

SESSION V

DELIVERING INNOVATIVE SUKUK ISSUANCES

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Global Leader In Takaful Expertise

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GLOBAL SUKUK MARKET OVERVIEW

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- ☐ **MENA ISSUERS FAVOUR INTERNATIONAL ISSUANCES**

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INFRASTRUCTURE SUKUK

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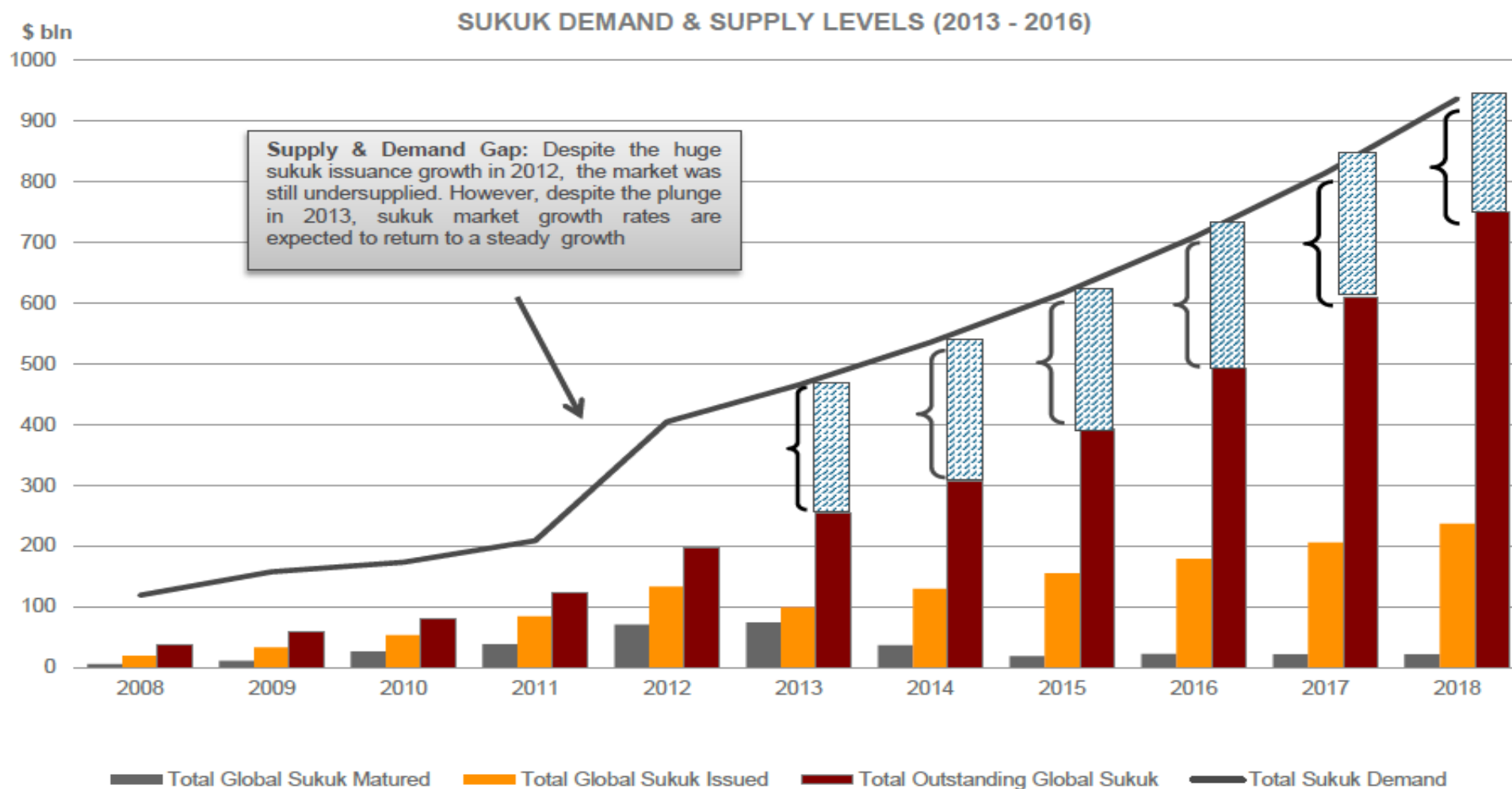
SUKUK MUTUAL FUNDS

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FWU: PIONEERING CORPORATE SUKUK ISSUANCE

2013 drop in Sukuk issuance due to rising bond yields making debt issue less attractive

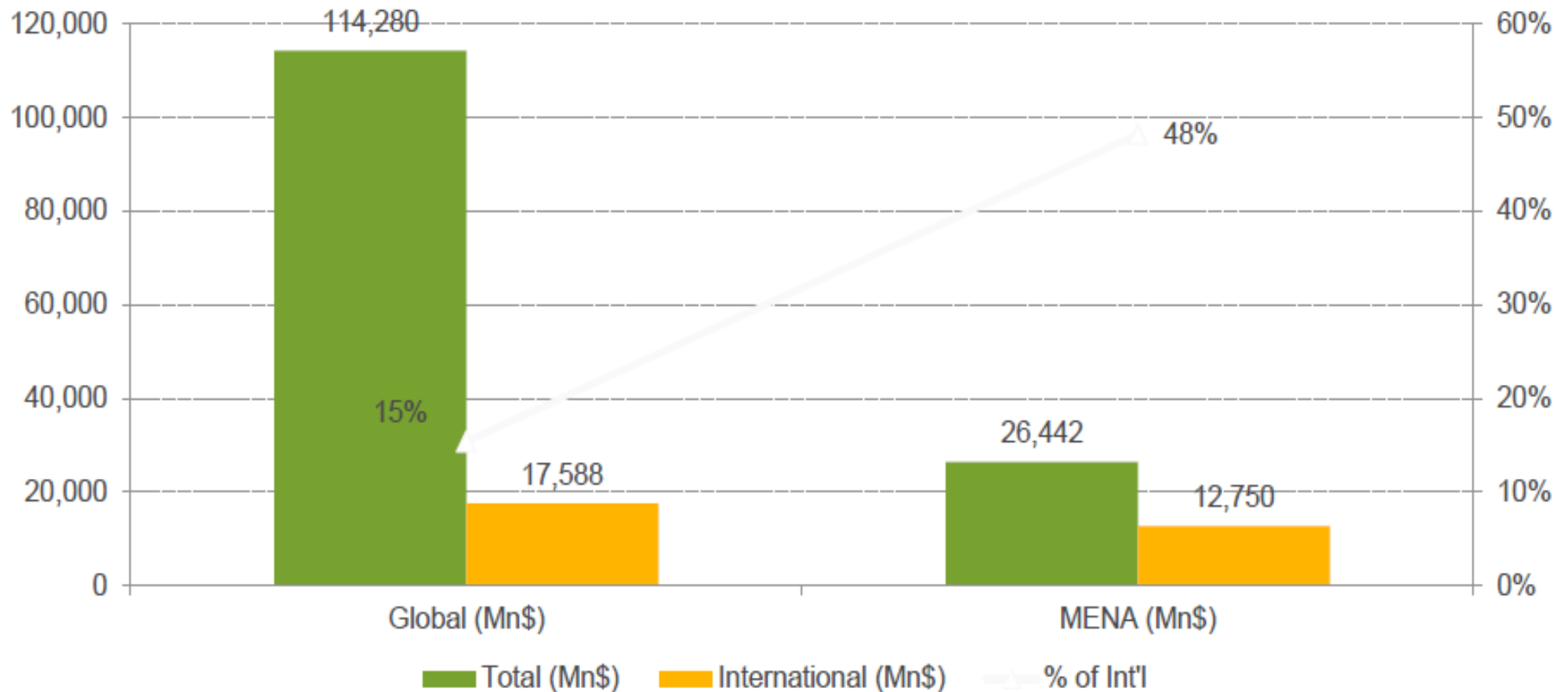
US\$ 187 billion under supply of Sukuk issuances expected by 2018



48% of MENA issuers have issued via the International market

This could mean that the MENA domestic market is underserved

2013 Issuances in US \$ millions



Estimates by OECD (Organisation for Economic Co-operation & Development)

US \$ 71 trillion

Required for global
infrastructure projects by 2030
(road, rail, telecommunications,
electricity and water)

US \$ 535 bln to 2 tln

Required for GCC infrastructure
projects during 2010 to 2020

2012: A Record year for new Infrastructure Sukuk Issuances

US \$ 27.8 billion

Infrastructure Sukuk issued

21% of Global Sukuk issuances

related to Infrastructure finance
(140% increase from 2011)

**Expo 2020 and FIFA 2022 (Qatar)
are expected to impact Sukuk
market positively**

EXPO 2020
DUBAI, UAE



qatar
2022



Increasing number of US \$ denominated Sukuk funds deepening secondary market for Sukuk

Managers offering US \$ denominated Sukuk funds include:



Sukuk mutual funds provide a structured way for many different investors to gain exposure to Sukuk

- Corporate Sukuk often offer yield enhancement over sovereign and sovereign related Sukuk
- Demand for Sukuk Issuances is paving the way for corporates to either replace maturing debt or obtaining new funding

Corporate Sukuk issuances gaining pace, as corporates seek to diversify funding channels

Example ➤ Majid Al Futtaim Holding, the highest rated corporate in Middle East issued both a Sukuk and a conventional bond during 2012

Sukuk issue	US \$ 400 million (Feb. 2012)
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Conventional bond issue	US \$ 500 million (July 2012)
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Largest Sukuk Issuance by a European Corporate

Oct. 2013

US\$ 100 M

EIIB-Rasmala: Lead
arranger & book-runner

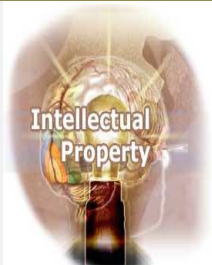
US\$ 45 M

Feb. 2013 Issue
(Commodity Sukuk)

US\$ 55 M

Oct 2012 Issue

1st Sukuk Issuance by a German Corporate



US\$ 55 M Issue: 1st Sukuk to be backed by Intellectual Property

Innovative Sukuk Structures

- ❖ Underlying Asset is a proprietary computer software system, used by FWU bank distribution partners
- ❖ Intellectual Property rights developed in-house by FWU
- ❖ Ernst & Young provided advice in relation to the underlying assets

Shari'ah Scholars

Amanie Advisors LLC

Financial Advisor

Rolfs Partner

Legal counsel

- ❖ Morgan, Lewis & Bockius
- ❖ Vinson & Elkins LLP
- ❖ Loyens Loeff (Luxembourg & Tax Counsel)

Thank you...



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