embedded with conversion and put option, whereby the proceeds of this facility and the long-term project finance facility of up to PKR 25.5 billion will be used to finance a water supply project in Thar, Sindh as part of a Public-Private Partnership with the Government of Sindh. The innovative structure represents the intricate development of Pakistan's project financing market and financiers' recognition of the transparent governance framework and financial sophistication of Government of Sindh's PPP initiatives.



**WINNER**  
IFN PAKISTAN DEAL  
OF THE YEAR 2021



**WINNER**  
IFN GLOBAL MOST  
INNOVATIVE DEAL  
OF THE YEAR 2021



**HONOURABLE MENTION**  
IFN GLOBAL PROJECT FINANCE  
AND INFRASTRUCTURE DEAL  
OF THE YEAR, 2021



شركة انرتك القابضة  
**EnerTech Holding Company**

# Saudi Aramco's Sukuk: A global milestone



## Hybrid Deal of the Year

**Saudi Arabian Oil Company, widely known as Saudi Aramco and the world's largest integrated oil and gas company, has completed a record-breaking US\$6 billion issuance – the company's first and the world's largest US dollar-denominated corporate Sukuk. NESSREEN TAMANO writes.**

The senior unsecured Islamic trust certificates were sold to leading institutional investors in three tranches, under Saudi Aramco's recently established international Sukuk program. Proceeds from the sale will be allocated for general purposes.

The Sukuk facility was oversubscribed 20 times, achieving an orderbook in excess of US\$60 billion and attracting over 100 new investors across the globe. The facility has been admitted for trading on the London Stock Exchange's main market.

"We are delighted with the strong reception for our inaugural international Sukuk offering that led to the largest orderbook ever recorded globally for a US dollar-denominated Sukuk transaction," Khalid Al-Dabbagh, the senior vice-president of finance, strategy and development at Saudi Aramco, said.

"The success of the transaction is a strong endorsement from the global investment community of our leading position in the industry, and our ability to deliver on our long-term business strategy."

The state-owned oil giant, which is certified as Shariah compliant, had, in December 2019, launched its IPO with a strong expectation from Saudi Crown Prince Mohammad Salman to fetch US\$100 billion, valuing Saudi Aramco at US\$2 trillion. The company fell short of that target, raising US\$29.4 billion after upsizing its IPO by an additional 450 million shares.

No stranger to record-breaking and high-profile deals, Aramco issued its debut international bond in April 2019 at US\$12 million and later in 2020 closed another US\$8 billion bond issuance to fund its dividends. ☺

### Summary of terms & conditions

<b>Issuer</b>	Saudi Arabian Oil Company (Aramco)
<b>Tranches</b>	Tranche 1: US\$1 billion Tranche 2: US\$2 billion Tranche 3: US\$3 billion
<b>Structure</b>	Ijarah–Murabahah
<b>Profit rate</b>	Tranche 1: 0.95% Tranche 2: 1.6% Tranche 3: 2.69%
<b>Maturity</b>	Tranche 1: 17 <sup>th</sup> June 2024 Tranche 2: 17 <sup>th</sup> June 2026 Tranche 3: 17 <sup>th</sup> June 2031
<b>Issue/reoffer price (all tranches)</b>	100
<b>Reoffer spread</b>	Tranche 1: 65bps over US Treasuries Tranche 2: 85bps over US Treasuries Tranche 3: 120bps over US Treasuries
<b>Type</b>	Reg S/144A Sukuk
<b>Listing</b>	London Stock Exchange
<b>Rating</b>	'A' by Fitch Ratings
<b>Legal advisors</b>	Latham & Watkins; Law Office of Salman M Al-Sudairi
<b>Active joint bookrunners</b>	Alinma Invest; Al Rajhi Capital; BNP Paribas; Citigroup; First Abu Dhabi Bank; Goldman Sachs International; HSBC; JPMorgan; Morgan Stanley; NCB Capital; Riyad Capital; SMBC Nikko; Standard Chartered Bank
<b>Passive joint bookrunners</b>	Abu Dhabi Commercial Bank; Albilad Capital; Aljazira Capital; Alistithmar Capital; ANB Invest; BOC International; Credit Agricole; Dubai Islamic Bank; Emirates NBD Capital; GIB Capital; KFH Capital; MUFG; Mizuho; NBK Capital; Saudi Fransi Capital; Societe Generale

Photo: Saudi Aramco





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# Takaful Oman's Sukuk: Supporting growth plans



## Perpetual Deal of the Year

One of only two fully-fledged Islamic insurance companies in the Sultanate, Takaful Oman started the new year by tapping the Islamic capital market with an offering worth OMR6 million (US\$15.54 million). **NESSREEN TAMANO** writes.

"I am proud to say that this is the first perpetual Sukuk issued by a Takaful company, not only in Oman or the region, but globally," Dr Rawan Al Said, the CEO of Takaful Oman, told IFN. "We take this Sukuk as a stepping stone towards further growth locally and regionally, as the demand for Takaful products is increasing steadily across the Middle East. As such, Takaful Oman will enjoy the added advantage of having a solid base of Sukukholders who are willing to invest in its expansion while earning the lucrative returns."

**I am proud to say that this is the first perpetual Sukuk issued by a Takaful company, not only in Oman or the region, but globally**

The fully subscribed Islamic paper, issued by the insurer's SPV Takaful Sukuk, features a perpetual tenor and is structured under the Mudarabah concept. It is the first tranche of a Sukuk program worth up to OMR25 million



### Summary of terms & conditions

Issuer	Takaful Sukuk
Obligor	Takaful Oman
Tenor	Perpetual
Maturity date	2 <sup>nd</sup> February 2099
Payment dates	Every 31 <sup>st</sup> January and 31 <sup>st</sup> July
Structure	Mudarabah
Profit rate	8.5% per annum
Manager	Sohar Islamic; Sohar International Bank
Legal advisor	Trowers & Hamblins
Paying agent	Muscat Clearing and Depository Company
Currency	Omani rial
Governing law	Omani law
Type	Subordinated and unsecured

(US\$64.77 million) that was recently approved by the Capital Market Authority (CMA).

Proceeds from the Sukuk issuance will be utilized to explore investment opportunities for the company's trust assets and finance its growth plans.

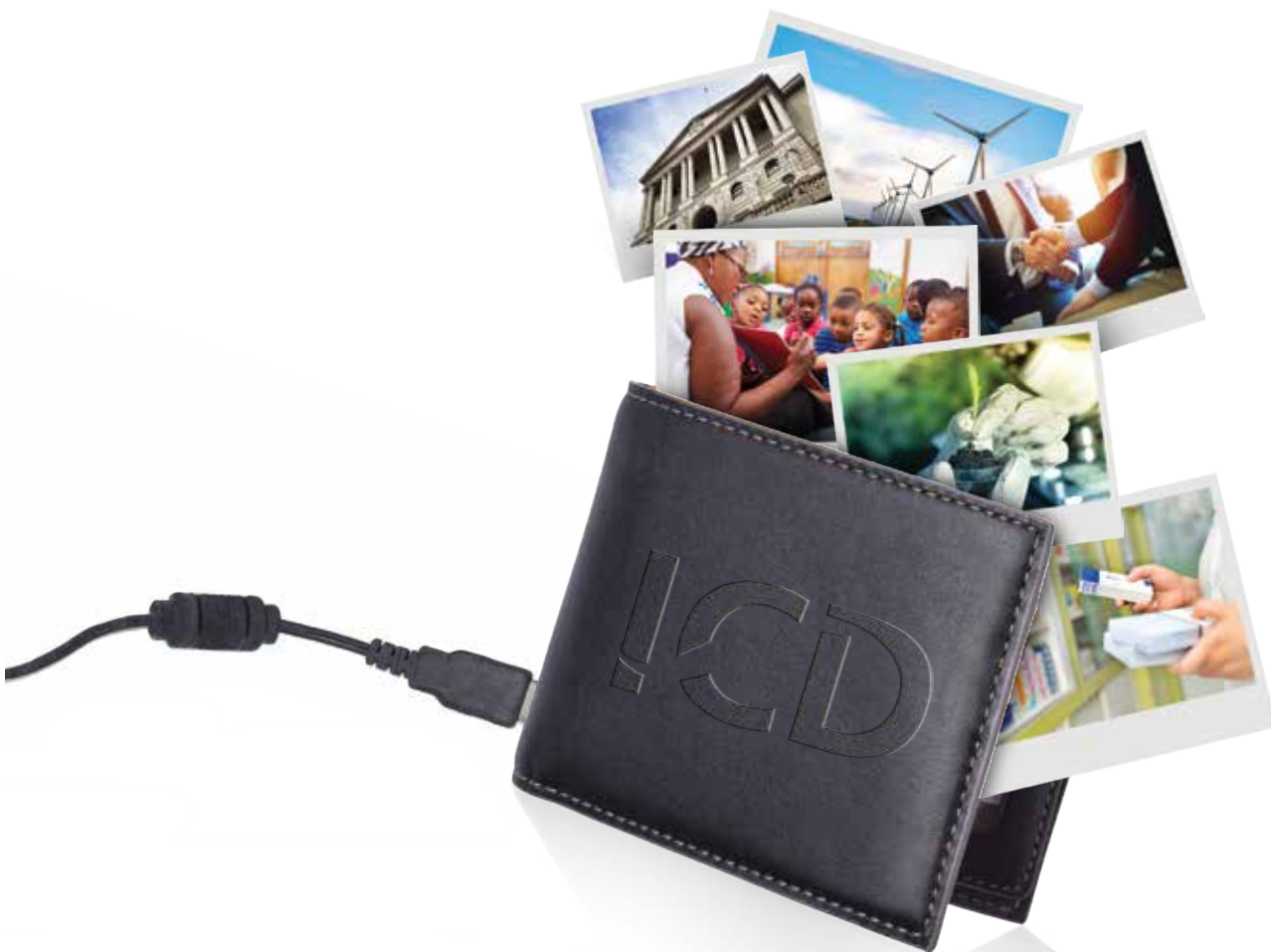
Offered through private placement at an issue price of OMR1.02 (US\$2.64) per unit, the Sukuk facility has a profit rate of 8.5%, and was listed on the Muscat Securities Market's Bonds and Sukuk Market on the 2nd February 2021.

As at the end of 2020, Takaful Oman recorded a net profit (including comprehensive income) of OMR1.93 million (US\$5 million), a marked decrease from the OMR3.08 million (US\$7.98 million) recorded in 2019.

The Sukuk issuance was highly encouraged by the CMA, which had recently launched several initiatives to push for more Islamic finance activities in the Sultanate. "[Sukuk issuances] help companies adjust and improve their financial positions to accommodate large projects, which in turn contribute to providing employment opportunities and adding value to the national economy, whether directly or indirectly," the regulator said.

Islamic insurance products offered on a window basis are prohibited in Oman, as is the bundling of Takaful products with banking ones. Al Madina Takaful is the only other fully-fledged Islamic insurance company in the country. <sup>(2)</sup>

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# IsDB's sustainability Sukuk: The bank's largest Sukuk to date



## Social Impact Deal of the Year

The IsDB topped its successful sustainability Sukuk debut last year with its sophomore paper of the same kind, this time also the bank's largest-ever US dollar-denominated public issuance. **NESSREEN TAMANO** reports.

Parked under the IsDB's US\$25 billion trust certificate issuance program, the follow-up US\$2.5 billion sustainability Sukuk facility issued in March 2021 was priced with a profit rate of 1.26%. The Islamic paper is also the multilateral's first public issuance this year.

**“This is our second sustainability Sukuk and also our largest issuance ever, once again reaffirming the demand for financing promoting sustainability”**

The Islamic paper attracted real money and first-time investors, and its distribution was diverse — 78% was allocated to central banks and official institutions, 18% to bank treasuries and 4% to fund managers, private banks and others. In terms of geographical makeup, 61% was allocated to the MENA region, 24% to Asia, 13% to Europe and 2% to others, including US offshore accounts.



### Summary of terms & conditions

Issuer	IsDB
Profit rate	1.26%
Tenor	Five years
Payment terms	Payable semi-annually
Joint lead managers and bookrunners	Citi, HSBC, Goldman Sachs International, NATIXIS, Societe Generale, Standard Chartered Bank, Warba Bank
Co-manager	Kuwait International Bank
Rating	'AAA' by Moody's Investors Service, S&P Global Ratings and Fitch Ratings
Listing	Euronext Dublin and NASDAQ Dubai

“The quality of the orderbook and broad-based demand from investors warranted a 6bps move for a final spread of MS+33bps, one of (the IsDB's) tightest historical prints,” Maude Le Moine, the head of sovereign, supranational and agency debt capital markets at Goldman Sachs International, said.

Dr Zamir Iqbal, the vice-president (finance) and CFO of the IsDB, who said that the Sukuk is a continuation of the bank's COVID-19 response efforts, added: “The lower cost of funding will enable the IsDB to extend better financing terms to our member countries for supporting their critical needs during and post-pandemic. We are also very pleased to see new investors participating in the Sukuk.”

Around 10% of the Sukuk proceeds will be used to finance green projects while 90% will go to social development projects, which are both eligible under the IsDB's Sustainable Finance Framework. The framework itself was created in line with the Green Bond Standards, Social Bond Standards and Sustainability Bond Guidelines published by the International Capital Market Association.

“As the world continues to find better ways to respond to the ongoing pandemic, the IsDB is proudly leading with its role of mobilizing critically needed resources at a low cost for its member countries in order to finance a green and resilient recovery. This is our second sustainability Sukuk and also our largest issuance ever, once again reaffirming the demand for financing promoting sustainability in a world stricken with climate emergency as well as a raging pandemic,” Dr Bandar Hajjar, the president of the IsDB, stated.

The bank issued its first-ever sustainability Sukuk worth US\$1.5 billion in June 2020 — a follow-up to its landmark green Sukuk issued in November 2019 that raised EUR1 billion (US\$1.18 billion). [\(2\)](#)





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# SME Bank's Sukuk: Meeting demand for ethical products



## SRI & ESG Deal of the Year

Malaysia has added another feather to its Islamic sustainable finance cap as government-backed SME Bank made its sustainability Sukuk debut to overwhelming response, cementing the country's global lead in the area. VINEETA TAN writes.

Receiving more than triple its target of RM500 million (US\$118.22 million), SME Bank's sustainability Sukuk Wakalah program, which recorded a final order of RM1.78 billion (US\$420.85 million), underscores the latent demand for ethical investments in Malaysia, which accounts for the most corporate socially responsible investing (SRI) Sukuk in the world at 16 offerings as at the start of 2021. The issuance consists of an Islamic medium-term note program worth up to RM3 billion (US\$709.31 million) and an Islamic commercial paper program of up to RM1 billion (US\$236.44 million), with a combined limit of up to RM3 billion in nominal value.

Without detailing the breakdown of investors, SME Bank Group President and CEO Aria Putera Ismail noted that the local offering was also subscribed by foreign asset managers and had a diverse mix of investors including financial institutions, fund management companies, insurers and government-linked companies. The paper, the first non-government guaranteed Sukuk for SME Bank, was priced at a 3.1% profit rate. Aria

### Summary of terms & conditions

Issuer	SME Bank
Type	Sustainable Sukuk
Profit rate	3.1%
Use of proceeds	To finance and/or refinance new or existing asset businesses and projects that promote sustainability
Sole principal advisor and lead arranger	RHB Investment Bank
Joint lead managers	AmlInvestment Bank; CIMB Investment Bank; Maybank Investment Bank; RHB Investment Bank
Rating	'AAA' by Malaysian Rating Corporation

attributed the oversubscription to "awareness movements within and outside the country that continue to support a balanced and sustainable development". Malaysian Rating Corporation awarded the issuance programs 'AAA' ratings and also a gold standard for the Sustainability Sukuk Framework.

"With the issuance of the sustainability Sukuk, the bank will now be able to offer more innovative financing solutions for SMEs and continue to play our countercyclical role to ensure their success and becoming the nation's engine of growth that not only contributes positively to the GDP, creating employment but ultimately, a positive spillover to society and the environment," Aria commented.

SME Bank, which falls under the Ministry of Entrepreneur Development and Cooperatives, is embarking on a multiphase environment, social and governance (ESG) strategy, with the first stage focusing on building awareness among SMEs through financing facilities. In the second phase, the bank will engage SMEs to educate businesses on utilizing the right financial instruments to meet their ESG needs as well as to apply and integrate ESG elements in their operations.

The offering comes amid greater commitment from the Malaysian financial community to align their financing activities with ESG principles. Maybank recently publicly committed RM50 billion (US\$11.84 billion) in sustainable financing and confirmed it will be scaling up its green and sustainability Sukuk/bonds program. ☺





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An Award for the IFN Sovereign & Multilateral Deal of the Year 2020 for ICIEC's EUR 143 million cover of the financing for the construction of two new hospitals in Côte d'Ivoire.



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Islamic Development Bank Group



# Turkiye Emlak's green Sukuk: A first for Turkey



## Sukuk Deal of the Year

**Turkiye Emlak Katilim Bankasi (Emlak Participation Bank), one of six fully-fledged Islamic banks in Turkey, has made its return to the capital market with its first green Sukuk facility – also the country's first. NESSREEN TAMANO reports.**

The green lease certificates, worth a total of TRY51.8 million (US\$5.16 million) and based on a risk-and-profit-sharing structure, were the first to be issued under Emlak Bank's recently launched Sustainable Finance and Green and Social Sukuk Framework, which was designed in line with the International Capital Market Association's Green Bond Principles and the ISDB's Sustainable Finance Framework.

**“With this issuance of green Sukuk, Emlak Bank has made an annual contribution of approximately 2,000 tons in carbon emission reduction”**

Nevzat Bayraktar, the general manager of Emlak Bank, said that the lease certificates were uniquely structured to contribute to the sustainable growth of the sector. “With this issuance of green Sukuk, Emlak Bank has made an annual contribution of approximately 2,000 tons in carbon emission reduction.”

Proceeds from the issue will be used to finance projects under a Special Fund Pool established to focus on initiatives that contribute positively to climate change and the environment.

As at the 15th November 2021, the calculated return for the lease certificates under the Special Fund Pool is 16.26%.

“We aim to create financing models that support sustainable investments and take into account environmental, social and



### Summary of terms & conditions

<b>Issuer</b>	Emlak Katilim Varlik Kiralama
<b>Obligor</b>	Turkiye Emlak Katilim Bankasi
<b>Issue size</b>	TRY51.8 million (US\$5.16 million)
<b>Use of proceeds</b>	To fund long-term green projects
<b>Tenor</b>	371 days
<b>Maturity date</b>	16 <sup>th</sup> November 2022
<b>Profit rate / payment terms</b>	Variable-yield security; The profit generated from the Special Fund Pool will be shared between the Rabb Al-Mal and Sukukholders on a predetermined sharing ratio of 90/10 monthly
<b>Joint lead manager / bookrunner</b>	Turkiye Emlak Katilim Bankasi
<b>Governing law</b>	Turkish law
<b>Legal advisor</b>	Mutlu Avukatlik Ortakligi
<b>Listing</b>	Borsa Istanbul Stock Exchange
<b>Underlying assets</b>	Green Murabahah projects
<b>Shariah advisor</b>	Emlak Bank's Shariah Committee
<b>Structure</b>	Mudarabah
<b>Tradability</b>	Yes
<b>Investor breakdown</b>	About 83% are from Islamic pension and investment funds; 7% from natural and legal persons

governance criteria for the development of the country,” Nevzat said. There are also plans to issue another green Sukuk by the end of 2021, the bank told IFN.

Emlak Bank regularly issues Islamic lease certificates under its TRY2 billion (US\$199 million) Sukuk program; in 2020, it issued a total of TRY1 billion (US\$99.5 million).

The bank plays a key role in providing financing to the Turkish real estate sector, and was last year reportedly considered to be one of the banks in a planned three-way merger to establish a Turkish Islamic megabank, along with Ziraat Participation Bank and Vakif Katilim Bank as per the instructions of President Recep Tayyip Erdogan. (E)



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# World's first US dollar-denominated sovereign sustainability Sukuk: A landmark Malaysian issuance

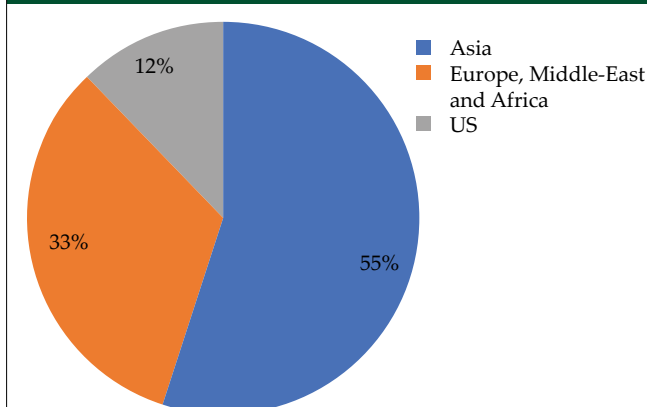


## Wakalah Deal of the Year

The Malaysian sovereign sustainability US\$1.3 billion Sukuk issuance is the world's first US dollar-denominated sustainability Sukuk issued by a government. Oversubscribed by 6.4 times, the issuance saw significant demand and positive ratings. It sets a new benchmark for sustainability Sukuk and signals a wider adoption of sustainability initiatives in Islamic finance.

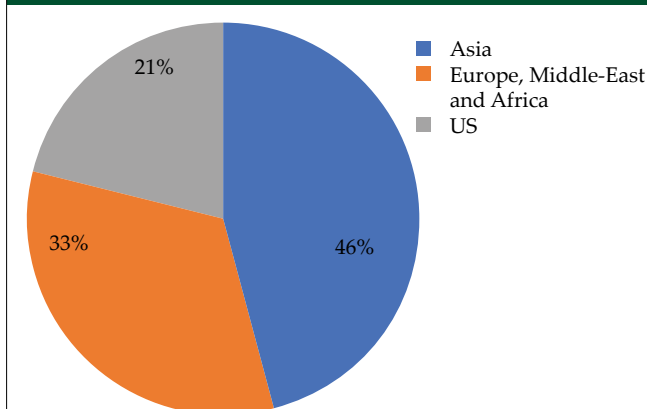
The offering marks the Malaysian government's foray into the sustainability Sukuk space. The program received 'A3' and 'A-' ratings from Moody's Investors Service and S&P Global Ratings respectively. The landmark issuance demonstrates the government's effort to combat climate change and working toward a resilient and inclusive economy, in line with its Shared Prosperity Vision 2030.

Chart 1: 10-year tranche investor geography



Source: Ministry of Finance, Malaysia

Chart 2: 30-year tranche investor geography



Source: Ministry of Finance, Malaysia

### Summary of terms & conditions

Issuer	Malaysia Wakala Sukuk
Obligor	Malaysian government
Size of issue	Tranche 1: US\$800 million Tranche 2: US\$500 million
Purpose	Social and green projects aligned to the UN Sustainable Development Goals (SDGs) agenda
Tenor	Tranche 1: 10 years Tranche 2: 30 years
Profit rate	Tranche 1: 2.07% (T+50bps) Tranche 2: 3.08% (T+80bps)
Payment	Annual
Currency	US dollar
Maturity date	Tranche 1: April 2031 Tranche 2: April 2041
Lead manager(s)	CIMB, HSBC, JPMorgan
Bookrunner(s)	CIMB, HSBC, JPMorgan
SDG structuring agent(s)	HSBC Amanah Malaysia, JPMorgan
Listing	Hong Kong Stock Exchange
Underlying assets	Sustainable asset vouchers representing travel entitlement on Malaysia's Light Rail Transit, Mass Rapid Transit and KL Monorail networks
Rating	'A3' (Moody's Investors Services), 'A-' (S&P Global Ratings)
Shariah advisor(s)	CIMB Islamic Bank and HSBC Global Shariah Supervisory Committee
Structure	Wakalah
Tradability	Yes
Listing	Hong Kong Stock Exchange
Investor geographical breakdown	Tranche 1: 55% Asia; 33% Europe, Middle East and Africa; 12% US Tranche 2: 46% Asia; 33% Europe, Middle East and Africa; 21% US





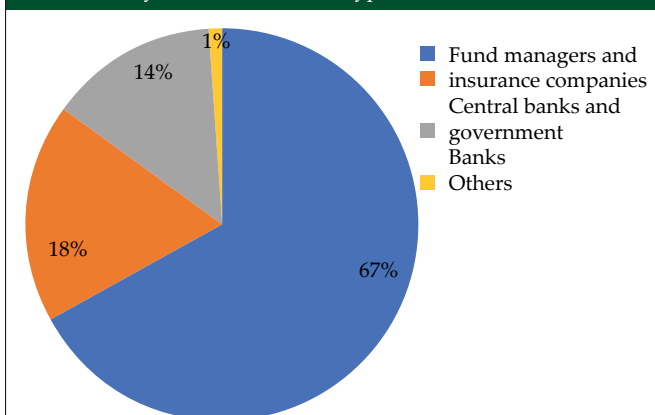
Initially a US\$1 billion issuance, the government decided to upsize to US\$1.3 billion due to the high demand. The Sukuk facility was issued in two tranches: US\$800 million 10-year trust certificates and US\$500 million 30-year trust certificates. The demand contributed to the lowest yield yet for a US dollar Malaysian Sukuk issuance with the certificates priced at 2.07% and 3.075% respectively.

The Sukuk attracted diverse investors through its virtual roadshow covering Asia, the US and the Middle East. The 10-year tranche had a geographical investor breakdown of 55% of the principal amount from Asia; 33% from Europe, the Middle East and Africa (EMEA); and 12% from the US. About half (46%) of the 30-year Sukuk principal amount was distributed to investors in Asia; 33% to EMEA; and 21% to the US.

Fund managers and insurance companies had the largest share of investment, representing 67% of the 10-year tranche and 83% of the 30-year tranche. Central banks and governments had an 18% share of the 10-year tranche and 4% of the 30-year tranche. About 14% of the 10-year tranche and 10% of the 30-year tranche were attributed to banks. The remaining 1% of the 10-year tranche and 3% of the 30-year tranche were attributed to other investors.

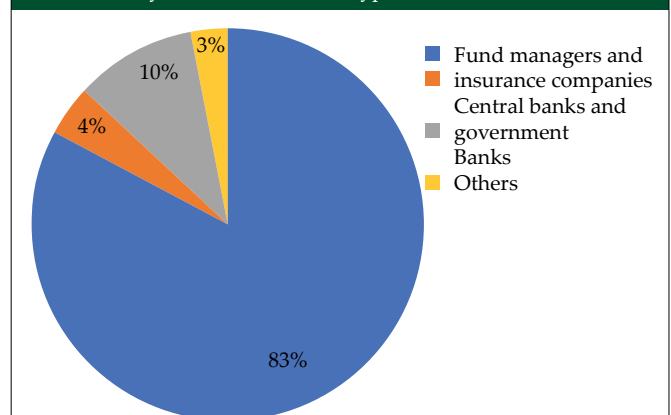
Sustainalytics assessed the Sukuk framework and affirmed that it is in line with all four components of the Social Bond Principles 2020. The underlying assets are vouchers representing travel entitlement on Malaysia's Light Rail Transit, Mass Rapid Transit and KL Monorail networks, all of which are classified as sustainable assets. (E)

Chart 3: 10-year tranche investor type



Source: Ministry of Finance, Malaysia

Chart 4: 30-year tranche investor type



Source: Ministry of Finance, Malaysia

# nogaholding's Sukuk: An enhanced issuance



**Bahrain** Deal of the Year

The Oil & Gas Holding Company, widely known as nogaholding and the investment and business development arm of Bahrain's National Oil and Gas Authority (NOGA), successfully completed its debut Sukuk issuance worth US\$600 million under its recently established US\$3 billion Trust Certificate Issuance Program. NESSREEN TAMANO reports.

The Islamic certificates, issued by the company's SPV nogaholding Sukuk, carried a profit rate of 5.25% and are due in 2029, and both the Sukuk and the program are listed on the Global Exchange Market of Euronext Dublin.

**“The structure used by nogaholding incorporates the concept of ‘tangibility event’, as well as the appointment of a Shariah advisor with respect thereto**

This is the company's debut Islamic paper, having previously issued bonds under a global medium-term note. “nogaholding wanted to diversify its investor base even further and tap into the deep pool of liquidity among Shariah compliant investors. Additionally, market conditions were also particularly suitable for a Sukuk issuance,” Latham & Watkins, the lead advisor of the landmark transaction, told IFN.

Oversubscribed five times, the Sukuk issuance carries an Ijarah–Murabahah structure, with a number of features that ensure

## Summary of terms & conditions

<b>Issuer</b>	nogaholding Sukuk
<b>Obligor</b>	The Oil & Gas Holding Company (nogaholding)
<b>Mode of issue</b>	Distribution to institutional investors
<b>Tenor</b>	Eight years
<b>Maturity date</b>	8 <sup>th</sup> April 2029
<b>Profit rate</b>	5.25%
<b>Payment terms</b>	Profit payable semi-annually
<b>Joint lead managers and bookrunners</b>	Gulf International Bank; HSBC Bank; JPMorgan Securities
<b>Passive joint lead manager</b>	BNP Paribas
<b>Legal advisor</b>	Latham & Watkins
<b>Currency</b>	US dollar
<b>Governing law</b>	English and Bahraini laws
<b>Shariah advisor</b>	Shariah boards of joint lead managers
<b>Minimum investment</b>	US\$200,000
<b>Underlying assets</b>	Pool of tangible assets used in the Ijarah, along with commodity Murabahah
<b>Rating</b>	‘B+’ by Fitch Ratings
<b>Tradability</b>	Yes

fuller compliance with AAOIFI standards. “More specifically, the structure used by nogaholding incorporates the concept of ‘tangibility event’, as well as the appointment of a Shariah advisor with respect thereto. nogaholding is one of the first few deals regionally to incorporate these mechanics within the Islamic structure,” Latham & Watkins explained.

The enhanced features of the issuance also ensured the widest possible distribution and acceptability. “This innovative structuring had to be carefully thought through and all implications considered before the program was established and the issuance undertaken. To take advantage of opportune market conditions, the company and its advisors proceeded at a very swift pace to deliver the best possible outcome and an extremely successful transaction,” the law firm noted.

nogaholding, which was incorporated by a royal decree in 2007, plays a key role in implementing NOGA's strategies and creating shareholder value through the management of Bahrain's oil, gas and petrochemical assets.

Proceeds from the Islamic issuance will be used to support its corporate activities. (2)



Photo: nogaholding





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# Kuwait Finance House's Sukuk: Issuance of note



## Kuwait Deal of the Year

Continuing the recent streak of GCC Sukuk issuers is Kuwait's first fully-fledged Islamic bank, Kuwait Finance House (KFH), with an international issuance worth US\$750 million, touted as the Gulf nation's largest corporate Sukuk in terms of size. NESSREEN TAMANO has the details.

“Given the high demand of investors from all over the world on subscribing to Sukuk recently issued by GCC companies and banks, Islamic financial instruments play an important role in enhancing global capital markets”

The Basel III-compliant, additional Tier 1 US dollar-denominated Sukuk facility, which carries a profit rate of 3.6%, also achieved the lowest yield for an issuance of its kind in Kuwait, the bank's chairman, Hamad Abdulmohsen Al-Marzouq, said.

The perpetual, non-callable 5.5-year facility received an orderbook in excess of US\$2 billion, almost three times the targeted issue size, from investors from the Middle East, Europe and Asia,



### Summary of terms & conditions

Issuer	KFH Tier 1 Sukuk
Obligor	Kuwait Finance House (KFH)
Structure	Mudarabah
Type	Basel III-compliant Tier 1 Sukuk
Purpose	To support KFH's capital base
Tenor	Perpetual
Profit rate	3.6%
First reset date	30 <sup>th</sup> December 2026
Listing	London Stock Exchange
Governing law	English law
Global coordinators	KFH Capital; Standard Chartered Bank
Joint lead managers	Boubyan Bank; Dubai Islamic Bank; Dukhan Bank; Emirates NBD Capital; First Abu Dhabi Bank; KFH Capital; Mizuho Bank; Standard Chartered Bank

mostly from banks, financial institutions and investment funds. It is listed on the London Stock Exchange.

“The new issuance gives KFH the opportunity to diversify its financing resources and increase its financial and investment capabilities, support infrastructure projects and local productive economic sectors, as well as help customers with their expansion plans regionally and globally,” Hamad said.

The chairman also noted that the Sukuk's oversubscription is a reflection of the confidence of investors from different regional and international capital markets in KFH, as well as their trust in the Kuwaiti economy, banking sector and local market despite the challenges posed by the COVID-19 pandemic.

“Given the high demand of investors from all over the world on subscribing to Sukuk recently issued by GCC companies and banks, Islamic financial instruments play an important role in enhancing global capital markets and helping issuers implement their future expansion and growth plans,” Hamad asserted.

In April this year, Fitch Ratings affirmed KFH's long-term issuer default rating at 'A+' with a negative outlook, driven by the “extremely high probability of support being provided by the Kuwaiti state to all domestic banks if needed”. <sup>(1)</sup>



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# Kuveyt Turk's Sukuk: Landmark sustainability issuance



## Turkey Deal of the Year

**Kuveyt Turk Katilim Bankasi, a leading Turkish Islamic bank majority-owned by Kuwait Finance House, has issued what is said to be the world's first regulatory capital Tier 2 environmental, social and governance (ESG) Sukuk paper, which will support its Sustainable Finance Framework.**

The fixed-rate resettable sustainability trust certificates facility issued by KT21 T2 Company, the bank's SPV, was oversubscribed 12 times, receiving an orderbook of US\$4 billion.

"The issuance also achieved the tightest pricing for any Tier 2 issuance out of Turkey since 2017, at 6.125%, reflecting strong fundamentals and positive market sentiments," a statement read. Proceeds from the landmark issuance will be used to finance or refinance eligible green and social projects by the bank.

"We are honored to be in the market with the first-ever sustainable Tier 2 Sukuk issuance globally. Our management philosophy is governed by sustainability which is also very much in line with principles of Islamic finance. We are very happy to be issuing a Sukuk intended to preserve nature, not exhaust it," noted Ufuk Uyan, CEO of Kuveyt Turk.

Rizwan Kanji, a partner at Akin Gump Strauss Hauer & Feld, which acted as the legal advisor to the issuance, added: "This is a ground-breaking transaction which complies with multiple facets including ESG and sustainability, Basel III regulatory capital and principles of Islamic finance. We are delighted to have assisted Kuveyt Turk on yet another first-of-its-kind issuance."

Kuveyt Turk regularly issues Islamic lease certificates, but its last foray into the international Sukuk market was a US\$500 million Sukuk Wakalah paper issued in 2016 that was oversubscribed four times. (2)

### Summary of terms & conditions

<b>Trustee</b>	KT21 T2 Company
<b>Obligor</b>	Kuveyt Turk Katilim Bankasi
<b>Type</b>	Fixed rate resettable sustainability Tier 2 certificates
<b>Structure</b>	Wakalah/Murabahah
<b>Purpose of issuance</b>	To finance and/or refinance eligible green and/or social projects
<b>Tenor</b>	10 years
<b>Profit rate</b>	6.13%
<b>Maturity date</b>	September 2031
<b>Periodic distribution dates</b>	Every 16 <sup>th</sup> June and 16 <sup>th</sup> December commencing on the 16 <sup>th</sup> December 2021
<b>Joint bookrunners</b>	Bank ABC; Citi; Dubai Islamic Bank; Emirates NBD Capital; KFH Capital; HSBC
<b>Legal advisor</b>	Akin Gump Strauss Hauer & Feld
<b>Listing</b>	Irish Stock Exchange
<b>Governing law</b>	Turkish law
<b>Rating</b>	Final long-term rating of 'B'/'RR5' by Fitch Ratings





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**Hassan Radhi & Associates (HRA) is one of the largest and most reputable and leading law firms in Bahrain. The office was founded in 1974 by Dr Hassan Ali Radhi, the senior partner of the firm. The firm has more than 45 years of legal experience and professionalism in the legal sector, especially in banking and finance and corporate law. The firm has nine partners and seven lawyers, supported by a dedicated and professional administrative team, that provide exceptional legal services locally and internationally in Arabic and English.**

As part of the Lex Mundi global network — the world's leading network of independent law firms — HRA is the exclusive member firm in Bahrain that can provide its clients with preferred access to more than 22,000 lawyers around the world with in-depth experience in 125-plus countries worldwide, all from a single point of contact. Individually, each Lex Mundi member firm is a leader in its local market.

The firm has been consistently listed among the top law firms in the region by the world's largest legal referral guides, such as: Chambers and Partners; IFLR1000; Legal500; and others.

Recently, the firm won the 'Bahrain Corporate & Finance Domestic Law Firm of the Year 2022' award given by Chambers and Partners. 



*Dr Hassan Ali Radhi,  
Founder & Senior Partner of  
Hassan Radhi & Associates*



# Cellco's Sukuk Ijarah: A high-profile corporate issuance backed by strong cash flow visibility

## Cellco's Sukuk Ijarah program

In 2021, Cellco Capital (Cellco) successfully established an Islamic medium-term note and Islamic commercial paper program (Sukuk Ijarah program) with an aggregate nominal value of up to RM1 billion (US\$236.76 million). Cellco is a special-purpose entity that was set up to raise funds via the Sukuk Ijarah program for Stealth Solutions (Stealth), one of the largest independent telecommunications infrastructure provider companies in Malaysia.

In exchange, Stealth injected operational assets into Cellco, lease payments from which will meet the financial obligations under the Sukuk. The program marked a monumental milestone for the Stealth group of companies in which the Sukuk proceeds of RM520 million (US\$123.12 million) will be used to accelerate the acquisition of existing and new telecommunications facilities, bolster fiber integration strategy and ultimately serve as a catalyst to Stealth's growth and to continue in providing our excellent services of every business.



be the first choice of mobile network operators (MNOs) and to contribute in transforming Malaysia into a sophisticated nation with modern world-class telecommunications infrastructure and technology. With that, Stealth aims to provide excellent telecommunications services that offer innovative solutions and value for money.

## Stealth's outlook and planning for telecommunications tower industry

The prospects for growth for Stealth in the telecommunications tower industry will continue to be supported by the MNOs' investments in improving network coverage, and by catering to the growing demand for mobile broadband services including the transition to the 5G network. In this regard, Stealth would benefit from the MNOs' demonstrated willingness to share network infrastructure to reduce capital costs, leading to a potentially higher tenancy ratio.

Since demand for data applications has exploded tremendously, throughput (speed) and latency have become crucial performance factors. In view of this, for the next coming years, our business expansion plan is to be closely associated with 5G technology, via the Centralized Distributed Radio Access Network (CRAN). The competitive advantages of the CRAN technology are its infrastructure readiness toward 5G's evolution, reduced data transverse time and cost saving. The development of the CRAN program is targeted within the highly populated areas in consonance with the Malaysian Communications and Multimedia Commission's recent guideline in promoting smart city digital infrastructures.

One of Stealth's competitive advantages lies in its ventures of strategic landbank and secure blanket approvals from relevant authorities. With Stealth's track record in managing the existing towers, Stealth is receiving positive collaboration from strategic peers in selected regions in the Klang Valley, Northern Region, Southern Region, West Malaysia and East Malaysia. 📶

**Cellco's RM520 million Sukuk issuance received a financial strength rating of 'MARC-1IS/AAIS' with a stable outlook from Malaysian Rating Corporation**

## About Stealth Solutions

Since its beginning, Stealth has been very focused in the telecommunications industry with an emphasis on infrastructure network. Stealth started with project management services and engineering consultancy works before becoming an integrated telecommunications infrastructure provider. Since then, Stealth has expanded the offerings to include towers, energy systems, fiber connectivity, network solutions and managed services as well as project management and consultancy services.

To mark Stealth's current position in the telecommunications industry, Stealth now owns and leases sizeable telecommunications sites and manages a substantial number of telecommunications sites for other operators respectively.

Cellco's RM520 million Sukuk issuance received a financial strength rating of 'MARC-1IS/AAIS' with a stable outlook from Malaysian Rating Corporation.

Additionally, Stealth also runs portable power generation in meeting the power systems requirement. Stealth's vision is to





# EnerTech successfully structures quasi-equity instrument to finance PPP water project

**EnerTech Holding Company (EnerTech)** is a wholly-owned subsidiary of National Technology Enterprises Company which is fully owned by the Kuwait Investment Authority, the sovereign wealth fund of Kuwait. EnerTech is the leading investor and developer in renewable energy power generation and infrastructure projects, and projects related to the environment, water treatment, petroleum and clean tech sectors to address national and regional challenges.

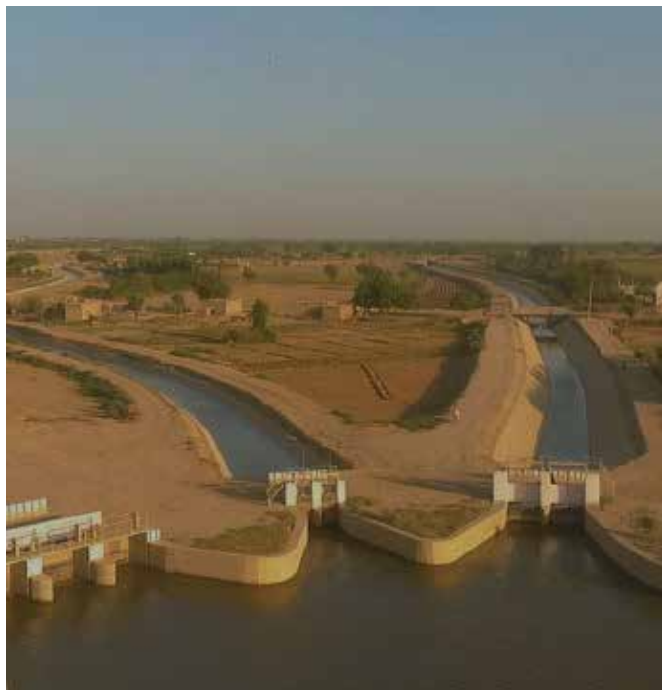
The business model of EnerTech and its subsidiaries is that of a technology project development company utilizing investment tools such as private equity, venture capital, project co-development and direct investment with a mission to lead both government and private sectors in the development and application of leading-edge technology; building platforms to facilitate the transfer of technology in energy, cleantech and water sectors to develop technical skills of the nation and bring innovation in high-tech; and initiating and taking a lead management role in its own greenfield projects in energy, cleantech, water, environment and renewable energy to develop the economy, create jobs and strengthen along with diversification of the national GDP.

EnerTech entered into the first government-to-government public-private partnership (PPP) transaction in Pakistan and initiated a bulk water supply project for the treatment and transportation of water for the provision of 45 cusecs of water from Nabisar, Thar to Vajihar, Thar in the province of Sindh, Pakistan on a PPP basis (Water Project). The Water Project is being implemented through an SPV, EnerTech Water.

EnerTech's Water Project possesses several unique characteristics and is ground-breaking on multiple fronts. It has been implemented on an unprecedented pace, despite the challenges faced due to the COVID-19 pandemic which halted commercial activities worldwide. The Water Project also addresses a very serious issue of sustainable management of water resources in the desert of Thar, Pakistan, having a ripple effect of providing social and economic benefits in one of the most underdeveloped and water scarce areas of Pakistan.

EnerTech's innovation flows from its structure. The Sukuk are designed as a quasi-equity instrument to finance the local equity requirement. The structure of the Sukuk was developed in order to provide investors the protection under typical financing instruments since the Sukuk facility is backed by the creation of ranking security on project assets. At the same time, the Sukuk facility was recognized as project equity under the concession agreement executed between EnerTech Water and the government of Sindh (the Concession Agreement). Thus, the Sukuk facility attracts all rights, risks and benefits of local equity including the rate of return agreed for local equity under the Concession Agreement.

The Sukuk will rank subordinated to the senior financiers in the cash flow waterfall and security. Yet, the Sukuk have



superior rights over foreign equity providers. The redemption tenor of the Sukuk of 25 years matches the concession period. The Shariah structure of the Sukuk is based on diminishing Musharakah under which the company and Sukukholders have agreed to jointly contribute funds for project construction as co-owners. Any return on equity during construction is capitalized; the rentals on Sukuk during construction will also be capitalized resulting in an increase of outstanding value of the Sukuk upon capitalization which a separate pool of assets has been identified under the Islamic facility documents.

The Sukuk facility also includes two embedded options as follows:

1. Put option: Sukukholders will have the right to redeem the Sukuk equal to the lower of 20% of the issue size of the Sukuk or outstanding principal under the Sukuk. The exercise right will be effective during the last month of each year beginning after the 10<sup>th</sup> anniversary of the Sukuk redemption tenor.
2. Conversion option: Sukukholders will have a right to convert the Sukuk into ordinary shares beginning from the second anniversary from the expiry of the availability period of the Sukuk. (S)



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## Bank Nizwa

**Bank Nizwa, the first and the leading Islamic bank in Oman, presents the most innovative Shariah compliant banking, offering seamless customer service and a progressive attitude toward change. The bank has innovative Shariah compliant banking solutions that help customers meet their life goals without compromising on Islamic values. Their goal is to create better, more convenient and secure ways to deliver the results for individuals as well as entrepreneurs.**

Since inception, Bank Nizwa has positioned itself to become the preferred Islamic banking partner by building top-notch digital infrastructure to offer a comprehensive list of solutions across multiple e-channels. The bank has a well-diversified product portfolio that caters to the needs of different segments of society. As the fastest-growing Islamic financial institution in the Sultanate, Bank Nizwa's services include online and mobile banking aimed at putting innovative financial services at the fingertips of its growing customer base.

As pioneers of Islamic banking and finance in Oman, Bank Nizwa to date has empowered communities and thousands of individuals and institutions through its Islamic Finance Knowledge Series, which launched nine years ago to educate the people of Oman with knowledge of Islamic finance. As a keen advocate of financial inclusion, Bank Nizwa aims to safeguard financial stability and contribute to the sustainable prosperity of Oman. The bank is committed to sustainable

economic growth with minimal impact on the environment and an inclusive financial and economic system.

The operations of the bank are driven by pillars of foresight, transparency and empathy, all of which are also deeply rooted in Omani culture and tradition. As an organization, the bank aims to attract the best and brightest professionals who are as passionate as we are about making a positive impact in the lives of customers and society.

Since inception, the bank has received more than 35 local, regional and international accolades for innovative banking solutions and financial progress, which firmly establishes its leadership position in the banking sector in Oman. Most recently, the bank won the 'Excellence in Mobile Banking' award at the seventh edition of the New Age Banking Summit. The bank was awarded the title of the 'Strongest Islamic Retail Bank in Oman' in 2021 at the Islamic Retail Banking Awards and regained the title of 'Best Islamic Bank in Oman' at the Islamic Finance news Best Banks Poll. In the Alam Al Iktisaad Awards 2021, Bank Nizwa was awarded the 'Best Performing Company (Large Cap)' award. 🏆





# IFN Deals of the Year 2021

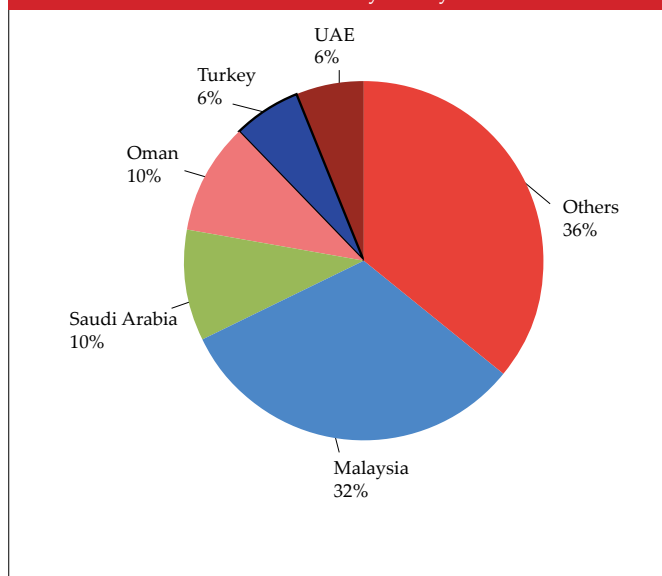
Resilience and COVID-19 ought to have been the storylines for the 2021 deals of the year. As in 2020, the IsDB Group took the lead in deals directly addressing COVID-19. Beyond that, COVID-19 was surely behind the scenes. COVID-19-related economic stimuli provided the funds for more perpetuals (5% of the finalists), mergers and acquisitions (4% of the finalists) and restructuring (6% of the finalists).

**Environmental, social and governance (ESG)** and sustainable, however, emerged as the leading themes. About 11% of our finalists were ESG- or sustainable-linked. The absolute growth of this category was 23%. Compared with 2020, the total 2021 ESG submissions were 8% of the total versus 6%. There was a great deal of box-ticking: 63% of the deals submitting themselves as sustainable also checked the green box; 45% also claimed social impact; 27% added ESG; and 18% SRI [sustainable and responsible investment]. On the one hand, this shows a field with meaningful confusion and lacking standardization. On the other hand, it shows a growing desire to claim the highest achievement in a global market with increased demand for ESG/sustainable/SRI/green/social impact. Measurement is surely the next question on our minds. Only 33% of this group incorporated third-party measurement into its proposition to do good.

Highlighting the sustainable trend is the recent announcement that the Kuwait Investment Authority, perhaps the leading sovereign wealth fund, is **planning** to reorient its portfolio to ESG standards.

Comparing sustainable, green deals to dirty energy deals became much more difficult. A significant number of deals that would address clean energy do so indirectly as part of the various sustainability Sukuk. These deals incorporate clean energy without specifying how much of the proceeds go to energy or any other purpose. Beyond this, the structure of the market remains the same: dirty energy deals tend to be mega; green projects are small. Wrapping it up, among the largest

Chart 1: Distribution of submissions by country in 2021



Sukuk deals was Saudi Aramco's US\$6 billion Sukuk issuance. This deal was much larger than any of the sovereign or bank sustainability deals.

The Malaysian Islamic Capital market continues to show remarkable stability: Malaysia generated 32% of the 2021 submissions. Despite a 50% increase in deals proposed, Saudi Arabia dropped to 10%. The UAE and Turkey each represented 6% of the market. Surprisingly, Oman delivered 10% of our deals. What was new? The distribution of deals to new countries and markets keeps increasing. The message here is that Islamic finance continues to expand to new markets. Financial volumes, however, are dominated by Saudi Arabia, Malaysia and the UAE in that order.

Despite much whining and whinging, Tawarruq is still widely popular. A quarter of the submissions were stand-alone Tawarruq (33% in 2020). Another 18% (23% in 2020) involved



Tawarruq or Ijarah. Capacity deals were only 2% of the submissions despite the government of Malaysia's unique travel voucher-based sovereign Sukuk. As much as this shows the way, the factors that drive the use of Tawarruq remain compelling: easy entry to the market like the International Islamic Trade Finance Corporation (ITFC) deal for the Commercial Bank of Kyrgyzstan, efficiency as shown in the Malaysian Sukuk market and capacity to access cash from global syndicates as in the government of Pakistan and Arab Republic of Egypt deals.

The many mergers and acquisitions as well as restructurings made equity significant in 2021. Despite the active market for alternative capital Sukuk, Mudarabah-based deals dropped from 15% of our submissions to 9%. Others include the fund category; there is innovation and new thinking around. The Islamic finance market is evolving, sustainably one hopes.

The currency distribution shows a decline in all the other currencies from one-third to one-fifth of our deals. US dollar transactions were 43% (32% last year) and Malaysian ringgit transactions were 31% (24% last year). Saudi riyal and UAE dirham were less prominent. The pound was an impressive 4% of submissions reflecting repositioning of the UK hub. This is a reflection of two critical pandemic stories. Dollar liquidity has increased and has a low price. US institutional investors drove significant global investment and Sukuk were attractive. Malaysian domestic liquidity has grown, and the domestic Islamic capital market is highly efficient. As a result, 74% of all deals submitted were denominated either in the US dollar or Malaysian ringgit. It feels like 2009 again and one hopes that is not a warning.

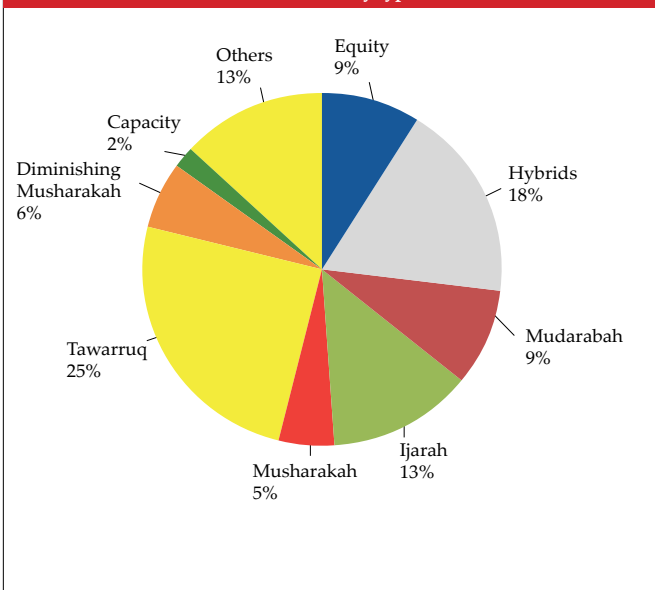
Saudi Electricity's 2020 restructuring will be difficult to match. Nonetheless, 2021 was a year of significant restructuring. The two oldest Islamic banks in ASEAN, Bank Islam Malaysia and Bank Muamalat Indonesia, completed reorganization efforts. The storyline included Emaar and Oman's Equinix as well as Egypt's Evergrow and Marasem. COVID-19 provided excellent cover to clean house and prepare for recovery.

Size continues to matter. And Saudi Arabia is there with the biggest deals yet again. Instead of the largest Islamic finance deal, the largest corporate Sukuk would have to do. Indonesia's reorganization of Bank Muamalat would be the highest value banking deal, even larger in scale than the mergers creating Saudi National Bank and Masraf Al Rayan.

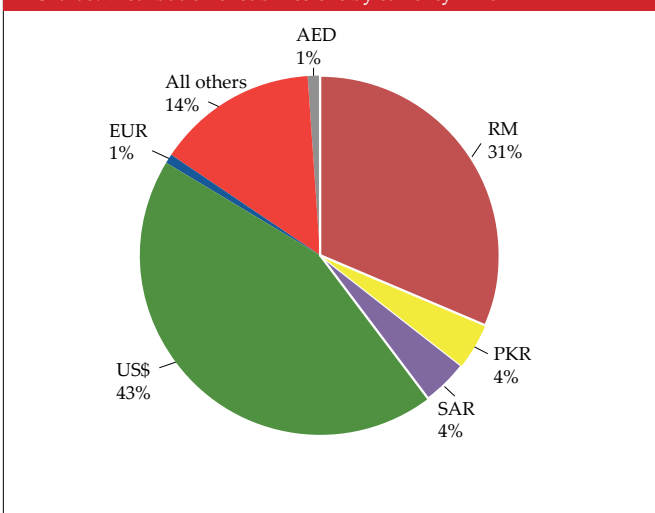
Sadly, COVID-19 seems to be changing its character from pandemic to endemic. That will disrupt our lives whether we like it or not. It changes how many economies work. So will the increasing global focus on sustainability.

Politicians in some countries may mock sustainability and its siblings ESG, SRI and impact investing, yet from Wall Street to Kuala Lumpur, investors are increasing their allocations and regulators are building in the requirements. This trend will only grow.

**Chart 2: Distribution of submissions by type in 2021**



**Chart 3: Distribution of submissions by currency in 2021**



That leaves us with geopolitics and trade realignment. The tensions between the US and Russia, and separately China, are threatening peace. These may reverse the open capital flows back to the controlled flows that marked the Cold War era.

Separately, the near-shoring and reshoring of production to Europe and the US will benefit Turkey, Morocco and Egypt. It may prove more difficult to manage for other OIC countries. But it will disrupt many well-established supply chains. Do not blame the US-China trade war. This began before 2016, and COVID-19 has given it a major impetus.

Suddenly, the vaccination dividend is proving elusive. One can only pray that 2022 will be the year of constructive and peaceful solutions.

## SECTOR DEALS

### CORPORATE FINANCE: FOOD SECURITY COMPANY'S SAR2.18 BILLION ACQUISITION OF SECOND MILLING COMPANY

Size:	SAR2.18 billion (US\$580.52 million)
Financiers:	HSBC Saudi Arabia as agent and Saudi British Bank as participant
Legal counsels:	For the sponsors/borrower: Abuhimed Alsheikh Alhagbani Law Firm in cooperation with Clifford Chance and Clifford Chance; For HSBC/SABB (lender): Baker McKenzie
Financial advisors:	SNB Capital (advised the sponsors/FSHC on arranging financing from SABB)
Date closed:	November 2021
Shariah advisor:	HSBC

**The finalists:** In 2021, corporate deals were highly diverse. Oman Air delivered an innovative service Ijarah. Bank Islam Malaysia was reorganized. In Saudi Arabia, the privatization elements of Vision 2030 led to the creation of new businesses serving the food production and distribution sector.

Like all airlines, COVID-19 induced stress on **Oman Air's** cash. The airline has a unique service Ijarah arrangement with financiers. The structure has Wakalah characteristics in the sense that there is no specific service Ijarah agreement. The deal is also one of the few transactions guaranteed by the Sultanate.

**Bank Islam took over the listing status of BIMB.** The outcome of this deal was to make Bank Islam Malaysia the first fully-fledged Islamic financial institution listed on the Main Market of Bursa Malaysia. Bank Islam said the listing marks the completion of its restructuring exercise, which comprises a private placement, a scheme of arrangement to settle outstanding warrants and the internal reorganization of subsidiaries. The reconstitution also includes a distribution and capital repayment exercise involving the distribution of BHB's entire shareholdings in Bank Islam and Syarikat Takaful Malaysia Keluarga to the shareholders of BHB.

**Food Security Company** — In Saudi Arabia, the Saudi Grains Organisation (SAGO) sold the Second Milling

Company. The buyer was an SPV, **Food Security Holding Company** (FSH), whose owners are Abdul Aziz Al-Ajlan Sons for Commercial and Real Estate Investments Company, Sulaiman Abdul Aziz Al-Rajhi International Company, National Agricultural Development Company and Olam International. FSH acquired the entire issued and paid-up share capital of the Second Milling Company from the National Centre for Privatization and PPP [public-private partnership]. The PPP element arises from the retention of SAGO as a counterparty to the lease agreements and the wheat supply agreement signed by the Second Milling Company.

**Why Food Security Company was selected:** This deal shows that Vision 2030 is able to attract international capital, in this case Olam International, to sustain a key part of the national economy. Together with the First Milling Company and the Third Milling Company, this represents a significant milestone in the Kingdom's use of the private sector to acquire, build or operate public assets. On the one hand, the new operations are proven businesses in its historical activities. On the other hand, the transition of the US\$600 million enterprise to the private sector places the newly privatized business firmly into the arms of the market.

*Honorable mention: Bank Islam Malaysia and Oman Air*



UNLOCKING THE POTENTIAL OF ISLAMIC FINANCE

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**CROSS-BORDER: IKCON'S CROSS-BORDER ACQUISITION BY REEF TECHNOLOGY**

Size:	Confidential nine-figure deal
Buyer:	REEF Technology
Legal counsels:	King & Spalding (Silicon Valley, Riyadh, Dubai and London) for iKcon; and Paul Hastings (New York/DC), Morgan Lewis (Dubai) and Turkistani Law (Riyadh) advised REEF
Date:	November 2021

**The finalists:** REEF-iKcon is a significant cross-border acquisition bolstering the UAE as an innovation hub. Averda, the waste management group executed a complex cross-border deal with an Ijarah leg. The Masraf Al Rayan-Khaliji merger brought together diverse regional and European branches of the merging entities.

Founded in **2019**, **iKcon Holding** operates a 'cloud kitchen' model for restaurants and food operators. The company has rapidly grown to be a market leader in the UAE and Saudi Arabia. iKcon works with such renowned brands as YO Sushi, German Doner Kebab and PINZA. This transaction represents the sale of iKcon's entire UAE-based business.

The deal marks REEF's first major transaction in the MENA market and is part of its global strategy. It is also one of the largest deals ever for a start-up company in the Middle East by a Silicon Valley investor. iKcon only uses Halal ingredients for its operations in the Middle East and all growth plans are only in Shariah compliant sectors of the food and beverage industry.

REEF (backed by investors including Mubadala Capital, SoftBank and funds managed by Oaktree Capital Management, UBS Asset Management and Target Global) is the largest operator of delivery kitchens, logistics and hubs in North America. The deal utilized a structure with a partial cash payout and a warrant drafted in a Shariah compliant manner to invest in a future round of REEF. This one of the

first examples of a US-based entity acquiring an early-stage GCC company without cash but through a combination of cash and warrants in the acquiring company.

**Averda**, the waste-to-energy group, closed an Ijarah leg as part of a conventional-Islamic co-financing. The transaction is aligned to the Loan Market Association's Green Loan Principles. The security package addresses collateral in eight jurisdictions from North America, the Middle East and Africa.

**Dukhan Bank** — This is the first merger of two public entities under Qatar's current legal regime, which is intended to be foreign investor-friendly and which now permits up to 100% foreign ownership of listed entities. Following the success of this merger, foreign investors will be encouraged to consider investments in the Qatar Stock Exchange as regulatory approvals to mega-mergers have been shown to be possible. This transaction required a high level of careful and strategic planning to ensure compliance with local, regional and international stakeholders.

**Why iKcon cooked the tastiest recipe:** Two of the acquisition's standout elements include the non-cash compensation structure which complies with Shariah; and the ability of the selling party to convince a major US technology group and global leader in crowd kitchens to engage with Shariah compliant documentation.

*Honorable mention: Averda and Dukhan Bank merger*



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**Shortlisted for Overall Deal of the Year 2021**

**HYBRID: SAUDI ARAMCO'S US\$6 BILLION HYBRID SUKUK**

Size:	US\$6 billion
Arrangers:	Dubai Islamic Bank, Alinma Investment Company, Al Rajhi Capital Company, BNP Paribas, Citigroup Global Markets, First Abu Dhabi Bank (FAB), Goldman Sachs International, HSBC Bank, JPMorgan Securities, Morgan Stanley & Co International, NCB Capital Company, Riyadh Capital, SMBC Nikko Capital Markets, Standard Chartered Bank, Abu Dhabi Commercial Bank, AlBilad Investment Company, Alistithmar Capital for Financial Securities and Brokerage, Aljazira Capital, Arab National Investment Company, BOCI Asia, Crédit Agricole Corporate & Investment Bank, Dubai Islamic Bank, Emirates NBD Bank, Gulf International Bank, KFH Capital Investment Company, Mizuho International, MUFG Securities EMEA, Saudi Fransi Capital, Société Générale, Watani Investment Company (NBK Capital)
Legal counsels:	White & Case for obligor and Latham and Watkins/Law Office of Salman M Al-Sudairi for the arrangers
Rating:	'A1' (Moody's Investors Service), 'A' (Fitch Ratings)
Date closed:	June 2021
Shariah advisors:	The Shariah board and committees of FAB, HSBC and Standard Chartered Bank

**The backstory:** Hybridization or combination Sukuk are widespread across all Islamic markets. These balance AAOIFI and other Shariah requirements for a plurality, if not a majority, of tangible assets in contrast to debt. Yet, the debt element assures flexibility for issuers to raise substantially more capital through an 'asset-light structure'. The 2021 finalists were distinct in its combination strategies. Saudi Aramco blended Ijarah–Tawarruq. Indonesia, which does not allow Tawarruq, uses a blend of Ijarah and project assets. Jabal Omar applies the reliable Ijarah–Istisnah model.

The **Saudi Aramco** Sukuk structure is based on a combination of Ijarah and commodity Murabahah investment. Saudi Aramco is asset-rich, but its assets are complicated and of national importance. Hence, an asset-light structure is ideal. In this deal, the Ijarah or tangible assets comprise at least 55% of the Sukuk issue amount. The underlying tangible assets are movable plant and machinery. The balance or 45% are applied to Tawarruq.

The Cayman Islands issuer SPV entered into an Ijarah sale-leaseback of the underlying tangible assets and executed the commodity sale to Saudi Aramco. The Sukuk have two control features: an independent Shariah advisor appointed for each issuance under the program; and the deal is compliant with AAOIFI Shariah Standard 59 to attract UAE-based investors.

**Jabal Omar Development Company (JODC)** used the Istisnah–Ijarah which is suitable to its ongoing project construction mode. The deal highlights the benefits of Ijarah structures for modifying terms and conditions. The Istisnah leg also has relatively more flexibility to restructure. As a result, the transaction could be repriced with a step-down feature should JODC achieve specific milestones.

**The Republic of Indonesia** through Perusahaan Penerbit SBSN Indonesia III needed to find a hybrid approach that honored the country's restrictions on Tawarruq. The **underlying** Sukuk Wakalah assets, as confirmed by the Ministry of Finance, comprise a pool of state-owned assets including land and buildings and project assets that are under construction or to be constructed. The former account for 51% of the asset pool and the latter for 49%. A critical



*Photo: Saudi Aramco*

hurdle was added to the process as the deal is committed to sustainable financing. As the Republic moves forward, it will face scrutiny over how the proceeds are applied, and whether or not the underlying assets themselves are sustainable.

**Why Saudi Aramco gushed to the top:** Saudi Aramco represents the delicate balancing of national security, high-value assets and significant capital requirements. The solution arrived at is clean, effective and successful for the largest corporate finance Sukuk of 2021.

*Honorable mention: Jabal Omar Development Company and Republic of Indonesia*

**MOST INNOVATIVE: ENERTECH'S PKR2 BILLION SUKUK**

Size:	PKR2 billion (US\$11.31 million)
Arrangers:	Meezan Bank and Pak Kuwait Investment Company
Legal counsels:	Ali Khan Law Associates for the issuer and Mohsin Tayabaly & Co for the arrangers
Guarantor:	Government of Sindh as the concessionary
Rating:	Unrated
Date:	November 2021
Shariah advisor:	Meezan Bank

**The finalists:** The obstacle to innovation is efficiency. In 2021, most of the innovation turned on issues like SRI and sustainability. This was seen in the Sukuk issuances by Malaysia's SME Bank and Kuveyt Turk's Tier 2 Sukuk. Perhaps this is innovation at the margins. It is efficient because global investors are clamoring for SRI-, SDG [sustainable development goals]- and ESG-labeled deals. Meezan Bank innovated at the instrument level.

Beyond the traditional issuance of Sukuk, the Maybank-led **SME Bank** deal connects to the bank's **sustainability framework**. For the purpose of issuing the sustainability Sukuk, SME also developed a Sustainability Sukuk Framework that serves as the guideline for all its sustainability Sukuk issuances. The framework takes into account the following guidelines and standards: the Securities Commission Malaysia Sustainable and Responsible Investment Sukuk Framework; ASEAN Capital Markets Forum standards including ASEAN Sustainability Bond Standards, ASEAN Green Bond Standards, ASEAN Social Bond Standards; and International Capital Market Association conventions including Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles.

This complex rulebook addresses five core components: use of proceeds; process for project evaluation and selection; management of proceeds; reporting; and external review. Many concerns have arisen about greenwashing; this framework promises to provide a means to SME Bank being accountable.

**KT21 T2 Company (Kuveyt Turk)** — Kuveyt Turk joined the sustainability competition in 2019 with its own **Sustainable Finance Framework**. The bank stated: "These trust certificates are the world's first regulatory capital Tier 2 environmental, social and governance (ESG) and Islamic compliant trust certificates. An amount equal to the net proceeds will be applied to finance and/or refinance eligible green and/or social projects."

**Enertech's** innovation flows from its structure. The Sukuk are designed as a quasi-equity instrument to finance the local equity requirement of a 60 km water pipeline project being developed by Enertech Water in Thar, Sindh. Enertech Water is an SPV established by Enertech Holding which is a wholly-owned subsidiary of Kuwait Investment Authority (KIA) through KIA's holding companies.

The structure of the Sukuk was developed in order to provide the investors the protection under typical financing instruments since the Sukuk facility is backed by the creation of ranking

security on project assets. At the same time, the Sukuk facility was recognized as project equity under the concession agreement executed between Enertech Water and the government of Sindh (the Concession Agreement). Thus, the Sukuk facility attracts all rights, risks and benefits of local equity including the rate of return agreed for local equity under the Concession Agreement. The Sukuk will rank subordinated to the senior financiers in the cash flow waterfall and security. Yet, the Sukuk have superior rights over foreign equity providers. The redemption tenor of the Sukuk of 25 years matches the concession period. The Shariah structure of the Sukuk is based on diminishing Musharakah under which the company and Sukukholders have agreed to jointly contribute funds for project construction as co-owners. Any return on equity during construction is capitalized; the rentals on Sukuk during construction will also be capitalized resulting in an increase of outstanding value of Sukuk upon capitalization which a separate pool of assets has been identified under the Islamic facility documents.

The Sukuk facility also includes two embedded options as follows:

1. Put option: The Sukukholders will have the right to redeem the Sukuk equal to a lower of 20% of the issue size of the Sukuk or outstanding principal under the Sukuk. The exercise right will be effective during the last month of each year beginning after the tenth anniversary of the Sukuk redemption tenor.
2. Conversion option: The Sukukholders will have a right to convert the Sukuk into ordinary shares beginning from the second anniversary from the expiry of the availability period of the Sukuk.

**Why Enertech was selected:** This highly structured transaction inserts the Sukukholders into a concession agreement. This has previously been challenging for Islamic financiers to achieve in project financings. Generally, the approach was to wall-off a group of assets and structure an Ijarah transaction. Another feature of this diminishing Musharakah is that both partner groups are investing cash: Normally, the cash is from the financier side and tangible assets on the obligor side. Beyond this success, the structure facilitates conversion into project equity. The project is seen as strengthening regional cooperation as the ambassador of Pakistan to Kuwait **stated:** "This project will strengthen the relationship between Kuwait and Pakistan."

*Honorable mention: The Sustainability Bros: SME Bank and Kuveyt Turk Tier 2*

**Shortlisted for Overall Deal of the Year 2021**

**M&A, EQUITY & IPO: MASRAF AL RAYAN-ALKHALIJI COMMERCIAL BANK MERGER**

Size:	US\$50 billion in assets
Legal counsel:	K&L Gates advised Masraf Al Rayan
Rating:	Unrated
Date:	November 2021

**Coming together as finalists:** The case has long been made for Islamic banks to merge and create greater scale. Nonetheless, consolidation within the Islamic banking market is much slower than hoped for despite the Dukhan Bank combination in 2019. Indeed, many deals involve consolidation within the banking market like last year's Oman Arab Bank's acquisition of Alizz Islamic Bank. Beyond banking, 2021 was a year that involved foundational businesses like cement.

For instance, **Malayan Cement acquired YTL Cement** in August 2021 in a deal worth RM5.16 billion (US\$1.23 billion). YTL Cement and Malayan Cement's managing director, Michael Yeoh Sock Siong, said the transaction will bolster profitability and value enhancement, increase the size of Malayan Cement's cement and ready-mixed concrete businesses, while enabling YTL Cement to consolidate similar operating businesses under a singular umbrella. The merger includes partial settlement of the consideration through the issuance of new shares. A syndicated Tawarruq of RM2 billion (US\$478.47 million) helped to fund the cash portion of the transaction.

The **Samba-NCB** combination fits the blended merger category. The resulting Saudi National Bank is the new national banking champion in Saudi Arabia with an asset base of SAR896 billion (US\$238.6 billion). NCB [National Commercial Bank] and Samba shareholders backed the merger last month after the Saudi Central Bank; the General Authority for Competition; the Capital Market Authority (CMA) and the stock exchange approved the deal. Part of the deal involved NCB receiving approval from the CMA to raise its capital from SAR30 billion (US\$7.99 billion) to SAR44.78 billion (US\$11.92 billion). This allowed the issuance of new shares to Samba shareholders. The share swap ratio was set at 0.74 NCB ordinary share for each Samba ordinary share. The merged bank's largest shareholders are the Public Investment Fund with a 37.2% share,

the Public Pension Agency with 7.4% and the General Organisation for Social Insurance with 5.8%.

**Masraf Al Rayan** is the outcome of the merger of Islamic bank Masraf Al Rayan and conventional bank Alkhaliji Commercial Bank. This mega-merger has created the largest Islamic bank in Qatar with assets of around US\$50 billion and the fourth-largest Islamic bank in the world. As a result of the merger, Masraf Al Rayan displaces Qatar Islamic Bank to become the second-largest bank in Qatar, after Qatar National Bank. Alkhaliji, known for its forward-looking technology, is expected to push the new Islamic bank into the forefront of high-tech customer support and services. The merged bank is expected to complete its integration in 2022.

**Why Masraf Al Rayan was selected:** This deal not only has a significant impact in Qatar and the wider GCC, it is meaningful in Europe. There have been several aborted efforts to form Islamic banks in France. This deal is expected to result in the Khalij subsidiary in France becoming the first fully-fledged domestic Islamic bank in France, a market that has more than four million hugely underserved Muslims. With European passport rights, Masraf Al Rayan will be able to square off with KT Bank in Germany. This has a huge global strategic impact on the global Islamic financing industry. This merger provides Masraf Al Rayan with the opportunity to continue to provide services to its customers in Europe, which was becoming challenging post-Brexit as the UK has been the main Islamic banking center serving Europe.

The French angle is representative of the deal's tests. These included compliance with the legal and regulatory regimes in Qatar, the UK, France, the UAE and the Cayman Islands.

*Honorable mention: SAMBA-NCB and Malayan Cement-YTL*



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### Shortlisted for Overall Deal of the Year 2021

#### PERPETUAL: TAKAFUL OMAN'S OMR6 MILLION PERPETUAL SUKUK

Size:	OMR6 million (US\$15.54 million)
Managers:	Sohar Islamic and Sohar International Bank
Legal counsel:	Trowers and Hamlin for the managers
Rating:	Unrated
Date closed:	January 2021
Shariah advisor:	Sohar Islamic

**Unending finalists:** Our finalists are remarkably diverse. We have a Takaful company and a state-owned investment company issuing Sukuk. Next door, we had Bank AlJazira make its first Sukuk issuance.

**Takaful Oman** issued perpetual Sukuk through Takaful Sukuk Specialized Purpose Company. The first issuance of OMR6 million (US\$15.53 million) was placed privately. According to **Muscat Daily**, the transaction had to overcome the lack of familiarity with Mudarabah structures in the Omani Sukuk market. Moreover, the regulatory capital deferral of profit was a difficult concept to share with investors. The deal enjoyed encouragement from the Capital Market Authority which is keen to develop the depth of the Omani capital market. The Sukuk are listed and admitted to trading on the Muscat Securities Market.

**Oman International Development & Investment Company (Ominvest)** issued **perpetual Sukuk** worth OMR52 million (US\$134.63 million). The Sukuk were exchanged for shares (treasury shares) held by Jabreen International Development Company, a fully-owned subsidiary of Ominvest. The shares were then canceled. Jabreen will subsequently sell the Sukuk to other investors in Oman

and the GCC to generate new long-term funding for Ominvest Group to further grow and diversify its investment portfolios.

**Bank AlJazira** raised US\$500 million in its maiden additional Tier 1 Sukuk. **Bank AlJazira** succeeded despite a very active market for GCC bank issuances during a period of weak oil prices and the ongoing economic malaise caused by COVID-19. Perhaps more critical is that Bank AlJazira raised its head through the froth of additional Tier 1 Sukuk issued by much larger banks across the GCC.

**Why Takaful Oman ensured success:** Sayyida Rawan Ahmed al Said, CEO of Takaful Oman, said: "The success of this issue illustrates investors' strong confidence in Takaful Oman's strategy and growth potential. It also underpins the large untapped growth potential in the Omani insurance sector in both traditional as well as the Takaful space. The proceeds of the issue will be used to support growth in underwriting new business thereby contributing positively to the economy as a whole." It is a success that allowed Omani investors to support a global Takaful first.

*Honorable mention: Ominvest and Bank AlJazira*

### Shortlisted for Overall Deal of the Year 2021

#### PROJECT & INFRASTRUCTURE FINANCE: INFRACAP RESOURCES'S RM15 BILLION SUKUK

Size:	RM15 billion (US\$3.54 billion)
Arrangers:	Hong Leong Investment Bank, OCBC Bank (Malaysia) and United Overseas Bank (Malaysia)
Legal counsels:	Rahmat Lim & Partners for the issuer and Adnan Sunda & Low for the arrangers
Rating:	'AAA(s)' by RAM Rating Services
Date:	April 2021
Shariah advisor:	Dr Mohd Daud Bakar

**Best builders:** The grand majority of Malaysian projects are increasingly funded by Tawarruq, and often with Sukuk. Finding that standout deal is a challenge. Pakistani and Omani projects are increasingly relying on diminishing Musharakah. More Pakistani deals are Sukuk-based. Our finalists showed off all three countries.

**Equinix Muscat** is part of global data center operator Equinix. The Muscat data center is strategically located in the heart of the digital ecosystem connecting Asia, Africa and Europe. The deal refinances an existing diminishing Musharakah finance facility supporting the expansion and operation of a 2.4 megawatt data centre. The new Musharakah facility is secured by a registered mortgage registered over the property and improvements. The deal is supplemented with a Shariah compliant letter of credit facility.

**Infracap Resources** is a funding vehicle of the Sarawak state government through its wholly-owned subsidiary, Infracap Development Holdings. Typically, in project finance, one contemplates a single ring-fenced project with project assets pledged to the financiers who rely solely on the project proceeds for payment. The Infracap Sukuk program funds 11 specific development projects throughout Sarawak, which may generate a multiplier effect over the longer term to support the state's future revenues. The major projects among these include the Northern Coastal Highway (Limbang/Lawas road) and Kuching Urban Transportation System. The Sukuk will be serviced and repaid from the

Sarawak state government, with monies to be regularly set aside from its annual budget for this purpose.

**Enertech** secured financing for the development of a 60 km water pipeline project for industrial users in Thar, Sindh (the Project). The Project is being developed by Enertech Water, an SPV established by Enertech Holding (the Sponsors) which is a wholly-owned subsidiary of Kuwait Investment Authority (KIA) through KIA's holding companies. In this classical project financing, the sponsors have arranged 20% of the total project cost through a combination of subscription of ordinary shares by the Sponsors, subordinated foreign financing by an associate company of the Sponsors and quasi-equity Sukuk instruments by local financial institutions. The banking group arranged the remaining 80% of the project cost as a long term diminishing Musharakah. This is the largest public-private partnership financing facility raised for the government of Sindh.

**Why Infracap was selected:** Infracap broke the model. Taking a capital markets approach, Infracap secured financing for multiple projects. In lieu of project collateral and risk, the Sukukholders benefit from the full faith and credit of the state of Sarawak. All projects and strategic investments to be financed from the proceeds of the Sukuk must comply with the ESG principles as prescribed under the United Nations Global Compact.

*Honorable mention: Enertech and Equinix Muscat*

REAL ESTATE: JABAL OMAR DEVELOPMENT COMPANY'S SAR6 BILLION REFINANCING

Size:	SAR6 billion (US\$1.6 billion)
Arrangers:	Saudi British Bank and Saudi National Bank
Legal counsels:	Latham & Watkins for the obligor; and Clifford Chance and Abuhimed Alsheikh Alhagbani Law Firm (AS&H) in cooperation with Clifford Chance for the arrangers
Rating:	Unrated
Date:	October 2021

**The finalists:** Real estate has had a shaky time during COVID-19. Two of our finalists represent restructuring of real estate obligations in order to address important changes in the market. The third has designed a structure to give it more resilience facing market uncertainty.

**Jabal Omar Development Company (JODC)** — Ranking among the largest listed Saudi developers, JODC proceeded with a two-step refinancing. First, JODC received **approval** from the Ministry of Finance to restructure a SAR3 billion (US\$798.89 million) government financing as part of its financial transformation plan. From a policy perspective, this supports the goal of increasing pilgrim visits to 30 million by 2030. JODC's CEO said: "This is a major milestone for our capital structure optimization plan that will set us on a more sustainable course towards completing the Jabal Omar master plan. With the gradual reopening of the Kingdom to pilgrims post-COVID and our now more stable financial position, we are more confident in our ability to ramp up operations and construction mobilization on site."

Suffering COVID-19-related losses, the government's support set the table for commercial financiers to restructure their banking facilities. The rebased facilities allow for improved flexibility to finance the completion of Phases 2 and 4 of the project. The updated arrangement improves the commercial terms to be aligned with the company's cash flows and capital structure. The durations are better

suited to the new realities of real estate in the holy city of Mecca after the advent of COVID-19.

**Emaar Properties** was busy in 2021. After completing an all-share merger between Emaar Properties and Emaar Malls, the company came to market via Emaar Sukuk. The US\$500 million deal was Emaar's first US dollar deal since 2019. It was also the first major real estate firm to issue in the US dollar markets since the pandemic began. The structure is a hybrid Ijarah-Tawarruq.

**Tropicana Corp's** RM270 million (US\$64.59 million) perpetual Sukuk facility gives the real estate developer a strong position to weather the remainder of the pandemic and continue with operating confidence. The proceeds refinanced existing debt obligations while supporting the group's working capital, investments and capital expenditure.

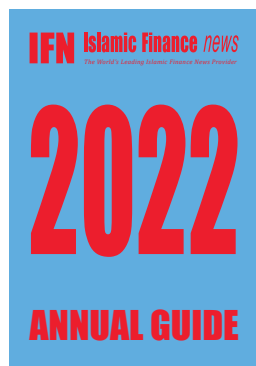
**How we chose Jabal Omar:** This complex deal increased funding and extended maturities. There is even an option to extend for a further three years. With a new sculpted amortization schedule based on the underlying projects' cash flows, the project has sufficient headroom to complete the second and fourth phases. A step-down in the profit rate is structured into the deal based on verified progress on Phases 2 and 4 of the project and deleveraging of the facility.

*Honorable mention: PNC Investments and Elite Commercial REIT*

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**Shortlisted for Overall Deal of the Year 2021**

**REGULATORY: BANK OF ENGLAND'S ALTERNATIVE LIQUIDITY FACILITY**

Wakeel:	Bank of England
Draw:	Confidential utilization upon launch
Guarantor:	The governor and company of the Bank of England
Legal counsel:	Ashurst
Trustee:	HSBC Corporate Trustee
Rating:	Not applicable
Date closed:	December 2021

**The finalists:** Three distinctive deals made the cut for our Regulatory category. Takaful Oman is one of the first Takaful companies to issue perpetual capital Sukuk. Kuveyt Turk innovated on the Tier 2 capital certificate by adding a verified sustainability feature. And then there was the Old Lady of Threadneedle Street.

On the 2<sup>nd</sup> December 2021, the **Bank of England** opened the **Alternative Liquidity Facility (ALF)**. UK-based Islamic banks made their first deposits upon its opening. The non-interest-based deposit facility is the first-ever offered by a western central bank. With this facility, UK Islamic banks may now place funds with the Bank of England just as their conventional peers have done for generations.

The ALF facility is backed by a fund of high-quality Sukuk. Currently, it is backed by IsDB Sukuk. The return from these instruments, net of operating costs, will be paid to depositors in lieu of interest.

Like conventional banks, UK Islamic banks must hold a buffer of high-quality liquid assets (HQLA) to meet obligations as they fall due. Central bank deposits qualify for these buffer requirements.

**Takaful Oman's** debut perpetual Sukuk Mudarabah trust certificate was issued under its OMR25 million program. Not only was this a unique capital-enhancing program that was a first in Oman, it was a first for the entire Takaful industry.

Kuveyt Turk Katilim Bankasi **returned** for US\$350 million in Tier 2 certificates issued through **KT21 T2 Company**. The Sukuk are the first regulatory capital Tier 2 ESG and Islamic compliant trust certificates. The net proceeds will be applied to finance and/or refinance eligible green and/or social projects in accordance with Kuveyt Turk's Sustainable Finance Framework. Issued in September 2021, the ESG element is measured by an independent third party.

Ufuk Uyan, CEO of Kuveyt Turk, said: "Our management philosophy is governed by sustainability which is also very much in line with principles of Islamic finance. We are very



happy to be issuing a Sukuk intended to preserve nature, not exhaust it."

**Why the Old Lady threaded the needle:** According to the Bank of England, the ALF is an important step in providing a level-playing field, and enabling greater flexibility in meeting regulatory requirements under Basel III prudential rules. The bank's head of sterling markets, Rhys Phillips, said: "The ALF will help the UK Islamic finance sector to compete with conventional peers while staying true to its founding principles; and will further strengthen the United Kingdom's role as the leading international financial center for Islamic finance outside the Muslim world."

ALF is a 'twofer' — the facility enhances the UK's role as a global Islamic finance hub and demonstrates the Bank of England's commitment to diversity, innovation and financial inclusion.

*Honorable mention: Takaful Oman and KT21 T2 Company*



**RESTRUCTURING: BANK MUAMALAT INDONESIA'S IDR10 TRILLION RESTRUCTURING**

Size:	IDR10 trillion (US\$698.51 million)
Arranger:	Perusahaan Pengelola Aset
Legal counsels:	Allen & Overy (A&O), Ginting & Reksodiputro (in association with A&O) and Mourant (offshore) for the arranger
Date closed:	November 2021

**The finalists:** Two of the oldest Islamic banks in the ASEAN region completed substantial restructuring in 2021. Along with Egypt's Evergrow (An IFN Law Award winner), these were at the top of an active restructuring list in 2021 as many institutions took advantage of excess liquidity and low funding costs to reorganize.

Egypt's **Evergrow for Specialized Fertilizers** underwent a US\$400 million deal restructuring of the company's bank lines. Delivered as a co-financing with both a conventional loan and Islamic financings, the Islamic financing element was an Ijarah facility. The deal was one of the **largest** US dollar private sector financings in Egypt during 2021. Beyond the restructuring, the transaction adopts the Equator Principles (the Principles). Formulated in **2003**, the Principles are meant to help manage environmental and social risks in project financing. The applied provisions include both environmental and social conditions precedent to utilization, various post-closing deliverables and robust ongoing monitoring rights.

Perusahaan Pengelola Aset with support from the Ministry of State-Owned Enterprises resolved the low-quality assets of **Bank Muamalat Indonesia**. The Hajj Financial Management Agency (Badan Pengelola Keuangan Haji or BPKH) was the key counterpart to the Master Restructuring Agreement. The president director of Perusahaan Pengelola Aset, Yadi Jaya Ruchandi, stated: "Thank you for the support from the Ministry of SOEs [Ministry of State-Owned Enterprises] as the shareholder in PPA [Perusahaan Pengelola Aset]

to carry out its role as the manager of low-quality assets of Bank Muamalat, allowing Bank Muamalat to focus on sustainable business growth. This step is in line with the expansion of PPA's investment strategy to become the National Asset Management Company."

All of the stakeholders are hopeful that the streamlined Bank Muamalat. can play a key role in supporting Indonesia's recovery from COVID-19. BPKH is now the majority shareholder with 78.45% of Bank Muamalat's shares.

Another important deal was the culmination of **Bank Islam Malaysia's** restructuring. **Bank Islam Malaysia's** corporate restructuring on the 8<sup>th</sup> October 2021 had the bank assume the listing status of its former holding company, BIMB Holdings, while its previous sister company, Syarikat Takaful Malaysia Keluarga, became independent. Following this restructuring, Lembaga Tabung Haji's share in the bank has been reduced from 53% to 48%.

**Why Bank Muamalat was put back together:** In Bank Islam Malaysia's case, the restructuring is a technical rationalization after the key problems of the bank were resolved and the bank is performing well. BPKH's asset swap arrangement is a re-basing of the struggling Indonesian bank.

*Honorable mention: Bank Islam Malaysia and Evergrow for Specialized Fertilizers*



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**SOCIAL IMPACT: ISDB'S US\$2.5 BILLION SUSTAINABLE SUKUK**

Size:	US\$2.5 billion
Arranger:	Standard Chartered Bank.
Dealers:	CIMB Bank, Labuan Offshore Branch, Citigroup Global Markets, Crédit Agricole Corporate and Investment Bank, First Abu Dhabi Bank, HSBC Bank, Islamic Corporation for the Development of the Private Sector, JPMorgan Securities, KFH Capital, Natixis, Société Générale, SNB Capital and Standard Chartered Bank
Bookrunners:	Citigroup Global Markets, Goldman Sachs International, HSBC Bank, Kuwait International Bank, Natixis, Société Générale, Standard Chartered Bank and Warba Bank
Legal counsels:	Dentons for the issuer and Allen & Overy for the arrangers
Rating:	'AAA'
Date closed:	March 2021
Shariah advisor:	The IsDB Group's Shariah board

**Relief, jobs:** There is a great deal of discussion about social impact. But what does it mean? For the IsDB Group, it meant turning wholeheartedly into the COVID-19 disaster and providing rapid relief to member states through its Respond, Restore & Restart Program. But deals led by Bedford Capital for Deshbandhu Group and Standard Chartered had micro foci: jobs and protection of jobs.

**The IsDB** returned aggressively in 2021 to fund its strong turn into COVID-19 to provide relief to member states. This is the IsDB's largest issuance to date and its second sustainable Sukuk issuance. The transaction also represented the largest sustainable Sukuk issuance globally to date. The proceeds from the sustainable issuance will be used exclusively to finance green and social projects to assist the IsDB's member countries. The issuance was made through a new SPV issuer incorporated in Luxembourg.

Standard Chartered provided a digital solution for **Malaysia Airports Holdings** (MAHB)'s vendors. The program integrates MAHB's corporate system(s) with the bank facilitating automated processing leading to greater operational efficiency. How important was this? The program enables MAHB's vendors to enjoy immediate liquidity at competitive pricing, ensuring economic sustainability for the suppliers' during the pandemic. The Shariah compliant solution enables access to finance to the SME suppliers which align with MAHB's commitment

to help the SME suppliers and the funding bank's sustainability framework. The program promotes sustainability across the MAHB ecosystem, as well as its commitment to support SME vendors during current economic conditions.

Bangladesh's **Deshbandhu Group** issued Sukuk through Al Waseelah's UK-based Islamic securities platform. The investment is expected to support the creation of up to 5,000 jobs in rural areas. This is in addition to supporting export growth. The highly diversified Deshbandhu Group is listed on the Dhaka Stock Exchange. The successful US\$250 million issuance is hoped to pave the way for a domestic issuance.

**The fleetest of them all:** During the pandemic, one need not worry over the IsDB going through the motions. The group **turned to its members** and delivered, from the micro level like US\$900,000 to Mauritania for urgent medical equipment to the macro level like the ITFC's EUR20 million (US\$22.83 million) in COVID-19 supply finance for the Republic of Benin (our Trade Finance winner) or like Morocco (US\$68.3 million) or food security during COVID-19 to Senegal (US\$50 million).

*Honorable mention: Malaysian Airport Holdings and Deshbandhu Group*



**SOVEREIGN & MULTILATERAL: UK GOVERNMENT'S GBP500 MILLION SOVEREIGN SUKUK**

Size:	GBP500 million (US\$683.82 million)
Joint lead managers and joint bookrunners:	CIMB Investment Bank, Dubai Islamic Bank, Emirates NBD Capital, HSBC and Standard Chartered Bank
Co-lead managers:	Bank ABC, Dukhan Bank, KFH Capital and Maybank
Legal counsels:	Clifford Chance and The Solicitor for the Affairs of Her Majesty's Treasury for the issuer and obligor; and Allen & Overy for the managers
Rating:	'Aa3' by Moody's/'AA' by S&P Global Ratings/'AA-' by Fitch
Date closed:	March 2021
Shariah advisors:	Sharia supervisory board and committees of CIMB Islamic Bank, Dubai Islamic Bank, Dukhan Bank, Emirates NBD, HSBC and Standard Chartered Bank

**Leading lights:** The Sovereign and Multilateral competition is always keen. In 2021, there were three unique deals. The multilateral challenger is no surprise: the IsDB and it will bring a unique feature. For the sovereigns, it is the return of the UK and the government of Malaysia.

**The IsDB issued** the first-ever secured overnight financing rate (SOFR)-linked Sukuk. This issue addresses the impending disappearance in June 2023 of LIBOR [London Inter-Bank Offered Rate] as an international benchmark rate. SOFR is one of the newly proposed replacement benchmarks. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by US Treasury securities. The IsDB's US\$400 million deal is a three-year floating rate note placed with a single investor on a private placement basis. Dr Bandar Hajjar, the outgoing president of the IsDB said: "IsDB continues to stay committed to innovation and this is yet another example. The global shift away from LIBOR will undoubtedly have an impact on IsDB operations in our member countries, and I am very pleased to witness this successful execution by the IsDB Treasury as part of IsDB's high-level plan to make our way through this transition at the early stages."

Zakky Bantan, the manager of capital markets, added: "We are pleased to execute a successful debut transaction in these market conditions. We do anticipate further SOFR-linked Sukuk issuances in order to build IsDB's SOFR-linked curve. We will also continue our efforts for other risk-free rate issuances soon."

As important as this transaction is, SOFR is a backward-looking benchmark. As a result, SOFR will raise important Shariah challenges for its widespread use in the Islamic markets.

The **UK's sovereign Sukuk** represented the return of the UK to the Sukuk markets after seven years. In a move that strengthens London's position as a leading international financial center, the GBP500 million (US\$683.82 million) Sukuk will mature after five years. The deal doubles the maiden issuance. The Chancellor of the Exchequer Rishi Sunak said: "We have set out ambitious plans to make the UK the most open and dynamic financial center in the world. By launching our second sovereign Sukuk, we are cementing the UK's position as the leading global hub for Islamic finance outside of the Islamic world. Strong investor demand for this Sukuk meant we achieved a good price for the taxpayer and will help us develop our relationships with Islamic economies around the world."



Like the inaugural issuance, the London Stock Exchange-listed Sukuk facility is a lease-leaseback structure based on rental income from a number of central government office properties.

The **government of Malaysia** never lets us down; in 2021, it issued Sukuk Wakalah. Typically, Wakalah deals are in the service sector like telecoms or combined with a Tawarruq leg. In a sovereign-sector first, the Malaysian government went completely over to a travel voucher-based issuance.

**Why the UK's sovereign Sukuk issuance was elected:** As one of the UK's objectives was to diversify and attract the widest Islamic investor base, the structure utilized was a Sukuk Ijarah (head-lease sub-lease). The underlying head lease is for 99 years against a single rental equal to the Sukuk proceeds. This structure is well suited to the UK circumstances and as a result, a significant foundation on which to continue building the UK's Islamic finance credibility.

*Honorable mention: CENERGI SEA and IsDB SOFR*



**SRI & ESG: SME BANK'S RM500 MILLION SUSTAINABLE SUKUK**

Size:	RM500 million (US\$119.62 million)
Arranger:	RHB Investment Bank
Bookrunners:	Maybank Investment Bank, AmlInvestment Bank, CIMB Investment Bank, RHB Investment Bank
Legal counsel:	Adnan Sundra & Low
Rating:	'AAA-IS' by Malaysian Rating Corporation
Date closed:	August 2021
Shariah advisor:	RHB Islamic Bank

**Sustaining members:** Sustainability, ESG and SRI are important themes in 2021. One of our finalists is SME Bank which raised funds to support the transformation of Malaysia's SMEs for green readiness. The other two, Cenergi and reNIKOLA, are players in green energy.

**Cenergi**, Khazanah's alternative energy player, enjoys a market share of 11.5%, comprising 26.6 MW of awarded capacity across 16 projects. The RM210 million (US\$50.24 million) issuance will help the business to add another 13 biogas projects totaling 25.5 MW. The company is seen to be a growing player in rooftop solar and small-scale solar farms. With biogas, Cenergi is not dependent on solar alone to provide energy. As the 12<sup>th</sup> Malaysia Plan pushes for a carbon-neutral economy, Cenergi is poised to be a major beneficiary.

The **reNIKOLA ASEAN Green SRI Sukuk** fund the development costs of three solar plants. Solar is a key part of the mix toward Malaysia's goal under its energy transition plan 2021–2040. The reNIKOLA ASEAN Green SRI Sukuk are in line with the initiatives set out under the Securities Commission Malaysia's Capital Market Masterplan 3 that promotes sustainable and responsible investments in Malaysia.

Malaysia's **SME Bank** issued its **sustainability Sukuk**. The prevailing wisdom has long been that SMEs are engines of job creation. The problem is that SMEs have high failure rates and struggle to maintain their relevance. Transition to clean energy is surely a costly barrier, too high for SMEs. The SME Bank Sukuk facility is meant to support the transition of SMEs to participate in the green circular economy. This layers jobs on ESG. SME Bank Chairman Nazir Ariff said: "The issuance of the sustainability Sukuk inaugurates a wider opportunity for our SMEs to develop their business, technology and services

and support the government's aspiration of developing the green technology sector that is expected to contribute RM100 billion [US\$23.92 billion] to the country's GDP and generating 230,000 green job opportunities by 2030 (Source: MGTC – Malaysian Green Technology & Climate Change Centre). These numbers will accelerate the economic recovery growth after being dampened by the pandemic."

SME Bank Group President/CEO Aria Putera Ismail added: "The proceeds raised from the issuance of the sustainability Sukuk will address the issues of insufficient financing for the green- and social-related projects. These proceeds will also widen our horizon as we are able to finance projects that directly support 11 of the 17 United Nations Sustainable Development Goals."

**Why small is beautiful:** SME Bank focuses on sustainable development. The bank strives to educate and create long-term value for stakeholders while balancing socioeconomic and environmental impacts. The bank's CEO summarized: "The bank has long been supporting the green tech SMEs through the Green Technology Financing Scheme and other financing facilities. We have also been recognized by the Ministry of Energy and Natural Resources with the Special Awards for Sustainable Energy Financing under the Development Financial Institution category end of last year. Hence, SME Bank's sustainability Sukuk is a step forward in demonstrating our commitment to creating positive impacts on society and the environment. This is also aligned with the UN SDGs' blueprint to achieve a better and more sustainable future for all."

*Honorable mention: IsDB Trust, ITFC – Republic of Benin and Deshbandh Group*



Photo: SME Bank

**STRUCTURED FINANCE: CELLCO'S RM520 MILLION SUKUK**

Size:	RM520 million (US\$124.4 million)
Arranger:	RHB Investment Bank
Legal counsel:	Albar & Partners for the arranger
Rating:	'MARC-1IS/AAIS'
Date closed:	March 2021
Shariah advisor:	Amanie Advisors

**The finalists:** Exsim gives an example of securitization in the Malaysian market. Cellco offers long-term asset-based funding. In the GCC, Allana Group required a structured solution for its AAOIFI 59 compliant financing.

**Cellco** issued its Sukuk based on the assets and lease receivables from the major telecommunication players. The issuer purchased completed telecommunication towers from the main obligor and originator, Stealth Solutions, an independent tower company, and leased them back. The rentals amortize the Sukuk principal and generate a return to the investors. The credit quality of the rental stream hinges on the credit quality of Malaysia's big telecommunications companies such as U Mobile, Maxis, Digi, Celcom, TM and YTL. The towers revert to the originator at the end of the lease term.

**Exsim Capital Resources** issued Sukuk Musharakah Islamic medium-term notes. The program securitizes progress billings of identified residential development projects. The issuer will purchase the beneficial interest of the special purpose accounts signed in relation to the units in development projects and defray transaction expenses. Exsim has deployed the Sukuk proceeds to refinance debt and fund working capital. Exsim also has capacity for the acquisition of new land parcels. Since the program helps to cover cost overruns and bridge any timing mismatch between progress billing receipts and ongoing construction costs under the development project, the Musharakah format is prospectively more flexible than Murabahah formats.

**Allana Group** refinanced US\$725 million term and revolving Murabahah facilities. The new syndication involved 11 banks with distinctive Shariah styles. This resulted in the deal being structured so that term and revolving tranches were documented using a structure compliant with AAOIFI Shariah Standard Number 59 regarding the sale of debt. In addition, there was a 'traditional' Murabahah term tranche. The combined facility required a bespoke set of documentation under the umbrella of a common terms agreement.

**Why Cellco was dialed:** The initial RM520 million issuance is backed by lease payments from 531 telco towers. The lease payments are paid into designated accounts controlled by the security trustee. The Sukuk benefit from a secure cash flow stream for the next several years as the towers are already tenanted under long-term non-cancelable licensing agreements with the major telecommunications companies whose collective good credit standings should ensure the credit quality of the rental streams backing the Sukuk. The originator has the option to substitute the towers with other towers subject to rental value of not less than the replaced ones. This replacement arrangement can also take place in the event of the loss, destruction or damage to any of the towers. In view of the high degree of structuring, Cellco is the most structured of all.

*Honorable mention: Exsim and Allana Group*





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### SUKUK: EMLAK KATILIM'S TRY51.8 MILLION SUSTAINABLE SUKUK

Size:	TRY51.8 million (US\$3.8 million)
Arranger:	Türkiye Emlak Katılım Bankası
Legal counsel:	Mutlu Avukatlık Law Firm for issuer and arrangers
Rating:	'BB-' by Fitch (obligor's local currency issuer default rating)
Date closed:	November 2021
Shariah advisor:	Türkiye Emlak Katılım Bankası's Shariah committee

**The finalists:** Sukuk is a very difficult category to winnow down to a few deserving finalists. We have selected four that encapsulate the diversity and strength of 2021's field. Two, Emlak and Infracap, incorporate sustainability. Saudi Aramco represents a record-breaker. Takaful Oman issued the first regulatory capital Sukuk by an Omani Takaful company.

**Infracap Resources** launched a Sukuk Murabahah program of up to RM15 billion (US\$3.59 billion). This Tawarruq-based deal is allocated to 11 projects and strategic investments throughout Sarawak to be undertaken by the state government of Sarawak. All projects and strategic investments have to comply with the ESG principles as prescribed under the United Nations Global Compact.

**Saudi Aramco's** landmark transaction achieved a number of milestones including the first-ever US dollar-denominated Sukuk issuance by Aramco and the largest-ever corporate international Sukuk issuance. In addition, Saudi Aramco was the first Saudi corporate issuer to access the international debt capital markets in 2021. Keeping in mind the stature of Aramco, it is no surprise that the deal attracted the largest orderbook in history. Aramco President and CEO Amin H. Nasser **said:** "We are very pleased with the global investment community's response to Aramco's first international dollar Sukuk, which attracted demand 20 times the initial targeted issuance size. The outcome demonstrates further evidence of Aramco's unique value proposition, which is underwritten by its operational and financial resilience. This is of course made possible by our employees, who continue to make a difference by safely and reliably delivering energy to the world."

**Türkiye Emlak Katılım Bankası** (Emlak Katılım), which is the youngest participation bank in Turkey, issued Turkey's first-ever Mudarabah-based green Sukuk in Turkey. The deal applied Emlak's Sustainable Finance and Green and Social Sukuk Framework. This is based on the principles designed by prominent international

organizations including: International Capital Markets Association's Green Bond principles, ISDB's Sustainable Finance Framework, Republic of Indonesia's Green Bonds and Green Sukuk Framework and Securities Commission Malaysia's Sustainable and Responsible Investment Sukuk Framework.

This guide aims to support investments in terms of social and environmental sustainability and, in this context, to be a reference for potential investors who will invest in green, social or sustainable Sukuk, and in addition, to provide a second-party opinion which provides Sukuk investors with assurance that the green Sukuk facility to be issued is aligned to the framework.

**Takaful Oman's** debut perpetual Sukuk Mudarabah trust certificate issuance program is a one-of-its-kind non-bank perpetual in Oman. The deal contributed to investor education about capital-enhancing Sukuk. The January 2021 deal strengthens Takaful Oman's capital.

**Why Emlak Katılım was selected:** The Sukuk funds were transferred to a private fund pool to be used in the financing of green projects contributing positively to climate change and the environment. Metsims Sustainability Consulting provides the second-party opinion regarding the quantitative effects of the green and social projects in the pool. Accordingly, Emlak Katılım contributed approximately 2,000 tons to the annual net carbon emission reduction by financing the projects in advancement of the UN Sustainable Development Goals. The cash flow from the green projects in the private fund pool is monitored in a different accounting record which is separated from the bank's other participation accounts. This account is reported to Turkey's banking regulator, the Banking Regulation and Supervision Authority, on a regular basis.

*Honorable mention: Takaful Oman, Saudi Aramco and Infracap Resources*



Photo: Emlak Katılım



**SYNDICATED: PAKISTAN MOBILE COMMUNICATION'S PKR10.5 BILLION SYNDICATED FINANCE FACILITY**

Size:	PKR10.5 billion (US\$59.53 million)
Arrangers:	Faysal Bank, Habib Bank, National Bank of Pakistan, United Bank, MCB Bank, Allied Bank, Meezan Bank, Bank Alfalah, The Bank of Punjab and Askari Bank
Legal counsel:	Mohsin Tayebaly & Co
Rating:	Unrated
Date closed:	June 2021
Shariah advisors:	Faysal Bank and Meezan Bank

**The finalists:** Syndications have declined in importance in Malaysia due to the efficient depth of the local debt capital markets. Elsewhere, in South Asia, the Arabian Gulf and beyond, syndications fill important gaps left by the still-emerging Islamic debt capital markets. In 2021, three excellent examples included Pakistan Mobile Communication, Gulf Poultry and Masraf Al Rayan.

**Pakistan Mobile Communication (PMCL)** benefited from a syndicated facility based on airtime. PMCL has a strong domestic footprint holding six separate 2G licenses for operations in Pakistan as well as AJK and Gilgit-Baltistan and a 3G license for operations in Pakistan only. PMCL also acquired a 4G-LTE license as part of the Warid Telecom acquisition on the 1<sup>st</sup> July 2016 and a 4G license in auction by the Pakistan Telecommunication Authority on the 24<sup>th</sup> May 2017. Due to COVID-19, there has been a steep increase in data subscription which grew by 8% during 2020. Broadband penetration has reached 46.4% in the country. This dynamic growth obliges cellular operators like PMCL to make continuous investment in network upgradation to ensure uninterrupted services to its subscribers.

This transaction benefits from a common security pool which was created over the assets and receivables of PMCL and its subsidiary company which brought all financiers at the pari passu level to each other. Supporting the pool was the transfer of PMCL's tower assets to a subsidiary. The financiers are pari passu in their rights to these assets.

**Gulf Poultry** is one of the biggest poultry projects in Oman. The Ibri-based project is planned to produce approximately 360 million eggs per annum. The project will substantially boost Oman's poultry production capabilities and allow it to compete regionally in the poultry industry. The transaction is a collateralized diminishing Musharakah. The security documents include a usufruct mortgage agreement governing the land on which the poultry project is to be developed. The deal is also supported by an irrevocable undertaking from the obligor's parent company, Arabian Food Production Company.

**Masraf Al Rayan** managed to overcome all the difficulties that came with the pandemic and achieved a net profit by the end of 2020 that amounted to QAR2.18 billion (US\$594.98 million). The bank's total assets reached QAR121.12 billion (US\$33.06 billion) compared with QAR106.4 billion (US\$29.04 billion) as of the 31<sup>st</sup> December 2019, a growth rate of 13.8%. In this environment, Masraf Al Rayan raised US\$650 million from an offshore syndicate of prestigious global banks. This positioned the bank for its then-proposed merger with Al Khalij Commercial Bank.

**Why PMCL was dialed:** Pakistan was an early adapter in the use of capacity Wakalah. This airtime-based deal enjoys the support of both Islamic and conventional banks. One of the unique features is that the deal has hard assets for collateral. These have been thoughtfully ring-fenced in an SPV for the protection of the investors.

*Honorable mention: Masraf Al Rayan and Gulf Poultry*



**TRADE FINANCE: REPUBLIC OF BENIN'S EUR20 MILLION FINANCING FROM THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**

Size:	EUR20 million (US\$22.83 million)
Financier:	International Islamic Trade Finance Corporation (ITFC)
Legal counsel:	ITFC counsel
Rating:	Unrated
Date closed:	August 2021
Shariah advisor:	ITFC/IsDB

**The finalists:** In 2021, trade finance had everything to do with COVID-19. Malaysia Airports Holding (MAHB) secured a Bai Dayn facility to support its vendors. The ITFC provided important relief to Benin, among many other countries. Evyap Sabun Malaysia, in contrast, took to the debt capital markets to fund its trade and other requirements.

**MAHB** worried for its vendors who were suffering from COVID-19-related lockdowns. MAHB was keen to ensure the economic sustainability for its suppliers' business during the pandemic. In line with the financier's sustainability framework, the solution was to apply Bai Dayn as approved by the Shariah Advisory Council of Bank Negara Malaysia. Turkey-based personal care product manufacturer Evyap Group's Malaysian subsidiary, **Evyap Sabun Malaysia**, launched a RM500 million (US\$119.62 million) **Sukuk Wakalah program**. Evyap Group has a strong market presence in Turkey and Eastern Europe. The group launched its Malaysian plant in 2015.

Under its Rapid Response Initiative and Recovery Response Program, the ITFC provided EUR20 million (US\$22.83 million) to the **Republic of Benin** with the Beninese Company for the Supply of Health Products as the executing agency. This urgent response to the COVID-19 pandemic funded:

- Consumables for laboratories including rapid diagnostic tests
- Surgical masks for non-healthcare professionals, and
- Emergency equipment, consumables and medicines.

**Why Republic of Benin was treated first:** The financing supports 13 of Benin's 55 hospitals in its responses to the COVID-19 pandemic and provides a positive impact on 2.9 million people or 24% of the national population. This deal was **part** of EUR100 million (US\$114.14 million) of coordinated multilateral support to Benin.

*Honorable mention: Evyap Sabun Malaysia and Malaysia Airports Holdings*

## STRUCTURE DEALS

**COMMODITY MURABAHAH/TAWARRUQ: BLACKROCK'S US\$50 MILLION SALAM PRIVATE OPPORTUNITIES FUND**

Size:	US\$50 million
Financier:	Standard Chartered Bank
Rating:	Unrated
Date:	July 2021

**The finalists:** No matter what people say, Tawarruq won't go away. Easy to execute and automated, the product is nearly as efficient as the other types of bank financing. The product allows for replication of conventional facilities and participation without being there in a multitude of investments. Nonetheless, roadblocks exist to slow the use of Tawarruq and AAOIFI Shariah Standard 59 has significant implications for UAE-based financiers and beyond.

**Emirates Integrated Telecommunications Company (DU)** raised US\$1 billion from a syndicate led by Abu Dhabi Islamic Bank. Not only was the transaction DU's debut Islamic financing transaction, the structure set a new precedent for DU's Islamic financing transactions in the market. The deal was executed using a non-revolving commodity Murabahah process including two tranches by applying term and revolving facilities. The term facility represents the capital and avoids full rollovers. The revolving addresses the yield and allows market-based adjustments.

**Malaysia's Zamarad Assets** is an SPV incorporated to undertake the securitization of receivables originating through the business partners of RCE Marketing as the originator. The program funds the issuer SPV's acquisition of Islamic financing agreements. The use of Tawarruq turns this into a collateralized Tawarruq. The SPV has a Tawarruq-based debt

to investors and owns the pool of receivables. The program added a revolving element in its sixth issuance. This allows the issuer to raise fresh capital for new acquisitions on a periodic basis.

**BlackRock (US), Salam Private Opportunities Fund, Malaysia** — This financing was structured to facilitate the Employees Provident Fund (EPF)'s investments into a separate account managed by BlackRock. This facility allows EPF to get financing against unfunded capital commitment of fund investors.

**Why Salam Private Opportunities Fund was selected:** The facility allows EPF to begin investing in a single block or larger blocks while it awaits final subscriptions from committed investors. This type of bridge would have been difficult and costly to build using non-Tawarruq structures.

One more kudo to EPF — unlike several recent cases which apply Tawarruq to invest with conventional outcomes, this deal requires the fund to have an independent Shariah advisor or Shariah supervisory committee and follow its Shariah guidance. No workarounds here.

*Honorable mention: Zamarad Assets and Emirates Integrated Telecommunications Co*

**IJARAH: OMAN AIR'S OMR46 MILLION IJARAH FINANCING**

Size:	OMR46 million (US\$119.1 million)
Financier:	Meethaq Islamic Banking, the Islamic window of Bank Muscat
Guarantor:	Ministry of Finance
Legal counsels:	Dentons for Oman Air and Al Busaidy, Mansoor Jamal & Co for Meethaq
Rating:	Unrated
Date:	July 2021
Shariah advisor:	Shariah supervisory board of Meethaq

**The finalists:** This year went past plain vanilla Ijarah into multiple forms of Ijarah showing the capacity of this vehicle to address contemporary financing needs. Meethaq innovated its service Ijarah product. Cellco Capital delivered a highly structured long-term Sukuk Ijarah. And the UK Sovereign Sukuk navigated the lease-leaseback structure.

**Oman Air** sold rights-to-travel to its financiers in a unique service-Ijarah format. The deal is documented through expected documents including a Master Service Purchase Agreement and a Master Agency Agreement, but not a specific service Ijarah Agreement. Essentially, the arrangement is a Wakalah with Ijarah elements. This is the first service Ijarah financing to take place in Oman without an express service Ijarah agreement in place. The Ministry of Finance enhanced the deal with a sovereign guarantee, which is a rare occasion.

**Cellco Capital (Cellco)** — This deal is based on the sale of 531 cell communication towers to investors through a sale-leaseback process. The Sukukholders benefit from a secure cash flow stream for the next several years as the towers to be assigned are already

tenanted under long-term non-cancelable licensing agreements with the major telecommunication companies U Mobile, Maxis, Digi, Celcom, TM and YTL.

**UK Sovereign Sukuk** — This was the UK's second and largest Sukuk issuance. This deal underscored the UK's commitment to further developing its Islamic finance credentials and enhancing support to UK-based Islamic financial institutions. The transaction achieved the objectives of Her Majesty's Treasury by more than doubling the issuance size of the debut 2014 Sukuk issuance and providing critical liquidity in the Islamic financial market.

**Why Oman Air was selected** was because of the novelty of the Oman Air structure as the first service Ijarah in Oman without an explicit service Ijarah agreement. This paves the way for the expansion of the product in the Omani market. The deal also shows national confidence in Oman Air's future. The deal provides support to an airline which had to slim down its fleet and routes.

*Honorable mention: UK Sovereign and Cellco*

**MUDARABAH: OMINVEST'S OMR52 MILLION PERPETUAL SUKUK MUDARABAH**

Size:	OMR52 million (US\$134.63 million)
Arrangers:	Alizz Islamic Bank and Ubhar Capital
Legal counsel:	Trowers & Hamblins for the issuer and the arrangers
Rating:	Unrated
Date closed:	December 2021
Shariah advisor:	Alizz Islamic Bank

**The finalists:** Mudarabah was an actively contested category with many bank perpetuals and several non-bank deals. Three deals offered distinctive perspectives: Sustainability, no SPV and a non-bank investment company.

**Emlak Katilim Varlik Kiralama** is the youngest participation bank in Turkey. An important innovation was the bank's issuance of Turkey's first-ever Mudarabah-based green Sukuk on the 10<sup>th</sup> November 2021. As the Mudarib, the bank is obliged to ensure that it adheres to its Sustainable Finance and Green and Social Sukuk Framework. The bank's **framework** takes into account guidelines like the International Capital Markets Association's Green Bond principles, the IsDB's Sustainable Finance Framework, the Republic of Indonesia's Green Bonds and Green Sukuk Framework and Malaysia's Securities Commission's Sustainable and Responsible Investment Sukuk Framework. In addition, the deal provides for a second-party opinion from Metsims Sustainability Consulting.

**Bahrain Islamic Bank** — This deal has its own unique features. Unlike the traditional Sukuk, the issuance was executed without a SPV and offering circular. Upon obtaining exemptions and approval from the Central Bank of Bahrain, the issuance was fully subscribed by a single investor.

**Oman International Development and Investment Company (Ominvest)** was the first Omani non-banking company to issue a Shariah compliant perpetual security. The Sukuk Mudarabah were taken up by Shariah compliant and conventional investors. For this issuance, the company created a special Mudarabah asset pool with its own Shariah advisor according to the pool's Shariah guidelines. In general, perpetual Sukuk are unusual among non-banks. Yet, Ominvest followed DP World and Majid Al Futtam in seeking the benefit of non-dilutive additional equity.

**Why Ominvest was selected:** As the Ominvest CEO **stated:** "The issuance of the perpetual Sukuk will enable Ominvest to further optimize its capital structure, channel the funds to make new long-term investments and enhance return on capital. It will create value for Ominvest stakeholders through improved earnings, stronger liquidity and better return ratios. In line with the International Financial Reporting Standards, the Sukuk will be classified as equity in Ominvest's balance-sheet, making the company's financial position stronger."

*Honorable mention: Emlak Katilim and Bahrain Islamic Bank*



**MUSHARAKAH: TROPICANA CORPORATION'S RM270 MILLION PERPETUAL MUSHARAKAH**

Size:	RM270 million (US\$64.59 million)
Arranger:	CIMB Investment Bank
Legal counsel:	Albar & Partners
Date:	September 2021
Shariah advisor:	CIMB Islamic Bank

**Sharing and caring:** Typically, we see Musharakah, especially diminishing Musharakah, dominate entries from Pakistan. Running Musharakah has also emerged from Pakistan. Both products are slowly gaining traction in Oman and beyond. In Malaysia, Musharakah has been used by real estate-focused businesses as the contractual basis for perpetual Sukuk.

**Tropicana** established its perpetual Sukuk program in 2019 as an unrated program. Malaysian Rating Corporation (MARC) rated the Sukuk 'A'. It is unusual to collateralize Sukuk, especially Sukuk Musharakah, and even more so perpetual Sukuk. Nonetheless, this transaction is secured by properties in Johor Bahru and the Klang Valley. The issuer has the flexibility to substitute the underlying collateral with properties of similar value in Johor, Seremban, the Klang Valley and Genting Highlands. This makes the Sukuk senior and secured, but still equity for accounting purposes. The perpetual Sukuk facility is based on Shirkat Al Aqd.

Meethaq (Bank Muscat) financed **Equinix Muscat** through diminishing Musharakah. The deal addresses project finance elements and includes an Islamic financing common terms agreement, Musharakah agreement, rental payment agreement, service agency agreement, letter of credit agreement, undertaking

to purchase the Musharakah units, assignment agreement and security documents. The transaction is complex and innovative from a structuring and regulatory perspective. Although diminishing Musharakah is well established in Oman, key elements of this deal made it a first-of-its-kind.

**Engro Enfrashare** was funded via diminishing Musharakah to build mobile network tower sites. The company's businesses cover telecommunication infrastructure and related services, including network monitoring solutions. Diminishing Musharakah has proven to be well suited for project finance and construction such as the company's build-to-suit telecom sites across Pakistan.

**How Tropicana secured a win:** Tropicana issued its Sukuk from a position of strength. The real estate developer showed growth over 2020 despite the pandemic. This deal delivers a non-dilutive instrument. Classified as equity for accounting, Tropicana's perpetual Sukuk facility provides a more efficient alternative to equity in managing its capital structure and leverage ratio, as well as lengthening its liability profile. The deal manages investor interests with identified collateral, assuring them of protection from the risk of the company's failure.

*Honorable mention: Engro Enfrashare and Equinix Muscat*

**WAKALAH: MALAYSIAN GOVERNMENT'S US\$800 MILLION SUKUK ISSUED VIA MALAYSIA WAKALA SUKUK**

Size:	US\$800 million
Joint lead managers & bookrunners:	CIMB (lead manager), HSBC and JPMorgan
Co-manager:	Islamic Corporation for the Development of the Private Sector
Legal counsels:	Allen & Overy as to US and English laws and Zaid Ibrahim & Co as to Malaysian law for the banks; and Linklaters Singapore as to US and English laws and Adnan Sundra & Low as to Malaysian law for the issuer
Ratings:	Issuer: Moody's: 'A3'/S&P: 'A-' Obligor: Moody's: 'A3'/S&P: 'A-'/Fitch: 'BBB+'
Date:	April 2021
Shariah advisors:	CIMB Islamic Bank and HSBC's Global Shariah Supervisory Committee

**Super agents:** The Wakalah finalists represent three unique applications of agency in the Sukuk market. The Bank of England Alternative Liquidity Facility (ALF) is a straightforward investment agency. The government of Malaysia, however, evolves the blended agency concept into a single activity. And Evyap Sabun's Wakalah facility is directly into the manufacturer's business.

The **Bank of England's** ALF is structured as a Wakalah or fund-based facility. The bank acts as a fund manager or Wakeel. Participating banks place the funds in Bank of England Alternative Liquidity Facility Limited which holds a portfolio of qualifying Shariah compliant assets.

**Malaysia Wakala Sukuk's** Series 1 is unique in its structure and application. The underlying Wakalah assets are deemed sustainable assets. They are vouchers representing travel entitlement on Malaysia's Light, Monorail and Mass Rapid Transit networks. This is the first sovereign Sukuk based solely on travel vouchers as the underlying assets.

The overall application is meant to be sustainable. The deal joins the vanguard of sovereign sustainability Sukuk. The proceeds are used for eligible green and social projects. Series 2, also based on travel vouchers, has a different focus. Its proceeds may be used to refinance prior development expenditure and to finance new development expenditure. **Evyap Sabun Malaysia's** Wakalah Bi Istithmar invests in the general business operation of the issuer. The program is secured by an assignment and charge over designated accounts relating to the operations of the company.

**Why Malaysia Wakala Sukuk traveled first class:** In addition to being the first of its kind to rely on travel vouchers, the disbursement criteria are aligned to the UN SDGs Agenda. The Sukuk facility buttresses Malaysia's efforts to meet its Paris Agreement commitments as well as the socioeconomic goals in the government's Shared Prosperity Vision 2030.

*Honorable mention: Evyap Sabun and Bank of England Alternative Liquidity Facility*

## COUNTRY DEALS

### BAHRAIN: NOGAHOLDING'S US\$600 MILLION SUKUK

Size:	US\$600 million
Arrangers:	Gulf International Bank, HSBC Bank and JPMorgan Securities with BNP Paribas as co-arranger
Legal counsels:	Allen and Overy on English law and US law, Hassan Radhi & Associates on Bahraini law for the arrangers; and Latham & Watkins on English law and US law, Zu'bi Partners on Bahraini law for the obligor
Rating:	'B+' by Fitch Ireland
Date closed:	April 2021
Shariah advisors:	The HSBC Global Shariah Supervisory Committee, the Shariah advisors of JPMorgan Securities

**The pearl of Islamic finance:** As might be expected for a banking center, Bahraini nominations were dominated by bank additional Tier 1 deals. The Oil & Gas Holding Company added a little diversity to the mix.

The Oil & Gas Holding Company issued through its **nogaholding Sukuk**, a Cayman Islands SPV. The Sukuk are listed on the Irish Stock Exchange. The transaction marked nogaholding Sukuk's inaugural Sukuk issuance following an update of its global medium-term note program. The transaction complies with the requirements of AAOIFI Shariah Standard Number 59, notably the requirement to maintain a minimum tangibility of more than 50%. If the tangibility level falls below 33%, the Sukukholders have a 'put option' and the Sukuk are to be delisted. The structure and disclosure adopted on this transaction has become the market standard and has been used on subsequent Sukuk transactions across the market.

**Bahrain Islamic Bank** — Uniquely, this issuance was delivered without an SPV or offering circular. Upon obtaining exemptions and

approval from the Central Bank of Bahrain, the transaction was fully subscribed by one investor.

**AUB Sukuk** was incorporated in Cayman Islands. Listed for trading on the International Securities Market of the London Stock Exchange, the transaction has a better rating than a pure play on Bahrain **according to** Fitch. This reflects the belief that Ahli United Bank (AUB) has the full support of Kuwait.

**Why The Oil & Gas Holding Company was selected:** Wholly owned by the government of Bahrain, the Sukuk incorporate a negative pledge provision, obligor event, change of control clause, restrictive covenants with respect to the trustee and cross-acceleration terminology. On the one hand, these are strict. On the other hand, they are not so onerous as to diminish from the warm market reception that allowed the Sukuk to be upsized.

*Honorable mention: AUB Sukuk and Bahrain Islamic Bank*

### EGYPT: EVERGROW FOR SPECIALIZED FERTILIZERS'S US\$400 MILLION RESTRUCTURING

Size:	US\$400 million
Financier:	Abu Dhabi Islamic Bank-Egypt for the Islamic tranche
Legal counsel:	Allen & Overy
Rating:	Unrated
Date closed:	April 2021

**The finalists:** Egypt's finalists are all returning to IFN. Evergrow comes back, having been noticed in our 2021 Law Awards. Al-Maresem was awarded five years ago as the Musharakah Deal of the Year and extended its longevity. And the Arab Republic of Egypt returned for its second syndicated Islamic facility.

**Evergrow for Specialized Fertilizers**, an Egyptian fertilizer company, restructured outstanding debts of US\$400 million. The facilities include an Ijarah leg. The overall transaction allows for **Evergrow** to expand its Sadat City fertilizer plant. The transaction also complies with the Equator Principles.

**The Ministry of Finance** of the Arab Republic of Egypt — The financing is being made for the purpose of providing funding for the general budgetary requirements of the government of Egypt.

The Islamic component Tawarruq is designed to comply with the AAOIFI Standard 59 requirements. **Al-Marasem International for Development Company** refinanced the outstanding balance under the existing syndicated medium-term Musharakah. One of the benefits of the Musharakah is that it is flexible for restructuring.

**Why Evergrow made it:** Evergrow is evidence that Islamic finance is slowly taking root in Egypt. Not only has the Republic raised its second Shariah compliant syndication, but a leading corporate has built a Shariah feature into its restructuring. And, like the Republic, Evergrow has built sustainability into the project.

*Honorable mention: Al-Marasem International for Development Co and Arab Republic of Egypt*

**INDONESIA: BANK MUAMALAT INDONESIA'S IDR10 TRILLION RESTRUCTURING**

Size:	IDR10 trillion (US\$698.51 million)
Arranger:	Perusahaan Pengelola Aset
Legal counsels:	Allen & Overy (A&O), Ginting & Reksodiputro (in association with A&O) and Mourant (offshore) for the arranger
Date:	November 2021

**Sustaining:** Bit by bit, the Republic of Indonesia is growing into its weight class. The country continues to show leadership in the sovereign Sukuk space with its latest transaction. Getting to the top, however, will mean having its Islamic financial system in order.

**The Republic of Indonesia** was back through its issuer SPV Perusahaan Penerbit SBSN Indonesia III. The Republic of Indonesia's issuance combines a 30-year tranche of green Sukuk. Putting aside the perpetuals, this is the longest term for a green Sukuk issuance in the world. Proceeds will be used to fund the Republic's infrastructure and green projects to spur economic growth.

Perusahaan Pengelola Aset successfully resolved the management of low-quality assets of **Bank Muamalat Indonesia**. The non-performing financing settlement scheme is a model solution for the rest of Indonesia's banking industry. The scheme creates an open secondary market for low-quality assets in Indonesia. As a result, it helps to promote price transparency and improves the prospect of

working the problem assets out based on the correct valuation. In the meantime, the bank will now be majority-owned by the Hajj Financial Management Agency (BPKH). The Financial Services Authority believes that BPKH will solidify the bank's capital and improve its capacity to provide Islamic financial services to the public.

**Why Bank Muamalat won:** It is not the rescue of Bank Muamalat that is important. The method, using an asset swap with a secondary market, was key. This inventive approach is hoped to facilitate the effective rationalization of the wider Indonesian banking market. It may also prove helpful to emerging markets with similar problems in their banking systems.

For Bank Muamalat, the tie-up with BPKH promises important strategic opportunities to expand the bank's franchise.

*Honorable mention: Perusahaan Penerbit SBSN Indonesia III*

**KUWAIT: KUWAIT FINANCE HOUSE'S US\$750 MILLION TIER 1 SUKUK**

Obligor:	Kuwait Finance House (KFH)
Size:	US\$750 million
Joint global co-ordinators:	KFH Capital and Standard Chartered Bank
Co-arrangers:	Boubyan Bank, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, KFH Capital, Mizuho Securities, Standard Chartered Bank, Dukhan Bank
Legal counsels:	Clifford Chance (English law) and International Counsel Bureau (Kuwaiti law) for the issuer; and Dentons (English law) and ASAR (Kuwaiti law) for the arrangers
Ratings:	'A+' with a negative outlook by Fitch and 'A2' with a stable outlook by Moody's Cyprus
Date closed:	June 2021
Shariah advisors:	Fatwa and Shariah Supervisory Board of KFH, Emirates NBD Islamic Internal Shariah Supervision Committee, the Global Shariah Supervisory Committee of Standard Chartered Bank and the Internal Shariah Supervisory Committee of Dubai Islamic Bank

**Forever Kuwait:** 2021 was the year of perpetuals in the Kuwaiti market. Kuwait Finance House (KFH), Warba Bank and Ahli United Bank of Kuwait all issued perpetuals. The banks took advantage of the favorable rate environment and excess dollar liquidity to access the markets and shore-up capital.

Warba Bank raised US\$250 million through its SPV, **Warba Tier 1 Sukuk**. The deal represented the first liability management exercise for Warba Bank. This was the successful launch of Warba's second additional Tier 1 Sukuk.

**KFH Tier 1 Sukuk** is KFH's first foray into the regulatory capital space issuing its debut Tier 1 Sukuk instrument. The Sukuk Mudarabah are

the largest additional Tier 1 Sukuk issued from Kuwait. The Sukuk are listed on the London Stock Exchange.

The issuance by **Ahli United Perpetual Sukuk** is the first issuance after five years by Ahli United Bank of Kuwait. The deal marks the bank's first public issuance after a five-year hiatus in the debt capital markets. The deal preceded the parent's issuance in Bahrain.

**Why KFH Tier 1 Sukuk** was selected: This is a difficult decision. KFH's first issuance and Kuwait's largest Tier 1 Sukuk were the deciding factors.

*Honorable mention: Warba Bank Tier 1 and Ahli United Bank Tier 1*



### Shortlisted for Overall Deal of the Year 2021

#### MALAYSIA: INFRACAP RESOURCES'S RM15 BILLION SUKUK

Size:	RM15 billion (US\$3.54 billion)
Arrangers:	Hong Leong Investment Bank, OCBC Bank (Malaysia) and United Overseas Bank (Malaysia)
Legal counsels:	Rahmat Lim & Partners for the issuer and Adnan Sundra & Low for the arrangers
Rating:	'AAA(s)' by RAM Rating Services
Date:	January 2021
Shariah advisor:	Dr Mohd Daud Bakar

**Shining leadership:** Malaysia's 2021 nominee pool was again the largest. The finalists show Malaysia's diversity. Infracap shows size, supported by the strength of the state of Sarawak. reNIKOLA Solar demonstrates the use of a reliable technique, Tawarruq, to deliver under a green outcome. And Khazanah keeps its hat in the ring with Sukuk issued by its affiliate, Cenergi.

**Infracap Resources's** RM15 billion Sukuk program is the state of Sarawak's holding company for infrastructure development. **Infracap** is not only investing in 11 specific development projects throughout Sarawak, but doing so within a sustainability framework. The Infracap Sukuk are supported by the state budget. Yet, the projects are also expected to generate a multiplier effect over the longer term to support the state's future revenues.

**reNIKOLA Solar** issued Sukuk under the SRI Sukuk Framework by Securities Commission Malaysia and ASEAN Green Bond Standards. The reNIKOLA ASEAN Green SRI Sukuk facility qualifies as an eligible SRI project. Proceeds are allocated to the development of three new solar plants. RAM Sustainability provides an independent third-party review of compliance with the SRI criteria.

**Cenergi SEA** launched its debut ASEAN SRI Green Senior Sukuk Wakalah facility raising RM210 million (US\$50.24 million). Cenergi's program allows the Khazanah controlled group to issue senior Sukuk Wakalah, perpetual Sukuk Wakalah and green Sukuk Wakalah (senior and/or perpetual). The proceeds are being allocated to refinance new or existing projects of Cenergi Group that fulfill the eligibility criteria as set out in the Green Sukuk Framework and/or the Green Guidelines/Framework and/or the Shariah compliant eligible SRI projects.

**Why Infracap was built out:** Infracap's RM15 billion program in US dollar terms (US\$3.59 billion equivalent) outstrips even the government of Malaysia's innovative US\$800 million Sukuk. Like the government of Malaysia, Infracap is held accountable for ESG compliance. The Sukuk facility funds 11 projects and strategic investments in compliance with the ESG principles prescribed under the United Nations Global Compact.

*Honorable mention: Khazanah and reNIKOLA*

### Shortlisted for Overall Deal of the Year 2021

#### OMAN: TAKAFUL OMAN'S OMR6 MILLION PERPETUAL SUKUK

Size:	OMR6 million (US\$15.54 million)
Arrangers:	Sohar Islamic and Sohar International Bank
Legal counsel:	Trowers & Hamlins for the arrangers
Rating:	Unrated
Date:	November 2021
Shariah advisor:	Shariah supervisory board of Alizz Islamic Bank

**The finalists:** Oman was a significant contributor to this year's awards. Two of the top Omani deals are non-bank perpetuals. Meethaq joined the fray with its Musharakah-based project financing for Equinix.

**Oman International Development and Investment Company (Ominvest)** had to educate investors about non-banks issuing perpetual Sukuk Mudarabah. The proceeds allowed the state-linked investment company to acquire the shares of a portfolio company, Jabreen International Development Company, a fully-owned subsidiary of Ominvest. The shares were then canceled. Ominvest has appointed a Shariah advisor for periodic review in order to comply with Shariah guidelines.

**Takaful Oman Insurance's** debut perpetual Sukuk Mudarabah trust certificate issuance program faced similar issues to Ominvest in terms of building investor confidence. The Takaful Sukuk Specialized

Purpose Company is listed on the Muscat Securities Market. Funding Jabreen, Ominvest's investment management platform, is setting the stage for Jabreen to issue its own Sukuk.

**Equinix Muscat** refinanced its existing Shariah compliant financing with a US\$33.8 million diminishing Musharakah and letter of credit facility.

**Why Takaful Oman was selected:** Ominvest and Takaful Oman were nearly equal for novelty and importance. Takaful Oman was well ahead of Omaninvest at the finish line with its January 2021 closing. Yet, the deciding factor was how the Takaful Oman deal had multiplier affects across the wider Takaful industry: Takaful Oman is the first Takaful company (anywhere) to issue perpetual capital supplementing Sukuk.

*Honorable mention: Equinix Muscat and Ominvest*

**PAKISTAN: ENERTECH'S PKR2 BILLION SUKUK**

Size:	PKR2 billion
Arrangers:	Meezan Bank and Pak Kuwait Investment Company
Legal counsels:	Ali Khan Law Associates for the issuer and Mohsin Tayabaly & Co for the arranger
Shariah:	Meezan Bank
Rating:	Unrated
Date:	November 2021

**Purely partners:** The 2021 Pakistan nominations showed growing sophistication and adaption to the capital markets. Nonetheless, the Pakistani deals stuck to the Musharakah script.

Meezan Bank led a syndication and advised **EnerTech Water** on the issuance of quasi-equity Sukuk. The financing supports the development of a 60 km water pipeline project for industrial users in Thar, Sindh (the Project). The Project is being developed by EnerTech Water, an SPV established by EnerTech Holding. This deal is structured under a public-private partnership mode. EnerTech Water holds a concession with the government of Sindh to build, construct and operate the Project. The project constitutes total infrastructure investment of approximately US\$180 million. The funding was based on diminishing Musharakah.

**Pakistan Mobile Communication (PMCL)** — As a leading telecoms provider, PMCL has key licenses for mobile communications and internet. With COVID-19, Pakistan saw a significant uplift in data subscriptions. In order to address this demand, PMCL raised

PKR10.5 billion (US\$59.53 million) through a syndication led by Faysal Bank.

The **government of Pakistan acting through the Ministry of Finance** raised US\$505 million in a syndicate led by Dubai Islamic Bank. The purpose of the facility was to provide balance of payments support as well as finance procurement of essential commodities from the Gulf region. The facility further helped the Pakistani government in strengthening its liquidity and credit profile ahead of its talks with the IMF.

**Why EnerTech flowed first:** EnerTech reflects a significant increase in the Pakistani markets' sophistication. The capital of the project obligor was strengthened through a quasi-equity Sukuk offering. This created a sound financial footing for the Meezan Bank-led syndicate to complete the financing.

*Honorable mention: Government of Pakistan and Pakistan Mobile Telecommunications*

**Shortlisted for Overall Deal of the Year 2021**

**QATAR: MASRAF AL RAYAN-ALKHALIJI COMMERCIAL BANK MERGER**

Size:	US\$50 billion in assets
Legal counsel:	K&L Gates advised Masraf Al Rayan
Rating:	Unrated
Date:	November 2021

**Not just kicking the ball:** Qatar, re-engaged in the GCC, is more than the host of the 2022 World Cup football tournament, and more than a gas-producing powerhouse. Much of the forward-looking power is projected through Qatar's financial sector.

In 2021, the merger creating the largest Islamic bank in Qatar and a related deal contributed two of our three Qatari finalists. The third strengthens the peninsula's third-ranked Islamic bank.

Merger pioneer Dukhan Bank (Barwa and QIIB) issued via **Dukhan Tier 1 Sukuk**. The US\$500 million Reg S perpetual additional Tier 1 capital securities marked Dukhan's debut in the international debt capital market. The deal showed the strength of market confidence in Qatar and its consolidating banking sector.

**Masraf Al Rayan** successfully raised US\$650 million from a Standard Chartered Bank-led syndicate. This deal just preceded the bank's merger with Al Khaliij Commercial Bank. The syndication reflects how Masraf Al Rayan has overcome difficulties arising from

the pandemic. One also imagines that the cash stockpile has put Masraf Al Rayan into the driver's seat for its merger with Al Khaliij Commercial Bank.

The merger has created a new Islamic market leader and the second-largest bank in Qatar. More critically, the combined bank will have a foothold in the elusive French market. It also brings Al Khaliij's technical skills into the Islamic banking fold. The deal, the first under the new Qatari legal regime, was executed as a share swap.

**Why the Masraf Al Rayan merger smoked the competition:** Qatar's new Islamic champion leaves 2021 with increased capital and cash. The bank's footprint now extends to the EU. The transaction was conducted under the new national legal regime allowing it to build on the example set earlier by the merger that created Dukhan Bank. Qatar is accelerating the GCC Islamic banking merger process and delivering new leaders across the GCC and into Europe.

*Honorable mention: Masraf Al Rayan and Dukhan Tier 1 Sukuk*

**Shortlisted for Overall Deal of the Year 2021**

**SAUDI ARABIA: SAUDI ARAMCO'S US\$6 BILLION HYBRID SUKUK**

Size:	US\$6 billion
Arrangers:	Dubai Islamic Bank together with Alinma Investment Company, Al Rajhi Capital Company, BNP Paribas, Citigroup Global Markets, First Abu Dhabi Bank (FAB), Goldman Sachs International, HSBC Bank, JPMorgan Securities, Morgan Stanley & Co International, NCB Capital Company, Riyadh Capital, SMBC Nikko Capital Markets, Standard Chartered Bank, Abu Dhabi Commercial Bank, AlBilad Investment Company, Alistithmar Capital for Financial Securities and Brokerage, Aljazira Capital, Arab National Investment Company, BOCI Asia, Crédit Agricole Corporate & Investment Bank, Dubai Islamic Bank, Emirates NBD Bank, Gulf International Bank, KFH Capital Investment Company, Mizuho International, MUFG Securities EMEA, Saudi Fransi Capital, Société Générale, Watani Investment Company (NBK Capital)
Legal counsels:	White & Case for obligor and Latham and Watkins/Law Office of Salman M Al-Sudairi for the arrangers
Ratings:	'A1' (Moody's), 'A' (Fitch)
Date closed:	June 2021
Shariah advisors:	The Shariah board and committees of FAB, HSBC and Standard Chartered Bank

**A vision for competition:** Saudi Arabia is incredibly dynamic. The national champion Saudi Aramco pleased markets with the largest Sukuk issuance of the year. Food Security Holding Co represented the progress of the commercial activity prompted by Vision 2030. And the creation of the Saudi National Bank brings forward a new national leader in banking — an important tool for 2030 and the requirements of leading Saudi businesses like Saudi Aramco.

**Saudi Aramco's** inaugural US\$6 billion issuance was offered through SA Global Sukuk. The 'A'-rated program relies on the strength of Saudi Aramco as the obligor. Given the strength of Saudi Aramco, the rating agencies looked past the underlying assets and focused on the raw muscle of the Saudi giant to assure that the unsecured payments will be made.

One interesting feature of the Sukuk is that there is a tangibility control ratio. Although Saudi Aramco is committed to maintaining the tangible assets at 51% of the Sukuk value, there is a provision to delist the Sukuk if the ratio drops below 33%. With tangible fixed assets exceeding US\$300 billion, this does not seem to be a risk for this deal. Even still, this type of control is relatively new in the global Sukuk market.

The National Center for Privatization and PPP (NCP) and the Saudi Grains Organization completed the final stage of the flour milling

sector privatization in the Kingdom. **Food Security Holding Co (FSH)** completed the SAR2.12 billion (US\$564.55 million) purchase of the Second Milling Company. FSH is a consortium of Abdulaziz Al-Ajlan Sons Company for Commercial and Real Estate Investment, Al-Rajhi International Investment Company, Nadec and Olam International Company. According to the Saudi **press**, the flour milling sector represents one of the targeted sectors for full privatization under Saudi Arabia's Vision 2030.

Khosham & Associates advised Samba Financial Group on all aspects of its merger with National Commercial Bank in the creation of the new Saudi Arabian and Islamic banking champion, **Saudi National Bank**. Executed through a share swap, the combined bank has assets of SAR896 billion (US\$238.6 billion) and fits cleanly into Vision 2030.

**Why Saudi Aramco won:** Saudi Aramco selected to issue Sukuk based on the demand for US dollar Sukuk issuances in the GCC. The transaction assures the firm's liquidity as it prepares to pay a mega dividend. The facility is the largest Sukuk, with the largest dividend and a large role in the future of the Kingdom. Kudos to Saudi Aramco for lifting the global and GCC Sukuk markets.

*Honorable mention: Food Security Holding Company and SAMBA-NCB merger*



Photo: Saudi Aramco



**TURKEY: KUYEYT TURK KATILIM BANKASI'S US\$350 MILLION TIER 2 SUSTAINABILITY SUKUK**

Size:	US\$350 million
Arrangers:	Bank ABC, Citigroup Global Markets, Dubai Islamic Bank, Emirates NBD Capital, KFH Capital and HSBC Bank
ESG advisor:	HSBC Bank
Legal counsels:	Akin Gump Strauss Hauer & Feld (international counsel); Mutlu Avukatlik Ortakligi (Turkish counsel); Maples Group (Cayman Counsel) for the issuer and Clifford Chance (international counsel) CiFTI Law (Turkish counsel) for the arrangers
Rating:	'B' by Fitch
Date closed:	September 2021
Shariah advisors:	HSBC Global Shariah Supervision Committee, KFH Capital Sharia Committee, Executive Committee of the Shariah Board of Dubai Islamic Bank and Emirates NBD Islamic Internal Shariah Supervision Committee

**All things must pass:** Following Zorlu Energy's 2020 sustainable domestic Sukuk, Turkey is popping with sustainable Sukuk. Despite the deteriorating currency situation, the Turkish financial markets were engaged, and important players were able to access the US dollar market. This pits the depth of the Turkish economy against current macroeconomic circumstances with investors voting for the nation's depth.

Kuveyt Turk Katilim Bankasi was the first bank in the world to issue Tier 2 sustainability Sukuk through its SPC **KT21 T2 Company**. The deal is governed by Kuveyt Turk's Sustainable Finance Framework. This defines the green and social impact areas for the bank to pursue. The universe of eligible projects ranges from renewable energy; pollution prevention and control; energy efficiency; employment generation; affordable housing; and access to essential services. The framework is not merely prescriptive; it also allows the bank to qualify existing financings in its portfolio toward the ESG trust certificates.

The deal documents comply with the recent AAOIFI guidelines as adopted by the Higher Sharia Authority of the Central Bank of UAE.

This is the first transaction out of Turkey meeting these rules and able to draw investment from UAE banks.

In a competition of firsts, **Emlak Katilim Varlik Kiralama** was the first bank to issue a green Sukuk Mudarabah facility. Like Kuveyt Turk, Emlak has designed a detailed and thoughtful sustainability framework applying international standards. The sustainability is reviewed independently by Metsims Sustainability Consulting which provides an independent opinion.

**Why KT21 T2 prevailed:** These regulatory capital Sukuk are governed by Kuveyt Turk's Sustainable Finance Framework. This too requires a second-party opinion, which is provided by **Sustainalytics**, a Morningstar affiliate. The bank has the ability to allocate the proceeds of the trust certificates to eligible green and/or social projects that originated no more than three years prior to the issuance. This permitted Kuveyt Turk to retrospectively rely on existing projects within the sustainability sphere, rather than having to earmark future new projects and suffer a delay in the application of capital and negatively carry risk.

*Honorable mention: Emlak Katilim Varlik Kiralama*

**UAE: IKCON'S CROSS-BORDER ACQUISITION BY REEF TECHNOLOGY**

Size:	Confidential nine-figure deal
Buyer:	REEF Technology
Legal counsels:	King & Spalding (Silicon Valley, Riyadh, Dubai, and London) for iKcon; and Paul Hastings (New York/DC), Morgan Lewis (Dubai) and Turkistani Law (Riyadh) advised REEF
Date:	November 2021

**Doldrums?** Some might argue that the UAE is a bit tired. The facts show otherwise. Emaar was able to rebase itself and achieve a positive outlook on its ratings. iKcon represents monumental faith in the UAE and GCC by Silicon Valley investors. And **Emirates Integrated Telecommunications Company** is still connecting. All three deals tell the story of a center with both appeal and the capacity to adapt to challenges whether competition or the pandemic.

REEF's acquisition of **iKcon Restaurant**, established in 2019, is Reef's first major transaction in the MENA market. REEF's head of development, Tommy Rose, welcomed **iKcon** into the REEF stable: "The Middle East and North Africa are crucial markets in the rapidly evolving F&B and retail industries, and our acquisition of iKcon will position REEF to become a leader in the region."

iKcon and REEF use a similar kitchen-as-a-service model. This allows restaurants and food operators to scale operations, increase customer reach and expand delivery coverage. IFN readers may not know it, but iKcon has probably already served them. The company's 800 employees use smart technology to serve over 100 local, regional and international restaurant partners. REEF already had GCC connections

in the form of Mubadala Investment Company which is part of its heady constellation of investors.

**Emirates Integrated Telecommunications Company** marked its debut Islamic financing transaction. The structure works with a non-revolving commodity Murabahah built on two tranches: term and revolving. **Emaar Properties's** 10-year US\$500 million Sukuk facility shows confidence in the company's strategy. **Emaar Properties** is Dubai's largest listed property developer. According to its founder, Mohamed Alabbar, its 2021 results are comparable to its pre-pandemic results in 2019. **How iKcon served itself up:** The UAE, Dubai in particular, has made significant effort to evolve as a technology and innovation hub. iKcon is part of the proof that the investment is working. The UAE is already a significant global logistics center and a key financial center. The iKcon deal shows that value creators in the UAE can achieve scale and appreciation in short timelines.

*Honorable mention: Emaar and Emirates Integrated Telecommunications Company*

**Shortlisted for Overall Deal of the Year 2021**

**UK: BANK OF ENGLAND'S ALTERNATIVE LIQUIDITY FACILITY**

Wakeel:	Bank of England
Draw:	Confidential utilization upon launch
Guarantor:	The governor and company of the Bank of England
Legal counsel:	Ashurst
Trustee:	HSBC Corporate Trustee
Rating:	Not applicable
Date closed:	December 2021

**Action at the hub:** Long a destination for real estate investment, the UK is much more. As a key Islamic finance hub, the UK burnished its leadership badges, first, for its sophomore Sukuk and then, the Bank of England delivered the needed support for the domestic Islamic banking sector.

**The Bank of England** launched The Bank of England Alternative Liquidity Facility (ALF) on the 2<sup>nd</sup> December 2021. This western central bank has finally put UK Islamic banks on an equal footing with conventional banks. The Wakalah structure is backed by Sukuk issued by the IsDB. This is accessed through Bank of England Alternative Liquidity Facility Limited, a wholly-owned subsidiary of the Bank of England. The facility gives Islamic banks parity with the UK's conventional banks which have access to the Bank of England's Reserves Accounts and Deposit Facility under the Sterling Monetary Framework. The ALF also counts as HQLA. The ALF utilizes a Wakalah structure.

**DKP Warehouse Company** — This transaction targets the turning around of a former Debenhams site and its re-letting to Amazon. The investors were able to exit and recover its capital with an attractive return.

**HM Treasury UK's sovereign Sukuk/UK government** — This is only the second Sukuk issuance by HM Treasury (HMT). The return to market is seen to solidify London as the largest Islamic finance hub in the west.

The legal and Islamic structuring of this transaction required navigating through new tax legislation which had not been tested before. In addition, the Islamic finance and real estate issues were not easily resolved. The obstacles included HMT's requirement that the outcome "looks and feels" and operates like its conventional gilt program. In the end, the resultant Ijarah structure pleased HMT and the investors.

**Why ALF flowed:** This facility overcomes an important challenge for UK Islamic banks to manage their liquidity and meet regulatory capital requirements. The ALF creates a regulatory environment that nurtures the development and growth of the industry. Beyond the UK, this may be an inspiration for central banks elsewhere in the west.

*Honorable mention: UK Sovereign Sukuk and DKB Warehouse*



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# IFN Overall Deal of the Year 2021 announced



**As we leave 2021 behind, two or three big issues are affecting the market. One is the widening implementation of AAOIFI Shariah Standard 59. Some of the rating agencies feel that this will affect the Sukuk and syndication markets going forward. That along with the fear of inflation and rising rates, 2021 was a great year to issue Sukuk, especially long-term instruments. And then, we all wonder how long the spike in hydrocarbon prices will endure as this can affect our Islamic finance markets.**

Hence, the **IFN Deals of the Year 2021** have a blend of 'biggest' and 'first-ever'. We celebrate sustainability, but carbon is still a leader. Carbon reflects our time. The connection between Islamic finance and carbon is equally grand in ASEAN as in the GCC. Malaysia and Indonesia are taking the lead on environmental, social and governance (ESG), but the cause is moving through the global Islamic finance industry as noteworthy deals included Deals of the Year contenders Kuveyt Turk, Emlak Katilim, Deshbandhu Group, Republic of Benin and, of course, the IsDB. Overall submissions were even more extensive. Our sustainable champion for 2021 is Sarawak's Infracap Resources. Following our thread, Infracap leads a sustainable change on the shoulders of hydrocarbon and agricultural wealth.

Without hydrocarbons, Qatar would be an ancient pearling center and wintering grounds for trans-Arabian Bedouins. The economic strength of Qatar and, more recently, the skillful diplomacy of Qatar, come from hydrocarbons. One can easily argue that Qatar is overbanked. But the market is concentrating through mergers. The second important banking merger of the past five years is the combination of Masraf Al Rayan and Al Khalij Commercial Bank. The bigger Masraf Al Rayan is expected to be better technologically, and geographically. France, and through it the EU, will be added to the bank's UK toehold.

Then, there is the name that is synonymous with hydrocarbons: Saudi Aramco. There has never been anything small about

Saudi Aramco. The giant rests on a throne of the world's largest oil reserves. Saudi Aramco is arguably the world's most valuable company. It is due to pay the largest dividend ever. And Saudi Aramco pleased bankers and investors alike with the largest corporate Sukuk ever, and the biggest Sukuk in 2021.

Even the UK and Oman can give some credit to hydrocarbons for making their economies more, shall we say, liquid. Long the hub for global Islamic investors, London hosts five Islamic banks: Masraf Al Rayan, Gatehouse Bank (Kuwait), Bank of London & the Middle East (Kuwait), Abu Dhabi Islamic Bank and Qatar Islamic Bank. More than 20 banks offer Islamic financial products. And the Islamic neobanks are on their way. It is not rocket science to figure out that most of these banks have a GCC or ASEAN connection. The problem is that until now, these banks have not had the same liquidity management tools as conventional banks. At long last, the Bank of England Alternative Liquidity Facility has been launched to give them a high-quality liquid asset program.

Backed by Bahrain-based t'azur Insurance Company (15%), Meethaq (Bank Muscat), Muzn (National Bank of Oman), Tanmia, Ominvest and Oman Investment Corp, Takaful Oman is climbing Oman's Takaful league tables. Joining Medina Takaful among the six largest insurers in Oman, Takaful Oman finds itself in an increasingly better-governed environment. The Capital Market Authority has now established the Supreme Shariah Supervisory Board to govern the sector. This points the Takaful sector on a peer basis with the Islamic banking sector in the Sultanate. To move up higher in the league tables, Takaful Oman required more capital. Takaful Oman's powerful shareholders dilution may not be desirable at this stage, so Takaful Oman issued the first alternative capital perpetual Sukuk. This may also serve the lead shareholder t'azur as a means to test the waters for its larger stable of Takaful interests to issue similar perpetual Sukuk.



Horton



## BANK OF ENGLAND

Let's go a little deeper:

1. Bank of England Alternative Liquidity Facility: We cheated a little. For confidentiality reasons, the Old Lady will not



tell with whom it dealt. That first 'deal' is a secret on Threadneedle Street. Nonetheless, this facility is now actively in use. As previously reported in IFN, Peter Horton, CEO of the UK's oldest and largest Islamic bank, Al Rayan Bank, said: "The commitment to introduce a new ALF ... will help ensure that Islamic banks have the same opportunities as conventional banks in the UK."

Even though we value the achievement for its contribution to the market, **it is not** actually a deal of the year.



2. Infracap Resources's RM15 billion (US\$3.54 billion) Sukuk program: The first issuances under this program bring Sarawak under a new microscope. Often criticized for deforestation, the state has now signed up to a global sustainable development standard for its current and future development and infrastructure projects. In this case, Infracap's Sukuk are to comply with the ESG principles as prescribed under the United Nations Global Compact. This shows a remarkable maturation of the state's strategy. It also supports Malaysia's overall efforts to comply with its duties under the **Paris Agreement**. Close, but **not** the deal of the year.



3. Masraf Al Rayan and Al Khalij Commercial Bank completed their merger on the 1<sup>st</sup> December 2021. The legal merger creates the world's fifth-largest Shariah compliant bank. At US\$50 billion in total assets, the new Masraf Al Rayan overtakes compatriot Qatar Islamic Bank to nip at the heels of Maybank Islamic Bank. The bank's capital has increased from QAR7.5 billion (US\$2.05 billion) to QAR9.3 billion (US\$2.54 billion). Al Khalij shareholders received 0.5 ordinary share in Masraf Al Rayan as consideration for every ordinary share held. With Qatar Investment Authority among its shareholders, the merged bank offers the promise of greater competitiveness in the GCC and Europe. Yet, **not quite** the deal of the year.
4. Takaful Oman: Ranked sixth in Oman's insurance constellation, Takaful Oman is one of only two fully-fledged Islamic insurance companies in the Sultanate. The early starter (placed in January 2021) was the lead innovator in the Takaful world. Takaful Oman's OMR6 million (US\$15.54 million) perpetual Sukuk facility, part of



a OMR25 million (US\$64.77 million) Sukuk program, is the first of its kind in the world. Dr Rawan Al Said, CEO of Takaful Oman, told IFN: "We take this Sukuk as a stepping stone towards further growth locally and regionally, as the demand for Takaful products is increasing steadily across the Middle East."



Dr Rawan

Strongly supported by Oman's Capital Market Authority, the privately placed deal was listed on the Muscat Securities Market — yet another first. But still **not** the deal of the year.



5. Saudi Aramco: Let's start with big. The **US\$2 trillion-valued** company is among the three most valuable in the world; the only non-US company at that level and the only 'old tech' company. Khalid Al-Dabbagh, the senior vice-president of finance, strategy and development at Saudi Aramco, said of the Sukuk: "We are delighted with the strong reception for our inaugural international Sukuk offering that led to the largest orderbook ever recorded globally for a US dollar-denominated Sukuk transaction."

Saudi Aramco is not new to the Sukuk market, its joint ventures have issued as early as 2011. The new deal is freely tradable and approved by the Capital Market Authority of Saudi Arabia. Why not just issue conventional bonds? As Reuters **reported**: "The company chose to issue Islamic bonds over conventional ones due to high demand for the instrument as a result of the low number of dollar Sukuk sales in the Gulf [in 2021]."

But there is more to it. Great credit, 'A'-rated by Fitch Ratings, top producer, most reserves, in an under-borrowed country with a **debt to GDP** of 29.68%, the financial decision is clear. Islamic investors cannot buy conventional bonds. But we have a long track record of conventional investors buying Sukuk. Saudi Aramco got the widest investor universe possible.



Khalid

**Saudi Aramco as our IFN Overall Deal of the Year** gives proof of the maturity of the Sukuk market, its global appeal and its efficacy for important global listed companies as large and important as the issuer itself. (P)

# IFN Best Banks Poll 2021: Another year older, another year wiser...



As we roll into our third year of coronavirus chaos, the world is a very different place to the one we entered at the start of 2020. But while the past two years have thrown up new challenges, it has also brought new opportunities, and this month we are delighted to once again celebrate the movers, shakers and innovators who have seized upon these chances to build new business, create new value and better service their clients. Welcome to the IFN Best Banks Poll 2021, recognizing the leading providers of Shariah compliant banking services across the globe, as voted for by our readers.

Now in its 17<sup>th</sup> year, the IFN Best Banks Poll represents one of the most prestigious accolades in the Islamic finance industry. In a year characterized by volatility, financial institutions have had to withstand numerous systemic shocks, but the resilience of Islamic banks once again shone through. From the growth in trade finance to the emergence of environmental, social and governance as a mainstream asset class, from the outperformance of Shariah compliant indices to the astronomical growth in fintech, it's been a year of surprises — and not just about COVID-19.

With almost 27,500 votes, this year was our biggest yet. So who were the top players for 2021? Read on....

## Regulatory heroes

Financial authorities and agencies have played a key role during the global pandemic, guiding and supporting their local banking systems and assisting their institutions to help and protect those worst affected, as well as strengthening their guidance and regulation to ensure effective oversight. During 2021, we saw the governing bodies within many leading Islamic finance jurisdictions really step up to the plate — and in our first category of the year, we welcome back a leading light of the industry.

In a closely fought contest, 2020's victor came roaring back to take the crown: congratulations to the State Bank of Pakistan for yet another win as the **Best Central Bank in Promoting Islamic Finance**. The bank has consistently promoted and

encouraged Islamic finance within Pakistan, and in 2021 took several significant new steps: including the launch of new Shariah compliant liquidity facilities for its Islamic banking institutions, and the launch of a new licensing and regulatory framework for digital banking. With its governor, Dr Reza Baqir, recently promoted to be the new chairman of the Council of the IFSB, from his role as the deputy chairman in 2021, we can hopefully look forward to even stronger support and leadership from the central bank over the coming year.

Bank Negara Malaysia took second place, up from third spot last year, while the Saudi Central Bank took third place.

## Gulf glory

Over in the GCC, the UAE's banks had another strong year — boosted by the strides forward made by local regulators in promoting Islamic banking.

**Best Islamic Retail Bank** was won by Dubai Islamic Bank (DIB), with Malaysia's CIMB coming second and Pakistan's Meezan Bank coming third. DIB has pushed into new markets recently, and made a determined play in the fintech space. The bank recently launched 'Rabbit', a new digital offering designed to promote Islamic banking within the UAE and other Shariah jurisdictions to help the unbanked get access to financial services.

And in another battle, DIB's local competitor Abu Dhabi Islamic Bank (ADIB) took the crown for **Best Islamic Private Bank**, with Pakistan's Meezan Bank again coming second, and Kuwait Finance House third.

ADIB also took the prize for **Most Innovative Islamic Bank**, perhaps because of its newest service rolled out this year, allowing UAE residents to open bank accounts using facial IDs registered with the country's Ministry of Interior. In the first half of 2021, ADIB reported a 30% rise in digital customers, bringing its digitally enabled audience to around 700,000. "With our digital banking ecosystem, we are really showing what is possible when technology meets financial services," said ADIB's head of distribution channels, Samih Awadhalla. "Our teams have worked tirelessly to bring the best digital banking services and tools to our customers and ensure they have everything they need at their fingertips, enabling them to make easy and simple financial decisions. And it's working. Our recent numbers highlight how fast digital adoption has been across our retail and corporate segments."

## New pastures

In an exciting new development, the prize for **Best New Islamic Bank** went to Asia Alliance Bank, one of the first banks in Uzbekistan to adopt Islamic banking.

“Asia Alliance Bank will be heading towards providing its clients with a new holistic banking exposure,” said Ikram Abdulkakhorov, the chairman of the management board. “We are committed to bring and expand our offerings by implementing innovative and trusted business and technology applications.”

Second place was taken by United Commercial Bank Taqwa in Bangladesh, while third place went to Mercantile Bank TAQWA, also of Bangladesh.

## Service providers

The banks that provide the essential services are of course some of the most important in the industry, and several of our Best Banks categories are designed to recognize and reward these exceptional players. This year, the award for **Best Islamic Trustee/Custodian** goes to Citibank, while second place in a hotly fought contest was taken by Bank of New York Mellon, and third place by HSBC Trustee. It's been a good year for Citibank's custody business — in July 2021, the bank got the nod to become the first major global custodian allowed to operate in China, a major boost to its business and giving it access to the country's US\$19 trillion onshore asset management industry. The firm also recently welcomed a new global head of asset services development recently in the shape of Mike Cowley, who joined from a position as the global head of custody for Deutsche Bank in the Middle East, based in Dubai, where he has spent most of his career.

When it comes to treasury management, the leading players took the ... well, lead. ADIB stole the crown for 2021, while DIB took second place and again, HSBC took third. ADIB has been spreading its wings on the product development side over the past year, and in particular moving out into new markets. In June 2021, the bank launched a brand-new digital banking platform for corporates in Iraq, for example, offering cash management solutions, cash flow forecasting and foreign exchange services. Recently, the bank also hired a new global transaction head, Mark Emmerson, who is expected to push the segment forward yet further, supporting trade and cash management growth in ADIB's core jurisdictions and work with “a range of fintechs” to expand the bank's offering. He joins from Commerzbank, after spending a large chunk of his career with HSBC.

In the last of our group categories, we now come to **Best Islamic Investment Bank**, and here we are delighted to announce that Standard Chartered Saadiq took the crown for 2021, beating last year's winner, CIMB Investment, into second place, while Emirates NBD came third. Standard Chartered Saadiq has been highly active over the past 12 months, appointing Khurram Hilal as global CEO back in July, and more recently confirming Ali Allawala as its head of Islamic banking for the UAE as it targets further growth in the GCC region. The bank has thrown its weight behind supporting SMEs in particular, with a new U

\$S\$1 billion million fund to support Islamic companies announced last year, as well further new business ventures such as its first Islamic window in Brunei.

## Global focus

Moving onto our country awards, and we shall move through them in (largely) alphabetical order.

In **Afghanistan**, we are pleased to announce that last year's winner again took the top spot, with the Islamic Bank of Afghanistan winning the prize and Afghan United Bank coming second. Afghanistan International Bank took third place. Staying in the same region, the award for **Best Islamic Bank in the CIS** (Commonwealth of Independent States) went to Al Hilal Bank (Kazakhstan) for yet another year, with Eco-Islamic Bank (Kyrgyzstan) coming second and Asia Alliance Bank (Uzbekistan) third.

Moving eastwards, and in **Indonesia** — always one of the hottest contests — we are happy to report that Bank Muamalat Indonesia this year took the crown home, with Permata Bank Syariah second and Maybank Indonesia third. Bank Muamalat, which also won in 2020, has grown substantially over the past year as the market expands, boosting its equity just a few months ago with a new rights issue that raised IDR1.19 trillion (US\$84 million) from investors, as well as a Sukuk issuance.

In **Malaysia**, another one of the most sought-after and highly contested categories, we are pleased to be able to reveal that CIMB Islamic won the top prize for 2021, for the sixth year in a row. Last year's third place winner, Maybank Islamic, came second, while Standard Chartered Saadiq snuck into third place. CIMB has always had an exceptionally strong Islamic offering, and in 2021 it doubled down on its ethical and Islamic principles with programs across the board to help COVID-19 victims, Malaysian flood victims, small business owners, and many more. The bank is also pushing ahead with its own digital transformation, launching OctoSavers in August — its first fully digital Islamic savings account.

In **Bangladesh**, it may come as no surprise to learn that Islami Bank of Bangladesh won the prize, while Standard Chartered Saadiq (Bangladesh) interestingly came up the inside lane to take second and United Commercial Bank came third. In **Pakistan**, last year's winner Meezan Bank yet again took top spot, with BankIslami Pakistan second and Faysal Islamic Bank third. In **Sri Lanka**, MCB Bank won the day with Amana Bank (Sri Lanka) and Commercial Bank (Al Adalah Islamic Banking) following behind.

For 2021, the award for **Best Japanese Bank Offering Islamic Financial Services** went once again to MUFG Bank, formerly Bank of Tokyo Mitsubishi UFJ (the 2020 and 2017 winner), Japan's largest bank and the eighth-largest in the world. Sumitomo Mitsui Banking Corporation was second and Mizuho Bank came third.

Crossing to Africa, and we shall start with **Egypt**, where Faisal Islamic Bank came top (last year's runner-up), while National Bank of Egypt came second and last year's winner, Abu Dhabi Islamic Bank (Egypt) came third. In **Morocco**, Al Akhdar won the award again for 2021, with Dar Al-Amame second and Bank Assafa third. In **Kenya**, 2020 victor Dubai Islamic Bank Kenya took the top spot again, followed by Absa Bank Kenya and National Bank of Kenya. In **Libya**, First Gulf Libyan Bank won



the day, followed by National Commercial Bank and Al Waha Bank. Long-standing regional player **Nigeria** saw its Best Bank Award for 2021 yet again go to Taj Bank (with Sterling Bank second and Jaiz Bank third), and in **South Africa**, 2020 winner AlBaraka Bank South Africa came first with Standard Bank (South Africa) second and First National Bank third. In **Sudan**, Faisal Islamic Bank won for the second year in a row (with AlBaraka Bank Sudan and Al Salam Bank (Sudan) coming second and third) while in **Somalia**, Salaam Somali Bank won again, with Premier Bank and last year's runner up Dara-Salaam Bank following. In **Tunisia**, AlBaraka Bank Tunisia took first place with Banque Zitouna second and Wifak Bank third, and in **Tanzania**, the National Bank of Commerce (Tanzania) won the award, with Amana Bank (Tanzania) second and Stanbic Bank Tanzania third.

Moving over to the Middle East, and it was an active year for the region's Islamic banks. In the **UAE**, DIB took the hotly-fought top spot, with ADIB a close second and Emirates Islamic as runner up. DIB, the UAE's biggest Shariah compliant bank, has had a strong year — and, like so many others, has shifted its focus firmly toward the digital, including with the launch of its new 'funtech' offering, Rabbit, which aims to attract younger users to the bank.

In **Saudi Arabia**, local giant Al Rajhi yet again came first, with Bank AlJazira and National Commercial Bank in second and third place, while in **Qatar**, we saw 2020 winner Qatar Islamic Bank (QIB) take the crown with QIIB and Dukhan Bank follow behind. In **Oman**, 2020 winner Bank Nizwa won the award for 2021, with Bank Muscat second and Alizz Islamic Bank third. In **Bahrain**, National Bank of Bahrain came top with AlBaraka Islamic Bank of Bahrain second and Bahrain Islamic Bank third. In **Kuwait**, interestingly, Kuwait Finance House reemerged as the winner (after missing out on a placement in 2020) while last year's winner National Bank of Kuwait came second, and Kuwait International Bank came third.

Moving outwards to the wider Middle Eastern region, in **Iran**, Ansar Bank took the top spot (followed by Middle East Bank and Iran Zamin Bank), while in **Iraq** the prize went to Iraqi Islamic Bank (followed by Iraq Noor Islamic Bank and National Islamic Bank). In **Jordan**, Jordan Islamic Bank was once again voted the winner, and in **Lebanon**, AlBaraka Bank Lebanon took top spot. Palestine Islamic Bank took the prize in **Palestine**, pushing last year's winner Arab Islamic Bank into second place, while in **Syria** we saw AlBaraka Bank Syria scoop the award. In **Yemen**, Saba Islamic Bank was voted top. Finally, in **Turkey**, last year's winner AlBaraka Turk Participation Bank yet again won a resounding victory, with Turkiye Finans Katilim Bankasi coming second and Kuveyt Turk Katilim Bankasi third.

Finally, in the **UK**, we saw last year's winner Gatehouse Bank voted Best Islamic Bank again, with Bank of London and The Middle East second and Abu Dhabi Islamic Bank (UK) third.

## The big reveal

But of course, there can only be one overall winner. It is the one you have all been waiting for. It is the big win, the big cheese, the big kahuna. The shortlist was once again exceptional, and it's going to be one of our most closely fought contests. In the top group of three, it is a battle between Malaysia's CIMB Islamic, the UAE's Dubai Islamic Bank and Pakistan's Meezan Bank.

It is with great honor that we reveal the IFN Best Overall Islamic Bank is none other than reigning champion Dubai Islamic Bank! As one of the world's largest Islamic banks, the banking heavyweight continues to be a household name with innovative products, exceptional service and deep Shariah finance know-how.

Our heartiest congratulations to Dubai Islamic Bank for yet another outstanding year. 🎉

## Best Islamic Bank by Sector

### BEST OVERALL ISLAMIC BANK

*Dubai Islamic Bank*

### BEST CENTRAL BANK IN PROMOTING ISLAMIC FINANCE

*1<sup>st</sup>: State Bank of Pakistan 2<sup>nd</sup>: Bank Negara Malaysia 3<sup>rd</sup>: Saudi Central Bank*

### BEST ISLAMIC PRIVATE BANK

*1<sup>st</sup>: Abu Dhabi Islamic Bank 2<sup>nd</sup>: Meezan Bank 3<sup>rd</sup>: Kuwait Finance House*

### BEST ISLAMIC RETAIL BANK

*1<sup>st</sup>: Dubai Islamic Bank 2<sup>nd</sup>: CIMB Islamic 3<sup>rd</sup>: Meezan Bank*

### BEST NEW ISLAMIC BANK

*1<sup>st</sup>: Asia Alliance Bank 2<sup>nd</sup>: United Commercial Bank Taqwa 3<sup>rd</sup>: Mercantile Bank TAQWA*

### MOST INNOVATIVE ISLAMIC BANK

*1<sup>st</sup>: Abu Dhabi Islamic Bank 2<sup>nd</sup>: Meezan Bank 3<sup>rd</sup>: Dubai Islamic Bank*

### BEST ISLAMIC TRUSTEE/CUSTODIAN

*1<sup>st</sup>: Citibank 2<sup>nd</sup>: Bank of New York Mellon 3<sup>rd</sup>: HSBC Trustee*

### BEST ISLAMIC BANK FOR TREASURY MANAGEMENT

*1<sup>st</sup>: Abu Dhabi Islamic Bank 2<sup>nd</sup>: Dubai Islamic Bank 3<sup>rd</sup>: HSBC*

### BEST ISLAMIC INVESTMENT BANK

*1<sup>st</sup>: Standard Chartered Saadiq 2<sup>nd</sup>: CIMB Investment Bank 3<sup>rd</sup>: Emirates NBD*

### Best Islamic Bank by Country

#### EUROPE

##### TURKEY

**AlBaraka Turk Participation Bank**  
*Turkiye Finans Katilim Bankasi*  
*Kuveyt Turk Katilim Bankasi*

##### UK

**Gatehouse Bank**  
*Bank of London and The Middle East*  
*Abu Dhabi Islamic Bank (UK)*

#### AFRICA

##### ALGERIA

**Al Salam Bank**  
*Banque Al Baraka D'Algerie (Albaraka)*  
*Gulf Bank Algeria*

##### EGYPT

**Faisal Islamic Bank**  
*National Bank of Egypt*  
*Abu Dhabi Islamic Bank (Egypt)*

##### KENYA

**Dubai Islamic Bank Kenya**  
*Absa Bank Kenya*  
*National Bank of Kenya*

##### LIBYA

**First Gulf Libyan Bank**  
*National Commercial Bank*  
*Al Waha Bank*

##### MOROCCO

**Al Akhdar Bank**  
*Dar Al-Amane*  
*Bank Assafa*

##### NIGERIA

**Taj Bank**  
*Sterling Bank*  
*Jaiz Bank*

##### SOUTH AFRICA

**AlBaraka Bank South Africa**  
*Standard Bank (South Africa)*  
*First National Bank*

##### SOMALIA

**Salaam Somali Bank**  
*Premier Bank*  
*Dara-Salaam Bank*

##### SUDAN

**Faisal Islamic Bank**  
*AlBaraka Bank Sudan*  
*Al Salam Bank (Sudan)*

##### TANZANIA

**National Bank of Commerce (Tanzania)**  
*Amana Bank (Tanzania)*  
*Stanbic Bank Tanzania*

##### TUNISIA

**AlBaraka Bank Tunisia**  
*Banque Zitouna*  
*Wifak Bank*

#### INDIAN SUBCONTINENT

##### AFGHANISTAN

**Islamic Bank of Afghanistan**  
*Afghan United Bank*  
*Afghanistan International Bank*

##### BANGLADESH

**Islami Bank Bangladesh**  
*Standard Chartered Saadiq (Bangladesh)*  
*United Commercial Bank*

##### PAKISTAN

**Meezan Bank**  
*BankIslami Pakistan*  
*Faysal Islamic Bank*

##### SRI LANKA

**MCB Bank**  
*Amana Bank (Sri Lanka)*  
*Commercial Bank (Al Adalah Islamic Banking)*

#### COMMONWEALTH OF INDEPENDENT STATES

**Al Hilal Bank (Kazakhstan)**  
*Eco-Islamic Bank (Kyrgyzstan)*  
*Asia Alliance Bank (Uzbekistan)*

#### ASIA

##### INDONESIA

**Bank Muamalat Indonesia**  
*Permata Bank Syariah*  
*Maybank Indonesia*

##### JAPAN

**MUFG Bank**  
*Sumitomo Mitsui Banking Corporation*  
*Mizuho Bank*

##### MALAYSIA

**CIMB Islamic**  
*Maybank Islamic*  
*Standard Chartered Saadiq*

#### MIDDLE EAST

##### BAHRAIN

**National Bank of Bahrain**  
*AlBaraka Islamic Bank of Bahrain*  
*Bahrain Islamic Bank*

##### IRAN

**Ansar Bank**  
*Middle East Bank*  
*Iran Zamin Bank*

##### IRAQ

**Iraqi Islamic Bank**  
*Iraq Noor Islamic Bank*  
*National Islamic Bank*

##### JORDAN

**Jordan Islamic Bank**  
*Islamic International Arab Bank*  
*Al Rajhi Bank (Jordan)*

##### KUWAIT

**Kuwait Finance House**  
*National Bank of Kuwait*  
*Kuwait International Bank*

##### LEBANON

**AlBaraka Bank Lebanon**  
*Lebanese Islamic Bank*  
*BLOM Development Bank*

##### OMAN

**Bank Nizwa**  
*Bank Muscat*  
*Alizz Islamic Bank*

##### PALESTINE

**Palestine Islamic Bank**  
*Arab Islamic Bank*  
*Arab Bank (Palestine Territories)*

##### QATAR

**Qatar Islamic Bank**  
*QIIB*  
*Dukhan Bank*

##### SAUDI ARABIA

**Al Rajhi Bank**  
*Bank AlJazira*  
*National Commercial Bank*

##### SYRIA

**AlBaraka Bank Syria**  
*Syrian International Islamic Bank*  
*Cham Bank*

##### UAE

**Dubai Islamic Bank**  
*Abu Dhabi Islamic Bank*  
*Emirates Islamic*

##### YEMEN

**Saba Islamic Bank**  
*Shamil Bank of Yemen and Bahrain*  
*CAC Bank*

Note: Red: Winner; Black: Runner-up Blue: Third

# IFN Law Awards 2021: Results



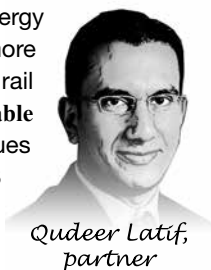
**The pall of COVID-19 hangs over this year's competition. Stalwarts of the past are missing. And yet, the volume of submissions is surprisingly unchanged. When it comes to quality, the darkness of COVID-19 was absent.**

The distribution of submissions was concentrated in the 'Banking & Finance' and 'Capital Markets' categories. Banks had to address COVID-19 moratoria, LIBOR [London Interbank Offered Rate] transition and AAOIFI Shariah Standard 59. The capital markets included IPOs, Sukuk newcomer the Republic of the Maldives and low to moderate income housing in Nigeria.

Nonetheless, the remaining categories attracted strong submissions. Separating the wheat from the chaff is problematic. There are national and regional champions competing with global firms. There is the legal eagle making an outstanding contribution compared to the firms making incremental contributions across multiple spaces or the firms achieving execution excellence without innovation. As we consider the cases, we have a bias in favor of those growing the Islamic finance market. Yet, we have kept an eye out for those who bring the leadership that establishes the foundation for the market to grow upon.

The 'Asset Management & Islamic Funds' category had affects across categories. There was access to global funds managed by GCM Grosvenor. There was an unusual listed multi-asset fund. And there was private equity with landmark deals bringing Cerberus to the GCC and Western Union creating the first GCC unicorn.

Energy is omni-important. Alternative energy is becoming, step by step, slightly more important. Projects went beyond energy to rail and water. Like alternative energy, **sustainable and responsible investment (SRI)** continues with more of the same from the IsDB Group and the Republic of Indonesia.



Qudeer Latif,  
partner

But there will be a surprise.

The real estate markets covered REITs and expanded to Belfast.

Just when we got over Dana Gas, NMC had to be fixed. This allowed the first test case for the Abu Dhabi Global Markets.

Fintech surpassed mega in deal size. But our titans, King & Spalding and Simmons & Simmons, ceded just enough space for Hammad & Al Mehdar. With all of the fintech activity, one would have expected many more law firms to emerge with contending credentials.

In contrast to previous years, an African champion emerged but some of our expected premier competitors went missing. Malaysian and UAE-based firms continued to dominate the submissions.

## Arbitration, Insolvency & Restructuring

**Overview:** Difficulties addressed in 2020–21 often started long before. For instance, Malaysian Airlines has struggled for decades. Garuda has kept it company. If the aviation business is tough, obligors have found other ways to fall into difficulties. NMC Healthcare, a good business, dropped into administration from bad governance. Real estate has its cycles and risks.

**Contenders:** Clifford Chance worked on the restructuring of Garuda's Sukuk. The firm advised Emirates NBD and Dubai Islamic Bank on their exit from DXB Entertainments with their debts transferred to Meraas Leisure with an equity conversion. And, Clifford Chance advised the debtor-in-possession funding of NMC Healthcare in administration.

Zul Rafique advised and acted for Kumpulan Wang Persaraan (KWAP) on the Malaysia Aviation Group debt restructuring exercise. The goal was to assure the group's long-term sustainability, particularly after the COVID-19 crisis. The debt restructuring exercise converted the entire outstanding unrated senior perpetual Sukuk Musharakah into redeemable convertible preference shares issued to KWAP.

Mayer Brown represented FRP Advisory and the receivers in connection with the distressed sale a London real estate asset. Tadamon Capital and Jadawel had financed the property through Murabahah. The Murabahah facility was unwound in a Shariah compliant manner.



Robin Abraham,  
partner, Dubai

**Winner: Clifford Chance**



**Why:** Clifford Chance advised HSBC and Emirates Islamic on the administration funding facility and Emirates Islamic's role as the investment agent on the Islamic facility for NMC Healthcare (in administration). The restructuring covered conventional and Tawarruq facilities. The business was moved to the Abu Dhabi Global Market (ADGM) where it was the first administration. The restructuring was under the ADGM's 'priority funding regime' which is akin to a 'debtor in possession' financing regime. In addition to the novel nature of the administration funding facility, it also involved complex Islamic structuring applying AAOIFI Shariah Standard 59 principles to the new Tawarruq facility and a Wa'ad to implement the 'elevation' mechanic for the Islamic participants.

The UAE's largest private medical services provider secured 95% of the eligible creditor votes for the deeds of company arrangement proposals. The importance of this deal was stressed by the creditors as the reorganization was under **discussion:** Creditors worried that failure to restructure might lead to liquidation or a distressed sale of an operationally sound business.

*Honorable mention: Mayer Brown and Zul Rafique*

## Asset Management & Islamic Funds

**Overview:** Asset management and funds frequently involve novel ideas, tests and experiments. Some entries in this category arrive with some many confidential stamps that there is no information to be shared. Yet, innovation and excellence remain hallmarks of this category. Future years might reveal whether or not the question of an Islamic repo can be solved and delivered through a fund or asset manager. Others might address securitization. In 2020–21, the tinkering with new ideas brought forward a multi-asset traded funding in Saudi Arabia, bringing Shariah compliant credit funds.

**Contenders:** Morgan Lewis was engaged across several asset management and fund sectors. The firm assisted Dubai-based NBK Capital Partners to launch a private credit fund to finance mid-market companies in the UAE and Saudi Arabia. The firm also guided Warba Bank on the structuring of a master fund to hold its diversified global portfolio.

Mayer Brown was busy as well. Fund activities included securitizing receivables derived from US-based self-storage assets, facilitating a Shariah compliant investment structure into the GCM Grosvenor Co-Investment Opportunities Fund II and the development of various Shariah compliant feeder funds.

King & Spalding worked with Alkhabeer Capital to structure an innovative diversified traded fund that includes trade finance, commodity finance and leasing among the fund assets. The fund's IPO began on Sunday (6<sup>th</sup> December 2020) and concluded on Thursday (24<sup>th</sup> December 2020), attracting more than 89,000 individuals and institutional

investors, with a net subscription value of SAR472.8 million (US\$125.9 million).

**Winner: Mayer Brown International**

**Why:** The firm's hyperactivity in the sector was capped by two deals that brought a major global asset manager to the Shariah compliant investor market. The first was Warba Bank's US\$25 million investment in Global Energy & Power Infrastructure Fund III via a Murabahah–Musawwamah structure. The process led to a novel master structure consolidating Shariah compliant investments. Separately, Mayer Brown assisted Jadwa and its client to cooperate on a blended Wakalah–Murabahah–Musawwamah structure giving Jadwa access to the client's private equity investments.

*Honorable mention: King & Spalding and Morgan Lewis*

## Banking & Finance

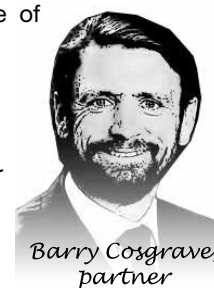
**Overview:** Always one of the hottest areas of competition, the 'Banking & Finance' category draws strong regional and global players. When the capital markets soften, the banking markets pick up. Customization is a frequent feature of the banking markets. 2020–21 started with the SAR9 billion (US\$2.4 billion) syndicated Tawarruq for Saudi Electricity Company and included the landmark syndication for a MENA sovereign. The past year also required the in-depth attention of banks to central bank mandates for granting leniency to COVID-19-afflicted obligors.

**Contenders:** Shook Lin & Bok was deeply involved with the review and adjustment of Malaysian financing documents. This came with Bank Negara Malaysia's moratorium imposed to support individuals, SMEs and corporates afflicted by COVID-19. And the firm kept on working on new deals for leading Malaysian banks.

Dentons advised the banking syndicate for an AAOIFI Shariah Standard 59-compliant Tawarruq financing for a MENA sovereign. In an environment that will soon upset the Murabahah appletart with the *Secured Overnight Financing Rate*, Dentons supported bilateral financings between UAE banks using Mudarabah.

Allen & Overy (A&O) was party to the Saudi Electricity Company (SEC) syndicated Tawarruq. The firm restructured Mashreq Bank's syndicated deal for Egypt's Evergrow for Specialized Fertilizers. It counseled the bankers on deals in the UAE and Jordan. The Jordanian deal raised complex collateral issues, covenants, conventional tranches and Ijarah tranches. As expected, A&O was active in the GCC with SEC and Tabreed.

**Winner: Allen & Overy**



**Why:** There is no doubt that A&O is a leading banking law firm in the GCC. With the strong connections between Egypt and the GCC, it is no surprise that A&O would represent the Emirati lead bank for a syndicated deal for Egypt's Evergrow for Specialized Fertilizers. This US\$400 million deal was a restructuring of the company's bank lines, delivered as a co-financing with both a conventional loan and Islamic financing. The Islamic financing element was an Ijarah facility. The deal is one of the **largest** US dollar private sector financings in Egypt.

A distinguishing feature of this deal is the adoption of the Equator Principles. Formulated in **2003**, the principles are meant to help manage environmental and social risks in project financing. The applied provisions include both environmental and social conditions precedent to utilization, various post-closing deliverables and robust ongoing monitoring rights. Imagine documenting these in the conditions precedent and then the representations and warranties. This is a reflection of the increased financial sector embrace of corporate social responsibility and its integration to important emerging markets like Egypt.

*Honorable mention: Dentons and Shook Lin & Bok*

## Capital Markets

**Overview:** This was one of the hottest competitions ever for the 'Capital Markets' category. And this is always a hot segment. Some firms were involved in IPOs as well as Sukuk. Others added REITs to the mix. There were new markets: Brunei, the Maldives and Nigeria. The market was so vibrant that one could be excused for not noticing the pandemic.

**Contenders:** The Metropolitan Law Firm of Nigeria advised Family Homes Funds on raising NGN10 billion (US\$24.25 million) as the first issuance of a NGN30 billion (US\$72.74 million) program. The Sukuk follow the tried-and-true Ijarah model. The seven-year Sukuk facility supports the development of up to 5,000 affordable homes.

Clifford Chance was, as expected, everywhere. It advised the government of the Maldives on its maiden Sukuk issuance and it was back with the latest Republic of Indonesia transaction. Clifford Chance was all over the GCC and it brought Her Majesty's Treasury back to the Sukuk market with a bigger transaction in a more complex tax environment.

Albar & Partners was the first among equals in Malaysia. From the Mr. DIY IPO to the multicurrency Sukuk program for Sapura Energy, the firm was

omnipresent. Notable achievements include Sukuk issuances for REITs and Sukuk Mudarabah for Leong Cup (Malaysia).

### Winner: Albar & Partners

**Why:** Albar & Partners also stood tall — a national champion besting the international competition. The breadth and innovation in Albar's 2020–21 work showed in the two IPOs of Mr. DIY and MDGM. The latter, a Shariah counter, was successfully sold as a 144A security into the US market. The array of Sukuk deals included the Malaysian subsidiary of a Turkish hygiene company, two REITs and multicurrency deals. Notable for the use of Mudarabah was Albar's advice relating to the Islamic medium-term note program by Leong Hup Capital, a subsidiary of Leong Hup International. The parent is an ASEAN leader in poultry supply chain activities and livestock feed production. The unsecured Sukuk are guaranteed by the parent.

*Honorable mention: The Metropolitan Law Firm (Nigeria) and Clifford Chance*

## Energy & Natural Resources

**Overview:** This business segment remains heavily weighted toward hydrocarbons. Yet, there is the expanding role of alternative energy. Even Saudi Arabia is pushing aggressively into solar. Yet, the scale of solar and wind remains much less than hydrocarbons. Although Saudi Arabia and Malaysia dominate this category, Pakistan and the NASDA wind project make an appearance.

**Contenders:** Khoshaim & Associates was involved with the Aramco–Baker Hughes non-metallics joint venture for energy-related products, and the new Sipchem joint venture with Linde for gas production and supply systems.

In contrast, Allen & Overy was deeply involved in energy finance in Saudi Arabia and the UAE. Among these was Saudi Electricity Company (SEC)'s SAR9 billion syndicated Murabahah. The firm also advised on SEC's US1.3 billion green Sukuk as the company introduces smart meters and works to integrate renewable energy into the Saudi grid. This transaction required the firm to balance the differing Shariah views of the financiers.

Rahmat Lim & Partners was a key capital markets advisor on energy-related Sukuk. The firm advised both solar and traditional energy businesses like Sapura Energy Group. The firm was also engaged in the development of the frameworks for green energy financing in the wider region.

### Winner: Rahmat Lim & Partners



*Julian Johansen,  
partner, Middle East  
head of banking*



*Chung Swee Loong,  
managing partner*



*Lily Tan Chea Li,  
managing partner*

**Why:** A theme in 2020–21 is the role that Malaysian law firms have played in either developing or implementing principles. For instance, Rahmat Lim & Partners advised Infracap Resources, a Sukuk issuer, on its issuance which complied with environment, social and governance (ESG) principles as prescribed under the United Nations Global Compact. This is more difficult than meets the eye as Rahmat Lim & Partners had to assist in putting together a unique audit trail that would both allow the state government of Sarawak in Malaysia the flexibility required to cater to the requirements of subnational financing of a large number of projects with various stages of completion, while at the same time providing sufficient comfort and disclosure for the Sukukholders.

In another framework deal, Rahmat Lim & Partners advised OCBC Al-Amin Bank as the principal advisor, lead arranger and lead manager on Solar Management (Seremban)'s ASEAN Green SRI Sukuk issuance worth RM260 million (US\$62.02 million).

The firm also assisted the Asia Pacific Loan Market Association on its new Shariah compliant General Facilities Agreement template for use in the Malaysian market with the assistance of various stakeholders in Malaysia.

*Honorable mention: Khoshaim & Associates and Allen & Overy*

## ESG, Green & SRI

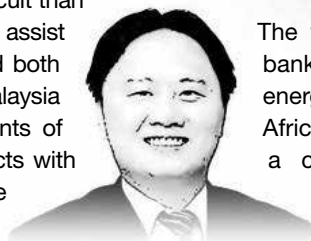
**Overview:** Solar is a continuing story from Malaysia to Saudi Arabia. The Republic of Indonesia continued with its green Sukuk, and the IsDB with its sustainable Sukuk.

**Contenders:** Just as one would expect, Clifford Chance built on its earlier green portfolio. Work this year included important deals like the Republic of Indonesia and landmark transactions like Etihad Airline's Unity 1 green Sukuk. The firm moved into the private market with a novel co-financing for waste-to-energy leader Averda.

Dentons not only advised the IsDB on its second sustainable Sukuk issuance, but it advised the lead arrangers on Majid Al Futtaim's green Sukuk issuance. Dentons engaged supported financiers providing a green facility to an Abu Dhabi government-related entity.

Rahmat Lim & Partners was engaged across the solar and green space in Malaysia. Its work with Infracap Resources built on its expertise in ESG and public policy. This is an area of focus for the firm. The underlying projects are meant to comply with the ESG principles as prescribed under the United Nations Global Compact.

**Winner: Clifford Chance**



*Wan Kai Chee, head of financial services*

**Why:** ESG Sukuk are moving into their second and third issuances, typically under programs. Whether ASEAN or the GCC, the basics are in control and Clifford Chance has played a prominent role in many of these deals and their various iterations. It certainly did again in 2020–21.

The tiebreaker was Clifford Chance's advice to the banks on green financing for Averda, the waste-to-energy group. Averda is active in North America, Africa, the GCC, India and the UK. The financing was a conventional-Islamic co-financing. The Islamic facilities utilized Ijarah. The transaction is **aligned** to green financing based on the Loan Market Association's Green Loan Principles. The security package encompasses eight jurisdictions in North America, the Middle East and Africa.

Like many of the other transactions reviewed, the inclusion of independent principles allows for the measurement of performance. Clifford Chance is part of the wider effort to bring accountability to a financing space once accused of 'greenwashing'.

*Honorable mention: Rahmat Lim & Partners and Dentons*

## Fintech

**Overview of the contenders:** Fintech is the Ali-Frazier section of these awards. One year, King & Spalding awes us. The next Simmons & Simmons wows us. In a GCC swimming in fintech, ASEAN bursting at the seams with fintech and London bubbling over with fintech, one would imagine other firms surging into the fray. And yet, there they are, the consistent heavyweights.

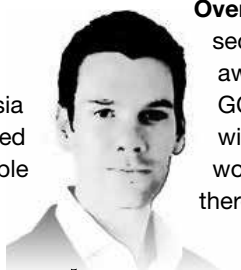
King & Spalding advised Western Union on its acquisition of STC Pay. This deal valued the Saudi fintech — Saudi Arabia's first unicorn and the third in the GCC — at US\$1.3 billion. The matter involved various regulatory approvals from the Saudi Central Bank, the Saudi Competition Authority, the Ministry of Investment and the Ministry of Commerce.

Simmons & Simmons advised International Smart Card of Iraq, First Abu Dhabi Bank's MAGNATI project and investors in various GCC-based fintechs — a flurry of punches.

Do note that Hammad & Al-Mehdar Law Firm represented Bahrain's open banking champion Tarabut Gateway in securing US\$13 million in a seed funding. A key next step for Tarabut is expansion into the UAE.

**Winner: Simmons & Simmons**

**Why:** Our cross-border market-leading international fintech team has advised Boubayan Bank and the Bank of London and The Middle



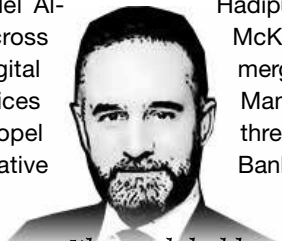
*Graham Brewer, partner, banking & finance, UAE*



*Angus McLean, global head of fintech*



East on the creation of Nomo, the world's first international Islamic digital bank. Nomo required us to look at things through the lens of multiple laws and regulations which presented additional challenges. Boubyan Group CEO Adel Al-Majed **said** about Nomo: "Most Islamic banks across the wider GCC region are behind the global digital curve in terms of the digital products and services being offered to customers. Nomo aims to propel Islamic digital banking towards a more innovative future where the priority is customer convenience on an international scale. To achieve this, we have put together a carefully selected team of global digital banking and payments experts to help us create the future of Islamic international digital banking."



*Muneer Khan, global head of Islamic finance and Middle East regional head*

In all, it has been a real demonstration of the market-leading digital business's Islamic finance and financial sector expertise. These are the foundational skill sets that make Simmons & Simmons as the Bank of England's only invited law firm to join its fintech community.

*Honorable mention: King & Spalding and Hammad & Al-Mehdar Law Firm*

## Mergers & Acquisitions

**Overview:** The discussion of making Islamic banking better through mergers has long been just that. This award season features Islamic banking mergers in Indonesia, Qatar and Saudi Arabia. Add Western Union's acquisition of STC Pay and the financial sector shows very well.

**Contenders:** Khoshaim & Associates advised Samba Financial Group on all aspects of its merger with National Commercial Bank. In addition to creating this new Saudi Arabian and Islamic banking champion, the firm worked on public mergers of consequence for Vision 2030.

In addition to its work on the award-winning Western Union deal, King & Spalding guided US private equity giant Cerberus in connection with its co-investment with Olive Rock Partners in the shares in United Eastern Medical Services. The target is a long-established healthcare facility operating in the UAE and Saudi Arabia.

Clifford Chance advised Al Khalij Bank on its merger with Masraf Al Rayan which created a QAR183 billion (US\$50.25 billion) giant. Clifford Chance also counseled Noor Investment Group and Noor Bank on the disposition of Noor Takaful General and Noor Takaful Family to Dar Al Takaful for AED215 million (US\$58.53 million). Clifford Chance in cooperation with Abuhimed Alsheikh Alhagbani Law Firm advised National

Commercial Bank on the its merger with Samba Financial Group.

Hadiputranto, Hadinoto & Partners, a member of Baker McKenzie, acted as the transaction counsel for the merger of Bank BRIsyariah (BRIS), Bank Syariah Mandiri and Bank BNI Syariah, subsidiaries of the three largest state-owned banks in Indonesia, namely Bank Rakyat Indonesia, Bank Mandiri and Bank Negara Indonesia. The merged entity, BRIS, has total assets of more than IDR200 trillion (US\$14.04 billion) making it one of Indonesia's 10 largest banks by assets. The merger is expected

to improve the competitiveness and penetration of Shariah banking in Indonesia.

### Winner: Khoshaim & Associates

**Why:** There is no doubt that the Samba-NCB merger is exceptionally significant for both Saudi Arabia and Islamic banking. That is why the deal required local powerhouse Khoshaim & Associates and global titan Clifford Chance in collaboration with Abuhimed Alsheikh Alhagbani Law Firm. By itself, the deal's complexity should elevate both to the top.



*Raza Rizvi, Middle East fintech lead*

The tiebreaker was Khoshaim's role in advising the Ministry of Economy and Planning and Ministry of Finance on the merger of the General Organization for Social Insurance (GOSI) and Public Pension Agency. The US\$250 billion deal

required a regulatory analysis of how the merger of two public funds can take place. Khoshaim performed due diligence on the contracts and relationships of the two entities, including on their equity, debt, fund and real estate investments. The merged fund not only holds large stakes in Saudi companies, but also has a global portfolio across multiple asset classes.

Why is this deal significant? It reduces friction among the state funds. **According** to Saudi Finance Minister Mohammed Al-

Jadaan, the merger would strengthen the financial position of the pension fund, by maximizing investment returns and boosting performance as part of Vision 2030.

The outcome is meant to be a powerful sovereign wealth fund. Saad Al-Fadly, CEO of Hassana, fund manager for GOSI, **shared:** "The local market is key for us. We have a relative privilege for being a local investor that is well aware about the market. This is in addition to the huge opportunities that we expect to emerge with the programs of the Kingdom's Vision 2030, especially privatization and investment infrastructure."



*Zeyad Khoshaim, managing partner*

*Honorable mention: King & Spalding, Hadiputranto, Hadinoto & Partners and Clifford Chance*

## Offshore Finance

**Overview:** The movement of funds between jurisdictions between the rails of anti-money laundering and tax is challenging and complex. The funds and Sukuk markets leverage the capacity of offshore centers in order to allow for reduced friction without straying outside the guard rails. This certainly affected deals like Cerberus entering the GCC and a major global asset management firm attracting GCC funding.

**Contenders:** Morgan Lewis supported Kuwait-based institutions including NBK Capital Partners and Warba Bank to innovate their fund structures. King & Spalding brought Cerberus into the GCC for private equity transactions while shepherding the Western Union deal.

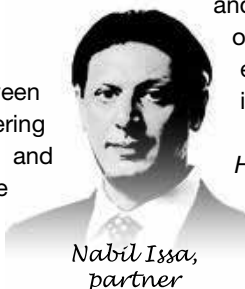
Mayer Brown structured unique inbound investment structures for GCC investors to participate in major global funds operated by a leading international asset manager and GCM Grosvenor.

K&L Gates and Clifford Chance managed the multi-jurisdictional, convoluted merger of Al Khali Commercial Bank and Masraf Al Rayan.

**Winner: Morgan Lewis**

**Why:** Morgan Lewis supported Warba Bank's migration of its existing Shariah compliant funds to a master structure. This required managing at least 10 funds in the US, Cayman Islands and Singapore, among others. The unique structure facilitates participation in a blend of fund types.

The keystone of Morgan Lewis's offshore work was its representation of NBK Capital Partners, Dubai. Morgan Lewis assisted the firm to structure and form a Shariah compliant private credit fund in the Cayman Islands. The fund is mandated to finance mid-market companies across the Middle East with a focus on the UAE and Saudi Arabia. The fund's investors include Saudi Arabia's Public Investment Fund as well as US and European **institutional investors**. The senior managing director of NBK Capital **stated** that the fund would address the funding gap for regional companies chained by changing regulations and inefficient capital markets, and hobbled by the COVID-19 pandemic. The fund will emphasize on opportunities in Saudi Arabia, the UAE, Egypt as well as the adjacent markets of Jordan, Morocco



*Nabil Issa,  
partner*

and Tunisia. The fund will target 10 to 12 investments of US\$15–50 million in critical sectors like healthcare, education, food and beverage, manufacturing/industrial and business services.

*Honorable mention: King & Spalding, Mayer Brown, KL Gates, and Clifford Chance*

## Private Equity

**Overview:** Most private equity deals close out of sight. Some are too attractive, too important to conceal. Cerberus portends an increased global confidence in Saudi Arabia and GCC opportunities. Fintech and real estate private equity were among the transactions submitted.

**Contenders:** Hammad & Al-Mehdar Law Firm guided Tarabut Gateway in documenting its seed funding and plotting its next steps.

Zul Rafique advised on the joint venture between Permodalan Nasional's subsidiary MIDF Property, KWEST and the AREA Group of Companies for a RM1.4 billion (US\$333.93 million) logistics hub in Selangor.

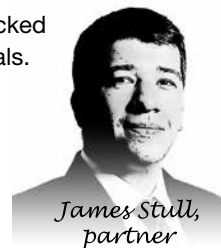
King & Spalding, ever the heavyweight, clocked in with the Cerberus and Western Union deals.

**Winner: King & Spalding**

**Why:** The importance of the Western Union deal alone is probably enough to win this category. As STC Group Chairman Mohammed Khalid Abdullah Al Faisal **reflected** upon STC's goal of acting as a "digital enabler", the deal created the first "Saudi unicorn and the first fintech unicorn in the Middle East".

But King & Spalding advised Frontier (Cerberus), an affiliate of Cerberus Capital Management, in connection with its co-investment with Olive Rock Partners, for their joint acquisition of shares in United Eastern Medical Services from Al Jaber Group. This Saudi Arabia- and UAE-focused investment is Cerberus's first into the Middle East. King & Spalding worked on the acquisition, the co-investment structure, the joint venture arrangements and Shariah compliant financing arrangements in connection with the transaction.

The deal reflects the first significant investment by a non-GCC party in the healthcare sector outside of joint ventures with governmental parties. The financially distressed seller required an unusual structure which included negotiations over the distribution of the proceeds not only with the seller but with its financiers. Moreover, Cerberus required deal



*James Stull,  
partner*



*Jawad Ali, managing partner  
of Middle East Offices and team  
leader of Corporate, Finance  
and Investment Group*



*Ayman Khaleq,  
partner*



*Simon Rahimzada,  
partner*

certainty and required that the joint venture with Olive Rock be created in an English law jurisdiction. The restructuring also triggered foreign investment restrictions and required a series of agreements providing the parties their required level of investment while meeting local law requirements that the healthcare facility continues to be at least officially 51% Emirati-owned.

Muhannad Qubbaj, the founding partner of Olive Rock, **stated:** “We are excited to partner with the UE Medical team and shareholders to further enhance the growth of this exceptional platform within Abu Dhabi and its neighboring Emirates as well as abroad, focusing initially on Saudi Arabia.”

*Honorable mention: Hammad & Al-Mehdar Law Firm and Zul Rafique*

## Project & Infrastructure Finance

**Overview:** Project finance was moderately unaffected by COVID-19. Key infrastructure continued to be built, and refineries and alternative energy plants proceeded. Slowly, green criteria are being applied across the Islamic finance markets as even hydrocarbon-linked businesses seek to reduce their carbon signature.

**Contenders:** Indonesia’s UMBRA law firm represented Celebes Railway Indonesia, Indonesia Infrastructure Finance, Sarana Multi Infrastruktur and Bank Syariah Indonesia in conventional and Shariah (Musharakah Mutanaqisah) facility agreements to fund the Makassar–Parepare Railway project. This IDR1 trillion (US\$70.18 million) deal is the first-ever railway public–private partnership project in Indonesia.

Where Adnan Sundra & Low (ASL) worked on a diversified portfolio of projects in Malaysia, Norton Rose Fulbright was deeply engaged in the GCC. ASL supported the Pulau Indah 1,200 MW gas power plant, the Infracap Resources project consolidation for the state of Sarawak and the Pengerang LNG (Two) project. Norton Rose Fulbright advised the financiers of the ACWA Power and GIC 900 MW photovoltaic fifth phase of the Mohammed bin Rashid Al Maktoum Solar Park, the Jeddah airport independent sewage treatment plant and Wave 1 of the Schools Infrastructure Development Public–Private Partnership Programme (Saudi Arabia).

### Winner: Norton Rose Fulbright

**Why:** Norton Rose Fulbright won accolades for MENA renewables — DEWA [Dubai Electricity and Water Authority] V; MENA water desalination — Jubail 3A; Umm al Quwain; Kuwait’s Ministry of Public Works’s Umm Al Hayman Wastewater Project; and Fujairah F3 Independent Power Project [IPP]. A feature of

these projects, including Al Maktoum Solar Park, the Jeddah airport independent sewage treatment plant and Wave 1 of the Schools Infrastructure Development, is their complexity. One layer is the role of foreign export–import banks. Another layer is the Islamic–conventional co-financings. The ease of dealing with Norton Rose Fulbright and its long experience put it in the lead with a lengthy list of projects.

Jeddah Althaniya Water Company is the project operator under a 25-year sewerage treatment agreement with the Saudi Water Partnership Company. The operations of the two-phase project are planned to start in January 2023. The first phase of the project will treat 300,000 cubic meters of wastewater per day. The second is meant to increase this to 500,000 cubic meters per day.

Paul Mansouri, Norton Rose Fulbright’s projects and banking partner, **commented:** “We are delighted to have supported NCB and

other lenders on this major project which forms part of the ongoing program in the Kingdom of Saudi Arabia to invest in its water and wastewater infrastructure ... The closing of Jeddah ISTP follows on from our team advising lenders this year on the successful closings of the Umm al Quwain IWP [independent water project], Taweelah IWP in Abu Dubai and Fujairah 3 IPP and demonstrates that the GCC continues to be a key jurisdiction for infrastructure and power projects.”

*Honorable mention: Adnan Sundra & Low and UMBRA*

## Real Estate

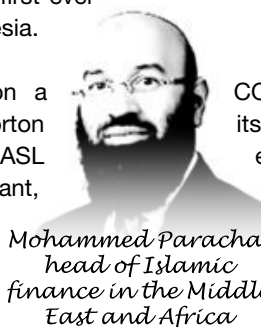
**Overview:** Real estate is a core asset for all Islamic finance segments. One would have thought that COVID-19 would have put the kibosh on it. Office lost its allure. Housing changed. And logistics became ever more important. The US, the UK and Europe remained more open, while Malaysia seemed less so. But our contenders are strongly Malaysian with our traditional GCC investors having slowed down.

**Contenders:** Albar & Partners worked on port and logistics deals. It advised on the second issuance of ALSREIT Capital (issuer), the wholly-owned subsidiary of Al- Salam Real Estate Investment Trust. And it acted for OCBC Al-Amin Bank on Islamic financing facilities granted to Al-Aqar Healthcare REIT through its trustee, AmanahRaya Trustees. The proceeds financed the acquisition of the KPJ Batu Pahat Specialist Hospital.

Adnan Sundra & Low worked on an array of Malaysian deals including Sukuk Wakalah for EcoWorld and Sukuk Ijarah for AC First Genesis.



*Shakeel Adli, partner,  
head of Islamic finance*



*Mohammed Paracha,  
head of Islamic  
finance in the Middle  
East and Africa*



CMS poked itself in between the Malaysians. CMS advised on an array of UK real estate acquisitions and financings for GCC-based investors and UK-based Islamic banks.

#### **Winner: CMS**

**Why:** Many of CMS's deals were financings. Most were complex. CMS advised Abu Dhabi Islamic Bank (ADIB) on its structured Islamic financing for Albilad Capital's acquisition of the PwC headquarters in Belfast for GBP87 million (US\$119.09 million). This acquisition represents the largest office transaction in Northern Ireland and the first major property investment in the country by a Middle Eastern investor. Zaid Al Mufarih, CEO of Albilad Capital, **commented:** "The acquisition of this iconic asset, located in a prime location of Belfast, is an important step in the strategy of Albilad to increase its exposure to the UK real estate market. This transaction shows our confidence in the UK regional cities as long-term sources of growth and investment return."

Shakeel Adli, a CMS partner and the head of Islamic finance, **commented:** "This deal demonstrates ADIB's continued confidence in investing in UK regional cities as part of a portfolio diversification strategy, and CMS remains well placed to support clients on the unique challenges posed by Shariah compliant property financing."

*Honorable mention: Albar & Partners and Adnan Sundra & Low*

#### **Takaful & Re-Takaful**

**Overview:** Takaful was a two-horse game. But the specific match was in line with one of 2020–21's main themes: Islamic financial sector mergers. Our overall submissions included the merger of three Indonesian Islamic banks, two Qatari Islamic banks and two of Saudi Arabia's largest banks. Concomitant to Dubai Islamic Bank's acquisition of Noor Bank was the disposal of Noor Takaful General and Noor Takaful Family for AED215 million. The Takaful sector trails the Islamic banking sector in size while proving substantially more fragmented. Yet, Takaful companies have proven even more allergic to mergers than Islamic banks.

**Co-winners:** Clifford Chance advised the seller and Baker McKenzie Habib Al Mulla counseled Dar Al Takaful and the Securities and Commodities Authority and the Insurance Authority. Upon completion, Noor Takaful General and Noor Takaful Family continue to operate independently.

An important success in this deal is the continuation of the Takaful policies underwritten by each of Noor Takaful Family,

Noor Takaful General and Dar Al Takaful without change.

Dar Al Takaful is on its way to becoming one of the UAE's largest Islamic insurance entities.

Commenting on the transaction, Omar Momany, a partner and the head of the corporate/mergers and acquisitions (M&A) and commercial practice at Baker McKenzie Habib Al Mulla, said: "The deal ... reflects the broader trend of consolidation in the insurance industry and in UAE growth sectors more generally."



*Dr Habib Al Mulla, partner  
(Habib Al Mulla)*

#### **Best Law Firm of the Year**

**Contenders:** Who would be surprised to read that King & Spalding and Clifford Chance were our top global contenders? Malaysia brought forward a new champion in Rahmat Lim & Partners. Reliable challengers included Allen & Overy, Morgan Lewis, Mayer Brown International, Khoshaim & Associates and Norton Rose Fulbright. A host of excellent firms trailed with high-quality submissions.

What then makes the best law firm? Indeed, we have a math formula based on submissions, quality of submissions, wins and shows. Subjective and non-subjective data are evaluated to arrive at the top finalists. For those who won one category or showed up in a few, there were alternative queries to see what we might have missed. Some firms were unable to submit in multiple categories or different jurisdictions. This can skew the formula for overall best law firm, but not for individual categories as Rahmat Lim & Partners and Khoshaim showed. The winner will not necessarily be winners of the most categories, but the greatest contributor, an innovator or a firm that adds significant value. These levels are not easily attained. Yet, in 2021, five firms reached these heights.

For each firm, we appreciated their effort and celebrate their achievements. In the end, our shortlisted firms for 'Best Law Firm' are:

- **Clifford Chance:** Winning the 'Arbitration, Insolvency & Restructuring' category for its work on Garuda, DXB Entertainment and NMC, Clifford Chance also won the 'Takaful & Re-Takaful' category for its work on the Noor–Dar Al Takaful transaction. Clifford Chance ratcheted up its status with the green financing for Averde. It further showed up in the 'Capital Markets' category with its work on the sophomore UK Sukuk and the maiden Maldives Sukuk. The firm also placed in the 'Mergers & Acquisitions' category with its work in Qatar (Khalij–Masref Rayan merger) and the UAE (Noor Takaful).



*Mohammed Al-Shukairy, regional  
managing partner, Middle East -  
leader (Clifford Chance)*

- **Khoshaim & Associates:** The winner of the 'Mergers & Acquisitions' category, Khoshaim is consistently a leader in this category. Its public sector success with the GOSI-PIF merger is a truly unique project requiring a blend of legal and diplomatic skills. As expected, this leading Saudi firm also showed up in the 'Energy & Natural Resources' category.
- **King & Spalding:** The winner of the 'Private Equity' category for the Cerberus and Western Union deals, King & Spalding showed up in 'Asset Management & Funds' with Alkhabeer's listed multi-asset fund; in 'Fintech' with the Western Union deal and in 'Offshore Finance' with the Cerberus deal.
- **Mayer Brown International:** Winning the 'Asset Management & Islamic Funds' category for work with GCC players accessing global funds, this work also got it into contention for the 'Offshore Finance' category. The firm also showed up in the 'Arbitration, Insolvency & Restructuring' category for work on a significant UK real estate workout.
- **Rahmat Lim & Partners:** This year's Malaysian champion was a double winner. Infracap was a high-profile issuance. Along with work on Solar Management's ASEAN Green Sukuk, the firm worked on the Asia Pacific Loan Market Association's documentation standard for Islamic finance. This body of work won the 'Energy & Natural Resources' category. Infracap's compliance with the United Nations Global Compact put it at the top of the 'ESG, Green & SRI' category. 🏆

**Table 1: IFN Law Awards 2021 — categories and winners**

Categories	Winners
Arbitration, Insolvency & Restructuring	<i>Clifford Chance</i>
Asset Management & Islamic Funds	<i>Mayer Brown International</i>
Banking & Finance	<i>Allen &amp; Overy</i>
Capital Markets	<i>Albar &amp; Partners</i>
Energy & Natural Resources	<i>Rahmat Lim &amp; Partners</i>
ESG, Green & SRI	<i>Clifford Chance</i>
Fintech	<i>Simmons &amp; Simmons</i>
Mergers & Acquisitions	<i>Khoshaim &amp; Associates</i>
Offshore Finance	<i>Morgan Lewis</i>
Private Equity	<i>King &amp; Spalding</i>
Project & Infrastructure Finance	<i>Norton Rose Fulbright</i>
Real Estate	<i>CMS</i>
Takaful & Re-Takaful	<i>Clifford Chance and Baker McKenzie Habib Al Mulla</i>

# IFN Service Providers Poll 2021: A recovery in process



The IFN Service Providers Poll is unique in its recognition of the vital role that third parties and service providers play in smoothing the path for Islamic finance and setting the benchmark for its ongoing quality, consistency and creativity by supporting the underlying operations that are so crucial to its success – yet can be overlooked. And in a crisis-filled year that has been so challenging for so many, these achievements are all the more impressive. So, for the 16<sup>th</sup> year running, we are proud and pleased to present to you the winners of our IFN Service Providers Poll 2021. Drum roll, please...

The tumultuous past 12 months have seen some surprise shake-ups on the scene, with the emergence of new winners in some of the most closely-fought contests, while other players toughed it out to hang on to their title even in the midst of adversity. And as the industry rapidly recovers and post-pandemic normality begins to resume, this year's poll received even more votes than before across its nine categories, showing the importance that these providers hold in the eyes of the industry.

## Most Outstanding Standard-Setting Body



Shariah compliance is the foundation upon which all else is built, and the standard-setters act as a guiding light when it comes to directing and developing Islamic finance. In a competitive and illustrious field, it nonetheless comes as no surprise that once again, **AAOIFI** takes home the crown: followed (as in the previous four years) by the Malaysia-based IFSB and Bahrain's International Islamic Financial Market.



Established in 1991 and based in Bahrain, AAOIFI is both far-reaching and far-seeing, supported by over 200 institutional members in over 45 countries around the world. In 2021, the

agency has been as active as ever: with new initiatives including the creation of the Public Interest Monitoring Consultative Committee to oversee its activities and ensure it acts in the public interest, along with the introduction of external auditing to strengthen governance; new standards on crowdfunding, payments, Sukuk governance and more; and (nothing if not ambitious) the ongoing work to develop a ground-breaking new code for a global legislative framework for Islamic finance.

With over 50% of the vote in 2021, it is clear that AAOIFI has cemented its position at the heart and at the head of the standard-setting system.

## Best Islamic Consultancy Firm



The consultancy category, which received the third-highest number of votes this year, saw **ISRA Consulting**, the consulting arm of Malaysia-based International Center for Education in Islamic Finance (INCEIF University) and International Shari'ah Research Academy for Islamic Finance (ISRA), maintain its position for the third time in a row from 2019 when it won the crown from incumbent Dar Al Sharia, which this year took third place, while Amanie Advisory stepped up to second.



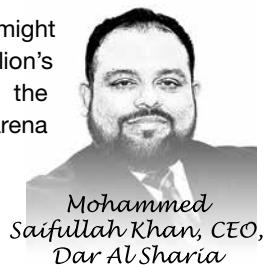
Headed by CEO Ashraf Hashim and registered with Securities Commission Malaysia, ISRA Consulting has leveraged its position as an affiliate of Malaysia's central bank for over a decade now to build a strong network both locally and globally – and has set up numerous strategic alliances as a group under INCEIF University and ISRA.

Taking over a third of this year's vote, its achievements are clearly popular with its clients.

## Best Shariah Advisory Firm



The consultancy category might have seen ISRA take the lion's share of the vote, but in the equally hotly contested arena of Best Shariah Advisory Firm, the roles were neatly reversed. The venerable **Dar Al Sharia** won the crown for the seventh year in a row, taking 33% of the vote, while Amanie Advisory came in second place. ISRA Consulting came in





third, knocking out Shariyah Review Bureau for the first time in years.

Able led by Mohammed Saifullah Khan, Dar Al Sharia has been at the forefront of Shariah advisory ever since its inception in 2007, and has carved a notable name for itself as a pioneer in promoting and developing new products and building capacity, as well as its core function of assisting on Shariah governance for industry stakeholders and advising on some of the biggest deals around.

### Best Islamic Research Firm



The field of Islamic finance research is both complex and crucial, and it plays an integral role in moving the industry forward and assisting with the innovation of new products and services while adhering to the true purposes and principles of the Shariah. For the second year running, the training arm of the IsDB Group, **Islamic Research and Training Institute**, came top of the class with 29% of the ballot. However, it was one of the closest battles of the year and with barely a handful of votes between them, ISRA was snapping at the winner's heels with a strong 27%, followed by IIUM Institute of Islamic Banking and Finance.



*Dr Sami Al-Suwailem,  
acting director-general, IRTI*

finally knocked off the top spot after three years in the spotlight, as **Moody's Investors Service** swooped in to nab the prize in one of the closest battles of this year's poll. With barely 2% between them, it was a photo finish, but Moody's edged ahead with 27% of the vote. Fitch Ratings took third place.



*Nitish Bhojnagarwala,  
vice-president and senior  
credit officer of Moody's  
Investors Service*

Moody's takes the approach of incorporating its Islamic elements across its team rather than allocating it to a specific division, and this appears to be working well for the agency, which at the start of the year cited its high hopes for the industry: anticipating that further growth in global Islamic banking would support demand for Sukuk and boost high growth markets. With a strong line in both Islamic finance research and ratings, Moody's plays an invaluable role in supporting the information aspect of the industry.

### Best Interbroker for Islamic Transactions



For the fifth year in a row heavyweight **DDCAP Group** kept its crown as the best broker, with its ambitious play into technology and its focus on ethical and ESG elements winning over the voters. 2021 saw even further evolution for the group, which in March this year signed a significant partnership with Murex, a global leader in trading, risk management and processing solutions for capital markets, to streamline the processing of Shariah compliant transactions even further by integrating its two separate booking platforms into a single automated solution for post-trade business processes.



*Stella Cox,  
managing director,  
DDCAP Group*

Eiger Trading Advisors once again took second place, closing the gap from last year and suggesting that DDCAP Group may not be able to rest on its laurels in 2022. Malaysia's Bursa Suq Al-Sila' took third place.

### Best Islamic Technology Provider



In the technology category, **Path Solutions** was crowned the winner for the 14<sup>th</sup> consecutive year, in the second-longest-running victory of the series after S&P Dow Jones in the Islamic Index Provider category. Path Solutions is an unquestioned leader in the technology space – and 2021 saw a major development for the firm, with the acquisition of its Islamic core banking assets by Singaporean software giant Azentio.



*Mohammed Kateeb,  
group chairman and  
CEO, Path Solutions*

### Best Islamic Index Provider

#### S&P Dow Jones Indices

A Division of S&P Global

For the 15<sup>th</sup> year in a row, **S&P Dow Jones** once again takes the win, a performance unrivaled across IFN awards categories and a sterling display of strength. The provider was an early pioneer of Shariah compliant indices and in 2021 extended its lead, taking 40% of the vote this year compared with 29% in 2020. The win was driven by a sterling year for Shariah compliant indices, which outperformed across the board during the COVID-19 crisis in 2020, although lost some ground in the first half of 2021 as conventional benchmarks surged back up (due in part to the strong gains of the financials sector). S&P Dow Jones has also taken advantage of the growing convergence of **environmental, social and governance (ESG)** and Shariah investing, which has seen a new wave of investors evince interest.



*Michael Orzano,  
senior director  
of global equity  
indices, S&P Dow  
Jones Indices*

Bloomberg, in a surprise entry, swooped in to take second place with 19% of the vote, while 2020 and 2019 runner-up MSCI was knocked down to third.

### Best Rating Agency in Islamic Finance



Hold on to your hats, because this is a big one. In one of the surprise twists of 2021, S&P Global Ratings was

International Turnkey Systems came second while 2020's runner-up Silverlake Axis took third place. It is worth noting that the technology category was easily the closest battle of the year, with just 3% between first and third place. It was also one of the most strongly contested, with the top three winners accounting for around a third of the total counted votes.

### Best Stock Exchange for Islamic Listings

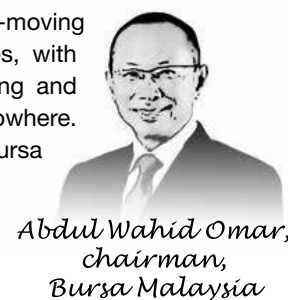


Finally, in the category that always gives us an exciting array, **Bursa Malaysia** extended its

lead on 2020 with a decisive win: capturing 44% of the total counted votes (up from 31% last year).

The world's first end-to-end Shariah compliant investing platform, Bursa Malaysia continued its pioneering progress in 2021. Chairman Abdul Wahid Omar has been vocal about the importance of ESG and Islamic conversion, and especially the role that Islamic social and ethical finance will play as the country emerges from the COVID-19 pandemic. In July 2021, Bursa Malaysia launched the FTSE4Good Bursa Malaysia Shariah in partnership with FTSE Russell, an index comprising Shariah compliant equities guided by sustainable investing principles. In October 2021, Bank Islam also made history as the first pure-play fully-fledged Islamic financial institution listed on the Bursa's Main Market, following the BHB Group restructuring. "With the listing, Bank Islam will have access to a wider and diverse capital base," said CEO Mohd Muazzam Mohamed.

But this is always one of the fastest-moving and most dynamic of IFN categories, with numerous players entering and exiting and surprises often emerging out of nowhere. Domestic giant and market pioneer Bursa Malaysia has held the top spot since IFN introduced the category back in 2018, but the runner-up places are always closely contested: back in 2018 Pakistan Stock Exchange and Dubai Financial Market (DFM) took the remaining places, while in 2019 it was the London Stock Exchange that came second and Saudi's Tadawul entering at third place. In 2020, DFM edged into second place with Abu Dhabi Stock Exchange in third, and 2021 shook things up yet again — with Abu Dhabi bumped up to second place and Bursa Efek Indonesia coming in third out of a highly competitive field, snatching 7% and 6% respectively.



### Congratulations

As the markets once again begin to move, the deals begin to flow and business comes back online, IFN would like to express our deep admiration for all those who supported and strengthened the Islamic finance industry during the difficulties of the past two years. Our heartiest of congratulations to all participants, and our most heartfelt thanks to all who voted to make the 2021 IFN Service Providers Poll yet another resounding success. Give yourselves a round of applause! 🎉

**Table 1: Winners of the IFN Service Providers Poll 2021**

Award	Winner	First runner-up	Second runner-up
Most Outstanding Standard-Setting Body	<b>AAOIFI</b>	IFSB	International Islamic Financial Market
Best Islamic Consultancy Firm	<b>ISRA Consulting</b>	Amanie Advisory	Dar Al Sharia
Best Shariah Advisory Firm	<b>Dar Al Sharia</b>	Amanie Advisory	ISRA Consulting
Best Islamic Research Firm	<b>Islamic Research and Training Institute</b>	International Shari'ah Research Academy for Islamic Finance	IIUM Institute of Islamic Banking and Finance
Best Islamic Index Provider	<b>S&amp;P Dow Jones</b>	Bloomberg	MSCI
Best Rating Agency in Islamic Finance	<b>Moody's Investors Service</b>	S&P Global Ratings	Fitch Ratings
Best Interbroker for Islamic Transactions	<b>DDCAP Group</b>	Eiger Trading Advisors	Bursa Suq Al-Sila'
Best Islamic Technology Provider	<b>Path Solutions</b>	International Turnkey Systems	Silverlake Axis
Best Stock Exchange for Islamic Listings	<b>Bursa Malaysia</b>	Abu Dhabi Stock Exchange	Bursa Efek Indonesia

# IFN Non-Banking Financial Institutions Poll 2021: Another year, another celebration



**Non-banking financial institutions (NBFIs) are of fundamental importance to our industry, filling the valuable and much-needed space that is left by traditional banking institutions, and often extending and outreaching to sectors of society and groups of consumers that might otherwise be left behind. In this year's IFN NBFI Poll, we are delighted to recognize, reward and congratulate the most vital cogs in this industry wheel, as voted for by our readers.**

As always, we received an exceptionally high number of votes, demonstrating not only the stature and respect that these institutions command within the industry, but the high level of engagement they engender.

## Best Islamic Financial Cooperative

The winner of our first category will come as no surprise, as this is a field in which it has achieved the top accolade numerous times. It might be small, but it is mighty within its own market. A country with barely a million people and a Muslim population of less than 20% of that, Mauritius has had a challenging start to its Islamic banking journey. Its only fully-fledged Islamic bank had its license revoked in 2020 after less than a decade in operation, and despite regulatory efforts, the market has struggled to truly take flight. Just a handful of Islamic banking windows now remain. But as the 'bridge to Africa', the potential is still significant, and as one of the first non-Muslim states to amend its legislation to accommodate Islamic finance, so is the political will.

Al Barakah Multi-Purpose Co-operative Society, our 2021 winner of Best Islamic Financial Cooperative, has stepped up to the plate in the absence of extensive formal banking provision, supplying around 10% of Muslims in the country with Shariah compliant financial products, including home financing, auto financing, property financing, trade financing and a Hajj savings account, among others. Its charitable provision offers Qard Hasan for medical and school funding, and its strong

community principles have led it to introduce an internal Takaful fund to protect and provide for those struggling to service their debts.

The runners-up were UIF Southfield MI USA, followed by Islamic Cooperative Finance Australia.

## Best Islamic Leasing Provider

Once again, Sri Lanka surged to the fore this year with another win from LOLC's Islamic unit, Al-Falaah, as the Best Islamic Leasing Provider. Recently moved to its own corporate premises in Colombo, Al-Falaah plays a pivotal role in the subsidiaries of the LOLC Group, one of Sri Lanka's largest conglomerates, supporting potential Islamic business opportunities across the group. Its products include profit-sharing investment and savings accounts, leasing, trade financing, import financing, property and project financing and working capital financing. LOLC has a network of over 100 branches and service centers island-wide, including five stand-alone Al-Falaah centers.

Thailand's Amanah Leasing Public Company and Ijara Community Development Corporation in North America came in second and third respectively.

## Best Islamic Microfinance Institution

Microfinance is one of the most crucial methods to reach out to underserved communities, and Islamic microfinance is integral to financial inclusion in many countries around the world. Again, last year's winner stood firm and held onto its crown: Amanah Ikhtiar Malaysia took home the 2021 prize for the second time. Established as a trust in 1987 and operating as a microfinance institution for over three decades, the entity turned its face to the future in 2021 with the development of a new digital platform called 'Sahabat' (friend) to help market the work of microentrepreneurs and offer training and information.

Grameen Bank of Bangladesh and Palestine for Credit and Development took the second and third places.

## Best Islamic Private Equity/Venture Capital Firm

Although they often fail to capture the headlines, private equity and venture capital are active elements of the Islamic finance ecosystem, especially given their primarily compliant nature, making them ideal vehicles for adventurous investment. This year, as in 2020, the award goes to Gulf Islamic Investments (GII), a well-known name in the Middle East that oversees nearly US\$2 billion in assets. With over 45 deals closed and over US\$400 million in returns and exit proceeds, its fully Shariah



compliant service operates across real estate (US\$1.6 billion), private equity (US\$200 million) and venture capital (£260 million). In 2021, the firm made its largest-ever real estate deal, with the purchase of Altas Towers in Paris for US\$301 million: calling it “an exciting market in GII’s growth trajectory. Doha Venture Capital and Taqwa Tech took the second and third places.

### **Best Islamic Real Estate Financier**

It is another sophomore win in the next category, as Michigan’s UIF Corporation (University Islamic Financial) retained its crown as Best Islamic Real Estate Financier. Providing residential and commercial financing on faith-based principles, the group had a strong performance during the COVID-19 pandemic, generating record profits, and has expanded to operate across 26 states within the US.

Australia’s Amanah Islamic Finance came in second and Guidance Residential came in third.

### **Best Takaful Company**

In the first shake-up of the year, the Best Takaful Company went to Abu Dhabi National Takaful, who ousted Maybank’s Etiqa for the throne. Established in 2003, the firm is a powerful player in the UAE’s Takaful market, offering a range of products including auto, Family, General and accident Takaful. With excellent ‘A-’ credit ratings from AM Best, the firm remains solid and central to the regional insurance market, despite a challenging COVID-19 year.

Zurich Takaful Malaysia came in second, and FWD Takaful came in third.

### **Best Re-Takaful Company**

And finally, in our last category, we come to re-Takaful, the risk managers of the Islamic world. For 2021, the top prize was once again taken by Malaysian Reinsurance (Malaysian Re), the country’s largest reinsurer with over 60% market share and the dominant national reinsurer for the ASEAN region by asset size. A subsidiary of MNRB Holdings, it entered the re-Takaful market back in 2016 on both the domestic and international stage, and has been consistently rated ‘A’ with a stable outlook by AM Best throughout the year. Despite the pandemic, Malaysian Re has seen strong growth over 2021, with a 30.1% increase in gross premiums to RM421 million (US\$101.11 million) for the last quarter (compared with RM323.7 million (US\$77.74 million) the previous year), largely driven by growth from its overseas business.

Saudi Re took second place and Reinsurance Group of America came in third.

### **Congratulations!**

It has been a tough year for everyone, and now more than ever, the values and principles of community, inclusion and social good are vital to keep our world and our economy functioning. As the Islamic economy grows ever larger and spreads ever further, Islamic NBFIs are at the forefront of this wave, reaching out across multiple markets to extend services to all segments of society. IFN would like to congratulate all our worthy winners, who have worked so hard under such challenging and unprecedented circumstances to achieve their success. 🎉

Category	Winner	First runner-up	Second runner-up
Best Islamic Financial Cooperative	<b>Al Barakah Multi-Purpose Co-operative Society</b>	UIF Southfield MI USA	Islamic Cooperative Finance Australia
Best Islamic Leasing Provider	<b>LOLC Al-Falaah</b>	Amanah Leasing Public Company	Ijara Community Development Corporation
Best Islamic Microfinance Institution	<b>Amanah Ikhtiar Malaysia</b>	Grameen Bank	Palestine for Credit and Development
Best Islamic Private Equity/ Venture Capital Firm	<b>Gulf Islamic Investments</b>	Doha Venture Capital	Taqwa Tech
Best Islamic Real Estate Financier	<b>UIF Corporation (University Islamic Financial)</b>	Amanah Islamic Finance	Guidance Residential
Best Takaful Company	<b>Abu Dhabi National Takaful</b>	Zurich Takaful Malaysia	FWD Takaful
Best Re-Takaful Company	<b>Malaysian Reinsurance (Malaysian Re)</b>	Saudi Re	Reinsurance Group of America

# IFN Awards 2021 Winners in Pictures















# IFN Awards 2021

## Winners' List



COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Al Akhdar Bank	Best Participation Bank in Morocco		BANKS
Etiqa Group	Best Takaful Company		NBFI
First Gulf Libyan Bank	Best Islamic Bank in Libya		BANKS
Iraqi Islamic Bank	Best Islamic Bank in Iraq		BANKS
National Bank of Bahrain	Best Islamic Bank in Bahrain		BANKS
Abu Dhabi Islamic Bank	Best Islamic Bank for Treasury Management		BANKS
Abu Dhabi Islamic Bank	Best Islamic Private Bank		BANKS
Abu Dhabi Islamic Bank	Most Innovative Islamic Bank		BANKS
Abu Dhabi Islamic Bank-Egypt	Egypt Deal of the Year	EverGrow for Specialized Fertilizers's US\$400 million restructuring	DOTY
Al Busaidy, Mansoor Jamal & Co. for Meethaq (AMJ)	Ijarah Deal of the Year	Oman Air's OMR46 million Ijarah financing	DOTY
Alizz Islamic Bank	Mudarabah Deal of the Year	Ominvest's OMR52 million perpetual Sukuk Mudarabah	DOTY
AmInvestment Bank	SRI & ESG Deal of the Year	SME Bank's RM500 million sustainable Sukuk	DOTY
Ashurst	Regulatory Deal of the Year	Bank of England's Alternative Liquidity Facility	DOTY
Ashurst	UK Deal of the Year	Bank of England's Alternative Liquidity Facility	DOTY
Bank Nizwa	Best Islamic Bank in Oman		BANKS
CIMB Investment Bank	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
CIMB Bank (Labuan Offshore Branch)	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
CIMB Investment Bank	Best Islamic Investment Bank		BANKS
CIMB Investment Bank	Musharakah Deal of the Year	Tropicana Corporation's RM270 million perpetual Musharakah	DOTY
CIMB Investment Bank	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY
CIMB Investment Bank	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
CIMB Investment Bank	SRI & ESG Deal of the Year	SME Bank's RM500 million sustainable Sukuk	DOTY
CIMB Islamic	Best Islamic Bank in Malaysia		BANKS
CIMB Islamic	Best Islamic Bank in Malaysia		BANKS



# SPECIAL AWARDS REPORT

## WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Clifford Chance & Abuhimed Alsheikh Alhagbani Law Firm in cooperation with Clifford Chance	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
Clifford Chance	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Clifford Chance	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Clifford Chance	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Clifford Chance & Abuhimed Alsheikh Alhagbani Law Firm (AS&H) in cooperation with Clifford Chance	Real Estate Deal of the Year	Jabal Omar Development Company's SAR6 billion refinancing	DOTY
Dentons	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Dentons	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Dentons	Ijarah Deal of the Year	Oman Air's OMR46 million Ijarah financing	DOTY
Faisal Islamic Bank (Sudan)	Best Islamic Bank in Sudan		BANKS
ICD	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
International Islamic Trade Finance Corp (ITFC)	Trade Finance Deal of the Year	Republic of Benin's EUR20 million financing from the Islamic Trade Finance Corporation	DOTY
IsDB	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Islamic Corporation for the Development of the Private Sector (ICD)	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
ITFC Counsel	Trade Finance Deal of the Year	Republic of Benin's EUR20 million financing from the Islamic Trade Finance Corporation	DOTY
King & Spalding	Cross-border Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
King & Spalding	UAE Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Perusahaan Pengelola Aset (Persero)	Indonesia Deal of the Year	Bank Muamalat Indonesia's IDR10 trillion restructuring	DOTY
Perusahaan Pengelola Aset (Persero)	Restructuring Deal of the Year	Bank Muamalat Indonesia's IDR10 trillion restructuring	DOTY
Sohar International Bank	Oman Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Sohar International Bank	Perpetual Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Sohar Islamic	Oman Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Sohar Islamic	Perpetual Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Taj Bank	Best Islamic Bank in Nigeria		BANKS
Trowers & Hamblins	Best Law Firm in Real Estate		LAW
Trowers & Hamblins	Mudarabah Deal of the Year	Ominvest's OMR52 million perpetual Sukuk Mudarabah	DOTY
Trowers & Hamblins	Oman Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Trowers & Hamblins	Perpetual Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Ubhar Capital	Mudarabah Deal of the Year	Ominvest's OMR52 million perpetual Sukuk Mudarabah	DOTY
Akin Gump Strauss Hauer & Feld	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY

## SPECIAL AWARDS REPORT WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Bank of England	Regulatory Deal of the Year	Bank of England's Alternative Liquidity Facility	DOTY
Bank of England	UK Deal of the Year	Bank of England's Alternative Liquidity Facility	DOTY
Bursa Malaysia	Best Stock Exchange for Islamic Listings		S/ PROVIDER
Bursa Malaysia	Best Stock Exchange for Islamic Listings		S / PROVIDER
Faysal Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Gatehouse Bank (UK)	Best Islamic Bank in the UK		BANKS
Government of Malaysia	Most Innovative Deal of the Year & Malaysia Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Government of Malaysia	Overall Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Kuveyt Turk Katilim Bankasi	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Malaysian Government	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
Meethaq Islamic Banking	Ijarah Deal of the Year	Oman Air's OMR46 million Ijarah financing	DOTY
Ministry of Finance (Oman)	Ijarah Deal of the Year	Oman Air's OMR46 million Ijarah financing	DOTY
RHB Investment Bank	SRI & ESG Deal of the Year	SME Bank's RM500 million sustainable Sukuk	DOTY
RHB Investment Bank	Structured Finance Deal of the Year	Cellco's RM520 million Sukuk	DOTY
S & P Dow Jones	Best Islamic Index Provider		S / PROVIDER
S&P Dow Jones Indices	Best Islamic Index Provider		S/ PROVIDER
Standard Chartered Saadiq	Best Islamic Investment Bank		BANKS
The Governor (UK)	Regulatory Deal of the Year	Bank of England's Alternative Liquidity Facility	DOTY
UK Government	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Kuwait International Bank	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
CiFTI Law (Turkish counsel)	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Paul Hastings (New York/ DC)	UAE Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Paul Hastings (New York/ DC)	Cross-border Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Turkistani Law (Riyadh)	Cross-border Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Turkistani Law (Riyadh)	UAE Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Zaid Ibrahim & Co	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
Asia Alliance Bank	Best New Islamic Bank		BANKS
Axiata Group	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
KL Gates	M&A, Equity & IPO Deal of the Year	Masraf Al Rayan-Alkhaliji Commercial Bank merger	DOTY
KL Gates	Qatar Deal of the Year	Masraf Al Rayan-Alkhaliji Commercial Bank merger	DOTY
Rahmat Lim & Partners	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
Sime Darby Property	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY

## SPECIAL AWARDS REPORT WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Al Barakah Multi-Purpose Co-operative Society	Best Islamic Financial Cooperative		NBFI
Al Salam Bank (Algeria)	Best Islamic Bank in Algeria		BANKS
Allied Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Amanah Ikhtiar Malaysia (AIM)	Best Islamic Microfinance Institution		NBFI
Amanah Ikhtiar Malaysia (AIM)	Best Islamic Microfinance institution		NBFI
A&O Maurant	Restructuring Deal of the Year	Bank Muamalat Indonesia's IDR10 trillion restructuring	DOTY
A&O Maurant	Indonesia Deal of the Year	Bank Muamalat Indonesia's IDR10 trillion restructuring	DOTY
Allen & Overy	Egypt Deal of the Year	EverGrow for Specialized Fertilizers's US\$400 million restructuring	DOTY
Allen & Overy	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
Allen & Overy	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Allen & Overy	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Allen & Overy	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
BOCI Asia	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
BOCI Asia	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
BOCI Asia	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Boubyan Bank	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Crédit Agricole Corporate & Investment Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Crédit Agricole Corporate & Investment Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Crédit Agricole Corporate & Investment Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Crédit Agricole Corporate and Investment Bank	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Emirates NBD Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Emirates NBD Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Emirates NBD Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Emirates NBD Capital	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Emirates NBD Capital	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Emirates NBD Capital	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
EverGrow	Egypt Deal of the Year	EverGrow for Specialized Fertilizers's US\$400 million restructuring	DOTY
Faisal Islamic Bank of Egypt	Best Islamic Bank in Egypt		BANKS
First Abu Dhabi Bank	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
First Abu Dhabi Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
First Abu Dhabi Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
First Abu Dhabi Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY



# SPECIAL AWARDS REPORT

## WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
First Abu Dhabi Bank	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Gulf International Bank	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
Gulf International Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Gulf International Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Gulf International Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
HSBC	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
HSBC	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
HSBC Bank	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
HSBC Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
HSBC Bank	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
HSBC Bank	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
HSBC Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
HSBC Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
HSBC Corporate Trustee	Regulatory Deal of the Year	Bank of England's Alternative Liquidity Facility	DOTY
HSBC for the Islamic Tranche	Egypt Deal of the Year	EverGrow for Specialized Fertilizers's US\$400 million restructuring	DOTY
HSBC Saudi Arabia	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
Infracap Resources	Infrastructure & Project Finance Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Infracap Resources	Malaysia Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Islamic Bank of Afghanistan	Best Islamic Bank in Afghanistan		BANKS
J.P. Morgan	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
J.P. Morgan Securities	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
J.P. Morgan Securities	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
J.P. Morgan Securities	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
J.P. Morgan Securities	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
J.P. Morgan Securities	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Jordan Islamic Bank (Al Baraka Group)	Best Islamic Bank in Jordan		BANKS
Masraf Al Rayan	M&A, Equity & IPO Deal of the Year	Masraf Al Rayan-Alkhaliji Commercial Bank merger	DOTY
Masraf Al Rayan	Qatar Deal of the Year	Masraf Al Rayan-Alkhaliji Commercial Bank merger	DOTY
MCB Bank	Best Islamic Bank in Sri Lanka		BANKS
MCB Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Mizuho International	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Mizuho International	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Mizuho International	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Mizuho Securities	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
MUFG Bank	Best Japanese Bank offering Islamic financial services		BANKS
MUFG Bank	Best Japanese Bank offering Islamic financial Services		BANKS

# SPECIAL AWARDS REPORT

## WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
MUFG Bank (Malaysia)	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
MUFG Securities EMEA	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
MUFG Securities EMEA	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
MUFG Securities EMEA	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Mutlu Avukatlik Ortakligi	Sukuk Deal of the Year	Emlak Katilim's TRY51.8 million sustainable Sukuk	DOTY
Mutlu Avukatlik Ortakligi	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
National Bank of Commerce (Tanzania)	Best Islamic Bank in Tanzania		BANKS
nogaholding	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
OCBC Al-Amin Bank	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
OCBC Bank (Malaysia)	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
OCBC Bank (Malaysia)	Infrastructure & Project Finance Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
OCBC Bank (Malaysia)	Malaysia Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Pakistan Mobile Communication	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Qatar Islamic Bank (QIB)	Best Islamic Bank in Qatar		BANKS
Qatar Islamic Bank (QIB)	Best Islamic Bank in Qatar		BANKS
Republic of Benin	Trade Finance Deal of the Year	Republic of Benin's EUR20 million financing from the Islamic Trade Finance Corporation	DOTY
Salaam Somali Bank	Best Islamic Bank in Somalia		BANKS
Semarak Gigih	Ijarah Deal of the Year	Semarak Gigih's RM244.3 million Sukuk Ijarah	DOTY
SMBC Nikko	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
SMBC Nikko Capital Markets	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
SMBC Nikko Capital Markets	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
SMBC Nikko Capital Markets	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Société Générale	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Société Générale	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Société Générale	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Société Générale	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
UIF Corporation (University Islamic Financial)	Best Islamic Real Estate Financier		NBFI
United Overseas Bank (Malaysia)	Infrastructure & Project Finance Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
United Overseas Bank (Malaysia)	Malaysia Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Warba Bank	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Shariah Committee of Bank Negara Malaysia	Most Innovative Deal of the Year & Malaysia Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Shariah Committee of Bank Negara Malaysia	Overall Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Adnan Sundra & Low	Best Law Firm in Energy & Natural Resources		LAW

## SPECIAL AWARDS REPORT WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Adnan Sundra & Low	Ijarah Deal of the Year	Semarak Gigih's RM244.3 million Sukuk Ijarah	DOTY
Adnan Sundra & Low	Infrastructure & Project Finance Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Adnan Sundra & Low	Malaysia Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Adnan Sundra & Low	SRI & ESG Deal of the Year	SME Bank's RM500 million sustainable Sukuk	DOTY
Adnan Sundra & Low	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
Abu Dhabi Commercial Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Abu Dhabi National Takaful	Best Takaful Company		NBFI
Al Hilal Bank (Kazakhstan)	Best Islamic Bank in the CIS		BANKS
Al Rajhi Bank (Saudi Arabia)	Best Islamic Bank in Saudi Arabia		BANKS
Al Rajhi Capital Company	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
AlBaraka Bank Lebanon	Best Islamic Bank in Lebanon		BANKS
AlBaraka Bank South Africa	Best Islamic Bank in South Africa		BANKS
AlBaraka Bank Syria	Best Islamic Bank in Syria		BANKS
AlBaraka Bank Tunisia	Best Islamic Bank in Tunisia		BANKS
AlBaraka Turk Participation Bank	Best Participation Bank in Turkey		BANKS
AlBilad Investment Company	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
AlBilad Investment Company,	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
AlBilad Investment Company,	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Ali Khan Law Associates	Most Innovative DOTY	Enertech's PKR25.5 billion Sukuk	DOTY
Ali Khan Law Associates	Most Innovative Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Ali Khan Law Associates	Pakistan Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Alinma Investment Company	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Alinma Investment Company,	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Alinma Investment Company,	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Aljazira Capital	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Ansar Bank	Best Islamic Bank in Iran		BANKS
Arab Banking Corporation (Bank ABC)	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Arab National Investment Company	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Arab National Investment Company	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Arab National Investment Company	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Baker McKenzie	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
Bank ABC	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
BlackRock	Commodity Murabahah/Tawarruq Deal of the Year	BlackRock's US\$50 million Salam Private Opportunities Fund	DOTY
Citibank	Best Islamic Trustee/Custodian		BANKS



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COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Citigroup Global Markets	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Citigroup Global Markets	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Citigroup Global Markets	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Citigroup Global Markets	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Citigroup Global Markets	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Dubai Islamic Bank	Best Islamic Bank in the UAE		BANKS
Dubai Islamic Bank	Best Islamic Retail Bank		BANKS
Dubai Islamic Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Dubai Islamic Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Dubai Islamic Bank	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Dubai Islamic Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Dubai Islamic Bank	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Dubai Islamic Bank	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Dubai Islamic Bank Kenya	Best Islamic Bank in Kenya		BANKS
Goldman Sachs International	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Goldman Sachs International	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Goldman Sachs International	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Goldman Sachs International	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Gulf Islamic Investments	Best Islamic Private Equity/Venture Capital Firm		NBFI
KFH Capital	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
KFH Capital	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
KFH Capital	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
KFH Capital	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
KFH Capital Investment Company	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
KFH Capital Investment Company	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
KFH Capital Investment Company	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Kuwait Finance House	Best Islamic Bank in Kuwait		BANKS
Kuwait Finance House	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
LOLC Al-Falaah	Best Islamic Leasing Provider		NBFI
Mohsin Tayabaly & Co	Most Innovative Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Mohsin Tayabaly & Co	Pakistan Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Mohsin Tayebaly & Co	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Morgan Lewis (Dubai)	UAE Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY

## SPECIAL AWARDS REPORT WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Morgan Stanley & Co. International	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Morgan Stanley & Co. International	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Natixis	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Ominvest	Mudarabah Deal of the Year	Ominvest's OMR52 million perpetual Sukuk Mudarabah	DOTY
Palestine Islamic Bank	Best Islamic Bank in the State of Palestine		BANKS
Riyad Capital	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Riyad Capital	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Riyad Capital	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Saba Islamic Bank	Best Islamic Bank in Yemen		BANKS
Saudi British Bank	Real Estate Deal of the Year	Jabal Omar Development Company's SAR6 billion refinancing	DOTY
Saudi Fransi Capital	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Saudi Fransi Capital	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Standard Chartered Bank	Commodity Murabahah/Tawarruq Deal of the Year	BlackRock's US\$50 million Salam Private Opportunities Fund	DOTY
Standard Chartered Bank	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Standard Chartered Bank	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Standard Chartered Bank	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
Standard Chartered Bank	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Takaful Oman	Oman Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
Takaful Oman	Perpetual Deal of the Year	Takaful Oman's OMR25 billion perpetual Sukuk	DOTY
The Saudi British Bank	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
United Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
White & Case	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Abu Dhabi Commercial Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Abu Dhabi Commercial Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Al Rajhi Capital Company	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Al Rajhi Capital Company	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Aljazira Capital	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Aljazira Capital	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
ASAR	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Habib Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Linklaters (Singapore)	Wakalah Deal of the Year	Malaysian government's US\$800 million Sukuk issued via Malaysia Wakala Sukuk	DOTY
Morgan Lewis (Dubai)	Cross-border Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Morgan Stanley & Co. International	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Saudi Fransi Capital	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY

# SPECIAL AWARDS REPORT

## WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Saudi National Bank	Real Estate Deal of the Year	Jabal Omar Development Company's SAR6 billion refinancing	DOTY
Standard Chartered Bank	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Standard Chartered Bank	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
White & Case	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
White & Case	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Zu'bi Partners	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
Abuhimed Alsheikh Alhagbani Law Firm in cooperation with Clifford Chance	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
Albar & Partners	Best Law Firm in Islamic Capital Markets		LAW
Albar & Partners	Musharakah Deal of the Year	Tropicana Corporation's RM270 million perpetual Musharakah	DOTY
Alistithmar Capital for Financial Securities and Brokerage	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Bank Alfalah	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Bank Muamalat Indonesia	Best Islamic Bank in Indonesia		BANKS
Bank Muamalat Indonesia	Best Islamic Bank in Indonesia		BANKS
Bank Muamalat Indonesia	Indonesia Deal of the Year	Bank Muamalat Indonesia's IDR10 trillion restructuring	DOTY
Bank Muamalat Indonesia	Restructuring Deal of the Year	Bank Muamalat Indonesia's IDR10 trillion restructuring	DOTY
BNP Paribas	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Cellco (Stealth Solutions)	Structured Finance Deal of the Year	Cellco's RM520 million Sukuk	DOTY
Dukhan Bank	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Food Security Company	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
Hassan Radhi & Associates	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
Hong Leong Investment Bank	Ijarah Deal of the Year	Semarak Gigih's RM244.3 million Sukuk Ijarah	DOTY
Hong Leong Investment Bank	Infrastructure & Project Finance Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Islami Bank Bangladesh	Best Islamic Bank in Bangladesh		BANKS
ISRA Consulting	Best Islamic Consultancy Firm		S/ PROVIDER
ISRA Consulting	Best Islamic Consultancy Firm		S / PROVIDER
Latham & Watkins	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
Latham & Watkins	Real Estate Deal of the Year	Jabal Omar Development Company's SAR6 billion refinancing	DOTY
Latham and Watkins (Law Office of Salman M. Al- Sudairi)	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Malaysian Reinsurance	Best Re-Takaful Company		NBFI
Maples Group (Cayman Counsel)	Turkey Deal of the Year	Kuveyt Turk Katilim Bankasi's US\$350 million Tier 2 sustainability Sukuk	DOTY
Maybank	Most Innovative Deal of the Year & Malaysia Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY



## SPECIAL AWARDS REPORT WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Maybank	Overall Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Maybank	Sovereign & Multilateral Deal of the Year	UK Government's GBP500 million sovereign Sukuk	DOTY
Maybank Investment Bank	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY
Maybank Investment Bank	SRI & ESG Deal of the Year	SME Bank's RM500 million sustainable Sukuk	DOTY
Maybank Islamic	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
Maybank Islamic	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY
Meezan Bank	Best Islamic Bank in Pakistan		BANKS
Meezan Bank	Most Innovative Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Meezan Bank	Pakistan Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Meezan Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
National Bank of Pakistan	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
NCB Capital Company	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
NCB Capital Company	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Oman Air	Ijarah Deal of the Year	Oman Air's OMR46 million Ijarah financing	DOTY
Public Investment Bank	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY
Rahmat Lim	Infrastructure & Project Finance Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Rahmat Lim	Malaysia Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
Rahmat Lim & Partners	Best Law Firm in Energy & Natural Resources		LAW
Saudi Aramco	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Saudi Aramco	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Saudi Aramco	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
SME Bank	SRI & ESG Deal of the Year	SME Bank's RM500 million sustainable Sukuk	DOTY
SNB Capital	Social Impact Deal of the Year	IsDB's US\$2.5 billion sustainable Sukuk	DOTY
SNB Capital	Corporate Finance Deal of the Year	Food Security Company's SAR1.76 billion acquisition of Second Milling Company	DOTY
State Bank of Pakistan	Best Central Bank in Promoting Islamic Finance		BANKS
Türkiye Emlak Katılım Bankası	Sukuk Deal of the Year	Emlak Katılım's TRY51.8 million sustainable Sukuk	DOTY
Türkiye Emlak Katılım Bankası (Arranger)	Sukuk Deal of the Year	Emlak Katılım's TRY51.8 million sustainable Sukuk	DOTY
Watani Investment Company (NBK Capital)	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Watani Investment Company (NBK Capital)	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Watani Investment Company (NBK Capital)	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY

## SPECIAL AWARDS REPORT WINNERS' LIST

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Zul Rafique & Partners	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY
Albar & Partners	Structured Finance Deal of the Year	Cellco's RM520 million Sukuk	DOTY
Alistithmar Capital for Financial Securities and Brokerage	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Alistithmar Capital for Financial Securities and Brokerage	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Askari Bank	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
Bank of Punjab	Syndicated Deal of the Year	Pakistan Mobile Communication's PKR10.5 billion syndicated finance facility	DOTY
BNP Paribas	Bahrain Deal of the Year	nogaholding's US\$600 million Sukuk	DOTY
BNP Paribas	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
BNP Paribas	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Dukhan Bank	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY
Enertech	Most Innovative Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Enertech	Pakistan Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Hong Leong Investment Bank	Malaysia Deal of the Year	Infracap Resources's RM15 billion Sukuk	DOTY
iKCON	Cross-border Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
iKCON	UAE Deal of the Year	iKCon's cross-border acquisition by REEF Technology	DOTY
Jabal Omar Development Company	Real Estate Deal of the Year	Jabal Omar Development Company's SAR6 billion refinancing	DOTY
Latham and Watkins (Law Office of Salman M. Al-Sudairi)	Hybrid Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Latham and Watkins (Law Office of Salman M. Al-Sudairi)	Overall Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Malaysian Reinsurance (Malaysian Re)	Best Re- Takaful Company		NBFI
NCB Capital Company	Saudi Arabia Deal of the Year	Saudi Aramco's US\$6 billion hybrid Sukuk	DOTY
Pak Kuwait Investment Company	Most Innovative Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Pak Kuwait Investment Company	Pakistan Deal of the Year	Enertech's PKR25.5 billion Sukuk	DOTY
Tropicana Corporation	Musharakah Deal of the Year	Tropicana Corporation's RM270 million perpetual Musharakah	DOTY
Türkiye Emlak Katılım Bankası (Issuer)	Sukuk Deal of the Year	Emlak Katılım's TRY51.8 million sustainable Sukuk	DOTY
International Counsel Bureau	Kuwait Deal of the Year	Kuwait Finance House's US\$750 million Tier 1 Sukuk	DOTY

# IFN FORUMS 2022

## AWARDS

**IFN**  
**COMPLETED**

IFN Kuala Lumpur Awards  
30<sup>th</sup> March

**IFN**  
**COMPLETED**

IFN Dubai Awards  
26<sup>th</sup> May

## EVENTS

**IFN** THOUGHT  
**COMPLETED**

IFN Thought Leadership Dialogue  
26<sup>th</sup> May, Dubai

**IFN KSA**  
**COMPLETED**

IFN KSA Meet  
30<sup>th</sup> May, Riyadh

**IFN**  **UK**  
**FORUM**  
2022

IFN UK Forum  
5<sup>th</sup> September, London

**IFN** **AFRICA**  
**FORUM**  
2022

IFN Africa Forum  
13<sup>th</sup> September, Abuja, Nigeria

**IFN** **ASIA**  
**FORUM**  
2022

IFN Asia Forum  
27<sup>th</sup> September, Kuala Lumpur

 **ISLAMIC SUSTAINABLE**  
FINANCE & INVESTMENT  
ASIA FORUM 2022

Islamic Sustainable Finance & Investment Forum  
28<sup>th</sup> September, Kuala Lumpur

**IFN** **INDONESIA**  
**FORUM**  
2022

IFN Indonesia Forum  
3<sup>rd</sup> October, Jakarta

**IFN** **OMAN**  
**FORUM**  
2022

IFN Oman Forum  
17<sup>th</sup> October, Muscat