

Sukuk from Economic, Legal, Practical and Shariah Perspectives

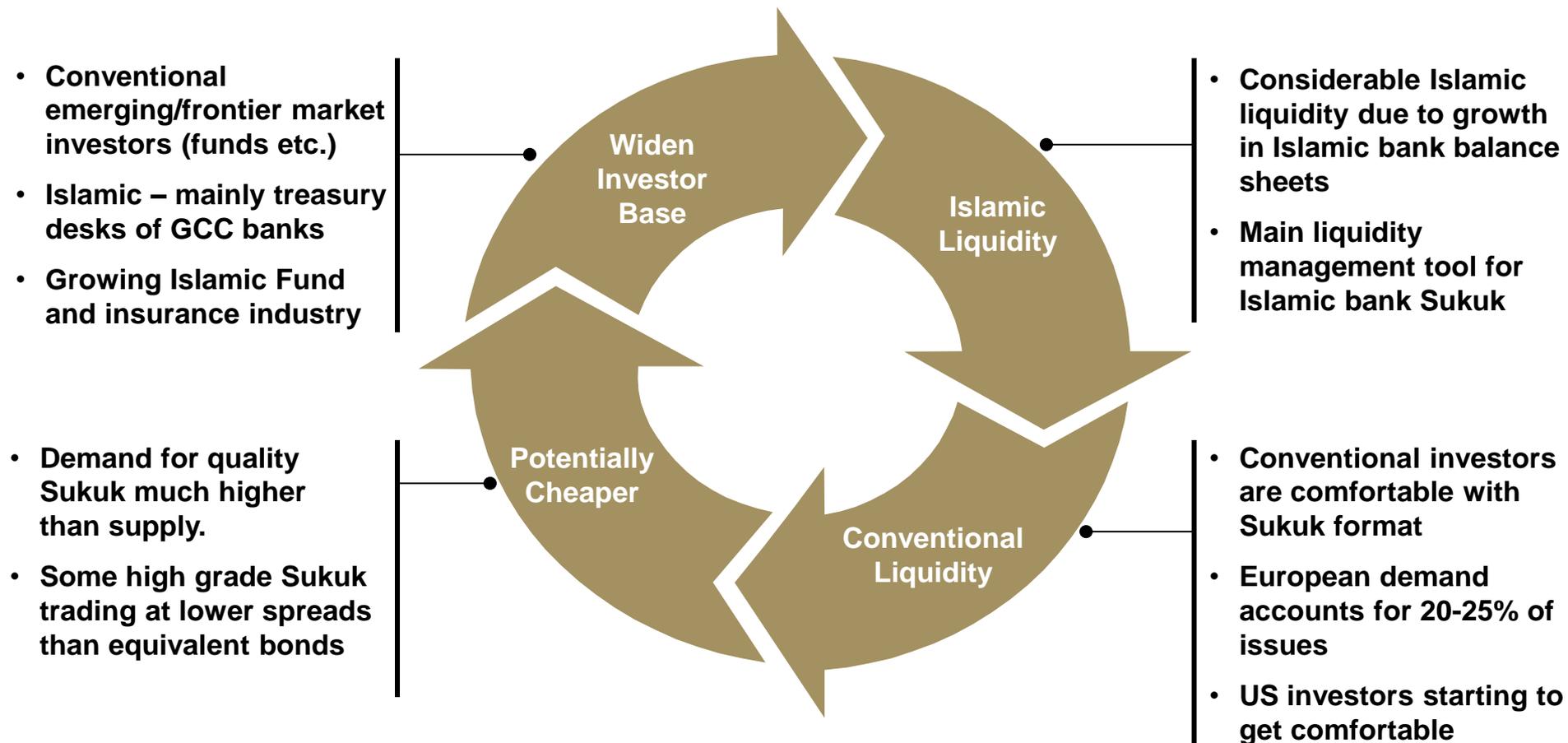
Sukuk: Why & How to Issue?

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Why Issue Sukuk?



Key Considerations

Asset Identification

- Tangible Assets required

Currency

- US\$ – overwhelming choice given global appeal
- QAR – potentially attractive option to issuers in Qatar, to maximise local name recognition and access local liquidity

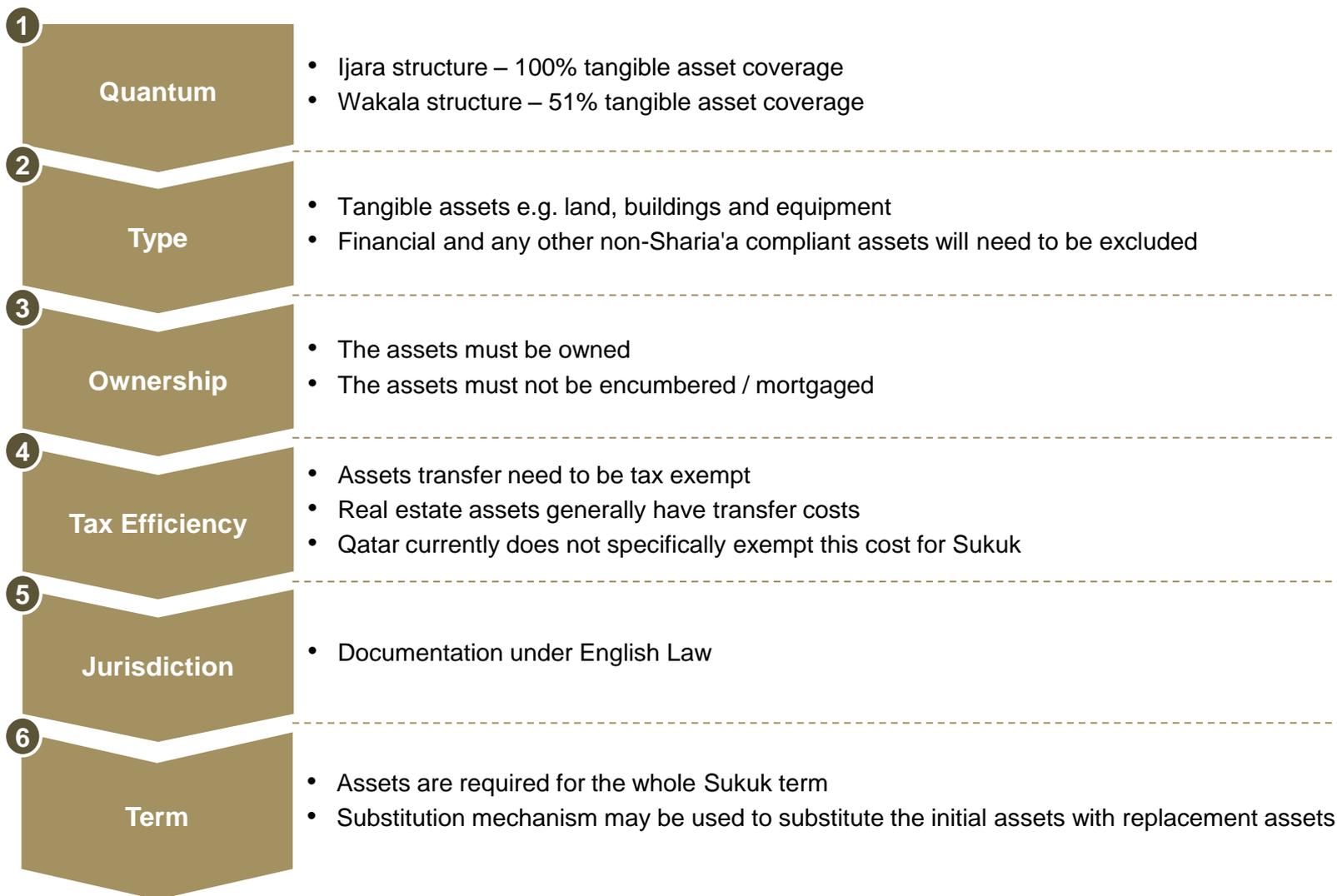
Tenor

- Traditionally 5 year tenors. Moving towards longer tenors
- Local market should mirror 3 and 5 year tenors issued by Qatar Central Bank

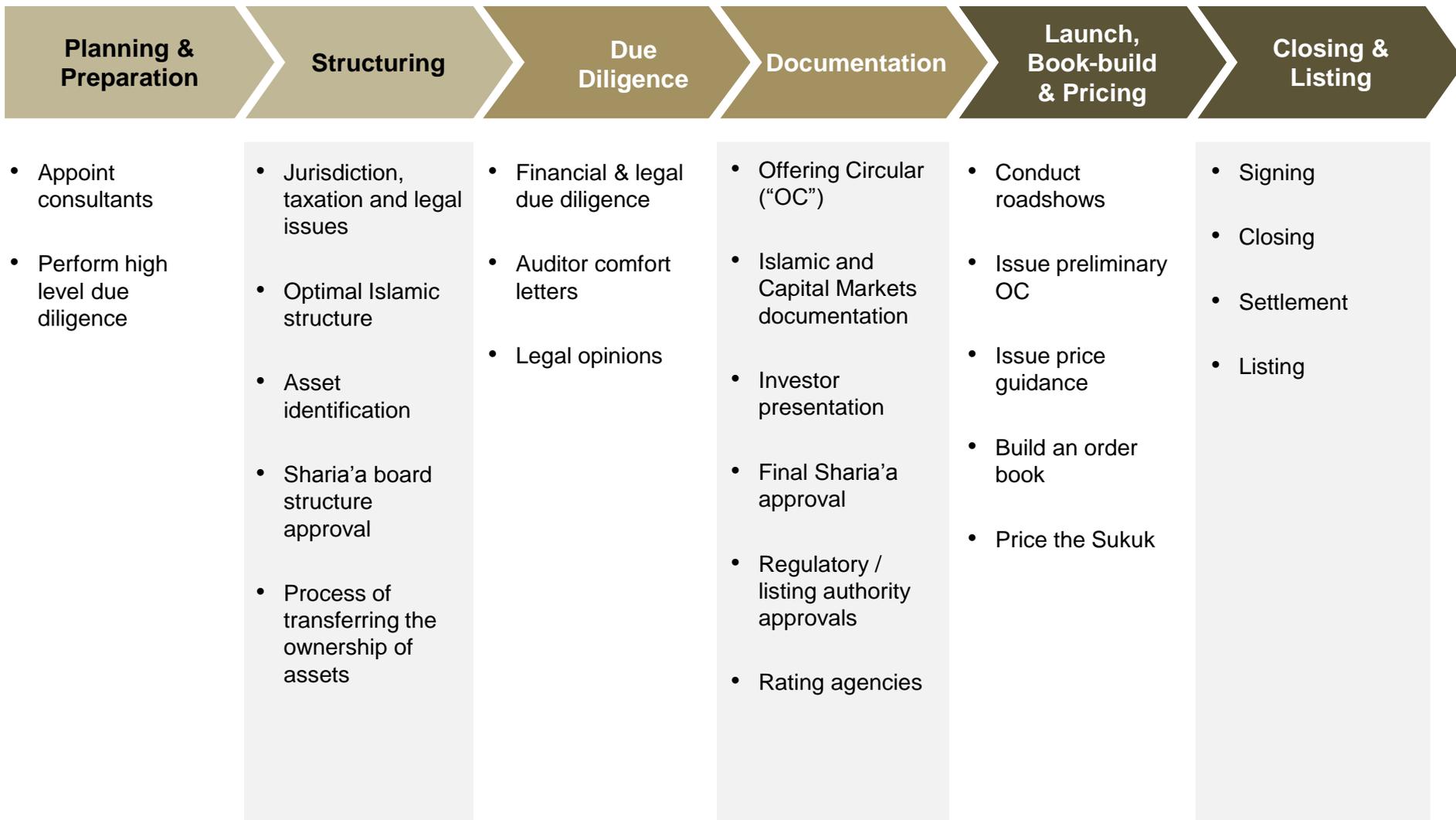
SPV Location

- Tax efficiency is key. Cayman has been used due to the tax friendly nature
- Qatar currently does not have SPV legislation in place

Asset Identification Process

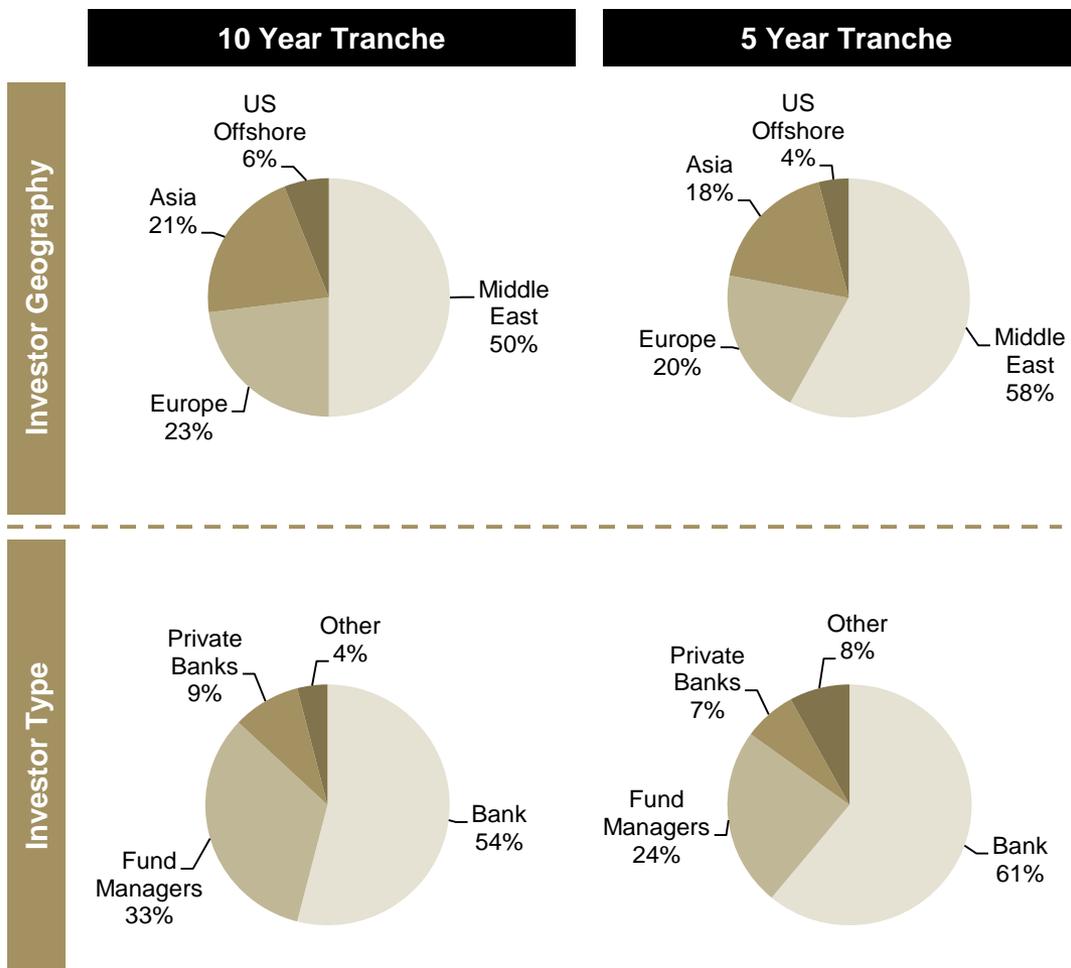


Sukuk Process – Advisor Assistance



State of Qatar Sukuk

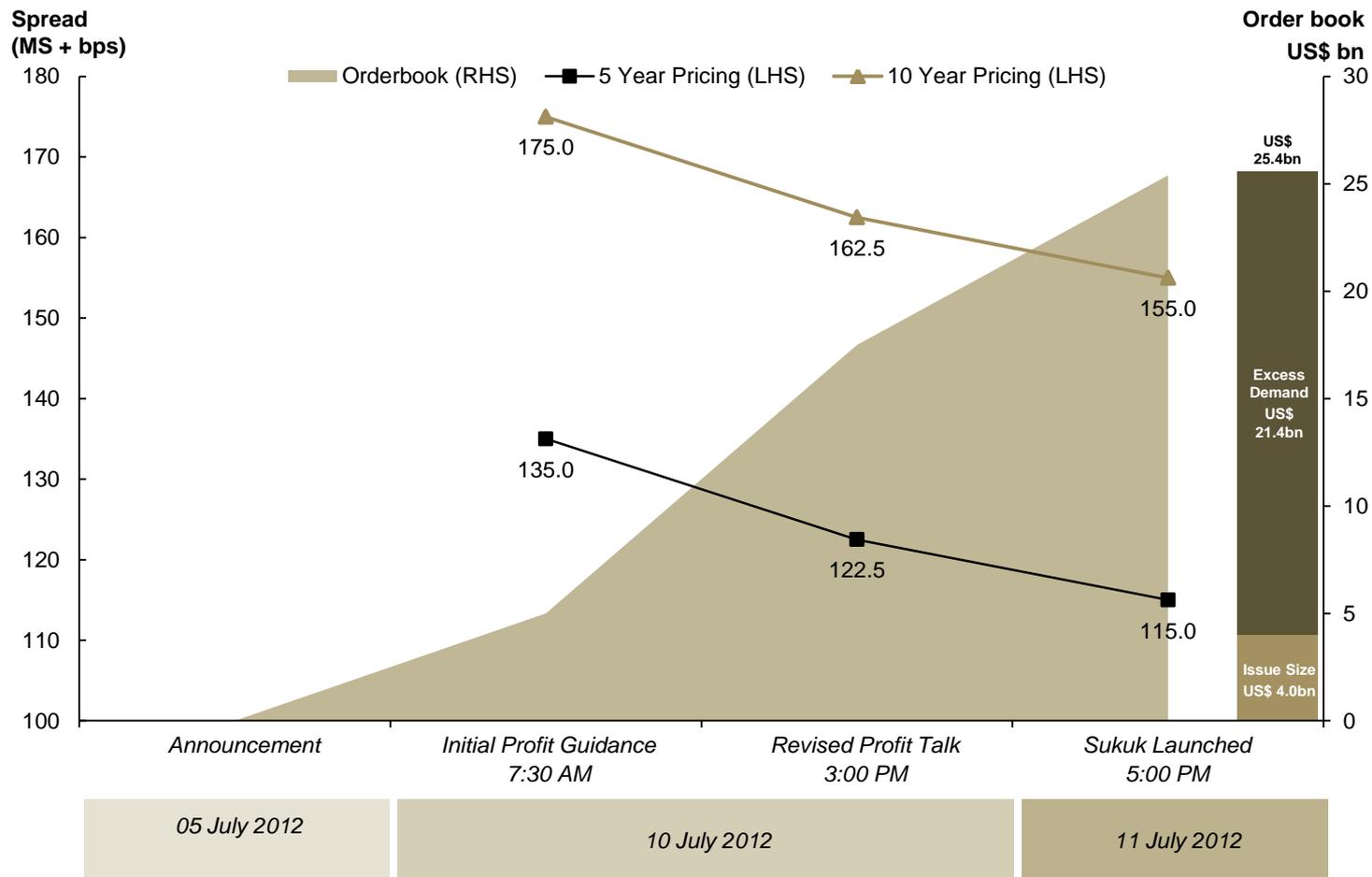
- State of Qatar issued US\$ 4bn Sukuk split between 5year and 10 year
- The largest ever international Sukuk
- The largest order book for an international Sukuk (US\$25.4bn)
- The lowest 5 year and 10 year fixed coupon by any GCC issuer to-date in the US\$ market (July 2012)
- New liquid benchmark for other domestic and regional issuers
- 6.4x oversubscribed from c.750 accounts
- Oversubscription enabled Qatar to price at a discount to its bond curve



QInvest acted as JLM / Bookrunner and led the structuring exercise

State of Qatar Sukuk

- Order book of US\$ 25bn
- Significant increase in orders in the book building period of 36-48 hours
- Pricing was tightened 20bps from initial guidance

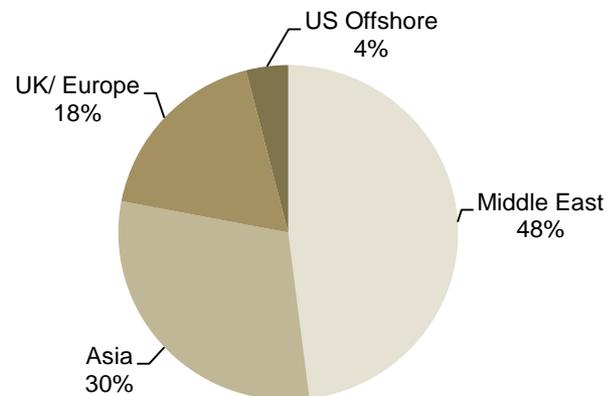


The largest ever Sukuk offering in the international debt capital markets

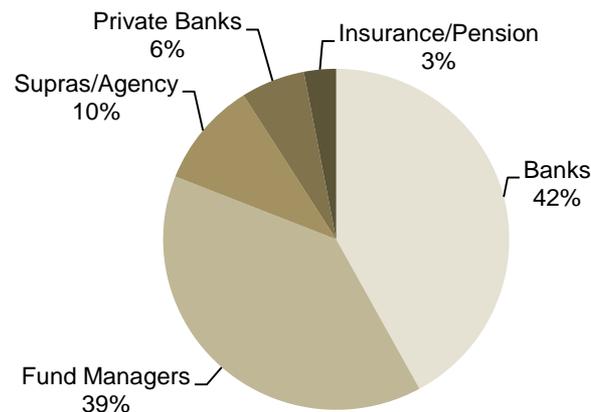
Qatar Islamic Bank Sukuk

Investor Distribution

By Geography



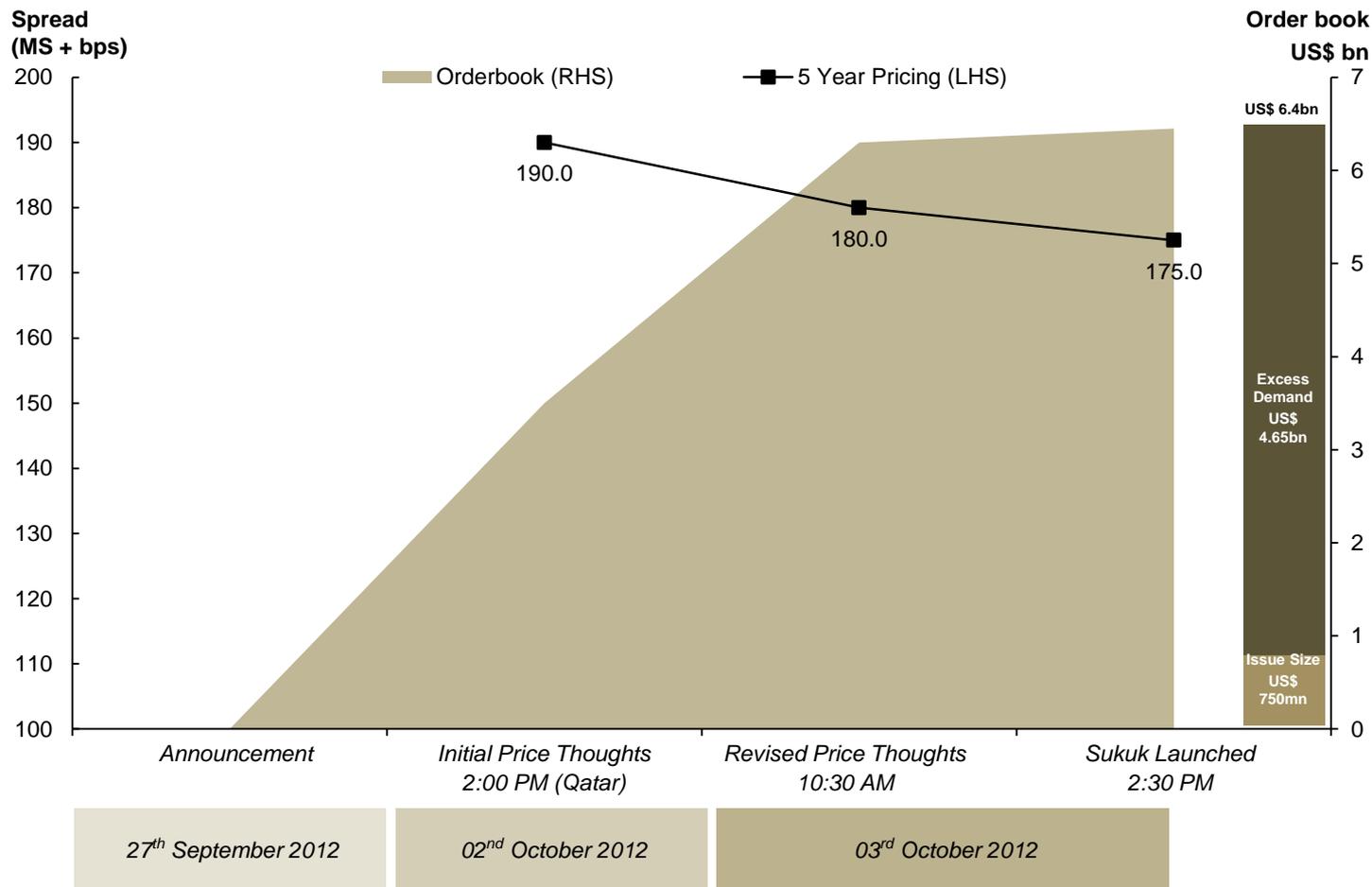
By Investor type



- QIB issued US\$ 750m Sukuk, its second Sukuk transaction
- QInvest led the structuring of the sukuk and acted as a Joint Bookrunner on the transaction
- 8.5x oversubscribed order book represented the largest order book for a GCC financial institution for a 5-year offering
- Allowed QIB to price the Sukuk 15bps tighter than initial price thoughts
- QIB priced the deal substantially tighter than conventional bonds from other regional financial institutions
- The fixed rate coupon on the transaction was at the time the lowest coupon from any non-sovereign issuer in the GCC

Qatar Islamic Bank Sukuk

- Order book of US\$ 6.4bn
- Order book grew significantly after the release of the initial price thoughts
- Pricing was tightened by 15bps from initial price thoughts



Success was as a result of strong demand for Qatar and QIB