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2020

### Special Awards Report



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**CASE STUDIES**

- 6 Arab Company's Sukuk Ijarah: A landmark issuance**
- 8 DP World's Sukuk Mudarabah: Supporting diversification**
- 10 Malaysia's Sukuk Prihatin: A digital first**
- 12 Saudi Electricity Company's Mudarabah instrument the world's largest Islamic finance transaction to date**

**CHAPTERS**

- 16 Industry and business outlooks for 2021**
- 18 Al-Falaah, the alternate financial services unit of LOLC Finance**
- 20 Axiata furthers ESG commitment with first-of-its kind Islamic sustainability-linked financing of US\$800 million**

**RESULTS**

- 22 IFN Deals of the Year 2020**
- 48 IFN Best Banks Poll 2020: A year of surprises**
- 52 IFN Law Awards 2020: Results**
- 61 IFN Service Providers Poll 2020: Asserting dominance amid tempestuous times**
- 64 World Islamic Fintech Awards 2020: Rainbow after the storm**
- 70 IFN Non-Banking Financial Institutions Poll 2020: Winners revealed!**

**WINNERS' LIST**

- 72 IFN Awards 2020 Winners' List**

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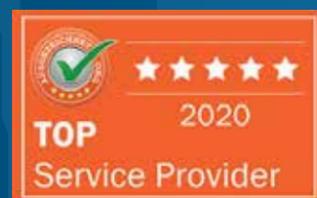
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# Arab Company's Sukuk Ijarah: A landmark issuance



## Egypt Deal of the Year

Arab Company for Projects and Urban Development, a wholly-owned construction and real estate subsidiary of Egyptian holdings company Talaat Moustafa Group (TMG), has issued a Sukuk facility worth EGP2 billion (US\$126.78 million), making it the first corporate to issue Sukuk in the Egyptian market. **NESSREEN TAMANO** reports.

The non-convertible Sukuk, structured under the Ijarah concept, has a tenor of five years and a rating of 'A+' with a stable outlook from the Middle East Rating & Investors Company. The issuer — Arab Company — shares the same rating.

The facility is also the largest Egyptian-pound-denominated debt issuance in the history of the country's financial markets. Acting as the sole financial advisor, coordinator and promoter/guarantor of the transaction is investment bank EFG Hermes.

Offered in a private placement to financial institutions and specific individuals, the bid-to-cover ratio of the Sukuk offering reached 2.5, and it will be listed on the Egyptian Exchange for 57 months until the end of 2024, at a nominal value of EGP100 (US\$6.34) each. Subscription for the Sukuk opened on the 8<sup>th</sup> April 2020 and closed the following day, having generated substantial participation interest.

The underlying asset linked to the Sukuk facility, which is subject to early redemption at the issuer's discretion, is Arab Company's Open Air Mall, a commercial center and new shopping complex currently being developed within the Madinaty compound. Proceeds from the issuance will be used for the development and construction of Open Air Mall, which is valued at more than EGP8 billion (US\$507.12 million) when it opens.

Maged El-Ayouti, the deputy head of investment banking at EFG Hermes, expressed his pride at his team's ability to conclude the Sukuk issuance, especially amid the challenges presented by the

### Summary of terms & conditions

<b>Issuer</b>	Arab Company for Projects and Urban Development
<b>Obligor</b>	Talaat Moustafa Group (TMG)
<b>Format/structure</b>	Sukuk Ijarah
<b>Issue size</b>	EGP2 billion (US\$126.78 million)
<b>Tenor</b>	Five years
<b>Sole financial advisor/ coordinator/ promoter/ underwriter</b>	EFG Hermes
<b>Mode of offer</b>	Private placement
<b>Purpose</b>	To finance the development and construction of Open Air Mall located within the Madinaty complex
<b>Underlying asset</b>	Open Air Mall
<b>Maturity</b>	2024 (57 months after issuance date)
<b>Listing</b>	Egyptian Exchange
<b>Rating</b>	'A+/Stable' from Middle East Rating & Investors Service
<b>Oversubscription</b>	2.5 times
<b>Currency</b>	Egyptian pound
<b>Redemption</b>	Arab Company may redeem the Sukuk Ijarah at its sole discretion.

COVID-19 outbreak. "This success is a testament to the ability of the team to source, execute and conclude deals under adverse circumstances across our markets of operation."

The landmark issuance is seen by industry players to be a push for other corporates looking at issuing Sukuk. IFN previously **reported on the four companies** — including Arab Company — likely to be the first Sukuk issuer in Egypt. (📌)



Photo: Madinaty

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# DP World's Sukuk Mudarabah: Supporting diversification



## Mudarabah Deal of the Year

**UAE-based logistics company and one of the world's largest port operators DP World has issued a perpetual dollar hybrid Sukuk facility structured under the Mudarabah concept worth US\$1.5 billion – the first corporate hybrid Sukuk to have an international rating according to Fitch Ratings. NESSREEN TAMANO has the details.**

Rated 'BB' with a stable outlook by Fitch, the Sukuk facility was issued via the company's SPV DP World Salaam, which will pay periodic distribution amounts at a profit rate of 6% per annum from the issue date until the first reset date of the 1st January 2026, after which the profit rate will be equal to the relevant US Treasury rate plus the applicable margin corresponding to each reset period.

The certificates constitute perpetual instruments with no fixed redemption date, and may be redeemed at DP World's option at any date beginning the first call date of the 1<sup>st</sup> October 2025 and ending on the first reset date or on any periodic distribution date thereafter. The Sukuk facility is the company's inaugural perpetual issuance.

Sultan Ahmed Sulayem, the group chairman and CEO of DP World, said: "Our latest Sukuk received strong demand from regional and international investors, demonstrating their confidence in DP World's global business activities and growth strategy, and enabling us to achieve competitive pricing."

Earlier this year, the company announced its plans to delist from NASDAQ Dubai and return to fully private ownership. Port and Free Zone World, a wholly-owned subsidiary of state investment vehicle Dubai World and a shareholder of DP World with an 80.45% stake, took the logistics company private in

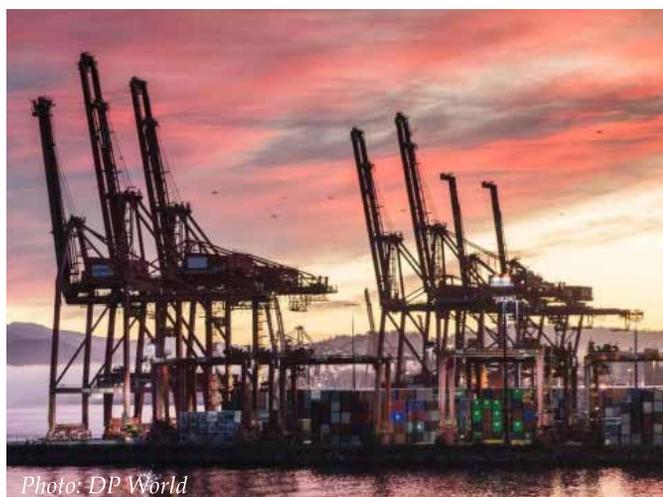


Photo: DP World

### Summary of terms & conditions

<b>Issuer/trustee</b>	DP World Salaam
<b>Type</b>	Reset subordinated perpetual Sukuk certificates
<b>Structure</b>	Mudarabah
<b>Issue price</b>	99.42% of aggregate face amount
<b>Joint global coordinators</b>	Citigroup, Deutsche Bank, JPMorgan
<b>Joint lead managers</b>	Citigroup, Dubai Islamic Bank, HSBC, Scotiabank, Credit Agricole CIB, Emirates NBD Capital, JPMorgan, Deutsche Bank, First Abu Dhabi Bank, Samba Financial Group, Standard Chartered Bank
<b>Co-managers</b>	Abu Dhabi Islamic Bank, Commercial Bank of Dubai
<b>Authorized denomination</b>	US\$200,000 and integral multiples of US\$1,000 in excess thereof
<b>Profit rate</b>	6% per annum
<b>Distribution</b>	Semi-annual
<b>Redemption</b>	The certificates are perpetual securities with no fixed redemption date
<b>Governing law</b>	English law
<b>Listing</b>	NASDAQ Dubai

June 2020 via a buyback exercise of the logistics company's remaining 19.55% minority shareholding.

The issuance of the Sukuk is in line with its deleveraging plan, which is expected to be completed in the next three to five years.

The Sukuk facility was listed on NASDAQ Dubai on the 1<sup>st</sup> July 2020. DP World is the largest UAE debt issuer on the exchange, whose total Sukuk listings as at July 2020 had risen to US\$11.4 billion, higher than in any previous year during the same period, and up 80% from US\$6.35 billion in the same period last year, according to Abdul Wahed Al Fahim, the chairman of NASDAQ Dubai.

Funds raised from the issuance will be used for generate corporate and growth purposes, as well as refinancing the company's debt.

DP World has been rapidly diversifying as part of its strategy of growing as a global smart supply chain solutions provider, with its most recent acquisition plans focused on its Asia Pacific operations via a 60% shareholding of UNICO Logistics, an independent non-vessel operating common carrier in South Korea. ☺

# Most Awarded Islamic Finance Provider in Sri Lanka



- IFN Global Awards - Best Islamic Bank in Sri Lanka 2017, 2018, 2019
- SLIBFI Awards (Sri Lanka) - Islamic Entity of the year 2016, Sri Lanka
- IFN Global Awards - Deal of the Year for Sukuk Ijarah 2016, Sri Lanka
- ARC Global Awards - 'Values Generate Value' Annual Report 2012
- IFN Global Awards - Best Islamic Leasing Provider (Global) 2018, 2019, 2020
- IFFSA Awards (South Asia) - Social Upliftment Award (CSR) 2016, Gold Award
- SLIBFI Awards (Sri Lanka) - Deal of the Year for Sukuk Ijarah 2016, Sri Lanka
- IFN Best Islamic Leasing Provider of the Year 2020

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# Malaysia's Sukuk Prihatin: A digital first



## Deal of the Year

**The Malaysian Ministry of Finance (MoF), on behalf of the government, has announced the issuance of Sukuk Prihatin – an opportunity for Malaysian citizens to contribute toward rebuilding the country's economy in the wake of the coronavirus crisis. NESSREEN TAMANO writes.**

A government initiative under the National Economic Recovery Plan (PENJANA) launched in June 2020, the Sukuk facility – originally planned to amount to RM500 million (US\$119.79 million) – was oversubscribed, reaching a total subscription of over RM666 million (US\$159.56 million).

“Given the overwhelming response from eligible applicants, the government decided to issue an additional subscription of RM166 million [US\$39.77 million],” the MoF said. The subscription period began on the 18<sup>th</sup> August 2020 and closed on the 17<sup>th</sup> September 2020.

Making history, the Sukuk issuance is the first of its kind to only be available for subscription online via the digital banking platforms of 27 banks in Malaysia, through the JomPAY and DuitNow e-payment channels.

Proceeds from the issuance will be channeled to Kumpulan Wang COVID-19, also known as the COVID-19 Fund, which focuses on implementing economic recovery measures including supporting infectious disease research efforts, financing MSMEs and improving connectivity in rural schools.

Upon maturity, Sukukholders are given the option to donate all or part of the principal amount of the subscription back to the COVID-19 Fund.

“The oversubscription and successful issuance of Sukuk Prihatin is a testament to the spirit of unity and cooperation of Malaysians in the face of this challenging period.”

### Summary of terms & conditions

<b>Issuer</b>	Government of Malaysia
<b>Issue size</b>	RM666 million (US\$159.56 million)
<b>Structure</b>	Commodity Murabahah (Tawarruq)
<b>Tenor</b>	Two years
<b>Maturity date</b>	21 <sup>st</sup> September 2022
<b>Profit rate</b>	2% per annum (tax-exempt)
<b>Payment</b>	Quarterly from the first issue date
<b>Primary distribution bank</b>	Maybank
<b>Minimum subscription</b>	RM500 (US\$119.79)
<b>First profit payment date</b>	22 <sup>nd</sup> December 2020
<b>Alteration period (for waiver of principal amount)</b>	22 <sup>nd</sup> June – 5 <sup>th</sup> August 2022
<b>Tradability</b>	Non-tradable, non-transferable and non-assignable
<b>Governing law</b>	Malaysian law
<b>Listing</b>	None

The Sukuk issuance was initiated in response to the public's request to participate and contribute to the rebuilding of the nation, the MoF had previously stated. (2)





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# Saudi Electricity Company's Mudarabah instrument the world's largest Islamic finance transaction to date



**Corporate Deal of the Year,**  
**Saudi Deal of the Year**

**Saudi Electricity Company (SEC)'s Sukuk Mudarabah transaction of SAR167.92 billion (US\$44.72 billion) comes as part of Saudi Arabia's comprehensive transformation and reforms for its electricity sector in line with the Kingdom's Vision 2030.**

In mid-November 2020, Prince Abdulaziz bin Salman, the Minister of Energy, chairman of the Ministerial Committee for Restructuring the Electricity Sector ("Committee for Restructuring"), and the chairman of the board of directors of the Water and Electricity Regulatory Authority, announced a set of structural, regulatory and financial reforms for the electricity sector.

The reforms come from a collective effort from the Ministerial Committee for Restructuring. The intention of these reforms is to ensure the long-term health and sustainability of the electricity sector and the achievements of the Kingdom's goals under Vision 2030. The expected outcomes include more efficient power generation, complete displacement of liquid fuels by gas in electricity production and increased

Summary of terms & conditions	
<b>Instrument</b>	Mudarabah format
<b>Size</b>	SAR167.92 billion (US\$44.72 billion)
<b>Issue date</b>	16 <sup>th</sup> November 2020
<b>Obligor</b>	Saudi Electricity Company (acting as the Mudarib)
<b>Maturity</b>	Has no fixed repayment date and therefore, like common equity, are perpetual in nature
<b>Currency</b>	Saudi Arabian riyals (SAR)
<b>Status</b>	Unsecured and deeply subordinated, senior only to common equity
<b>Profit rate</b>	Remuneration is predefined but discretionary, non-cumulative and is directly linked to the payment of dividends and the balancing account. 4.5% for a three-year period ending the 31 <sup>st</sup> December 2023, to be reset with reference to the regulatory weighted average cost of capital less a margin of 1.5% in line with the regulatory period.
<b>Profit payment frequency</b>	Semi-annual
<b>Transferability restriction</b>	Should be held at all times by the Ministry of Finance or the Public Investment Fund of the Kingdom of Saudi Arabia
<b>Governing law</b>	Saudi law



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**Financial Strength Rating of 'A-' Excellent ( Stable Outlook ) by A.M. Best**

environmental protection. Moreover, the reforms will aim to increase the reliability of the Kingdom's electricity transmission network to facilitate the production of electricity from renewable energy sources as the Kingdom seeks to continuously optimize its energy mix. These will be supplemented by improved distribution networks that will ultimately enhance supply reliability to consumers.

The comprehensive reform package includes the cancellation of the government fee owed by SEC enabling the company to retain all revenues generated from applicable electricity consumption tariffs, the establishment of a revenue requirement mechanism for the sector which includes a tariff-balancing account to compensate for the difference between the efficient cost to serve and the income from tariffs, a mechanism for the timely settlement of public sector electricity bills and SEC's payments of all its financial obligations resulting from fuel, energy purchases and government dues, as well as distributing dividends owed to all shareholders.

“ **The Mudarabah instrument enables SEC to maintain a clearer and sustainable capital structure** ”

Furthermore, the announced sweeping reforms included the conversion of net government liabilities worth a total of SAR167.92 billion owed by SEC, as of the 31<sup>st</sup> December 2019, into an equity-like non-dilutive financial instrument executed in a Mudarabah format. The Mudarabah agreement was signed with the government represented by the Ministry of Finance. The recapitalized government liabilities include government loans and net government payables and accruals after offsetting for outstanding amounts owed to SEC by the government (ie government electricity receivables according to SEC's financial statements at end of the 2019 fiscal year). Additionally, they include an amount of SAR3.4 billion (US\$905.4 million) which is equivalent to the total dividends owed to Saudi Aramco since SEC's inception until 2017.

The Mudarabah instrument has been classified as equity in SEC's balance sheet, which will support SEC's capital structure and financial sustainability.

Commenting on the transaction, Khaled Al-Gnoon, the acting president and CEO of SEC, said: "I would like to extend my gratitude to His Royal Highness, the Minister of Energy, Prince Abdulaziz bin Salman for his unwavering support and backing of the sector and the company and on behalf of SEC I would also like to thank all members of the Ministerial Committee dedicated for the restructuring of the sector. The



power system in KSA [Kingdom of Saudi Arabia] could not achieve its ambitions without a fundamental redefinition of the sector's financial foundation and operating model. At this important juncture, however, the expectations from the Saudi Arabian power sector are much higher than ever before. The reforms have created important instruments for achieving the policymaker's objectives for modernizing and transforming the utility sector as part of the Kingdom's Vision 2030. The recapitalization of historical government liabilities into a Mudarabah instrument hits the reset button on the legacy of decades of ad-hoc methods of addressing the financial challenges of the electricity sector in KSA and, along with the comprehensive reforms, puts in place a robust, transparent and stable regulatory framework that will ensure the financial sustainability and health of SEC. The Mudarabah instrument enables SEC to maintain a clearer and sustainable capital structure. SEC's balance sheet will become more robust, enhancing its ability to invest in reliability and efficiency projects and to accelerate the grid automation, smartification and digital transformation while meeting continued demand growth and delivering a world-class customer experience."

Khaled further added: "The magnitude of the transaction is a momentous landmark; it is the largest Islamic financial transaction to be ever executed globally with issuance of a SAR167.92 billion Mudarabah instrument (a profit of 4.5%) by SEC and the single largest conversion to a non-dilutive equity-like instrument from debt."

*Notes: Forward-looking statements are based upon reasonable assumptions; there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. SEC undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities regulations. (F)*



# IFN EVENTS

2021

## PHYSICAL FORUMS



MANSION HOUSE, LONDON  
7<sup>TH</sup> SEPTEMBER



MUSCAT  
26<sup>TH</sup> OCTOBER



DUBAI  
31<sup>ST</sup> OCTOBER



KUALA LUMPUR  
8<sup>TH</sup> NOVEMBER



JAKARTA  
15<sup>TH</sup> NOVEMBER



KUALA LUMPUR  
6<sup>TH</sup> DECEMBER

## PHYSICAL CEREMONIES



IFN AWARDS DUBAI  
31<sup>ST</sup> OCTOBER



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8<sup>TH</sup> NOVEMBER



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# Industry and business outlooks for 2021

**The (re)insurance market in Malaysia is in a state of flux with a uniquely challenging outlook for 2021. After initial success in containing the pandemic, the country has seen a resurgence of cases under the third wave of COVID-19 which started to affect the country in October 2020 with daily new cases exceeding 7,000 on the 1<sup>st</sup> June 2021. A second nationwide state of emergency has been declared to combat the pandemic and is presently scheduled to last until the 14<sup>th</sup> August 2021.**

**In spite of the arduous environment, the domestic non-life insurance market has been resilient – after contracting by -2.5% in the first half of 2020, the market rallied and closed the year strongly by posting RM20.7 billion (US\$5.02 billion) in gross written premiums in 2020, a marginal -0.1% contraction from 2019.**

The industry's durable position is an encouraging development given the fact that 70% of the country's insurance premiums are comprised of motor and properties, consumption-based sectors which typically mirror the country's GDP which saw a significant decline by -6.4% in the third quarter and is forecasted to contract between -3.5% and -5.5% in 2020.

Notwithstanding the aforementioned, we are cognizant of the potential risks should the present wave of COVID-19 prolong as weakening economic activities may potentially translate into lower motor sales and properties which may continue in the second half of 2021. Classes such as marine and personal accident have already been negatively affected by declining trade volume and travel restrictions respectively.

Aside from the impacts on premiums, the domestic market has not seen significant COVID-19 related claims to date. This can be explained by the relatively low takeup of 'Business Interruption' (BI) which is an optional extension of fire insurance and as such comes under the tariff. Furthermore, potential claims from BI are relatively insignificant given the tight policy wording. At Malaysian Re, we have seen some claims from ASEAN and Europe regions albeit on a moderate scale. We are cautiously optimistic that there will not be adverse developments moving forward given that strict infectious and contagious disease exclusion clauses have been imposed on all overseas policies.

From the position as the market leader, the domestic reinsurance market is not expected to see major surprises in terms of pricing for 2021. Our treaties experience in 2020 was mixed: there was an increase to the motor excess of loss in tandem with the increase in overall market loss experience. On the other hand, commission rates for proportional treaties were generally flat in 2020 although there were marginal increases for loss-affected treaties.

For the ASEAN market, we had in the last quarter of 2020 commenced surveys with the industry's top executives for the 4<sup>th</sup> edition of ASEAN Pulse, our regional-focused annual publication which was released in December 2020. The respondents generally pointed out that the markets would

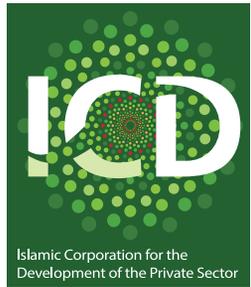
generally stay flat except in some manufacturing-driven ASEAN markets such as Thailand where rates are hardening for trade credit and marine cargo which have been affected by disruption of supply chains. Our own experience in the regional markets indicates pockets of modest price increase in the retrocession business although it is primarily driven by strengthening of terms instead of COVID-19.

The year also saw Malaysian Re's increasing participation in industry-wide initiatives for its corporate responsibility programs which include administering the COVID-19 Test Fund and currently being the industry's project manager for the Perlindungan Tenang Voucher Fund, a national microinsurance initiative.

In spite of the challenging business environment, Malaysian Re recorded a 7.7% increase in gross premiums to RM1.4 billion (US\$339.65 million) in the financial year ended the 31<sup>st</sup> March 2021 (FY2021) from RM1.3 billion (US\$315.38 million) in the preceding financial year, mainly due to the positive contribution from both overseas and domestic markets. Malaysian Re marked a new milestone by hitting RM1.4 billion in gross premiums, with more than RM600 million (US\$145.56 million) coming from the overseas business. Our net profit surged 38.1% to RM133.1 million (US\$32.29 million) from RM96.4 million (US\$23.39 million) in FY2020 largely contributed by higher investment income and underwriting surplus. Our capital position remains robust and our underwriting fundamentals are solid with well-diversified portfolios and healthy combined ratios driven by prudent underwriting discipline and effective cost measurements. Key investments in technology and talents have also enabled the company to maintain normal operations during the various stages of the Movement Control Order.

Looking forward, there are reasons for cautious optimism as the government had rolled out the first phase of the National COVID-19 Immunisation Programme in February 2021 with subsequent rollouts throughout the year. Malaysian Re is well positioned to weather the storm ahead and capitalize on the subsequent market upturn. 📈





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# Al-Falaah, the alternate financial services unit of LOLC Finance

## The LOLC Group

The LOLC Group (the Group) is the largest and most diversified financial conglomerate in Sri Lanka. Its portfolio further includes leisure, plantations, agri-inputs, renewable energy, construction, manufacturing, trading and other strategic investments into technology, research and innovation. As a leading player in Sri Lanka's SME and microfinance sectors, the Group has been a catalyst in facilitating financial inclusion. Our role in microfinance has enabled us to benefit many people and communities, while striving to maximize environmental benefits through green operations and processes in line with our triple bottom line focus in all we do. LOLC's footprint spans every district from rural hinterlands to major cities enduring business partnerships with a host of financial and developmental organizations across the world. With investments in Cambodia, Myanmar, Pakistan, Indonesia, the Philippines, Nigeria, Zambia, the Maldives and Sierra Leone as well as corporate offices in Singapore, the UAE and Mauritius, LOLC continues to expand its international presence by actively seeking new opportunities in the region.

## LOLC Finance

LOLC Group's flagship financial entity, LOLC Finance, is a public limited liability company incorporated under the Companies Act No 7 of 1982 and re-registered under the Companies Act No 7 of 2007 on the 27<sup>th</sup> March 2008. The company was listed on the Colombo Stock Exchange in 2011. LOLC Finance is licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011 (as a non-bank financial institute - NBFi) and is rated '(SL) A Stable' by ICRA Lanka (a wholly-owned subsidiary of ICRA, an associate of Moody's Investors Service). LOLC Finance offers a wide range of financial services spanning from loans to leases, and mobilizes both local and foreign currency fixed deposits and savings with SWIFT network membership. Consolidating LOLC Group's position as one of the largest and most diversified financial conglomerates in the country, the merger of the microcredit company, LOLC Micro Credit, with LOLC Finance in a strategic move, propelled LOLC Finance to the forefront of the industry as the largest deposit-taking licensed finance company (LFC) in the country.

## About LOLC Al-Falaah

LOLC Finance is also one of the key players in the Islamic finance space in Sri Lanka, offering innovative solutions through its Al-Falaah Alternate Financial Services Unit (LOLC Al-Falaah). LOLC Al-Falaah, Sri Lanka's most awarded and trusted alternate financial services brand, was established in 2007 and functions directly under the auspices of LOLC Finance. It is a strategic business unit (SBU) that offers 360 degree alternate financial solutions under the concepts of Mudarabah/profit-sharing investments, Wakalah/term deposits, Ijarah/leasing, Murabahah/trade finance, Musawwamah/import finance, diminishing Musharakah/property and project finance, Wakalah lending/business and working capital finance and the Wadiah Gold Storage Facility from LOLC Finance's branch network of 141 locations island-wide.

LOLC Finance is renowned for its pioneer status within the industry

as the first NBFi in Sri Lanka to offer regulated Islamic investment and financing products. Some of the complementary industry-leading technological advancements incorporated for the digital penetration of these products are:

- LOLC real-time internet banking and mobile-app
- i-Pay mobile-app for real-time utility payments and multiple banking account maintenance
- Real-time fund transfers via the Common Electronic Fund Transfer Switch with Lanka Pay
- SMS alerts banking transactions and digital statements
- International Visa ATM/debit cards
- Remittance agreements with Cash Wiz, Australia and DFCC, Lanka Money Transfer, and
- Sri Lanka Interbank Payment System for secondary participants.

LOLC Al-Falaah, since its inception in 2007, is closely monitored and guided by an independent Scholar Supervisory Board to ensure that this SBU is at all times and in every way compliant with the rules, principles and values of Islamic financing vis-a-vis alternate financing.

## Empowering entrepreneurship of ladies in the community

The Al-Falaah Ladies Business Unit (LBU) was established in February 2013 with the aim of offering a product focused on women and empowering them to plan their financial future wisely. Titled 'Blossom of Success', this unique business concept offers customized solutions for both investors and borrowers with high returns and flexible repayment options respectively. These finance solutions are available for both self-employed individuals and professionals with below-value additions to reap maximum benefits. As a value addition, the LBU launched the 'Empress' discount card, designed exclusively for Al-Falaah Ladies Accounts holders, providing a plethora of benefits for both working and non-working women. This special discount card is the first of its kind to be offered by an Islamic bank or financial institution in Sri Lanka, enabling cardholders to shop and save simultaneously, manage household expenditure and avail themselves of exclusive seasonal and year-round offers from more than 100 high-street merchants island-wide.

## Minors and senior citizens

A pioneering product in the Sri Lankan Islamic financial services sector, the 'Al-Falaah Junior' Mudarabah investment product is designed to help children achieve their full potential with the aim of encouraging the savings habit and inculcating financial discipline from a young age. A minor's savings account, Al-Falaah Junior offers a comprehensive savings plan based on the Islamic economic principles of profit-sharing. It offers attractive benefits such as high profit returns, a fully-integrated savings account with a passbook and exciting complimentary gifts. This children's savings account empowers the building of a secure financial future for children, so that on completing 18 years, the child holds substantial savings in his or her account to pursue ambitious

academic goals. Another growing banking need identified is the requirement for senior citizens to have better access to financial security and independence so that they may live their life with dignity. Realizing their unique needs, LOLC Al-Falaah has designed solutions that offer them maximum returns and a feeling of security in their twilight years. The 'Al-Falaah Senior' Mudarabah investment product provides multiple benefits from a choice of investment options between one and 60 months with attractive profit returns, a fully-integrated savings passbook with the flexibility of unlimited deposits and withdrawals, global access through the Visa network and accessible through over 100 LOLC branches and dedicated Al-Falaah service centers located island-wide.

### **First Sukuk Ijarah in Sri Lanka**

Sri Lanka's first Sukuk Ijarah issuance, a Shariah compliant securitization alternative, was launched by LOLC Al-Falaah in 2016 and matured in 2019. The in-depth expertise of LOLC Al-Falaah was evident in this industry-first Sukuk; thus the initiative was a trend-setter that paved the way for all other players in the Islamic finance industry in the country to benefit from the concept, as it streamlined all protocols with the regulators. The company plans to issue a second Sukuk-based instrument based on its requirement shortly. This pioneering Sukuk issuance in Sri Lanka and in the region will contribute to further develop the Islamic finance capital market, by not only opening a new window for companies seeking Islamic finance but also providing a viable investment instrument for the potential Islamic investor.

### **ICD funding**

LOLC Al-Falaah's successful securing of a US\$10 million funding line from the Islamic Corporation for the Development of the Private Sector (ICD) headquartered in Jeddah was made as a reference as the single largest bilateral transaction between an Islamic financial institution based overseas and an Islamic finance unit in the non-banking sector in Sri Lanka in the year 2017. It was the first Sri Lankan company to be granted funding from the IsDB's ICD that was up for renewal in 2020.

### **Wadiah Gold Storage Facility**

LOLC Al-Falaah recently unveiled its ground-breaking new product, the Wadiah Gold Storage Facility. This is the first time a finance company in Sri Lanka is offering this type of facility. It is a unique gold storage option offered to Al-Falaah's valued customer base. All gold articles are tested for quality and authenticity using state-of-the art equipment by the company's experienced staff without causing any damage to the jewelry. A unique 'Gold Storage Certificate' with a description of the article, including weight, quality and quantity along with the market value will be issued to the customer when obtaining this facility. A unique feature of this product is that the depositor can obtain a 'Benevolent Loan' against this 'Gold Storage Certificate' and settle within the agreed period. This option is mainly focused on the microfinance segment, where the self-employed and home industries can obtain cash advances for their small business needs.

### **Training, development and awareness**

LOLC Al-Falaah has always been a model of business excellence, bringing creativity, passion and commitment to everything we do. Our focus is not solely on the excellence of

our business operations — we are mindful of our contribution to society, through various corporate social responsibility projects which are aligned on a group scale. For more than a decade, the company has worked to create increasing and sustainable value for diverse customers and other stakeholders, empowering lives, developing communities and enriching the Sri Lankan economy. Today, the strength of our portfolio has combined with our fine fundamentals to make LOLC Al-Falaah a shining star in the nation's competitive financial sector.

### **Group synergies**

LOLC Al-Falaah also plays a strategic role for the LOLC Group, which is renowned today as one of Sri Lanka's largest financial conglomerates that also look into potential Islamic business opportunities within the synergies of the group. This alternate financial services unit has made headway into launching Takaful operations in its associate companies, Al-Falaah General Takaful Unit of LOLC General Insurance in 2014 and Al-Falaah Life Takaful of LOLC Life Assurance in 2016 — these are the results of its deliberations. Further, the expertise of LOLC Al-Falaah has also provided advisory services in launching the Islamic Business Division of Commercial Leasing & Finance in 2015 which is also another LFC of the group that offers alternate financial services independent of LOLC Al-Falaah. Moving ahead, the SBU is putting in place the necessary framework to expand its advisory role through LOLC's affiliated international group companies in Pak Oman Microfinance Company in Pakistan and Sumut Sarana Ventura in Indonesia in the near future, and then also to reach out to potential associate and subsidiary companies of LOLC Group's global network.

### **Global accreditation and recognition**

Recently, the company sealed a triple win by securing the 'Best Leasing Provider Award' in three of the most coveted awards held to recognize the institutions that have made significant contributions to the Islamic finance industry during the 2019/20 financial year. The triple crowns were the 'Gold' award for 'Leasing Company of the Year' for the 2019/20 financial year at the 9<sup>th</sup> Sri Lanka Islamic Banking and Finance Industry (SLIBFI) Awards, the 'Gold' award for 'Leasing Company of the Year' at the 5<sup>th</sup> Islamic Finance Forum South Asia (IFFSA) Awards for the 2019/20 financial year and the winner for 'Best Islamic Leasing Provider of the Year' in Islamic Finance news (IFN)'s first Global Non-Banking Financial Institutions (NBFI) Polls for 2020. The Islamic finance fraternity has also voted LOLC Al-Falaah as among the top global industry giants and it received the 'Best Islamic Bank in Sri Lanka' and 'Best Islamic Leasing Provider (Global)' awards at the IFN Best Banks/ NBFI Awards for the third consecutive year running, and IFN Deal of the Year 2016 for its first landmark Sukuk Ijarah issuance in Sri Lanka. It was further recognized at the SLIBFI and IFFSA Awards with multiple accolades in the categories of 'Entity of the Year' and 'Leasing Company of the Year' as well as 'Social Upliftment Award of the Year' over the past decade. Other accolades for its disclosures and transparencies were recognized in various award platforms such as ARC Global Awards and LACP Global Vision Awards for its specialized annual reports. ☺



# Axiata furthers ESG commitment with first-of-its kind Islamic sustainability-linked financing of US\$800 million

**Axiata Group (Axiata or the Group) successfully completed the first-of-its-kind syndicated multicurrency Shariah compliant sustainability-linked financing facility (SLL) of US\$800 million in May 2020.**

The completion of the syndicated financing demonstrated the strong support and confidence of the banking fraternity toward Axiata's long-term business sustainability and direction, backed by its well-established regional presence in 11 markets throughout ASEAN and South Asia.

Marking a monumental milestone for the regional telco group, the combination of Islamic financing principles coupled with sustainability parameters and the multicurrency feature broke new grounds in both local and international financing markets.

Apart from the diversification of funding options, the innovative financing mechanism offered through a Shariah compliant sustainability financing structure complements the Group's efforts to align its business strategies and sustainability framework. In addition to securing Axiata's liquidity position, particularly in times of uncertainty, its design enables the company to reap the benefits of optimal financing cost should it continue to exceed the stringent criteria the company has set for itself under the said framework.

Under the SLL, Axiata ties the financing structure to its reduction in carbon footprint as well as continuous inclusion in the FTSE4Good Bursa Malaysia Index. Having been a founding constituent in the FTSE4Good Bursa Malaysia Index since its inception in 2014, Axiata is one of the top 10 constituents by market capital. The increasing stringency of environmental, social and governance (ESG) criteria set by FTSE Russell ensures that only the most compliant corporates with strong ESG and sustainability credentials will continue to be ranked on the index. Ongoing efforts in the environmental space have also resulted in an MSCI ESG rating of 'A' for Axiata.

To balance business growth with sustained climate action throughout its operations, Axiata has made considerable strides to align the Group's operating companies toward a single trajectory. The Group has embarked on the development of its Net-Zero Carbon Roadmap in response to the global mobile industry's call for decarbonization by 2050 via GSMA, as well as UN Sustainable Development Goal (SDG) 13 of the United Nations toward combating climate change. A Group-wide carbon inventory exercise continues in 2021 for the identification of impacts across its operations and value chain, as well as to zero in on targets to reduce energy intensity, improve energy efficiency and use off-grid, renewable energy solutions.

In inspiring change across its footprint while driving awareness and action at every level of the organization, Axiata's Advancing



to Zero sustainability campaign was launched this year, alongside a dedicated website that serves to inform the progress and achievements of our ESG commitments.

Presently, Axiata's mobile network operators have already identified and installed renewable energy solutions to power their tower sites. In 2020, Robi in Bangladesh increased the proportion of solar powered sites with 4.3 MW panels with plans to continue this solarization initiative throughout 2021. In Cambodia, Smart's solar initiative of 210 solar site installations led to an 8% reduction in grid usage and 17% reduction in CO<sub>2</sub> emissions.

edotco, the Group's infrastructure business that is recognized as a provider of best-in-class tower infrastructure, has already been building greener telecommunication structures through reduced use of steel and adoption of greener solutions through renewables. As a result, it has been successful in reducing its carbon emissions per site by 58% from a 2013 baseline.

In its overall mission of Advancing Asia, Axiata continues to be guided by the UN SDGs as it steps up on digital inclusion efforts for communities across its markets. The Group champions inclusive and equitable quality education through the Axiata Young Talent Programme, as well as other educational programs organized by its digital telcos in Indonesia and Cambodia, which contribute to UN SDG 4. Furthermore, through a diverse range of digital and mobile tools that support disadvantaged communities to improve their livelihoods, Axiata is contributing to UN SDG 8 to support decent work and UN SDG 11 to encourage sustainable communities.

As a nation-building partner in its markets, in 2020 Axiata contributed a total of US\$7.7 billion to the GDP of countries across its footprint, in addition to directly and indirectly supporting some 600,000 jobs.

To learn more about Axiata's ESG efforts, visit <https://sustainability.axiata.com/>. 





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ITFC is the leading provider of trade solutions for OIC Member Countries' needs

## Mission

ITFC is a catalyst for trade development among OIC Member Countries and beyond



The International Islamic Trade Finance Corporation (ITFC) is a member of the Islamic Development Bank (IsDB) Group. Commenced operations in January 2008, ITFC has provided more than US\$55 billion of trade financing to OIC Member Countries, making the Corporation the leading provider of trade solutions for OIC Member Countries' needs. With a mission of being a catalyst for trade development among OIC Member Countries and beyond, the Corporation helps entities in Member Countries gain better access to trade finance to support their critical sectors; and provides integrate programs: capacity building and trade development, which would enable them to successfully compete in the global market.

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# IFN Awards

## DEALS OF THE YEAR 2020

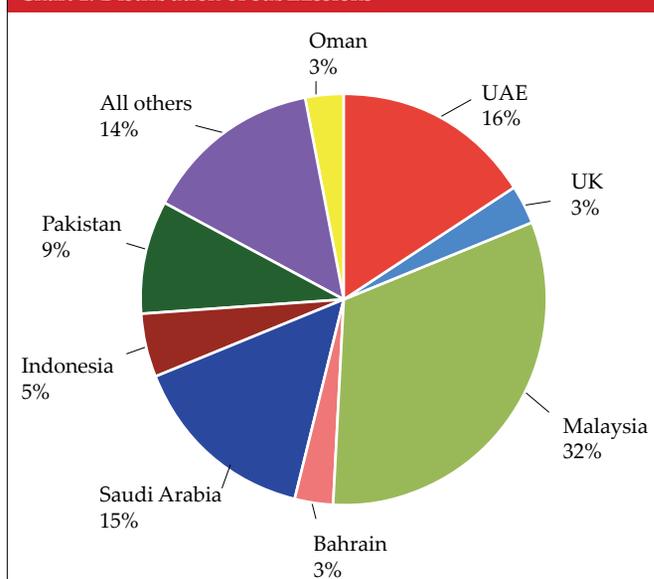
### IFN Deals of the Year 2020

**COVID-19 is a business factor that cannot be avoided. We find it affecting the industry in the form of landmark deals by Malaysia and the IsDB Group to provide relief. We found it changed how deals were executed. There was that brief pause: can we work from home? Are we putting good money into a bad situation? And, slowly, the Islamic finance market came to the decision that we can do it and it is money soundly invested. Even if there were cutbacks and changes in behavior, the Islamic finance market regained momentum and ended the awful year with a surprising performance.**

As much a reflection of the depth and power of the Malaysian Islamic capital market, Malaysian submissions rebounded back to 32% of the total. Saudi Arabia dropped to 15% from 19%. On a dollar volume basis, Saudi's mega deals would surely lift the Kingdom's share. The UAE, Bahrain, Oman and Pakistan were constant. Traditionally important contributors like Turkey and Kuwait were surprisingly modest contributors in 2020. But the UK returned to the top 10. As a whole, sub-Saharan Africa accounted for 5.5% of the submissions — all from IsDB affiliates International Islamic Trade Finance Corporation (ITFC) and Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). In 2020, we started with aspirations for Central Asia, but COVID-19 slowed the engagement and one expects the region to pick up in 2021 with the support of the ITFC.

Is green still a theme? Green has shifted into sustainability and transition deals. This can be seen in deals by Etihad Airways which issued 'transition' Sukuk as part of the airline's plan to transition to carbon neutrality. Axiata entered the sustainability market through a syndication and included climate change strategies within the company's benchmarking. Saudi Electricity Company issued Sukuk Ijarah with a sustainability perspective as well. On top of these were more standard green deals, particularly in solar.

Chart 1: Distribution of submissions



But, have no doubt, hydrocarbons are still important. As many deals were green, refining and selling hydrocarbons featured significantly in deals by the ITFC in Africa or Standard Chartered Bank supporting liquefied natural gas (LNG) imports to Pakistan from Qatar. Hydrocarbon deals represented 71% of the energy submissions, green 18% and transition 5%. But by value, hydrocarbon deals represented 92% of the submissions, green 2% and transition 2%. The outlier was mixed deals with both hydrocarbon and green energy elements. These were 5% of the submissions and value. The message is that turning the lights on is urgent in poorer countries and the fastest route is via old energy.

The average green deal was only US\$137.53 million compared with the average hydrocarbon deal at US\$1.9 billion. Transition deals were substantial as well weighing in at US\$1.45 billion on



# Realizing sustainable development through trade and investment insurance solutions



An award for IFN Africa Deal of the Year 2020 for ICIEC's EUR 20 million cover toward the reconstruction of Scientific High School in Yamoussoukro, Côte d'Ivoire



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.



average. Deals with hydrocarbon and green components were also much larger than pure green deals. Mixed power projects averaged US\$484.75 million.

In 2020, Tawarruq knew no bounds. Even the hybrid deals tend to have Tawarruq wings. By 'hybrid', we mean deals that use two or more Islamic methods of finance to achieve the financings. The significance of Tawarruq appears to be constricting product development in the two largest Islamic finance markets: Malaysia and Saudi Arabia. Its absence is generating innovation elsewhere. For newcomers to Islamic finance, like the Ministry of Finance in Egypt or the European Bank for Reconstruction and Development (EBRD), Tawarruq is often the easiest tool to apply.

For the first time, we see 'insurance' as the ICIEC submitted several deals. The distribution of currencies tells several stories. One third of all deals were in a currency other than the US dollar (US\$), Malaysian ringgit (RM), Saudi riyal (SAR) or UAE dirham (AED). This means that new markets are developing and issuing in local currency. Euro (EUR)-denominated deals are still rare. The dynamic Malaysian market's RM follows the US\$ as the second most common currency. Saudi Arabia's importance is masked by the fact that many important Saudi deals were executed in the US\$ (Chart 4 is by currency distribution by deal, not deal values). Many US\$ transactions are booked in the UAE. The role of the AED reflects the lively, but small domestic market. The dollar volume tracking through the UAE is a symbol of the UAE's importance as a financial center.

Restructuring is a big theme in 2020, do we anticipate more in 2021? From Saudi Electricity Company's world's largest Islamic finance (SAR168 billion (US\$44.72 billion)) deal to Gulf Marine Services, the market had plenty of do-overs. Oil and gas-linked companies in particular restructured as did Samalaju Industrial Port (Malaysia) and Garuda Indonesia, businesses in countries with high reliance on hydrocarbons.

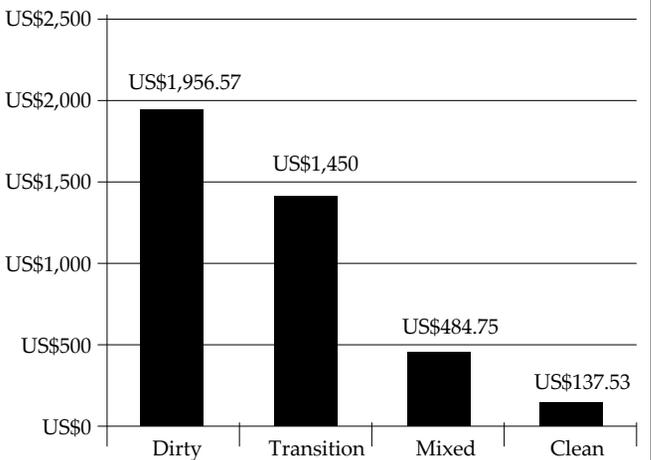
These are legacies of recent challenges in oil markets. 2020 started with a significant disruption in the oil market and moved straight into multiple lockdowns.

There have been clear winners among certain businesses and sectors, and many losers. Can stimulus and bailout programs prevent a tsunami of business failures with the flood waters whirling in every segment of finance?

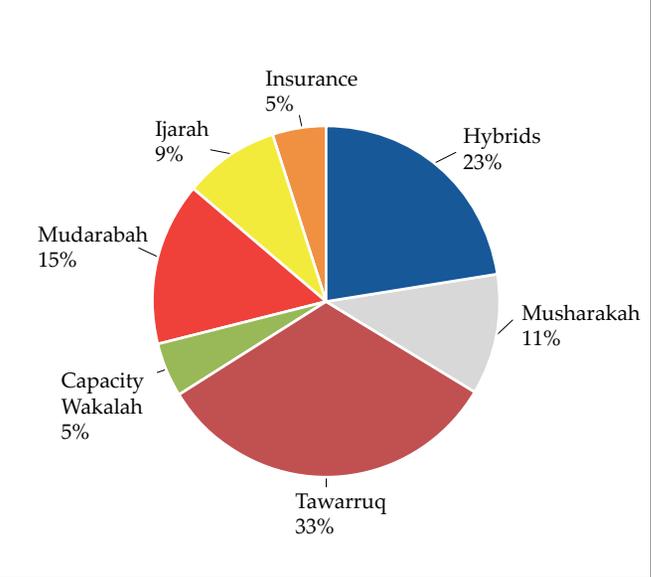
Size matters. The largest-ever Islamic finance deal was realized. Mega deals seem more common in 2020 despite the situation. Saudi Arabia was the leader with Saudi Electricity, Western Union- stc pay and more.

What will happen in 2021 with a new US president and COVID-19 prospectively under control? One expects a robust US economic stimulus. One hopes for more stable international politics. And one prays for the vaccination boom as we invent a new normal. We seem to be on the precipice of exciting times, yet we have much to worry over.

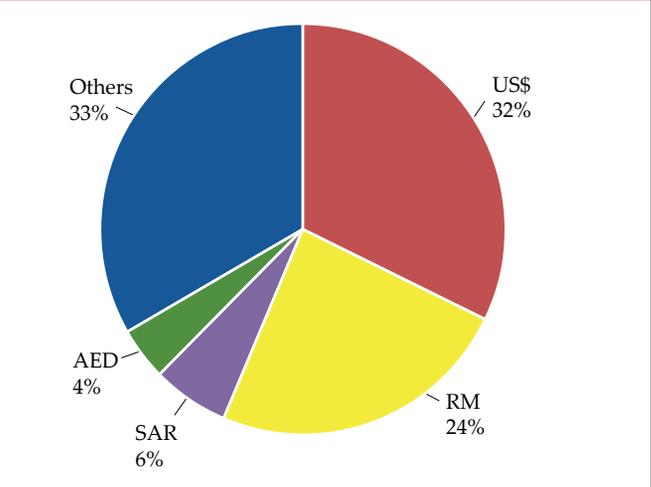
**Chart 2: Traditional energy is still dominant (US\$)**



**Chart 3: Methods applied**



**Chart 4: Most widely-used currencies**



# معهد البنك الإسلامي للتنمية Islamic Development Bank Institute



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**COMMODITY MURABAHAH/TAWARRUQ: MINISTRY OF FINANCE, ARAB REPUBLIC OF EGYPT'S US\$510 MILLION SOVEREIGN DEAL**

Size:	US\$510 million
Arrangers:	ABC Islamic Bank, Abu Dhabi Islamic Bank, Emirates NBD, Gulf International Bank, Dubai Islamic Bank; Sharjah Islamic Bank
Bookrunners:	Mashreqbank, ABC Islamic Bank, Arab Banking Corporation, HSBC, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation
Legal counsels:	Helmy, Hamza & Partners and Baker McKenzie, Dubai for the issuer; Dentons for the arrangers
Rating:	Unrated syndication
Guarantor:	Ministry of Finance
Date:	August 2020

**The finalists**

AAOIFI's Shariah Standard No 59 upset the financing market as it was adopted by the Central Bank of the UAE. The heavyweight UAE banks were obliged to change their deals and convince their partners in other jurisdictions to embrace the new AAOIFI rule. This was the case for Fawaz Abdulaziz Al Hokair & Co. Elsewhere, Tawarruq showed that it is the perfect icebreaker, allowing the Egyptian Ministry of Finance to entertain its first Islamic syndicated financing and Malaysia's Cagamas to enter the sustainability market.

A 2019 IFN Deal of The Year finalist, **Fawaz Abdulaziz Al Hokair & Co** returned to the market for a revolving US\$ and SAR facility of up to US\$800 million. The deal was structured to comply with AAOIFI Shariah Standard No 59 designed to avoid the commonly used market practice of cashless rollovers in commodity Murabahah structures and to satisfy the Central Bank of the UAE's requirements for all transactions signed by UAE banks from the 1<sup>st</sup> January 2020 to follow AAOIFI 59. This deal is believed to be the first deal in the market that was structured to comply with these regulations. A particular complexity is that not all members of the syndicate were obliged to comply as well as the required extra effort to lobby the various Shariah boards for a solution.

Malaysia's **Cagamas** launched its first ASEAN Sustainability SRI Sukuk. The deal is structured to support the following UN

Sustainable Development Goals: No 7 Affordable and Clean Energy; No 11 Sustainable Cities and Communities; No 6 Clean Water and Sanitation; and No 8 Decent Work and Economic Growth. The particular focus is on affordable housing. The three-year deal was assigned a Tier 1 (highest) Social Benefit rating by RAM Sustainability.

Part of Egypt's first sovereign syndicated facility, this was the first Islamic finance facility for the **Arab Republic of Egypt acting through the Ministry of Finance**. The deal involves an innovative commodity Murabahah structure in compliance with AAOIFI Shariah Standard 59. Mohamed Maait, the minister of finance, **commented**: "We are proud of the appetite and interest received from regional and international banks in the syndication. It is a signal of Egypt's successful reform program. Amidst challenging conditions, Egypt is reaping the fruit of consistent efforts towards enhancing its economy's resilience. Egypt is continuously diversifying its funding sources by tapping regional as well as Islamic sources of finance."

**Why the Arab Republic of Egypt was selected**

The transaction was part of a US\$2 billion commercial funding approved by the Majlis Ash Sha'ab. It is hoped that this is a door opener for future deals with the Arab Republic.

*Honorable mention: Fawaz Abdulaziz Al Hokair and Cagamas*

**IFN FINTECH**  
UNLOCKING THE POTENTIAL OF ISLAMIC FINANCE

**ON THE PULSE OF  
ISLAMIC FINTECH**

Breaking boundaries and challenging  
preconceptions in one of the shake-ups  
of the century

*Shortlisted for Overall Deal of the Year 2020*

**CORPORATE FINANCE: SAUDI ELECTRICITY COMPANY'S SAR168 BILLION  
RECAPITALIZATION EXERCISE**

Size:	SAR168 billion (US\$44.72 billion)
Advisor:	HSBC Saudi Arabia
Legal counsels:	Baker McKenzie with Abdulaziz Alajlan & Partners for the issuer; Clifford Chance and Abuhimed Alsheikh Alhagbani Law Firm in cooperation with Clifford Chance for the advisor
Rating:	Unrated
Date:	November 2020
Shariah advisor:	HSBC Saudi Arabia

**The finalists**

2020's corporate finance submissions were highly diverse. Some deals were straight corporate finance. Our top three represent three trends in the market. Deals like Bank Pembangunan Malaysia represented a repositioning away from government support. Others like Saudi Electricity Company (SEC) reorganized a key utility's finances, but coming more deeply in the government's fold. Quite a large number of deals were either green or sustainability oriented. Etihad Airways joined this with their 'transition' representing the airline's aspirations to move to carbon neutrality.

**Bank Pembangunan Malaysia** issued Sukuk Wakalah allowing for a substantive change in the bank's capital structure and moving it closer to achieving fully-fledged Islamic development financial institution status. The deal reduces the government of Malaysia's contingent liabilities by RM1.2 billion (US\$297.07 million), while providing a proven and successful template that can be replicated by other government-guaranteed borrowers that also issue clean Sukuk. Reaching a diverse investor base, the deal converted RM1.2 billion in conventional liabilities to Islamic while achieving a low cost of capital and a longer duration.

**Etihad Airway's** Unity 1 Sukuk represents the first 'transition' and sustainability-linked Sukuk from the aviation sector. The transaction will support Etihad's investments in next-generation aircraft and its commitments for carbon emissions reduction, which include achieving net zero carbon emissions by 2050, a 50% reduction in net emissions by 2035 and a 20% reduction in emissions intensity in the airline's passenger fleet by 2025. The transaction was implemented in parallel with a tender offer in respect of Etihad's outstanding Sukuk issuance.

The **SEC** transaction is the world's largest Islamic finance transaction to ever be executed. The deal positions the Kingdom of Saudi Arabia as a leading contender for leadership in Islamic finance. Clifford Chance advised SEC on the conversion and restructuring of its financial liabilities to the government into a SAR168 billion (US\$44.72 billion) into a Shariah compliant subordinated financial 'equity-like' instrument or Mudarabah. This is part of wider electricity sector regulatory reforms in Saudi Arabia.

SEC is the largest electricity company in the MENA region and plays a crucial role in helping meet the growing demand for electricity in Saudi Arabia. Following the conversion of liabilities, the financial agreement and reforms put SEC in a better financial position to meet its obligations and create a more sustainable capital structure for the SEC.

The profit rate is payable once SEC distributes dividends to ordinary shares. This Mudarabah is classified under shareholders' equity and considered non-dilutive to existing shareholders' stakes. The Mudarabah is perpetual and subordinated.

**Why SEC was selected**

We have those moments when we say that size does not matter. But it does with SEC's recapitalization of its SAR168 billion of liabilities as 'equity-like' instruments or Mudarabah. The conversion includes government loans and SAR3.35 billion (US\$829.31 million) of dividends owed to Saudi Aramco since SEC's inception in 2017. The deal projects the Kingdom's commitment to its Vision 2030 by assuring that SEC can achieve its objectives as well as the Kingdom's support for Islamic finance.

*Honorable mention: Unity 1 and MBSB*

**CROSS-BORDER: GATEWAY FUND 1'S ACQUISITION OF TIM HORTONS'S GCC FRANCHISES**

Size:	US\$37 million
Investor:	Gateway Partners
Legal counsels:	Al Tamimi Law Office for the seller; King & Spalding for the investor
Financial advisor:	KPMG for the seller
Date:	February 2020

**The finalists**

Cross-border nominations were equally diverse. Axiata not only had the first 30-year Sukuk in the telecoms sector, but it joined the sustainability club as well.

**Axiata** followed their May 2020 sustainability syndication with the largest airtime-based 30-year Sukuk of any telecoms business in Asia. The US\$200 million and RM289 million (US\$71.54 million) dual-tranche issuance is sustainability-linked. The deal aligns with UN Sustainability Development Goal No 7 Affordable and Clean Energy and Goal No 13 Climate Action. The internationally offered Sukuk are listed on Bursa Malaysia Securities and Singapore Exchange Securities, governed by English law. **Batterjia** is the Hunamia Group greenfield hospital program in Alexandria and Casablanca. Financiers included the International Finance Corporation (IFC) and the EBRD. The deal involved a Saudi Arabian sponsor, Egyptian and Moroccan affiliates, and delivery of new facilities during the COVID-19 pandemic. Structured as a Tawarruq financing, the commodity trades were managed by First

Abu Dhabi Bank as the commodity agent. **Gateway Fund 1** acquired 42.55% of the Tim Hortons franchises across every jurisdiction in the GCC from the Apparel Group. King & Spalding represented Gateway on all aspects of the transaction including from due diligence through negotiation, investment structuring and documentation to franchises agreements and restructuring. A particular complexity that King & Spalding had to address was the recent ban on UAE- and Saudi-domiciled groups owning businesses in Qatar.

**Why Gateway Fund 1 was selected**

All GCC jurisdictions were involved, with the ultimate franchises agreements reaching North America. And this richly complex transaction involved the use of a Mudarabah to manage the investment process in a way that King & Spalding has been perfecting even among purely secular counterparties.

*Honorable mention: Batterjia/Humania and Axiata*

**GREEN PROJECT: AXIATA GROUP'S US\$800 MILLION MULTICURRENCY  
SUSTAINABILITY-LINKED SHARIAH FACILITIES**

Size:	US\$800 million
Arrangers:	Maybank Islamic, MUFG Bank (Malaysia), OCBC Bank
Legal counsel:	Rahmat Lim & Partners for the arrangers
Rating:	'Baa2' by Moody's Investors Service/'BBB+' by S&P Global Ratings (obligor)
Date:	May 2020
Shariah advisor:	OCBC Al-Amin Bank as the coordinator, sustainability structuring advisor and Shariah advisor

**Planet, people, profit**

The volume of sustainable and green transactions keeps rising. But like Leader Energy, most are relatively small. Others are designed to address system-wide requirements like SEC and Axiata; these are not at all small. This is impact penny by penny, slow and steady.

**Malaysia's Leader Energy** issued an ASEAN Green SRI Sukuk Wakalah facility. The proceeds of the RM260 million (US\$64.36 million) deal are used to part-finance and/or part-reimburse the total development cost of two solar power projects in Kuala Muda. These projects undertaken by Leader Solar Energy and Leader Solar Energy II fit within the renewable energy category of eligible SRI projects identified by Securities Commission Malaysia's SRI Sukuk Framework. The energy generated by the projects will be sold to Tenaga Nasional pursuant to the 21-year power purchase agreements.

**SEC** issued US\$650 million five-year and US\$650 million 10-year Sukuk. These green Sukuk are based on the sale of a percentage interest in certain identified assets to the Sukukholders through an

SPV. The assets are leased back. The proceeds are being applied to SEC's net zero strategy.

**Axiata Group** accessed US\$800 million in first-of-its-kind syndicated multicurrency Shariah compliant sustainability-linked facilities. The transaction follows Axiata's sustainability-linked financing and ESG conditions. This represents the company's commitment to reduce carbon emissions and continued qualification as an FTSE4Good Bursa Malaysia Index constituent. The deal was closed during the first COVID-19 peak during the Movement Control Order imposed by the government of Malaysia.

**Why Axiata was selected**

The deal managed complex legal issues, including the foreign exchange administration requirements of Bank Negara Malaysia, and the incorporation of sustainability-linked loan principles issued by the Loan Market Association and the Asia Pacific Loan Market Association in March 2019 into the financing had to be consistent with Shariah financing principles.

*Honorable mention: Leader Energy and SEC*

**HYBRID: SHUAA ENERGY 3'S US\$420 MILLION PROJECT FINANCE FACILITY**

Size:	US\$420 million
Arrangers:	Abu Dhabi Islamic Bank, Arab Petroleum Investments Corporation, Emirates NBD Bank, Industrial and Commercial Bank of China, Dubai (DIFC) Branch, Natixis, Samba Financial Group, Standard Chartered Bank and Warba Bank
Legal counsels:	Covington & Burling for the issuer; Norton Rose Fulbright for the arrangers
Rating:	Unrated
Date:	August 2020

**The back story**

The use of hybrids has become well entrenched in the Islamic finance market. Some of these are for asset-light companies blending an equity mode with a Tawarruq leg, or companies seeking flexibility and blending an Ijarah leg with a Tawarruq leg. Istisnah-Ijarah is now a reliable workhorse as demonstrated with ACWA Power's two finalists. All figured across our 2020 nominations. PNC Investments used the longer-term flexible funding combination Murabahah-Ijarah. This category does not embrace the rating agency concept of hybrid in which a stand-alone instrument like Mudarabah, Musharakah or Wakalah is deemed to be like equity and debt at the same time.

Reed Smith advised **PNC Investments** in one of the UAE's largest private real estate transactions in 2020. The transaction was complicated as it was part of the large restructuring of the joint venture (JV) arrangement that the client had with Meydan, a Dubai government entity. PNC's share in the JV was bought out by Meydan. As the financier has considerable exposure to Meydan, management of the restructured obligations to flow to PNC was a serious obstacle. Ultimately, a blended Murabahah and Ijarah solution was delivered.

The seeming omnipresence of Saudi Arabia's ACWA Power assures that across all categories, the firm will be highly competitive. For instance, the firm's **Jazlah Water Desalination** deal was also nominated by Abu Dhabi Islamic Bank and used the Istisnah-Ijarah financing tool for the Islamic leg.

**ACWA Power-sponsored SHUAA Energy 3** is a renewable energy project in Dubai with an extremely competitive tariff. The project involves the construction of a state-of-the-art 900 MW solar photovoltaic plant, using bifacial panels with tracking technology at a capital cost of circa US\$564 million, and has been the focus of significant international interest, having demonstrated one of the lowest costs of electricity in the world of 1.69 US cents per kWh. The financing for the project is a limited recourse project financing with the senior debt provided by a number of international, regional and local banks along with a project recourse mezzanine tranche committed by a regional bank, structured as a circa 27-year soft mini-permanent financing with both conventional and Islamic tranches. In addition, the financing structure featured a set of equity bridge loans provided by local banks as well as the Dubai Electricity & Water Authority. The Islamic tranche is Istisnah-Ijarah.

**Why SHUAA Energy 3 was selected**

The Mohammed Bin Rashid Al Maktoum Solar Park, a key pillar in fulfilling the Dubai Clean Energy Strategy 2050, is a **public-private partnership** with Shanghai Electric Group and ACWA Power representing the private sector. Although the Istisnah-Ijarah model is tried and true; this is one of the few cases involving a Chinese counterparty.

*Honorable mention: Jazlah Water Desalination Company and PNC Investment*

**IJARAH: SEMARAK GIGIH'S RM244.3 MILLION SUKUK IJARAH**

Size:	RM244.3 million (US\$60.48 million)
Arranger:	Hong Leong Investment Bank
Legal counsel:	Adnan Sundra & Low for the arranger
Rating:	Unrated
Date:	February 2020
Shariah advisor:	Dr Aznan Hasan

**The finalists**

The importance of Ijarah in the capital markets was well represented this year. Three distinct approaches were delivered among our finalists. The government of Sharjah applied this for the development of a liquidity support instrument. Talaat Moustafa Group gave evidence of the opportunities for real estate-based Sukuk in Egypt's private sector. And for Semarak Gigih, it was the securitization of Ijarah assets.

**The government of Sharjah** issued a 12-month dirham-denominated paper across two tranches; the Sukuk formed part of the Sharjah Liquidity Support Mechanism. The program was devised in response to the Temporary Economic Support Scheme from the UAE's central bank, requiring banks in the UAE to offer extensive forbearance on loan repayments to private sector customers. The Sukuk represented the first rated short-term local currency tradeable instrument in the UAE and were used as a security by the subscribing banks to access liquidity facilities made available by the central bank. The Sharjah Liquidity Support Mechanism consisted of short-term, local currency Sukuk issued by the government of Sharjah and offered to local banks, which would serve as high-quality eligible collateral for the central bank scheme, or any other repo operation in the market. The government also resolved to place part of the proceeds of the Sharjah Liquidity Support Mechanism back with the investing banks as deposits under lien at the same profit rate. Initial utilization was AED2 billion (US\$544.47 million).

**Arab Company for Projects and Urban Development, a subsidiary of Talaat Moustafa Group Holding**, issued the firm's first project-related Sukuk Ijarah. Although modest in size, the Sukuk issuance is the largest Egyptian pound (EGP)-denominated debt issuance in the history of Egypt's capital market. The issuing company and the Sukuk received an 'A+' rating from Middle East Rating & Investors Service. The rating incorporates the strong fundamentals of the company and its position as a leading real estate developer in Egypt.

**Semarak Gigih** is an SPV debited for asset securitization of palm plantation assets. Each tranche is a securitization of a specific asset and as such secured by unique collateral. There will be no cross default among the tranche(s) under the Sukuk Ijarah Programme. However, there is a master security governing all assets which can only be enforced upon an event of default declared by Sukukholders of the most senior class. The deal is eligible for a guarantee/Kafalah facility from Danajamin Nasional although the first tranche was not guaranteed by a Kafalah or financial guarantee. The underlying leases are sale leaseback deals. The lessee has an option to purchase the assets against a sale undertaking from the issuer. The program has a number of flexible benefits beyond unlocking originator value. For instance, the program allows for acquisition of assets from different originators as well as different parties to operate the asset as a sublessee. The structure is limited recourse in nature whereby the Sukukholders will have no further claim against the issuer and/or the originator once the security(ies) has been exhausted for the relevant tranche.

**Why Semarak Gigih was selected**

The deal expands the opportunity to invest in niche oil palm plantation-based financial assets. This structure brings together parties of different interests and allows parties that are asset-rich to monetize their assets and other parties with the expertise the opportunity to operate the assets and potentially to own the assets at the end of the Sukuk tenor. The different series with their respective tenors and pricings cater for investors with different risk appetites and return expectations. The flexibility of different types of pricing per Sukuk issuance could be targeted at different pools of investors such as financial institutions for floating rate Sukuk and institutional investors for fixed rate Sukuk. This widens the pool of investors for the subsector.

*Honorable mention: Sharjah Liquidity Support Mechanism and Arab Company for Project and Urban Development*





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*Shortlisted for Overall Deal of the Year 2020*

**MOST INNOVATIVE: GOVERNMENT OF MALAYSIA'S RM666 MILLION SUKUK PRIHATIN**

Size:	RM666 million (US\$164.87 million)
Arranger:	Maybank
Legal counsel:	Not stated
Rating:	Unrated
Date:	September 2020
Shariah advisor:	Shariah committee of Bank Negara Malaysia

**The finalists**

Innovation is surprisingly less than people claim. Much of it rests on Tawarruq structures. Our finalists for 2020 represent three of the largest Islamic finance markets. Alkhabeer Capital has pivoted from private markets to public markets.

Its latest offering is an income fund that is the first of its kind in Saudi Arabia. Bank Islami Pakistan organized one of the first commercial paper style deals for Kot Addu Power. Never count Malaysia out — the government of Malaysia had issuance and substance innovations in its landmark Sukuk Prihatin.

In December 2020, **Alkhabeer Capital** launched its Diversified Income Fund. The Capital Market Authority-approved fund is listed. The initial offering raised SAR472.8 million (US\$125.87 million) from 89,000 subscribers.

The fund allows the manager to invest in Sukuk, trade finance and leasing, each up to 40%; income funds up to 25%; and cash or commodity Murabahah up to 5%. The December listing on Tadawul was a first for the Kingdom of Saudi Arabia.

**Kot Addu Power Company** (KAPCO) issued Pakistan's first rated, unsecured, privately placed short-term Sukuk structured on the Musharakah (Shirkat Ul Aqd) basis to meet working capital requirements of KAPCO. Pakistan's leading asset management companies through 29 mutual funds invested in this Sukuk.

The **government of Malaysia** issued its RM666 million Sukuk Prihatin. The transition is part of the government's COVID-19 response. The funds were allocated to the Kumpulan Wang COVID-19 to finance the economic stimulus packages and recovery plan addressing the pandemic. Uses included enhancing connectivity in rural schools and financing microenterprises and medical expenditure related to COVID-19. The Sukuk have a first-ever donation feature embedded in their documentation.

The Sukuk Prihatin facility was uniquely structured with 'national solidarity' as the main theme, where investors not only earn returns from the subscription but also have the option of donating the principal amount (in part or full) upon its two-year maturity. This donation contribution will be eligible for a special tax treatment, an incentive from the government to encourage contribution. Maybank was the sole primary distribution bank for the Sukuk Prihatin.

**Why the Sukuk Prihatin facility was selected**

The deal was launched amid widespread restrictions on movement during the pandemic. The Sukuk Prihatin facility is the Malaysian government's maiden digital Sukuk allowing subscriptions on internet/mobile banking platforms accessible across 27 participating banks, creating a new ecosystem in the market which may be further developed to allow other issuers to consider for their fundraising and to enhance retail investors' reach.

*Honorable mention: Kot Addu Power Company and Alkhabeer Diversified Income Fund*



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**M&A, EQUITY & IPO: WESTERN UNION'S US\$1.3 BILLION EQUITY INVESTMENT INTO STC PAY**

Size:	US\$1.3 billion
Acquisition:	Western Union Company
Legal counsels:	King & Spalding for Western Union; Freshfields for Saudi Telecoms; and CMS for stc pay
Rating:	Unrated
Date:	November 2020

**The finalists**

The 2020 M&A, Equity and IPO deals were highly diverse. The unexpected was represented with Oman Arab Bank (OAB)'s purchase of Alizz Islamic Bank (AIB). Size (large) and COVID-19 came into play with the MR DIY IPO. And the first Saudi unicorn was created with Western Union's investment in stc pay.

**OAB acquired Alizz Bank** in two steps during July 2020. The OMR69 million (US\$178.76 million) deal is the first known acquisition of an Islamic bank by a conventional bank. The more common route has been for conventional banks to set up their own windows or subsidiaries. Indeed, Oman Arab Bank already operated the Al Yusr window which has been merged into AIB. The transaction was the first takeover to be regulated by the new Oman Public Takeover Regulations and involved AIB becoming a wholly-owned Islamic banking subsidiary of OAB, a delisting of AIB from the Muscat Securities Market (MSM) and a subsequent listing of OAB on the MSM. One wonders if this is the future of consolidation in some countries with dual banking systems.

In a sign of the pandemic, **MR DIY Group** showed that certain businesses can buck the trend. The IPO listed the company as a Shariah compliant counter on Bursa Malaysia. With a market valuation exceeding RM10 billion (US\$2.48 billion), the company is more valuable than most banks, and exceeds the combined value of Pos Malaysia and Malaysia Airports Holdings. The proceeds were applied to debt reduction, preparing MR DIY for recovery post-COVID-19.

**Western Union Company** entered into an agreement to subscribe for new shares for a stake of up to 15% in stc's digital secure wallet and financial technology services arm, stc pay. stc pay required that all transactional documents be Shariah compliant. The US\$1.3 billion deal create the first Saudi Arabian unicorn: the third in the Middle East, and the first in the Middle East for fintechs.

Western Union is the world's largest money transfer firm. stc pay provides digital and financial services to individuals and companies and launched a digital wallet mobile application in 2018. It currently has more than 4.5 million users. Its parent, stc, is listed on Tadawul and its majority owner is the Public Investment Fund, the sovereign wealth fund of Saudi Arabia, and stc is the leading Saudi telecommunications services provider.

**Why stc pay was selected**

The matter involved regulatory approvals from Saudi Central Bank, the Saudi Competition Authority, the Ministry of Investment and the Ministry of Commerce. The deal incorporated unusual features to ensure that Western Union could enforce a put option against a prominent Saudi Arabian company. During a challenging year of declining foreign investment, the structuring and regulatory approvals obtained gave Western Union the confidence to make an investment of US\$200 million to help create Saudi Arabia's first unicorn, a landmark transaction in attracting substantial foreign investment outside of the petroleum sector.

*Honorable mention: OAB and MR DIY*



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*Shortlisted for Overall Deal of the Year 2020*

**MUDARABAH: DP WORLD SALAAM'S US\$1.5 BILLION PERPETUAL SUKUK**

Size:	US\$1.5 billion
Arrangers:	Abu Dhabi Islamic Bank, Citigroup Global Markets, Commercial Bank of Dubai, Crédit Agricole CIB, Deutsche Bank (London Branch), Dubai Islamic Bank, Emirates NBD Bank, First Abu Dhabi Bank, HSBC Bank, JPMorgan Securities, Samba Financial Group, Standard Chartered Bank, The Bank of Nova Scotia
Bookrunners:	Citigroup Global Markets; Deutsche Bank, London Branch; and JPMorgan Securities as joint global coordinators  Citigroup Global Markets; Crédit Agricole Corporate and Investment Bank; Deutsche Bank, London Branch; Dubai Islamic Bank; Emirates NBD Bank; First Abu Dhabi Bank; HSBC Bank; JPMorgan Securities; Samba Financial Group; Standard Chartered Bank; and The Bank of Nova Scotia as joint lead managers
Legal counsels:	Clifford Chance and Maples & Calder for the issuer; White & Case for the arrangers
Rating:	'Ba2' by Moody's Investors Service and 'BB' by Fitch Ratings
Date:	July 2020
Shariah advisors:	Shariah Advisory Board of Citi Islamic Investment Bank, the Fatwa and Shariah Supervisory Board of Dubai Islamic Bank and the Shariah Committee of Dar Al Sharia Islamic Finance Consultancy, the Internal Shariah Supervision Committee of First Abu Dhabi Bank, the Internal Shariah Supervision Committee of HSBC Bank Middle East, the Shariah advisors of JPMorgan Securities and the Global Shariah Supervisory Committee of Standard Chartered Bank

**The finalists**

Mudarabah has become more widely used. King & Spalding is perfecting the adoption of Mudarabah across markets. The optimal solution for the SEC deal was Mudarabah. And like so many, DP World's best option for a perpetual Sukuk was Mudarabah.

As part of the complex repositioning of **SEC**, the Ministry of Finance of the Kingdom of Saudi Arabia exchanged SEC's legacy obligations (government payables and soft loans) for a Mudarabah-based perpetual subordinated instrument. The Mudarabah was classified under shareholders' equity and considered non-dilutive to existing shareholders' stakes of SEC.

**Gateway Fund 1** acquired 42.55% of the Tim Hortons GCC franchises via a Mudarabah funding. The Mudarabah allowed Gateway to navigate a number of jurisdictional challenges while evangelizing Mudarabah to new users.

**DP World Salaam** as the issuer raised US\$1.5 billion for DP World (new DP World) to apply to general corporate purposes, including financing of payment obligations entered into in connection with the acquisition of DP World's shares by Port and Free Zone World FZE. The deal is part of DP World's privatization strategy. This transaction is:

1. the first corporate hybrid Sukuk to have an international rating

2. the largest corporate hybrid transaction issued in the MENA region to date, and
3. DP World's inaugural perpetual issuance.

The proposed corporate hybrid transaction is part of DP World's effort to deleverage the company to circa 4x net debt/ earnings before interest, taxes, depreciation and amortization (EBITDA) over the next three years and to strengthen the capital structure of the company as the corporate hybrid is accounted for as equity under the International Financial Reporting Standards (IFRSs) and receives 50% equity credit from the rating agencies.

This transaction also marks a successful return to the debt capital markets for DP World after the announcement of its intention to delist its shares and return the company to a 100%, indirect ownership by the government of Dubai.

**Why DP World Salaam was selected**

The Sukuk were issued under a Mudarabah structure, and represent DP World's inaugural issuance of deeply subordinated perpetual debt of any form. Outside of Malaysia, this represents a rare issuance of subordinated corporate Sukuk.

*Honorable mention: SEC and Gateway Fund 1*



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**MUSHARAKAH: AMRELI STEEL'S US\$3.93 MILLION DIMINISHING MUSHARAKAH FACILITY**

Size:	US\$3.93 million
Arranger:	Faysal Bank
Legal counsel:	Ali Khan Law Associates for the issuer
Date:	May 2020
Shariah advisor:	Faysal Bank Pakistan

**The finalists**

Contestants for Musharakah were highly diversified and included 'running Musharakah', 'constant Musharakah' and 'diminishing Musharakah' deals. Each concept is suitable for different situations. The running Musharakah is best for short-term working capital. It is part of the constant Musharakah family which finances operations for a significant period. Diminishing Musharakah is ideal for asset-based financing. The former and Shirkat Ul Aqd are contractual partnerships, while the latter is a partnership in property or a form of co-ownership. **Kot Addu Power Company** (Pakistan) issued short-term Sukuk based on the running Musharakah concept. The PKR5 billion (US\$31.14 million) deal was well received by investors in Pakistan. The concept of running Musharakah reassesses the profit-sharing periodically for short duration financings over an agreed period..

Sime Darby issued an ASEAN Sustainability SRI Sukuk Musharakah facility. The proceeds are governed by the company's Sustainability Sukuk Framework and the accompanying guidelines or frameworks or standards, as amended from time to time under which such ASEAN

Sustainability SRI Sukuk Musharakah are issued. The transition Sukuk represent the first sustainability Sukuk globally based on a constant Musharakah. Faysal Bank arranged a secured diminishing Musharakah funding for **Amreli Steel Company**. This finances the construction of a 4 MW solar plant at Amreli's mill. The solar plant will reduce the company's energy costs. This transaction qualified under the State Bank of Pakistan's Renewable Energy Scheme 'IFRE', which provides the company cheaper financing at concessionary rates thereby reducing risks for Musharakah investors. The deal is also covered under the US AID guarantee program for 50% of the facility's capital.

**Why Amreli Steel was selected**

This deal packs in three features: co-ownership of power-generating solar and other assets; the implementation of green energy; and qualifying an Islamic finance deal for the US AID credit guarantee scheme.

*Honorable mention: Sime Darby and Kot Addu Power Company*

**Shortlisted for Overall Deal of the Year 2020**

**PERPETUAL: DP WORLD SALAAM'S US\$1.5 BILLION PERPETUAL SUKUK**

Size:	US\$1.5 billion
Arrangers:	Abu Dhabi Islamic Bank, Citigroup Global Markets, Commercial Bank of Dubai, Crédit Agricole CIB, Deutsche Bank (London Branch), Dubai Islamic Bank, Emirates NBD Bank, First Abu Dhabi Bank, HSBC Bank, JPMorgan Securities, Samba Financial Group, Standard Chartered Bank, The Bank of Nova Scotia
Bookrunners:	Citigroup Global Markets; Deutsche Bank, London Branch; and JPMorgan Securities as joint global coordinators Citigroup Global Markets; Crédit Agricole Corporate and Investment Bank; Deutsche Bank, London Branch; Dubai Islamic Bank; Emirates NBD Bank; First Abu Dhabi Bank; HSBC Bank; JPMorgan Securities; Samba Financial Group; Standard Chartered Bank; and The Bank of Nova Scotia as joint lead managers
Legal counsels:	Clifford Chance and Maples & Calder for the issuer; White & Case for the arrangers
Rating:	'Ba2' by Moody's Investors Service and 'BB' by Fitch Ratings
Date:	July 2020
Shariah advisors:	Shariah Advisory Board of Citi Islamic Investment Bank, the Fatwa and Shariah Supervisory Board of Dubai Islamic Bank and the Shariah Committee of Dar Al Sharia Islamic Finance Consultancy, the Internal Shariah Supervision Committee of First Abu Dhabi Bank, the Internal Shariah Supervision Committee of HSBC Bank Middle East, the Shariah advisors of JPMorgan Securities and the Global Shariah Supervisory Committee of Standard Chartered Bank

**Forever finalists**

The perpetual market has divided into banking regulatory deals and corporate deals. Each has its unique story. The bank deals tend to be a common structure. The corporate deals delivered by Dialog (Malaysia), SEC and DP World (UAE) come with unique back stories that led to the perpetual route. **Dialog Group** launched a program of non-callable (seven years) Sukuk allowing the flexibility to issue senior Sukuk Wakalah and/or perpetual Sukuk Wakalah (collectively, Sukuk Wakalah). The perpetual issuance arranged by AmlInvestment Bank and advised by Zaid Ibrahim & Co for the issuer and Adnan Sundra & Low for AmlInvestment was on the 16th November 2020 for RM500 million (US\$123.78 million). The Ministry of Finance of the Kingdom of Saudi Arabia acquired a Mudarabah instrument considered non-dilutive to existing shareholders' stakes of SEC. The perpetual Mudarabah represents about 33.4% of SEC's total assets. This restructuring strengthened SEC's financial position and its ability to provide its services with higher levels of efficiency and reliability. It also enabled SEC to fulfill all of its financial obligations including fuel payments, purchased power payments as well as distributing dividends to shareholders.

**DP World Salaam's** transaction also marks a successful return to the debt capital markets for DP World after the announcement of its intention to delist its shares and return the company to a 100% indirect ownership by the government of Dubai. This corporate hybrid is part of DP World's efforts to deleverage the company to circa 4x net debt/EBITDA over the next three years and to strengthen the capital structure of the company. The corporate hybrid is accounted for as equity under the IFRSs and receives 50% equity credit from the rating agencies.

**Why DP World Salaam was selected**

This deeply subordinated perpetual Mudarabah represents the:

- The largest corporate hybrid (with equity and fixed income characteristics) Sukuk issued in the MENA region to date
- The first international corporate hybrid in Sukuk format, and
- The first international corporate hybrid from MENA since March 2018.

*Honorable mention: Dialog Group, SEC and Ministry of Finance Saudi Arabia*

**PROJECT & INFRASTRUCTURE FINANCE: JAZLAH WATER DESALINATION CO'S US\$481 MILLION FINANCING FACILITIES**

Size:	US\$481 million: US\$320 million Wakalah-Ijarah or Istisnah-Ijarah SAR95 million working capital US\$164 million equity bridge US\$290 million hedging
Arrangers:	Abu Dhabi Islamic Bank, Al Rajhi Banking and Investment Corporation, Mizuho Bank and Riyad Bank
Legal counsels:	Covington & Burling for the issuer; Hogan Lovells for the arrangers
Rating:	Unrated syndication
Date:	September 2020

**The finalists**

Infrastructure and project deals continue to center on energy and water across our submissions. In 2020, there were fewer submissions for transport infrastructure. Pengerang LNG (Two) represented the lead Malaysian deal. With SHC Capital on its heels, these showed the capacity of Malaysia's capital market to deliver on long-term core projects. ACWA Power raised the GCC flag with its Jubail desalination project.

**Pengerang LNG (Two)** is an RM1.7 billion (US\$420.84 million) project financing. AmlInvest, CIMB Investment Bank, Maybank Investment Bank and RHB Investment Bank structured the Sukuk Murabahah (Tawarruq ) notes program. The deal represents the largest oil and gas issuance since 2018, and the first by PETRONAS since 2014.

**SHC Capital** is an RM80 million (US\$19.8 million) project financing arranged by Kenanga Investment Bank as Sukuk issued under Wakalah Bil Istithmar and Tawarruq structures. The proceeds finance a district cooling plant in the Pagoh Education Hub, Johor. The sponsor provides the financing onward via Mudarabah.

The **Jubail-3A IWP** project was awarded to the ACWA Power consortium including Gulf Investment Corporation and Al Bawani Water and Power Company. Jubail-3A IWP will utilize reverse osmosis

technology to yield a capacity of 600,000 cubic meters a day. The engineering, procurement and construction (EPC) contract for the project was awarded to a consortium of SEPCOIII, Power China and Abengoa. The operations and maintenance agreement was signed with an affiliate of First National Operations & Maintenance Co. The plant is located in Jubail, Saudi Arabia.

This is a multisource non-recourse syndicated financing for the Jazlah Water Desalination Co (AWCA Power as sponsor). The project is the fourth seawater reverse osmosis desalination project to be awarded in the Kingdom of Saudi Arabia over the last three years, as part of the largest public-private partnership desalinated water procurement program in the world. Financings include Wakalah-Ijarah, Istisnah-Ijarah and Tawarruq. In addition, the lead banks organized profit rate swaps.

**Why Jazlah Water Desalination Co was selected**

The financial close was achieved with an extraordinary diverse and robust set of Islamic finance solutions provided by four GCC financing institutions which include (i) US\$ senior facilities (accounting for more than 67% of total project debt requirement), (ii) SAR working capital facility, (iii) US\$ equity bridge loan facilities, and (iv) LIBOR hedging agreements.

*Honorable mention: Pengerang LNG (Two) and SHC Capital*



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**REAL ESTATE: SIME DARBY'S RM800 MILLION ASEAN SUSTAINABILITY  
SRI SUKUK MUSHARAKAH ISSUANCE**

Size:	RM800 million (US\$198.04 million)
Arrangers:	CIMB Investment Bank, Maybank Investment Bank, Public Investment Bank
Legal counsel:	Zul Rafique & Partners for the arrangers
Rating:	'AA+' by Malaysian Rating Corporation (MARC)
Date:	December 2020
Shariah advisor:	Maybank Islamic

### The finalists

In general, this is not expected to be a good time for real estate. Not anywhere. Investors are unsure if working from home is permanent and whether or not operators can pivot effectively. Nonetheless, across silos, real estate was prominent. Alkhabeer REIT demonstrated the positives. Talaat Mustafa Group's Arab Company for Projects and Urban Development opened the Egyptian real estate capital market. And Sime Darby prepared for the future. Amid this dismal environment, **Alkhabeer REIT** held an additional offer of 36.5 million additional shares and increased the REIT's equity by SAR365.3 million (US\$97.25 million). A September listing meant that all of the hard work was done over the summer during COVID-19. This substantial achievement led to a SAR722.8 million (US\$192.42 million) increase in assets to SAR1.7 billion (US\$452.57 million).

The **Arab Company for Projects and Urban Development** entered a sale leaseback agreement with the issuer on Madinaty Open Air Mall. **EFG Hermes** acted as the sole financial advisor, coordinator, sole promoter and underwriter of the deal. **EFG Hermes** also acted as the issuing company and built on several recent successes with the Financial Regulatory Authority relating to capital market deals like short-term Sukuk. The investment grade transaction is a role model for the dynamic Egyptian real estate market and an opportunity for investors.

**Sime Darby's** program finances future investments, capital expenditure, the group's working capital requirements, general corporate purposes and, if required, to refinance debt obligations of the group. These payments, however, are to meet the criteria as set out in Sime Darby's Sustainability Sukuk Framework and the accompanying guidelines or frameworks or standards, as amended from time to time under which such ASEAN Sustainability SRI Sukuk Musharakah are issued including:

1. the Sustainable and Responsible Investment Sukuk Framework under the Guidelines on Unlisted Capital Market Products

under the Lodge and Launch Framework issued by Securities Commission Malaysia on the 9<sup>th</sup> March 2015 and revised on the 12<sup>th</sup> November 2020 (as amended from time to time)

2. the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017
3. the ASEAN Social Bond Standards issued by the ASEAN Capital Markets Forum (ACMF) in October 2018, and
4. the ASEAN Sustainability Bond Standards issued by the ACMF in October 2018.

### Why Sime Darby was selected

It's not just that this deal was executed during the height of COVID-19 — every deal this year overcame COVID-19 related issues — but it also had the following achievements:

1. First sustainability Sukuk globally based on the Shariah principle of Musharakah
2. First ASEAN Sustainability SRI Sukuk issuance by a real estate developer
3. Largest ASEAN Sustainability SRI Sukuk issuance for 2020 to date, surpassing the RM100 million (US\$24.76 million) sustainability Sukuk issued by Cagamas in October 2020
4. Secured a final credit rating of 'AA+IS' (stable outlook) by MARC for its Sukuk Musharakah Programme despite the challenging conditions facing the property sector. The 'AA+' rating is the highest rating accorded to a pure real estate developer in the ringgit bond/Sukuk market.

*Honorable mention: PNC Investments and Elite Commercial REIT*



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**REGULATORY: KT AT ONE CO'S US\$250 MILLION TIER 1 ISSUANCES**

Size:	US\$250 million in two issuances
Issuer:	KT AT One Company
Arranger:	KFH Capital
Legal counsels:	Akin Gump Strauss Hauer & Feld and Mutlu Avukatlik Ortakligi for the issuer; Clifford Chance and CIFTCI Law Firm for the arranger
Rating:	Unrated syndication
Date:	September 2020
Shariah advisors:	KFH Capital and Kuveyt Turk

**The finalists**

The regulatory capital story usually stops at Tier 1 or Tier 2 Sukuk. This year, we have both: Tier 1 from Kuveyt Turk Katilim Bankasi and Tier 2 in Riyad Bank's return to the capital markets. An addition to our story is Dar Al Takaful's equity acquisition of the Noor Takaful companies.

**Dar Al Takaful** acquired Noor Takaful General and Noor Takaful Family from Noor Bank and Noor Investment Group. Part of a broader trend of consolidations in the UAE insurance industry, the deal required a number of special exemptions from the Insurance Authority and the UAE Securities and Commodities Authority, including an exemption from the requirement for an insurance company to be listed (the target companies were bought as wholly-owned subsidiaries of a listed company, with the target companies remaining unlisted at closing). Baker McKenzie advised Dar Al Takaful.

Returning to the international markets after 14 years, **Riyad Bank** raised US\$1.5 billion in Tier 2 certificates. The debut issue of the bank's inaugural program was achieved just before the pandemic's impact on markets was felt. Listed on the International Securities Market of the London Stock Exchange, the deal was the first public issuance of Tier 2 securities from Saudi Arabia. The deal is a hybrid Wakalah/Tawarruq structure.

**KT AT One Co**, with Kuveyt Turk Katilim Bankasi as the obligor, was advised by Akin Gump on the issuance of US\$50 million perpetual Tier 1 capital certificates, listed on the Global Exchange Market of Euronext Dublin. The deal was launched in particularly challenging market conditions. Despite significant macroeconomic headwinds in the capital markets in Turkey and elsewhere, it was one of only a small handful of successfully issued regulatory capital issuances out of Turkey. This is an important regulatory capital-raising transaction for Kuveyt Turk as the Basel III compliant Tier 1 capital certificates will raise the capital adequacy ratio of the bank allowing for stronger growth. A further issuance was to complete the acquisition of the majority holding by Kuveyt Turk in Neova Sigorta, a Turkish Takaful company.

**Why KT AT One Co was selected**

The transaction was also a landmark transaction in that it was structured in a manner where Kuveyt Turk was able to book the transaction as a US\$ transaction (as opposed to a Turkish lira equity transaction — as has been the case for the majority of the previous Tier 1 Sukuk issuances out of Turkey). This novel approach permitted Kuveyt Turk to mitigate the currency volatility on its financial statements.

*Honorable mention: Riyad Bank and Dar Al Takaful*



**RESTRUCTURING: GULF MARINE SERVICES'S US\$391 MILLION RESTRUCTURING**

Size:	US\$391 million
Arranger:	Creditors' committee
Financial advisors:	Evercore to the company; PwC to the banks
Legal counsels:	Rimon Law for the company; Allen & Overy for the creditors
Date:	June 2020

**The finalists**

Our restructuring cases ranged from strategic — SEC — to the j-curve — Samalaju Industrial Port. And then there is the confluence of oil and COVID-19 shocks which were addressed with Gulf Marine Services.

**SEC** sets the record as the largest single Islamic finance deal and restructuring. The deal was part of a national sector reform. HSBC, financial advisor to SEC, **commented** about the Mudarabah solution: “The creation of this financial instrument and the introduction of an international standard regulatory framework should enable Saudi Electricity Co to maintain a more sustainable capital structure. Through the balancing account, the government is expected to continue supporting the sector and Saudi Electricity Co on a more structured and transparent basis.” Yet, one can say that the challenges of the deal were dampened by the relationships between the parties.

In Malaysia, CIMB advised **Samalaju Industrial Port** on a consent solicitation exercise. Since commencing Phase 1 operations in June 2017, there has been some delay from port users in utilizing the Samalaju Port and potentially impacting certain terms and conditions under its existing Sukuk program. As part of Samalaju’s preemptive measures to avoid a future technical default and also to preserve its rating of ‘AA1(s)’, it appointed CIMB as the consent solicitation agent in undertaking a revision of terms exercise. This resulted in according flexibility to Samalaju in managing its financial covenants for the next five years while maintaining the credit strength of the Sukuk

Murabahah Programme. The consent solicitation exercise was well supported by Sukukholders via the signing of a circular resolution and the exercise was successfully completed in August 2020.

London-listed **Gulf Marine Services** (GMS) provides support vessels for offshore oil and gas and other energy installations. The **GMS restructuring** was a complex project given the melange of an oil services downturn, COVID-19, conventional and Shariah compliant debt and assets registered in multiple jurisdictions. The various debts, which included Ijarah facilities, conventional facilities and existing capex facilities, were collapsed into existing term facilities and Shariah compliant working capital (covered drawing) facilities and letter of guarantee facilities. Tim Summers, the executive chairman of Gulf Marine, said: “GMS is moving from strength to strength. Today’s announcement, ahead of schedule, of a revised debt structure, provides the platform for GMS to sustain its upward trajectory and take advantage of opportunities as oil and gas markets stabilize.”

**Why Gulf Marine Services was selected**

The Shariah compliant solutions were bespoke and innovative and included a warrant instrument. The restructuring was finalized and signed remotely including certain notarial mortgage deeds that required registration. The last phase of negotiations was concluded under a tight time frame as a result of a non-binding hostile offer to take over the company made by one of the shareholders.

*Honorable mention: Saudi Electricity Company and Samalaju Industrial Port*

**SOCIAL IMPACT SRI/ESG: ISDB'S US\$1.5 BILLION SUSTAINABLE SUKUK**

Size:	US\$1.5 billion
Guarantor:	IsDB
Arrangers:	Citi, Crédit Agricole CIB, Emirates NBD Capital, Gulf International Bank, HSBC, Kuwait International Bank, The Islamic Corporation for the Development of the Private Sector, NATIXIS, Societe Generale, Standard Chartered Bank
Co-arranger:	Kuwait International Bank
Legal counsels:	Dentons for the issuer and Clifford Chance for the arrangers
Trustee:	IDB Trust Services
Rating:	‘AAA/AAA/Aaa’
Date:	June 2020
Shariah advisor:	The IsDB Group’s Shariah board

**Raison d’etre**

2020 was the year of significant steps in the social impact arena. The deals ranged from education to medical-related projects. Among the significant deals were the state-sponsored deals which included financial system support to a wider national scale like Malaysia’s Sukuk Prihatin and cross-border support like the IsDB’s latest issuance. This year, the submissions were highly compelling.

Among the dynamic projects are the US\$125 million Saudi-sponsored, IFC- and EBRD-funded deals for the construction of new hospitals in Egypt and Morocco by **Al Batterjia Medical SAE** (incorporated in Egypt) and **Batterjia Medical SARLAU** (incorporated in Morocco). These deals provide micro level long-term support for local healthcare in Casablanca and Alexandria.

The **government of Malaysia’s Sukuk Prihatin** represent a national approach to fund COVID-19 measures. The deal simultaneously logs technological advances in securities offerings and innovates with a charitable contribution feature.

The IsDB Sustainability Sukuk facility is not just the 18<sup>th</sup> issuance from the IsDB; it is the multilateral development bank’s aggressive response to fund and support member countries’ fight against COVID-19. The deal follows the IsDB’s sustainable finance framework with Sustainability providing the environmental, social and governance (ESG) rating and CICERO Shades of Green.

**Why IDB Trust Services was selected**

This is the only Sukuk issued for this cause by a multilateral development bank in order to refinance social projects. This is the IsDB’s second Sukuk under its Sustainable Finance Framework, in quick succession to the green Sukuk that was completed in December 2019. It is evidence of the growing importance of sustainable finance in our communities and the very positive trend the IsDB is setting. This is the IsDB taking a global lead.

*Honorable mention: Government of Malaysia and Batterjia*

**SOVEREIGN & MULTILATERAL: THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT'S EUR142 MILLION COVER FOR IVORIAN HEALTH SECTOR**

Size:	EUR142 million (US\$171.46 million)
Provider:	ICIEC
Legal counsel:	Ashurst for the provider
Insured:	Deutsche Bank
Rating:	Unrated
Date:	N/A
Shariah advisor:	ICIEC

**The cream at the top**

The **government of Sharjah** returned with an issuance supporting the banking sector in alignment with the Central Bank of the UAE's pandemic programs. **The Kingdom of Saudi Arabia** was omnipresent with multiple issuances and activities. **Egypt's** Ministry of Finance raised funds through Tawarruq to bolster the economy during COVID-19. The **IsDB** issued Sukuk to provide relief to member states during the pandemic. The **government of Malaysia** issued the innovative Sukuk Prihatin for domestic pandemic alleviation. To be frank, each has a strong case for best sovereign or multilateral deal. **The ICIEC**, a member of the IsDB Group, supported two new hospitals, one located in Adzope (105 km north of Abidjan) and the other in Aboisso (120 km east of Abidjan) in the Ivory Coast. These will have a collective capacity of around 400 beds and will significantly improve the availability of healthcare services in each region using state-of-the-art equipment.

In addition, the project will finance five new medical units in five hospitals across the country. They include a radiotherapy center in Abengourou, an emergency unit each in Daoukro and Seguela, a

traumatology center in Toumodi, and a surgery and emergency unit in Bouna. As the EPC contractor is a Moroccan company, the project is also supporting export of services from Morocco.

**Why the ICIEC's Ivory Coast healthcare issuance was selected**

The 2020 sovereign and multilateral space was crowded. Contestants include macro billion dollar-plus deals which address COVID-19 and its impact. This is a long-term project that will have a greater impact on future health outcomes. It is part of the Ivory Coast's National Development Plan for 2016–20. The two hospitals will employ around 600 local people and will foster the development of a micro economy in the areas surrounding them. The project will facilitate intra-OIC trade of services and human capital between the Ivory Coast and Morocco, both member countries of the OIC.

*Honorable mention: Government of Sharjah, Kingdom of Saudi Arabia, Arab Republic of Egypt, IsDB and government of Malaysia*

**STRUCTURED FINANCE: ENGRO POLYMER & CHEMICALS'S US\$35 MILLION FX HEDGE**

Size:	US\$35 million
Arranger:	Dubai Islamic Bank Pakistan
Legal counsel:	Mohsin Tayebaly & Co for the issuer
Rating:	Unrated
Date:	January 2020
Shariah advisor:	Dubai Islamic Bank Pakistan

**The finalists**

The structured finance market included securitizations like Zamarad in Malaysia which followed the classic model of a direct asset sale. ACWA Power for the Jazlah Water Desalination Plant built a profit rate hedge on top of its Istisnah-Ijarah model. Dubai Islamic Bank Pakistan also developed a novel asset-based foreign exchange (FX) profit rate hedge.

RCE Marketing (RCEM) sold all the rights, benefits, titles and interest to and under certain Islamic financing agreements (including the receivables thereunder) to **Zamarad Assets (ZAB) Tranche 4**. ZAB is a special purpose bankruptcy remote vehicle sponsored by RCEM. ZAB funds the purchases by issuing Sukuk Murabahah. The receivables are generated by various Malaysian cooperatives and typically subject to members' non-discretionary salary deductions as well as ZAB's eligibility criteria. The transactions are true securitization of receivables aggregated by RCEM. There is no cross-collateralization/default with each tranche secured by unique personal finance receivables.

**ACWA Power's** project financing for Jazlah Water Desalination Co was a complex blend of distinctive Shariah styles for a common cause. In addition to the core Wakalah-Ijarah, Istisnah-Ijarah and Tawarruq facilities, ACWA secured a US\$290 million hedge or

Tahawwut for its cash flows. The ACWA project used International Islamic Financial Market master documentation.

**Engro Polymer & Chemicals (EPCL)** had a US\$35 million five-year Ijarah obligation with the IFC. But EPCL was worried about FX and the benchmark (LIBOR) rate risk given its revenues are primarily in the Pakistani rupee (PKR). DIBPL was able to structure a real asset-linked hedge that used the proceeds from the IFC transaction to fund Mudarabah accounts with DIBPL. Secured by the deposits, DIBPL entered into a separate diminishing Musharakah facility with EPCL in PKR. The net result was a PKR obligation linked with the local benchmark (KIBOR) for EPCL and a US\$ deposits matching EPCL's US\$ obligation.

**Why the EPCL-DIBP hedge was selected**

This landmark Shariah compliant synthetic FX hedging mechanism covered a long-term client foreign currency obligation. Until this arrangement, there was no approved product available in Pakistan which would allow companies to hedge their FX exposures on long-term loans in a Shariah compliant manner.

*Honorable mention: Zamarad Assets Tranche 4 and Jazlah Water Desalination Co*

**SUKUK: KOT ADDU POWER COMPANY'S PKR5 BILLION SHORT-TERM SUKUK**

Size:	PKR5 billion (US\$31.14 million)
Arranger:	BankIslami Pakistan
Legal counsels:	Haidermota & Co for the issuer; Mohsin Tayebaly & Co for the arranger
Rating:	'AA-/A-1' by JCR-VIS Credit Company
Date:	December 2020
Shariah advisor:	BankIslami Pakistan

**The finalists**

Sovereigns and multilateral agencies were hyperactive in the Sukuk market with landmark issuances by the **Kingdom of Saudi Arabia, government of Malaysia, government of Sharjah** and **Brunei's Monetary Authority**. Each of these has its own distinction. Embedded in all is liquidity for the financial sector in Sharjah and Brunei and for the national economy in Saudi Arabia and Malaysia. Bank Islami Pakistan brought the liquidity solution to the corporate sector.

**Kot Addu Power Company** (KAPCO) represents an important development for the Pakistani capital market and an opportunity to grow the global corporate market. It is Pakistan's first rated, unsecured, privately placed short term Sukuk structured on the

Musharakah (Shirkat Ul Aqd) basis to meet the working capital requirements of KAPCO. The assigned rating takes into account the majority government of Pakistan ownership of KAPCO. Pakistan's leading asset management companies through 29 mutual funds invested in this Sukuk.

**Why KAPCO was selected**

This issue stands to initiate a short-term Islamic Sukuk market akin to a commercial paper market. Such a market with government-linked companies would also help to support the requirements of banks for high-quality liquid assets.

*Honorable mention: Kingdom of Saudi Arabia, government of Malaysia, government of Sharjah and Brunei's Monetary Authority*

**SYNDICATED: NATIONAL COMMERCIAL BANK'S US\$1.2 BILLION SYNDICATION**

Size:	EUR142 million (US\$171.46 million)
Provider:	US\$1.2 billion
Arrangers:	Citibank, Credit Agricole CIB, Emirates NBD, HSBC Bank Middle East, JPMorgan Saudi Arabia, Mizuho Bank Dubai, Standard Chartered Bank Dubai and Sumitomo Mitsui Banking Corporation
Legal counsel:	Norton Rose Fulbright for the arrangers
Rating:	'A1/BBB+/A-' from Moody's/S&P Global Ratings/Fitch
Date:	March 2020

**The finalists**

Axiata syndicated US\$800 million while committing to a sustainability framework. And the **Arab Republic of Egypt** secured its first syndicated Islamic financing. One of the first financial institutions to finance themselves under the new AAOIFI rules was **National Commercial Bank** (NCB). The **NCB** syndication highlights appetite by financial institutions in the MENAT region for transactions with reputable obligors. Despite the adverse market conditions, the facility also leveraged two distinct Islamic formats, providing financiers with flexibility to satisfy internal Islamic financing guidelines (specifically

the new AAOIFI requirements), reinforcing HSBC's role as a prominent Islamic financing house.

**Why NCB was selected**

The deal is one of the first to address AAOIFI Shariah Standard 59 and was successfully closed as a non-capital transaction when doubt was highest about COVID-19.

*Honorable mention: Axiata and the Arab Republic of Egypt*



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**TRADE FINANCE: INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION-ECO BANK'S  
US\$5 MILLION MURABAHAH FINANCING TO MALAWI**

Size:	US\$5 million
Financier:	ITFC
Legal counsel:	ITFC's counsel
Rating:	Unrated
Date:	June 2020
Shariah advisor:	ITFC/IsDB

**The finalists**

The biggest component of South-South trade is energy. Standard Chartered Bank managed funding for Pakistan's LNG imports from Qatar. And the ITFC was widening the acceptance of Islamic finance, particularly via energy deals, across Africa.

Standard Chartered returned to the competition with an innovative dual tranche facility for the **Ministry of Finance of Pakistan**. The US\$200 million transaction was the first-ever dual tranche (Islamic and conventional financing) trade availed by the Ministry of Finance through a commercial bank. The facility funds LNG imports by Pakistan State Oil from Qatargas.

The ITFC was involved in multiple market expansion activities in Africa, these included facilities for **SODECOTON** in Cameroon, Banque Islamique de Senegal and ECO Bank in Malawi. As one with the whole IsDB Group, the ITFC dropped everything to provide financial support to member states by keeping ordinary lines of financing open and providing new and innovative solutions. Within this engagement, the ITFC broadened the Islamic finance space in

Africa. The ITFC collaborated with Pan-African banking powerhouse **Eco Bank** to provide Murabahah financing for fertilizers and petroleum products importation to Malawi. The facility supports key sectors of the Malawian economy such as agriculture and energy. About 83% of Malawi's population of approximately 18 million live in rural areas with youth accounting for over 40% of the population. The agricultural sector contributes about 30% of the country's GDP and employs 80% of the population.

The Murabahah financing further supports the development of the private sector with several SMEs targeted to be the recipient of this financing.

**Why Eco Bank Malawi was selected**

In addition to expanding the market, the ITFC's financing is expected to bolster inclusive growth by targeting end beneficiaries including women- and youth-centered enterprises.

*Honorable mention: ITFC SODECOTON, ITFC Banque Islamique de Senegal and Standard Chartered for Ministry of Finance Pakistan*

**Country Deals**

**AFRICA: ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT'S EUR20 MILLION  
COVER FOR SCIENTIFIC HIGH SCHOOL OF YAMOUSSOUKRO, CAMEROON**

Size:	EUR20 million(US\$24.15 million)
Beneficiary:	BMCE Bank Offshore, Morocco
Legal counsel:	ICIEC Legal Department
Rating:	None
Date:	2020
Shariah advisor:	ICIEC's Shariah board

**Family feud**

While we wait for Islamic banks in Nigeria, Kenya and Somalia to share their stories, the IsDB-affiliated ITFC and ICIEC were active.

The ITFC engaged in its double Murabahah program with **Eco Bank Malawi**. The deal expands Islamic finance into a new country and provides vital financial capacity to Malawi during the pandemic.

The ITFC also provided vital support to EDM in Mali. This financing is in favor of the **Republic of Mali**, a less developed member country, with a relatively low Human Development Index score of 0.43, ranking 182 out of 189 countries. EDM, the national power company, is the executing agency. The facility is aimed at securing 45% of EDM's yearly needs of refined petroleum products for electricity generation. Insufficient electric power is one of the major afflictions holding Mali back.

**The Scientific High School of Yamoussoukro** project addresses one of the key impediments to education in the Ivory Coast, which is the lack of adequate facilities. According to The Borgen Project:

"Ivory Coast's education problem is mirrored by one horrifying statistic: nearly one in two children did not attend primary school. This ratio varied little throughout individual communities, and a large part of the blame went to lack of infrastructure. Inadequate facilities and the small number of teachers resulted in the low enrollment figures." The renovation and expansion of schools is one step of the Pan-African cooperation addressing a part of this problem.

**Why the Scientific High School of Yamoussoukro was selected**

The ICIEC illustrates the multilateral insurance decisive role in channeling financial resources to support the government of the Ivory Coast's 10-year Education and Training Sector Plan by mobilizing resources from the banking sector to be directed to the education sector thanks to the ICIEC's de-risking solutions, offered this time to a leading Moroccan bank.

*Honorable mention: EDM and Eco Bank Malawi by the ITFC*

**BAHRAIN: GFH FINANCIAL GROUP'S US\$300 MILLION SUKUK**

Size:	US\$300 million
Arrangers:	Emirates NBD Capital, Kamco Investment Company, Mashreqbank; SHUAA Capital, Société Générale, Standard Chartered Bank, Warba Bank
Legal counsels:	Allen & Overy and Zu'bi & Partners for the issuer; Simmons & Simmons and Hassan Radhi & Associates for the arrangers
Rating:	'B' by S&P and Fitch
Date:	January 2020
Shariah advisors:	Shariah Advisory Boards and Committees of GFH, Societe Generale and Standard Chartered Bank

### The pearl of Islamic finance

Bahrain, the first center of contemporary Islamic finance, feels underrepresented among the nominees. The Kingdom of Bahrain, acting through the Ministry of Finance and National Economy, issued again, as did Mumtalakat.

Social responsibility took precedence with **Eskan Bank**. In May, DLA Piper advised Kuwait Finance House (Bahrain) on the syndicated financing for government-linked Eskan Bank. Eskan is using the proceeds of the Tawarruq financing facilities to fund the provision of housing solutions to low- to middle-income families in the Kingdom of Bahrain through its group which includes Eskan Properties Company and Danaat Al Lawzi. GFH Financial Group was active at the end of the year with the

Tier 1 issuance for its affiliate Khaleeji Commercial Bank via KHCB Tier 1 Sukuk. It started the year with a US\$300 million issuance via **GFH Sukuk Company**. The deal marked GFH's return to the capital market after a 12-year hiatus.

### Why GFH was selected

This high-yield deal is an asset-light structure blending Wakalah and Tawarruq. The transaction was innovative because it allowed for the substitution of real estate-related assets under the Wakalah limb of the structure for shares or Sukuk, at the option of GFH.

*Honorable mention: Kingdom of Bahrain, Mumtalakat and Eskan Bank*

**Shortlisted for Overall Deal of the Year 2020**

**EGYPT: ARAB COMPANY FOR PROJECTS AND URBAN DEVELOPMENT'S EUR2 BILLION SUKUK**

Size:	EGP2 billion (US\$127.36 million)
Bookrunner:	EFG Hermes
Legal counsels:	Helmy, Hamza & Partners and Baker McKenzie, Dubai for the issuer
Rating:	'A+' rating from the Middle East Rating & Investors Service, a regional arm of Moody's
Date:	April 2020

### The finalists

Egypt is slowly living up to its promise. Multilaterals supported the Batterjia project. The Ministry of Finance syndicated its first Islamic finance deal. And Talaat Mustafa Group issued its first corporate Sukuk.

**Al Batterjia Medical Group**, a corporate cousin of Tadawul-listed Saudi-German Hospital Group, will build a greenfield hospital in Alexandria and another in Morocco's Casablanca with US\$125 million in financing from the EBRD, the IFC, the OPEC Fund for International Development and the Finnish Fund for Industrial Cooperation.

This deal will deliver long-term healthcare improvements in Alexandria. It is notable for expanding the universe of multilateral and development entities using Islamic finance. In this case, they funded the deal via Tawarruq .

There is no doubt that the syndicated Islamic financing for the **Ministry of Finance** of the Arab Republic of Egypt is an important milestone. Not only does it diversify Egypt's funding sources at a difficult time (the pandemic), but it promises that Islamic finance will play a more constructive role in Egypt's development.

Helmy, Hamza & Partners advised the **Arab Company for Projects and Urban Development**, a subsidiary of Talaat Moustafa Group Holding, on a Sukuk program with a value of EGP2 billion with final maturity at the end of 2024.

The arranger and advisor in this case was EFG Hermes Promoting and Underwriting, one of EFG Hermes's affiliates. The Sukuk Ijarah proceeds will be used to accelerate the completion of the Open Air Mall located in a prime spot in Madinaty. The mall's market value is expected to exceed EGP8.5 billion (US\$541.29 million) at its full inauguration.

### Why Arab Company was selected

"This is the first Sukuk issuance in Egypt which makes it a landmark transaction in particular given its successful and timely closing despite the global COVID-19 situation," commented Mohamed Ghannam, the managing partner and head of capital markets at Helmy, Hamza & Partners. The deal is hoped to set an example for many other prospective corporate issuers in Egypt.

*Honorable mention: Batterjia and Ministry of Finance*

**INDONESIA: GARUDA INDONESIA'S US\$500 MILLION SUKUK RESTRUCTURING**

Size:	US\$500 million
Restructuring advisor:	Houlihan Lokey
Legal counsel:	Allen & Overy for the issuer
Arranger:	As a restructuring, there is no arranger per se, but a Sukukholders and creditors group
Rating:	Unrated
Date:	June 2020

**Sustaining**

Indonesia is not yet showing its weight with only 5.5% of submissions. COVID-19 and hydrocarbon markets took their toll on Indonesia leading to restructurings at Sumberdaya Sewatama and Garuda Indonesia. And the Republic continued its well-received programs.

As expected, the **Republic of Indonesia** was back through its issuer SPV Perusahaan Penerbit SBSN Indonesia III. The Republic is a regular nominee reflecting its understanding of the value of the global Islamic capital markets, and increasingly the sustainable and green markets.

**Sumberdaya Sewatama** shared the less happy side of the industry as the firm completed another restructuring of its conventional and Islamic obligations.

**Garuda Indonesia** was able to extend the maturity of its existing Available Tonne Kilometers (ATKM) Sukuk by three years. The airline also secured a covenant holiday during the COVID-19 crisis. The Reg S certificates did not suffer a cut which allows a balance of relief for Garuda and comfort for investors.

**Why Garuda was selected**

The consent solicitation exercise was a market-first with respect to amending a Sukuk structure that was based on rights to travel/ATKM. The Sukukholders meeting was held virtually. The extraordinary resolution was successfully passed allowing Garuda a flight plan out of the pandemic.

*Honorable mention: Perusahaan Penerbit SBSN Indonesia III with the government of the Republic of Indonesia as the obligor and Sumberdaya Sewatama*

**KUWAIT: KUWAIT INTERNATIONAL BANK'S US\$300 MILLION TIER 2 SUKUK**

Obligor:	Kuwait International Bank (KIB)
Size:	US\$300 million
Joint global coordinators:	Citi and Standard Chartered Bank
Co-arrangers:	Boubyan Bank, Citi, Emirates NBD Capital, First Abu Dhabi Bank, Islamic Corporation for the Development of the Private Sector, Kamco Invest, KFH Capital and Standard Chartered Bank
Legal counsels:	Dentons for the issuer and Linklaters for the arrangers
Rating:	Not stated
Date:	December 2020

**The little fort**

More is expected from Kuwait which was light on nominees for 2020. Equate was back, as were Boubyan and KIB. Given its historical role and powerhouse investors, one awaits news of a more active 2021.

Allen & Overy advised the dealers on the update of **Equate Sukuk SPC's** US\$2 billion trust certificate issuance program. The only Reg S/Rule 144A Sukuk program for a Kuwaiti obligor, the deal supports Equate Petrochemical Company and The Kuwait Olefins Company project. The issuances are based on Ijarah and Tawarruq, allowing asset-light jumbo issuances.

Kuwaiti banks like KIB and **Boubyan Bank** shored up their finances. Boubyan struck early, raising US\$750 million on the eve of the

pandemic. The Boubyan Sukuk are a Wakalah-Tawarruq hybrid. **KIB** topped up its 2019 Tier 1 issuance with US\$300 million Tier 2 trust certificates. Keep in mind that this is at the height of the current pandemic.

**Why KIB Sukuk was selected**

The KIB issuance is the first-ever Tier 2 Sukuk publicly issued to international investors out of Kuwait. Beyond using the well-traveled Wakalah-Tawarruq hybrid, the Tawarruq leg was documented in accordance with AAOIFI's recent guidelines and current Shariah market practice.

*Honorable mention: Equate and Boubyan Bank*

**Shortlisted for Overall Deal of the Year 2020**

**MALAYSIA: GOVERNMENT OF MALAYSIA'S RM666 MILLION SUKUK PRIHATIN**

Size:	RM666 million (US\$164.87 million)
Arranger:	Maybank
Legal counsel:	Not stated
Rating:	Unrated
Date:	September 2020
Shariah advisor:	Shariah committee of Bank Negara Malaysia

**'Maju', progress, leadership**

Malaysia continues to demonstrate the depth and capacity of the Malaysian Islamic debt capital market. In 2020, Malaysian nominees represented 32% of all nominees. These ranged from the government's Sukuk Prihatin and government-linked companies like Bank Rakyat to regional titans like Axiata to solar projects.

Via **Axiata SPV5** (Labuan), Axiata Group issued a US\$1 billion 30-year Sukuk facility. The Singapore Exchange-listed Sukuk is based on Wakalah Bil Istithmar, which allows for underlying assets to be any or a combination of tangible lease assets, Shariah compliant shares, airtime vouchers and commodity Murabahah investment. For this Sukuk series, the issuance utilized 100% airtime vouchers as underlying assets which represent a specified number of airtime minutes on Axiata's telecommunications network for on-net calls services.

**Bank Rakyat** issued Imtiaz Sukuk II Sukuk Wakalah for RM700 million (US\$173.29 million) in two tranches. The terms of the sustainable and responsible investment (SRI) Sukuk Wakalah may be determined as and when an eligible SRI project has been identified, and Bank Rakyat (via the issuer) intends to issue the SRI Sukuk Wakalah to fund the eligible SRI project.

Once the proposed terms for a particular issuance of SRI Sukuk Wakalah have been determined, the terms for such SRI Sukuk Wakalah shall be submitted to the Islamic Capital Market Development Division of Securities Commission Malaysia (SC) for endorsement by the SC's Shariah Advisory Council, with no additional consent required from the holders of the Sukuk Wakalah who, pursuant to the terms of the Sukuk Wakalah Programme shall be deemed to have consented to the issuance of SRI Sukuk Wakalah by the issuer. **The government of Malaysia** has persistently contributed to the evolution of the Islamic capital market. On the one hand, Sukuk Prihatin represent part of a comprehensive response to the pandemic. On the other hand, Malaysian innovation with pandemic reality led to a new marketing wrinkle as the Sukuk Prihatin facility was truly a digital product.

**Why the Sukuk Prihatin facility was selected**

The deal was upsized from RM500 million (US\$123.78 million) to RM666 million following a successful online campaign. The distribution bank went beyond traditional media and its website into the wider social media, using Facebook, Twitter and YouTube videos to draw investor enthusiasm.

*Honorable mention: Axiata and Bank Rakyat*

**OMAN: OMAN ARAB BANK'S OMR300 MILLION ACQUISITION OF ALIZZ ISLAMIC BANK**

Size:	OMR300 million (US\$777.2 million)
Arrangers:	Alizz Islamic Bank, Bank Muscat and Bank Nizwa
Legal counsels:	Addleshaw Goddard for Alizz Bank; Linklaters for the arrangers and issuer
Rating:	Unrated
Date:	December 2020
Shariah advisors:	Shariah Supervisory Boards of Alizz Islamic Bank, Bank Muscat's Islamic window, Meethaq, and Bank Nizwa

**The finalists**

The Sultanate is now a significant and regular issuer. Its Sukuk Ijarah are well received. ACWA Power showed up in Oman. But changes in the Islamic banking market stood at the front of the list.

The Sultanate of Oman was active with three issuances. Each had a particular merit. Of the Series 3, 4 and 5 of **Oman Sovereign Sukuk**, Series 5 raised OMR25 million (US\$64.77 million) by way of public offering. It was the first time that the government of Oman issued domestic Sukuk by way of public offering.

International Company for Water and Power Projects (ACWA Power) led the consortium of sponsors including Kuwait's Gulf Investment Corporation and Alternative Energy Projects Co in an agreement with the Oman Power and Water Procurement Company for conventional (US\$400 million) and Islamic financing (US\$50 million) of the **Ibri II** photovoltaic solar independent power project which is expected to generate 500 MWac of renewable power.

**Oman Arab Bank** (OAB) acquired all of the shares of Alizz Islamic Bank (AIB). The combined bank has approximately US\$8.4 billion in assets. AIB is now the Islamic banking arm of OAB. The banks, their shareholders and advisors and the regulators worked closely together during lockdown to complete a complex merger of two of the largest banks in the Sultanate under a completely new set of untested regulations which was also the first successful bank merger in Oman in eight years.

**Why OAB-AIB was selected**

The transaction was the first takeover to be regulated by the new Oman Public Takeover Regulations and involved AIB becoming a wholly-owned Islamic banking subsidiary of OAB, a delisting of AIB from the MSM and a subsequent listing of OAB on the MSM. This demonstrates one path forward for banking consolidation in the GCC.

*Honorable mention: Oman Sovereign Sukuk Series 5 and Oman Power and Water Procurement Company*

**PAKISTAN: AMRELI STEELS'S PKR650 MILLION DIMINISHING MUSHARAKAH FACILITY**

Size:	US\$3.93 million
Arranger:	Faysal Bank
Legal counsel:	Ali Khan Law Associates for the issuer
Date:	May 2020
Shariah advisor:	Faysal Bank Pakistan

**Diriliş, Qiyamat, Renaissance**

Pakistan is rising as a challenger market. Pakistani deals made up 8.6% of submissions and demonstrated thoughtful solutions creativity. There was Bank Islami's pioneering work in the capital markets and Dubai Islamic Bank innovating in the asset-linked hedging market. And Faysal Bank's efforts cannot be ignored with complex structuring. **Kot Addu Power Company's** short-term paper is hoped to be the cornerstone for a dynamic Islamic commercial paper market.

**Engro Polymer & Chemicals and Dubai Islamic Bank Pakistan** organized a clever asset-linked long-term FX hedge. The deal addressed an important gap in the Pakistani Islamic finance space and shows promise to expand hedge opportunities linked to real

assets. **Amreli Steel** stands just a smidgen above the others. This Faysal Bank-structured diminishing Musharakah qualified under the SBP Renewable Energy Scheme – IFRE. This allowed for the financing to be executed with concessionary rates.

**Why Amreli Steel was selected**

Amreli qualified for the US AID credit guarantee program. Not only does this offer greater protection to the financiers, it broadens the perspective of US government entities to embrace Islamic finance solutions in a secular context.

*Honorable mention: Kot Addu Power Company and Engro Polymer & Chemicals*

**SAUDI ARABIA: SAUDI ELECTRICITY COMPANY'S SAR168 BILLION RECAPITALIZATION EXERCISE**

Size:	SAR168 billion (US\$44.72 billion)
Advisor:	HSBC Saudi Arabia
Legal counsels:	Baker McKenzie with Abdulaziz Alajlan & Partners for the issuer; Clifford Chance and Abuhimed Alsheikh Alhagbani Law Firm in cooperation with Clifford Chance for the advisor
Rating:	Unrated
Date:	November 2020
Shariah advisor:	HSBC Saudi Arabia

**A vision for competition**

Saudi deals were mega, meaningful and driving the Kingdom forward to meeting its 2030 objectives. This included a revamping of the government development bonds, the first unicorn and supercharged SEC.

HSBC and SAMBA Capital worked on the single largest consolidated local debt capital markets issuance ever. The SAR34.65 billion (US\$9.22 billion) issuance of four-, eight-, 12- and 15-year Sukuk tranches unified local issuances of the Ministry of Finance.

The purchase of outstanding **Saudi government development bonds** and simultaneous issuance of Sukuk under the Kingdom's local Sukuk program is dynamic evidence of the role of the National Debt Management Center's single program framework.

Western Union's investment into stc pay created a unicorn. Advised by King & Spalding, the deal is one of the largest and most dynamic Mudarabah investments ever. The deal captures the aspirations of Vision 2030 as **stc pay** has become the top digital wallet service in

Saudi Arabia. With over four million customers, Western Union hopes to benefit from the fintech's position in a fast-growing, digitally-aware and youthful population.

The context for the **SEC** deal is noted by Tadawul: "The electricity sector's regulatory and financial reforms demonstrate the government's continuous support to the electricity sector and its endeavors to raise the overall level of service to its citizens and residents across the Kingdom in line with Vision 2030 objectives."

This transaction is considered the world's largest Islamic finance transaction to ever be executed and has raised the Kingdom's challenge for leadership in Islamic finance.

**Why SEC Mudarabah was selected**

The SAR168 billion goes beyond addressing sector policies; it gives proof of the Kingdom's Islamic finance ambition while demonstrating an efficient and clever corporate finance solution for all parties.

*Honorable mention: Western Union –stc Pay and Ministry of Finance*

**TURKEY: ZORLU ENERGY'S GREEN SUKUK**

Size:	TRY50 million (US\$6.68 million) issued under TRY450 million (US\$60.11 million) program
Structurer:	Industrial Development Bank of Turkey
Legal counsel:	Not stated
Rating:	None
Date:	June 2020

**The finalists**

Turkey figures as a key growth market for Islamic finance. **The Republic of Turkey** returned to market and successfully raised EUR232.75 million (US\$281.04 million) and US\$666.4 million in April 2020.

The transaction shored the Republic's finances and showed its attraction to global Islamic financial investors. The same attraction assured success for **Kuveyt Turk's** KT 1 Sukuk US\$250 million issuance in September 2020.

Beyond the resilience demonstrated by the Republic, Kuveyt Turk and other Islamic financial institutions, the Zorlu Group's subsidiary, Zorlu Energy, offered its debut domestic sustainable Sukuk. The deal conforms to the sustainability criteria of the International Capital

Markets Association with a second opinion from Turkish sustainability expert Escarus TSKB.

**Why Zorlu was selected**

Escarus Sustainable Finance Projects Manager Melis Bitlis said: "[A] Sustainable bond world is a universe that is still under development in our country. Sustainable and green Sukuk practices have been implemented especially in Southeast Asia, but there has been no issuance in our country in this context yet. The company's sustainable Sukuk framework is a pioneering example in this field, as it includes project eligibility areas such as sustainable infrastructure and clean transportation, in addition to the green energy criteria we are accustomed to seeing in these bond frameworks."

*Honorable mention: Republic of Turkey and Kuveyt Turk*

**Shortlisted for Overall Deal of the Year 2020**

**UAE: DP WORLD SALAAM'S US\$1.5 BILLION PERPETUAL SUKUK**

Size:	US\$1.5 billion
Arrangers:	Abu Dhabi Islamic Bank, Citigroup Global Markets, Commercial Bank of Dubai, Crédit Agricole CIB, Deutsche Bank (London Branch), Dubai Islamic Bank, Emirates NBD Bank, First Abu Dhabi Bank, HSBC Bank, JPMorgan Securities, Samba Financial Group, Standard Chartered Bank, The Bank of Nova Scotia
Bookrunners:	Citigroup Global Markets; Deutsche Bank, London Branch; and JPMorgan Securities as joint global coordinators  Citigroup Global Markets; Crédit Agricole Corporate and Investment Bank; Deutsche Bank, London Branch; Dubai Islamic Bank; Emirates NBD Bank; First Abu Dhabi Bank; HSBC Bank; JPMorgan Securities; Samba Financial Group; Standard Chartered Bank; and The Bank of Nova Scotia as joint lead managers
Legal counsels:	Clifford Chance and Maples & Calder for the issuer; White & Case for the arrangers
Rating:	'Ba2' by Moody's Investors Service and 'BB' by Fitch Ratings
Date:	July 2020
Shariah advisors:	Shariah Advisory Board of Citi Islamic Investment Bank, the Fatwa and Shariah Supervisory Board of Dubai Islamic Bank and the Shariah Committee of Dar Al Sharia Islamic Finance Consultancy, the Internal Shariah Supervision Committee of First Abu Dhabi Bank, the Internal Shariah Supervision Committee of HSBC Bank Middle East, the Shariah advisors of JPMorgan Securities and the Global Shariah Supervisory Committee of Standard Chartered Bank

**Context**

The UAE is the second-largest contributor, just pipping Saudi Arabia, with 20% of the Deal of the Year nominees. This shows the vitality of the UAE as a cluster of financial hubs as well as a persevering domestic market. The deals ranged from Dubai Aerospace (DAE)'s inaugural DAE Sukuk (DIFC) and Etihad's transition Sukuk on the aviation side to DP World's Mudarabah issuance.

With DAE's **DAE Sukuk (DIFC)**, the company widened its investor base. Etihad's Unity 1 Sukuk commits the airline to a goal of reducing carbon emissions. As the first of its type, the **Unity 1 Sukuk** facility again shows how the UAE is market-leading in more than just Islamic finance.

After the announcement of its intention to delist its shares, **DP World** returned to the debt capital markets, with indirect ownership by the government of Dubai. The successful DP World Salaam Sukuk represented the first international investment grade Sukuk by a corporate. The deal was the largest of its type at the time of issuance.

**Why DP World Salaam was selected**

DP World Salaam's Sukuk give proof to the vision of Dubai. A leading global port and logistics operator, DP World plays a critical role in trade when times are good and relief when times are not so good. The Mudarabah structure is a hybrid of equity with debt-like features, thereby helping to deleverage the group.

*Honorable mention: DAE Sukuk (DIFC) and Etihad*

**UK: P1'S US\$50 MILLION SUKUK**

Size:	US\$50 million
Bookrunner:	Al Waseelah
Arranger:	Bedford Row Capital
Legal counsels:	Baker McKenzie for the issuer and Greenwoods GRP for the arranger
Trustee:	Truva Trustees
Rating:	None
Date:	6 <sup>th</sup> August 2020
Shariah advisor:	Khalij Islamic (UK)

**Action at the hub**

Traditionally a liquidity management center for Islamic financial institutions, the UK is also a key destination for real estate investors. GCC and ASEAN investors showed up in the 2020 nominations. But it was fintech plus real estate that stood out.

**The Bank of London & the Middle East** joined Bank ABC to provide a GBP32 million (US\$43.46 million) financing to support the construction of a 222-unit co-living development in Harrow, North London for the DTZ Investors Co-Living Fund.

Baker McKenzie Wong & Leow represented OCBC Bank (Malaysia) and Sumitomo Mitsui Banking Corporation, Singapore in their financing of PNB Jersey. The Islamic financing provided GBP119.63 million (US\$162.48 million) in support of Permodalan Nasional (the guarantor) as it invested in Aviation House.

The **P1 Sukuk** deal, issued through the UK's Al Waseelah platform, is based on UK residential property investments. Structured as a Tawarruq financing, the deal delivers 7% per annum over a three-year period. Profit coupons are payable quarterly with the investment capital repaid on maturity.

P1 is a UK-based company that invests in developments throughout Southeast England in projects with a sales value of GBP1–15

million (US\$1.36–20.37 million). P1's strategy is to provide regular payments to investors by focusing on a portfolio of well-researched and diversified investments where there is a fundamental demand for housing.

The current economic climate offers excellent investment opportunities secured against UK property. P1 originally worked with institutional investors, family offices, sophisticated investors and high-net-worth clients. The Waseelah platform allows P1 a means to widen its investor base.

**Why P1 was selected**

The P1 deal is structured on a platform that seeks to reduce the cost of Sukuk issuance through standardized documentation. The Waseelah platform caters to deals with smaller tickets than the so-called international benchmark sizes of US\$100 million and up. P1 is Bedford Row's third deal on the platform. The other deals, executed in 2019, were not real estate transactions. This shows that the platform accommodates issuer diversity. One can imagine both PNB and BLME taking their deals onto such a platform in the future. This paves the way for new dynamics in the UK Islamic finance market.

*Honorable mention: DTZ Investors Co-Living Fund (BLME and Bank ABC) and Aviation House (PNB)*



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# Malaysian government bags prestigious IFN Overall Deal of the Year award with groundbreaking Sukuk Prihatin

The government of Malaysia has won the prestigious 2020 IFN Overall Deal of the Year award, edging out three other exceptional Islamic finance transactions, proving its lead in Shariah dealmaking.

There were four landmark deals by four outstanding issuers from diverse markets, all deserving of international recognition, from Saudi Electricity Company's SAR168 billion (US\$44.78 billion) corporate financing which supports the Kingdom's Vision 2030 by contributing to the transformation of the power sector and Malaysia's RM666 million (US\$164.64 million) digital Sukuk, to Egypt's largest local-denominated private sector debt by ACP and DP World Salaam's US\$1.5 billion facility which has the distinction of being the first corporate hybrid with an international rating.

But at the end of the day, there can only be one winner. After great deliberation by the independent IFN Awards Board, it has been decided that the Sukuk innovation that is Malaysia's Sukuk Prihatin is 2020's IFN Overall Deal of the Year. Retail Sukuk offerings are few and far between in the corporate Sukuk-dominated Malaysian market and the Sukuk Prihatin, brought to market on a digital vehicle, proved the immense latent demand for Shariah compliant purpose-driven investment instruments.

**“ Being proactive has long been a feature of the Malaysian market, and we all hope that it becomes infectious leading to a more vibrant global Islamic finance market ”**

The government of Malaysia was not unique in addressing COVID-19. The IsDB Group was proactive in helping members. Egypt accessed the international syndicated markets. Many countries came to the market. It was how Malaysia did it. Sukuk Prihatin ticked old, new and different boxes in the best way as follows:

1. The Sukuk were integrated into the Malaysian National Recovery Plan and supported among other activities:
  - a. COVID-19 medical spending
  - b. Infectious disease research
  - c. MSME financing, and
  - d. Improving connectivity to rural schools and nearby villages.



Government of Malaysia's Sukuk Prihatin	
Size:	RM666 million (US\$164.64 million)
Arranger:	Maybank
Rating:	Unrated
Date:	September 2020
Shariah advisor:	Shariah committee of Bank Negara Malaysia

2. The Sukuk Prihatin facility was the first digital Sukuk using digital payment platforms.
3. Supported by 27 banks, the deal allowed for retail investors to subscribe for as little as RM500 (US\$123.6).
4. Tax-deductible investor waivers of capital.

Digital, retail and charitable features are all concepts which may be adopted globally, creating a smoother and more unique Sukuk market. Being proactive has long been a feature of the Malaysian market, and we all hope that it becomes infectious leading to a more vibrant global Islamic finance market.

## Congratulations!

Our heartiest congratulations to the Malaysian government for taking home the IFN Deal of the Year 2020 award as well as to our finalists for their dealmaking ingenuity and invaluable contributions to the Islamic financing landscape. We look forward to celebrating all winners of the IFN Deals of the Year Awards at the IFN Awards Ceremonies in September and October. To learn more about the finalists, click [here](#) and to read about all the winners of the IFN Deals of the Year Awards, click [here](#).

# IFN Best Banks Poll 2020: A year of surprises



Who would have thought at the start of 2020 that we would experience such a rollercoaster of a year? The past 12 months have thrown up both challenges and surprises – but in the midst of coronavirus chaos, Islamic banks once again rose to the occasion and the year has been one of positive progress as well as difficult decisions. As we enter a new and hopefully more positive year, we look to celebrate the best and brightest of these banks, and applaud their achievements. The IFN Best Banks Poll 2020 is our biggest and broadest yet, spanning 44 categories and 35 countries, and we are delighted to bring you the crème de la crème of the Islamic finance industry, as voted for by you.

Acting as a unique barometer for banking performance, the IFN Best Banks Poll is now in its 16<sup>th</sup> year, and represents one of the most prestigious accolades in the Islamic finance industry. To qualify for the Best Banks Poll, a market must have at least three operational Islamic banks. And in a year that has seen some of the most challenging circumstances for financial institutions – from the oil price crash to the economic collapse of COVID-19 – this recognition is well-deserved. Islamic banks distinguished themselves in 2020 by their consistency and care for their customers. The vast majority halted payments, offered crisis support, ceased charges and created as supportive an environment as possible for their clients, for which the industry as a whole deserve applause and praise.

But 2020 was not just about the coronavirus – it was about surging Shariah compliant stock indices, a booming fintech sector, government stimulus, a rapidly recovering Sukuk market, a growing Halal economy, an explosion of environmental, social and governance and green finance, and much more.

So who were the top players, and who came out head and shoulders above the rest? With over 26,000 votes counted, this year was the biggest ever. So without further ado, let us reveal the winners...

## Supervisory stars

Governing bodies and state supervisors play a fundamental role in supporting, guiding, directing and leading the industry – both in well established markets and new entrants. And in these unprecedented times, their leadership became more important than ever, and their support and stimulus packages

vital in helping banks and their customers to weather the worst of the storm.

It is always a closely contested battle for the top spot, but 2020 was rather more of a runaway victory than we have seen in recent years. The 2018 winner, the State Bank of Pakistan, achieved a decisive win with almost three quarters of the votes – perhaps due to its strenuous support of Islamic finance over the past year, including the issuance in July 2020 of revised instructions for banks to expand the scope of their Shariah compliant banking to 25% of the country's assets and deposits by 2023.

The Central Bank of the UAE took second spot, while Malaysia's apex bank, Bank Negara Malaysia, came third.

Pakistani banks had a good year this year, with Meezan Bank also walking away with the award for **Most Innovative Islamic Bank** (won last year by Emirates Islamic), while BankIslami Pakistan came second and Abu Dhabi Islamic Bank came in third. Meezan has had a strong run in 2020, with numerous exciting partnerships to boost its Islamic capabilities: including a partnership with VavaCars back in February to provide Shariah compliant financing for car trading. It also launched a brand-new digital transformation agenda through its partnership with BPC Banking Technologies, including an entire payment systems upgrade – a wise move, given the rapid take-up of digital channels due to the COVID-19 crisis.

The hard work paid off – not only did Meezan Bank win Most Innovative Islamic Bank overall, but it also took home the crown for **Best Islamic Bank in Pakistan**, with over 50% of the vote. BankIslami Pakistan once again came second, while Dubai Islamic Bank Pakistan came third.

## Gulf glory

Although the majority of categories were, impressively, won by local and regional players this year, when it comes to custody it's the big boys who dominate the scene. HSBC once again took the prize for **Best Islamic Trustee/Custodian**, with over two-thirds of the vote, while Citibank and Bank of New York Mellon came in close as runners-up.

Across the board, however, UAE-based banks also dominated, with some of the region's fastest-growing players putting in a sterling performance. The award for **Best Islamic Retail Bank** was one of the most hotly contested of the year, with Dubai Islamic Bank (DIB) eventually walking away with the prize. Meezan Bank once again came second, while CIMB Islamic took third place for the second year in a row. DIB's win was well-deserved: the bank demonstrated consistent performance over the year, rewarded in December when Fitch Ratings reaffirmed its 'A' rating and stable outlook, citing its systemic importance to the UAE's banking system and its 9% share of total UAE banking assets following its seminal merger with Noor Bank at the start of the year. It was not just DIB that offered an outstanding performance this year though. Its neighbor, Abu Dhabi Islamic Bank (ADIB), also shone: winning

both **Best Islamic Private Bank** (with Meezan Bank coming second and Oman's Bank Muscat third) and **Best Islamic Bank for Treasury Management** (followed by 2019 winner CIMB Islamic, with DIB taking third place) and to complete the hat-trick, also narrowly edging ahead to snatch the crown for **Best Islamic Bank in the UAE** (with DIB coming second in an incredibly close contest with just 20 votes in it, while ADCB Islamic Banking took third place). ADIB made particular strides in 2020 with its digital offering, reporting record levels of digital adoption across its retail and corporate banking services in the first half of the year, with 99% of retail financial transactions conducted digitally, while over 60% of ADIB's business customers used ADIB Direct, its automated trade finance platform.

Looking outward across the rest of the GCC, the award for **Best Islamic Bank in Bahrain** was yet again won by 2019 victor Bahrain Islamic Bank, while new entrants AIBaraka Islamic Bank Bahrain and National Bank of Bahrain took second and third place respectively.

In **Kuwait**, National Bank of Kuwait once again won the day, with Ahli United Bank Kuwait and Al Rajhi Bank Kuwait chasing hard on its heels in one of the most closely fought battles of the contest. Notably however, none of the 2019 winners (Kuwait Finance House, Boubyan Bank and Warba Bank) made an appearance this year.

In **Oman**, we saw 2019 runner-up Bank Nizwa pip last year's winner Bank Muscat (Meethaq Islamic Banking) to the post, while National Bank of Oman (Muzn Islamic Banking) took third. Interestingly, we saw nothing from Oman Arab Bank since its takeover of Alizz Islamic Bank — perhaps because the two institutions are busy with the process of merging.

In **Qatar**, which recently mended its bridges with the rest of the GCC, 2019's winner Qatar Islamic Bank won 47% of the vote to retain its crown, while 2019 runner-up QIIB again came second and Qatar National Bank came third.

And finally, in **Saudi Arabia**, the giant Al Rajhi Group took the top spot yet again, while Samba Financial Group (which is set to merge with National Commercial Bank (NCB) to create a behemoth with over US\$223 billion in banking assets) took second place and its dance partner, NCB, ironically came third.

## Malaysian medley

Malaysian banks, which dominated the categories in 2019, clearly had more competition this year — but that does not mean they were not both active and appreciated. CIMB Investment Bank took home the prize for **Best Islamic Investment Bank**, dominating the category with an impressive 81% of the vote. Citi Islamic Investment Bank came second, while Maybank Investment Bank came third.

CIMB Islamic also won out in the fiercely fought country crown, winning the award for **Best Islamic Bank in Malaysia** for the fifth year in a row, while Bank Islam Malaysia came second and Maybank Islamic took third. The fifth-largest banking group in ASEAN with over 15 million customers across the region, CIMB Group is a behemoth in the banking world — and its Islamic offering has gone from strength to strength under the

guidance of Ahmad Shahrman Mohd Shariff, CEO of CIMB Islamic. Throughout 2020, the bank has been instrumental in supporting the most needful elements of society, including retail and SME customers, through payment moratoriums, relief packages and more. In early 2020, the bank also launched the innovative new 'Halal Biz Ready' program, a micro-SME platform designed to connect businesses to global Halal trade and finance the certification of more Halal SMEs through up to RM100 million (US\$24.7 million) in financing opportunities. This year the bank also launched Renewable Energy Financing for SMEs, as part of its focus on sustainability, as well as further developing its Halal Corridor strategy to enable Malaysian businesses to connect to the global Halal economy.

## Breaking new ground

The award for **Best New Islamic Bank** is always an interesting category. Introduced for the first time in 2018 to recognize the bank that has most successfully achieved a new market entry, 2019's award was won by Iraq's Al Taif Islamic Investment & Finance Bank. In 2020 however, a new entrant came to light: United Commercial Bank (UCB Taqwa) of Bangladesh, followed by Mercantile Bank (Mercantile Bank Islamic Banking), also from Bangladesh, which launched its Shariah offering in July 2020 and by December already had 15 Islamic windows across the country. Third place went to Midland Bank Salaam.

Second place went to United Commercial Bank (UCB Taqwa) of Bangladesh, and third place was taken by Mercantile Bank (Mercantile Bank Islamic Banking), also from Bangladesh, which launched its Shariah offering in July 2020 and by December already had 15 Islamic windows across the country.

## Local heroes

From the global to the local, our country categories exist to showcase the headline act of every significant Islamic finance jurisdiction — the bank that has played the biggest part in driving forward the industry. In some, this might be the dominating player while in others it could be the agile new entrant — the poll does not distinguish by size, but by influence.

Africa was an exceptionally active market in 2020, and the continent saw a surge of Islamic interest, including a truly exceptional performance of its Islamic equity indices, along with a plethora of new institutions entering the market. Long-standing leader **Nigeria** saw its Best Bank Award for 2020 go to Taj Bank (with Jaiz Bank and Fidelity as runners-up), while in **Kenya** the prize was once again taken by 2019 winner Dubai Islamic Bank Kenya (followed by National Bank of Kenya and Standard Chartered Kenya).

Up north, in **Libya** we saw National Commercial Bank take the crown (Al Waha Bank came second and First Gulf Libyan Bank third), while in **Egypt** Abu Dhabi Islamic Bank (Egypt) again won the day, followed by Faisal Bank and National Bank of Egypt.

In **Morocco**, new entrant Al Akhdar Bank took home the award, and in **Tunisia** AIBaraka Tunisia came up trumps. In **Sudan**, Faisal Islamic Bank won Best Islamic Bank for the first time, and in **South Africa**, 2019 winner AIBaraka Bank South Africa held onto its crown.

In **Somalia**, the battle was very close but Salaam Somali Bank won out over runner-up Dara-Salaam Bank by just a handful of votes. In **Tanzania**, Amana Bank (Tanzania) won the prize.

And in **Algeria**, Al Salam Bank seized the day by a substantial margin, while Gulf Bank Algeria came second.

### Asian interest

Malaysia might be the pioneer for Islamic finance in Asia but multiple other jurisdictions are making a strong name for themselves — not least Indonesia, the most populous Muslim country in the world, which has gone from strength to strength particularly within the fields of green finance and sovereign Sukuk. In its banking sector, the country finally this year topped the seminal 5% barrier for Islamic assets, and its upcoming tri-state bank merger is set to make even bigger waves in the business.

For 2020, we saw Bank Muamalat win **Best Islamic Bank in Indonesia**, although the category was extremely close, with Maybank Indonesia coming close behind and Panin Dubai Syariah Bank in third. **Sri Lanka** saw MCB Bank take top spot, while for 2020 the award for **Best Japanese Bank Offering Islamic Financial Services** went once again to MUFG Bank, formerly Bank of Tokyo Mitsubishi UFJ (the 2017 winner), Japan's largest bank and the eighth-largest in the world. Mizuho Bank and Sumitomo Mitsui Banking Corporation came runners-up.

### Middle Eastern might

Moving back to the Middle East and it should be remembered that there are plenty of active markets outside the core Gulf region that are making strides in the field of Islamic finance — often under deeply challenging political, social or economic conditions. In **Yemen**, the Best Islamic Bank Award was won by Saba Islamic Bank. In **Lebanon**, AlBaraka Bank Lebanon won the day and in **Jordan**, Jordan Islamic Bank once again walked away with the prize. Abu Dhabi Islamic Bank (Iraq) took top spot in **Iraq** for 2020, while Ansar Bank dominated in **Iran**. Arab Islamic Bank won in **Palestine**, and AlBaraka Bank Syria in **Syria**.

Looking east, and Central Asia is becoming an increasingly active and influential hub for Islamic finance as it strives to grow its domestic industries. The **Best Islamic Bank in the Commonwealth of Independent States** for 2020 was awarded to Al Hilal Bank (Kazakhstan), followed by Eco-Islamic Bank of Kyrgyzstan in second place and AK Bars Bank (Russia) in third, while the Islamic Bank of Afghanistan took the top spot from Afghan United Bank in a coup that won 75% of the vote.

### Westward ho!

Heading west, and in **Turkey** last year's winner AlBaraka Turk once again took the top spot with a whopping 65% of the vote, while Turkiye Finans and Kuveyt Turk were runners-up. In **France**, Gulf banks once again swept the board with First Abu Dhabi Bank (France) dominating the day with 70% of the vote. And finally, in the UK, 2019's third runner-up Gatehouse Bank took the top spot this year while Al Rayan Bank came second and 2019 winner Bank of London and The Middle East came third, in one of the closest competitions of the season.

### The big announcement

But of course, there can only be one overall winner. Only one can win the ultimate glory, only one bank can claim that coveted crown. And in such an unprecedented and unexpected year, to win under such challenging conditions would be a victory indeed.

With a prestigious and highly competitive shortlist comprising five of the industry's leading players, we are delighted to reveal that the shortlisted candidates for IFN's Best Overall Islamic Bank 2020, as voted for by you, are: **Abu Dhabi Islamic Bank, BankIslami Pakistan, CIMB Islamic, Dubai Islamic Bank** and Pakistan's **Meezan Bank**.

As always, the final winner will be revealed at the IFN Awards Ceremonies for 2021; for more information on the ceremonies including dates, please visit <https://redmoneyevents.com>. Until then, enjoy the suspense!

We would like to thank all our nominees, voters and participants for their commitment, passion, support and dedication, without which none of this would be possible. Happy new year! 🎉

#### Best Islamic Bank by Sector

##### BEST CENTRAL BANK IN PROMOTING ISLAMIC FINANCE

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

##### BEST ISLAMIC PRIVATE BANK

1<sup>st</sup>: **Abu Dhabi Islamic Bank** 2<sup>nd</sup>: Meezan Bank  
3<sup>rd</sup>: Bank Muscat (Meethaq Islamic Banking)

##### BEST ISLAMIC RETAIL BANK

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

##### BEST NEW ISLAMIC BANK

1<sup>st</sup>: **United Commercial Bank (UCB Taqwa)** 2<sup>nd</sup>:  
Mercantile Bank (Mercantile Bank Islamic Banking) 3<sup>rd</sup>:  
Midland Bank Salaam

##### MOST INNOVATIVE ISLAMIC BANK

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

##### BEST ISLAMIC TRUSTEE/CUSTODIAN

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

##### BEST ISLAMIC BANK FOR TREASURY MANAGEMENT

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

##### BEST ISLAMIC INVESTMENT BANK

1<sup>st</sup>: **CIMB Investment Bank** 2<sup>nd</sup>: Citi Islamic Investment Bank 3<sup>rd</sup>: Maybank Investment Bank

**Best Islamic Bank by Country**

**EUROPE**

**FRANCE**

*First Abu Dhabi Bank (France)*  
Bank ABC Paris  
BLOM Bank France

**TURKEY**

*AlBaraka Turk*  
Turkiye Finans  
Kuveyt Turk

**UK**

*Gatehouse Bank*  
Al Rayan Bank  
Bank of London and The Middle East

**INDIAN SUBCONTINENT**

**AFGHANISTAN**

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

**BANGLADESH**

*Islami Bank Bangladesh*  
Standard Chartered Saadiq (Bangladesh)  
AB Bank

**PAKISTAN**

*Meezan Bank*  
*BankIslami Pakistan*  
Dubai Islamic Bank Pakistan

**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)*  
*AK Bars Bank (Russia)*

**ASIA**

**INDONESIA**

*Bank Muamalat*  
Maybank Indonesia  
Panin Dubai Syariah Bank

**JAPAN**

*MUFG Bank*  
Mizuho Bank  
Sumitomo Mitsui Banking Corporation

**MALAYSIA**

*CIMB Islamic*  
Bank Islam Malaysia  
Maybank Islamic

**AFRICA**

**ALGERIA**

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

**EGYPT**

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

**KENYA**

*Dubai Islamic Bank Kenya*  
National Bank of Kenya  
Standard Chartered Kenya

**LIBYA**

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

**MOROCCO**

*Al Akhdar Bank*  
Dar Al-Amane  
Bank Al Youstr

**NIGERIA**

*Taj Bank*  
Jaiz Bank  
Fidelity

**SOUTH AFRICA**

*AlBaraka Bank South Africa*  
First National Bank (FNB Islamic Banking)  
Standard Bank (South Africa)

**SOMALIA**

*Salaam Somali Bank*  
Dara-Salaam Bank  
Dahabshil Bank International

**SUDAN**

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

**TANZANIA**

*Amana Bank (Tanzania)*  
National Bank of Commerce (Tanzania)  
People's Bank of Zanzibar

**TUNISIA**

*AlBaraka Tunisia*  
Banque Zitouna  
Wifak Bank

**MIDDLE EAST**

**BAHRAIN**

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

**IRAN**

*Ansar Bank*  
Middle East Bank  
Bank Melli Iran

**IRAQ**

*Abu Dhabi Islamic Bank (Iraq)*  
Iraqi Islamic Bank  
National Islamic Bank

**JORDAN**

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

**KUWAIT**

*National Bank of Kuwait*  
Ahli United Bank Kuwait  
Al Rajhi Bank Kuwait

**LEBANON**

*AlBaraka Bank Lebanon*  
Lebanese Islamic Bank  
Arab Finance House

**OMAN**

*Bank Nizwa*  
Bank Muscat (Meethaq Islamic Banking)  
National Bank of Oman (Muzn Islamic Banking)

**PALESTINE**

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

**QATAR**

*Qatar Islamic Bank*  
QIIB  
Qatar National Bank

**SAUDI ARABIA**

*Al Rajhi Bank (Saudi Arabia)*  
Samba Financial Group (Samba)  
National Commercial Bank

**SYRIA**

*AlBaraka Bank Syria*  
Syrian International Islamic Bank  
Byblos Bank Syria

**UAE**

*Abu Dhabi Islamic Bank*  
Dubai Islamic Bank  
ADCB Islamic Banking

**YEMEN**

*Saba Islamic Bank*  
Alkhuraimi Islamic Bank  
Shamil Bank of Yemen & Bahrain

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

# IFN Law Awards 2020: Results



**The current awards have been affected by COVID-19. Firms that we hoped to see are focused on survival. Deals that should have been done have been deferred. COVID-19 is the trend that we do not know how to evaluate. Will its impact on business mean that arbitration, insolvency and restructuring becomes a more crowded area in 2021? Will it bring a faster impact on the Islamic finance industry to merge? We 'Zoom' and 'Teams' to our office and client meetings. Is COVID-19 the end of traditional real estate? Has COVID-19 rung the bell signaling the demise of oil? For Islamic finance and the lawyers papering away our deals, COVID-19 is largely asymptomatic. We are told to prepare for COVID-19 to be a soliton wave over the next generation, or to be part of a climate change-induced pandemic cycle, so we can only imagine that COVID-19's impact on our business, our regulators and our legal advisors is simply unknown.**

Fintech was always going to be important. The vast majority of Muslims live in underbanked countries. A disproportionate number of refugees and migrant workers in the eastern hemisphere are Muslims. Remittances, mobile banking and online finance are needs that remain surprisingly underserved. Even in countries that appear to have squared the fintech circle to deliver rich offerings, cybersecurity and low-tech data theft remain issues. Layer COVID-19 onto this and we can only expect to see the demand for fintech to increase.

At a major event in 2019, a Dubai-based pundit pooh-poohed environmental, social and governance (ESG) investing. To his amazement, a representative from a major global asset manager offered a clear rebuttal: "Our stakeholders, pensions, retirement account holders, staff and board of directors are demanding more ESG." On the one hand, this trend is deeply reflected in the IFN Law Awards 2020. Malaysia, Pakistan and the UAE are all increasingly engaged on the clean-energy front. Governance is improving across the IFN reader footprint. And market shapers like the IsDB Group are joining the governments of Malaysia and Indonesia in sustainable financing.

On the other hand, from Nigeria to Kalimantan, oil and gas are the greatest generators of revenues for most Muslim-majority countries. For the rest, coal, oil and gas are the quickest fixes for reliable, scalable energy. As a result, law firms were just as often documenting deals that were clean and green as they were projects that are sooty.

Historically, the UAE and Malaysia are the best represented in our awards. This reflects the status of these two countries as key Islamic finance centers. London-headquartered firms are often busiest with Islamic finance from their UAE and Kuala Lumpur offices. The sheer size of the Saudi market assures that Saudi firms have plenty of work. As in previous years, the merger and acquisition work in the Kingdom continues at mind-boggling levels. Surely this is a sign of the Kingdom reshaping its economy.

When reviewing the work of law firms, one must recall that the client often calls the shots. This may mean that innovation is now always a high value. Indeed, a great many of the deals that were completed in 2019–20 were Tawarruq-based. Despite academic calls for its cessation, Tawarruq proves a durable solution to many financing problems. One might call it the coal of Islamic finance.

What makes a law firm stand out? This question has no clear answer. Magic Circle and white-shoe firms are present on the most prestigious and often complex deals. They might even see more deal flow. Mid-market firms and regional champions pierce their armor with spectacular achievements, fresh ideas and a growing market presence. Each year, we step back, clear our lenses and hear from the leading personalities, observe the great teams and read the abundant submissions and elaborate arguments about the fascinating achievements of each firm.

## Asset Management & Islamic Funds

**Overview: Asset Management & Islamic Funds** are among the most important and underestimated segments in Islamic finance. The business has long focused on cross-border flows, even if Malaysia has a deep domestic market, Saudi Arabia is rapidly rising to the challenge and the US hosts the largest public Islamic equity mutual fund. What is unclear is what will break the mold? Significant funds are invested in equities, real estate and REITs and private equity. Infrastructure funds have come and gone. Debt and trade funds are re-emerging, and one wonders if these will be key trends. Certainly, the constant retreat of banks from trade finance and certain subsectors creates new possibilities.

**Contenders:** This year's contenders are the heavyweights in the Islamic fund and asset management businesses: Allen & Overy, Herbert Smith Freehills and King & Spalding.

Allen & Overy's fund team serves this market segment with over 50 lawyers operating in centers as diverse as London, New York, Luxembourg, Paris, Frankfurt, Dubai and Hong Kong. The team has developed particular expertise in structuring and advising on joint venture funds, fund restructurings and Dubai International Financial Center (DIFC)- and Abu Dhabi Global Market-domiciled funds.

King & Spalding, the reigning champion, is always competitive with its cross-border fund work. Typically, King

& Spalding is the strongest, representing GCC investors and the private wealth management sector. A landmark deal for King & Spalding was its Dubai office's work on the ITFC Sovereign Energy Fund which launched in December 2019. Led by James Stull, Macky O'Sullivan and Sayf Shuqair, the team represented the International Islamic Trade Finance Corporation (ITFC) and Federated Investors (US) in the launch of the ITFC Sovereign Energy Fund.

Herbert Smith Freehills demonstrated a global spread of deals. The firm represented an ASEAN pension scheme on the formation of a Shariah compliant private equity vehicle. The firm was well represented in GCC deals. Notable among these was its advice for SHUAA Capital on the formation of a Shariah compliant private debt fund focused on the GCC.

**Winner: Herbert Smith Freehills** was engaged in two fund activities that let it step just in front of King & Spalding and Allen & Overy. The first is the ASEAN pension structuring deal. This was one of the few 'out of market' deals done by our leaders. And the SHUAA Capital debt fund may well be part of a growing trend in the GCC and elsewhere as banks reduce their financing.

The launch of the SHUAA Debt fund is in line with the firm's objective of launching scalable new investment funds to strengthen its specialized corporate restructuring service, particularly in respect to distressed assets. In a swift response to the current markets, the fund will deploy over US\$250 million and allow businesses to survive these challenging times and support the UAE government's aim to diversify the economy.

The firm shared: "We believe the fund is an ideal solution to address frozen credit markets and will assist businesses in overcoming today's complex business landscape."

**Why:** Led by Zubair Mir in the DIFC office, the firm guided SHUAA on a fund to deliver financing in the UAE and Saudi Arabia. Just a few years back, the local regulators were not keen on such activities from funds. Emphasizing financing in the real estate sector, the Cayman Islands-domiciled fund is Shariah compliant. In order to deliver the fund, Herbert Smith Freehills had to deliver regulatory advice in relation to the non-bank financing regulations that apply in the UAE and Saudi Arabia. Cross-border tax issues also needed to be addressed (EY).

## Banking & Finance

**Overview:** The **Banking & Finance** category is always a true slugfest. As much as one discusses innovation, the market has regulatory issues to address. The Central Bank of the UAE's adoption of AAOIFI standards has brought Shariah Standard 59 into focus. There is concern that the traditional approach to 'rollovers' in syndicated Tawarruq would fall foul of the new standard. Two of our finalists were among the first firms to put solutions to the test.

**Contenders:** Fighting it out in this category were Abuhimed Alsheikh Alhagbani Law Firm (AS&H) in cooperation with Clifford Chance, Allen &

Overy and Norton Rose Fulbright. There is a distinctive GCC flavor.

Riyadh-based AS&H advised on the Fawaz Abdulaziz Al Hokair & Co syndication completed in March 2020. This was perhaps the first effort on a major syndication involving UAE banks to address compliance with AAOIFI Shariah Standard 59 on the sale of debt. AS&H has also been advising the Saudi Arabian Monetary Authority on a bank resolution project, including redrafting the law, and also on the policy and regulatory implications for developing a comprehensive payments law in Saudi Arabia.

Allen & Overy's Dubai office gave proof to the impact of COVID-19. Its work on the Almaty Ring Road (Kazakhstan) was signed in February and closed in August. The firm was well represented on major deals in the UAE, Saudi Arabia, Bahrain and Kuwait. Many of these deals incorporated both a conventional and a Shariah compliant tranche. It worked on Mobily's latest export agency supported deal. This time, the export bank support expanded to Canada.



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

Led by Mohammed Paracha, Norton Rose Fulbright in Dubai was widely involved in complex construction models for the UAE, UAE syndications and UK property finance. It was second past the post with an AAOIFI 59 compliant transaction: the National Commercial Bank's US\$1.05 billion syndicated Murabahah facility, a three-year dual tranche Murabahah facility complying with AAOIFI.

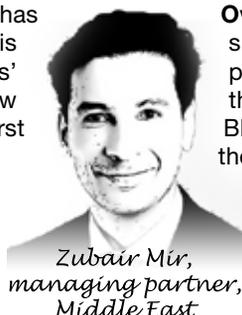
**Winner: Norton Rose Fulbright** addressed the challenge of AAOIFI Shariah Standard 59 in a unique approach akin to cofinancing. Banks were able to opt into either a traditional Tawarruq arrangement which did not comply with AAOIFI or a second tranche that combined the Murabahah structure with a purchase undertaking. This strategy allowed the syndicate to draw a wide universe of banks to the deal thereby maximizing liquidity in a very tight market.

**Why:** Norton Rose Fulbright's head of Islamic finance in the Middle East and Africa, Mohammed Paracha, said: "The change in approach to commodity Murabahah financing structures introduced by the UAE's central bank required a fresh process for how commodity Murabahahs ... are structured."

## Capital Markets

**Overview:** The Islamic capital markets have done surprisingly well despite COVID-19. Their good performance is, nonetheless, marred by what they have not done. Corporate Sukuk remain rare. Blockchain and other fintech Sukuk have yet to fulfill their promise. And micro Sukuk are but a dream.

**Contenders:** Our candidates for 2020 were two national champions and two global giants.



*Zubair Mir,  
managing partner,  
Middle East*

Al Busaidy, Mansoor Jamal & Co advised on the government of Oman's unlimited value local Sukuk, a Deal of the Year 2019 winner for Ijarah. The firm also advised the government of Oman on the Oman Investment Authority's infrastructure fund Rakiza. A complex structure aimed at expanding international investment into Oman, the deal will surely be a 2020 Deal of the Year contender.

Clifford Chance was among the firms involved with the Arabian Centres Company, an Overall Deal of the Year 2019 finalist and Saudi Arabia Deal of the Year 2019 winner.

Advising Goldman Sachs, Clifford Chance's teams in London, Dubai and Riyadh were engaged on the Reg S/144A Sukuk and its companion syndicated facilities. The firm also advised the IsDB on its green Sukuk. Clifford Chance was also advisor to Standard Chartered Bank for the QIB Formosa Sukuk.

Egypt has long teased the Islamic capital markets. Shariah compliant leasing companies have securitized portfolios under the Capital Markets Law of 1992. Helmy, Hamza & Partners (Baker McKenzie) advised Arab Company for Projects and Urban Developments, a subsidiary of Talaat Moustafa Group Holding, on the issuance of a EGP2 billion (US\$126.53 million) Sukuk program maturing in 2024. The firm also acted for a leading GCC investment bank on a Sukuk program for an Egyptian issuer funded by placement in Saudi Arabia, and on a program for another Egyptian issuer funded from the UAE.

Linklaters is always strong in the GCC. The firm advised on Riyadh Bank's Tier 2 Sukuk as well as transactions for Emaar and Boubyan Bank. Led by Jonathan Fried, Linklaters advised QIB on its annual update of the US\$4 billion program with the first Sukuk listed on the Taipei Exchange, a Formosa Sukuk facility.

**Winner: Helmy, Hamza & Partners** advised Arab Company for Projects and Urban Developments, a subsidiary of Talaat Moustafa Group (TMG) Holding, on its inaugural Sukuk program. Arab Company for Projects and Urban Developments is a private company operating within the real estate sector under TMG Holding, providing real estate property investment, development and management. The first issuance of EGP2 billion matures in 2024. EFG Hermes Promoting and Underwriting acted as the arranger and financial advisor.

Mohamed Ghannam, the managing partner and head of capital markets said: "This is the first Sukuk issuance in Egypt which makes it a landmark transaction in particular given its successful and timely closing despite the global COVID-19 situation." Mohamed Ghannam's team included his partner Lamyaa Gadelhak — the co-head of banking and projects — as well as Mostafa El Sakaa, the counsel of capital markets.

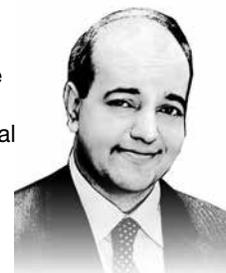
**Why:** The Arab Company for Projects and Urban Developments demonstrates that the Egyptian Islamic capital market is stirring to life. One hopes that the most populous Arabian country now has a roadmap for Sukuk success.



*Mohamed Ghannam,  
managing partner  
and head of capital  
markets*

## Energy & Natural Resources

**Overview:** Over the past five years, the awards have reflected the reality of the Islamic finance market. Oil and gas, coal and many shades of green define the nominees in **Energy & Natural Resources**. Green energy is only held back by the fundamental importance of oil and gas to many countries in the IFN footprint, and the urgency that coal resolves in delivering power to low- and moderate-income countries. The second split is on the Malaysia-rest of the world fault line. Overwhelmingly, the GCC and South Asian energy deals are syndicated. In Malaysia, Sukuk prevail to finance energy and natural resource deals.



*Deepak Sadasivan,  
managing partner*

**Contenders:** Our contenders reflect the divide perfectly. Clifford Chance advised the cofinancing of wind-powered projects in Pakistan. Norton Rose Fulbright advised on syndicated deals in the GCC and Jordan. In Malaysia, Adnan Sundra & Low advised on green energy Sukuk. The subtheme in Malaysia is that the Sukuk almost universally apply Tawarruq.

Clifford Chance advised on the NASDA wind-powered projects in Pakistan. An Overall Deal of the Year 2019 finalist and winner of the Pakistan and Green Energy categories, NASDA is cofinanced with a US dollar Istisnah forward lease facility and a Pakistani rupee (PKR) diminishing partnership facility. Financiers included the Islamic Corporation for the Development of the Private Sector for the US dollar leg and Meezan Bank for the PKR leg.

Norton Rose Fulbright advised widely across the GCC and Jordan on energy projects. One of the major projects was ACWA Power's Taweelah independent water project in Abu Dhabi. The US\$1.2 billion project has conventional and Islamic facilities including a Shariah compliant equity bridge facility. The sustainable deal qualifies under Green Loan Principles and Social Bond Principles.

Adnan Sundra & Low reflected the dirty vs. green dichotomy. Deals included medium-term note programs for Edra Solar and Leader Energy as well as mergers in the oil and gas and water sectors. Among the acquisitions was a complex cross-border deal for ADNOC's acquisition of a 10% stake in Vitol Tank Terminals International involving assets governed by 20 national legal systems. Adnan Sundra & Low advised on Malaysian law.

**Winner: Adnan Sundra & Low** acted for OCBC Al-Amin Bank on the Malaysian ringgit medium-term note program for Edra Solar. In August 2019, Edra Solar published its own **Sustainability Sukuk Framework**. This deal followed rapidly to the close.

This Tawarruq financing is an eligible SRI project under Malaysia's Lodge & Launch Framework, an eligible green project under the ASEAN Green Bond Standards and social project under the

ASEAN Social Bond Standards. An intriguing element of the transaction incorporates the grant of property for commercial agricultural development as part of socioeconomic development under a profit-sharing arrangement with local farmers at the site. The team working on this included Edward Ng Foo Yuen (lead), Priya Sirisena, Chui Jun Wei, Lim Pei Yin and Shazni Hamim.

**Why:** Adnan Sundra & Low continues to show ASEAN leadership in Shariah compliant project finance underwriting. This ASEAN Sustainability SRI Sukuk transaction is also the country's first issuance with the distinction of carrying no less than three different types of ratings from RAM ratings: a credit rating of 'AA2/Stable', an environmental benefit (EB) rating of Tier 1 EB and a social benefit (SB) rating of Tier 3 SB. The deal was at the front of a wave of new Malaysian green projects. The firm stated: "As sustainable financing transactions are attracting a lot of interest with the incorporation of environmental, social and governance initiatives and the UN Sustainable Development Goals, we do expect to see more green/social Sukuk coming to market, with the support from Bank Negara Malaysia, Securities Commission Malaysia and the financial institutions in Malaysia."

## Fintech

**Overview:** Poverty, mobile telecommunications and COVID-19 assure fintech is here to stay. Even if some bankers view it as a brownfield in countries like Malaysia, the uptake for e-wallets is still not as promised. Moreover, the security of fintech tools remains an important issue. Conflict is another concern: Protection of intellectual property is weak in emerging markets: the lawsuits have begun.

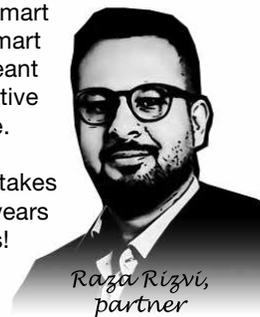
**Contenders:** The usual suspects Simmons & Simmons and King & Spalding were joined by Clifford Chance in this year's finale. Beyond payments, litigation and digital Sukuk featured among the top three.

Simmons & Simmons continued its extensive work in digital payments in Saudi Arabia and the UAE. The firm is the lead counsel on the UAE Ministry of Finance's e-Dirham project. The firm is also working with First Abu Dhabi Bank and Emirates NBD on various payment and online marketplace activities. In collaboration with the Arab Monetary Fund, Simmons & Simmons is working on the Arab Regional Payment System. One of its most important actions was to win a payment claim in the Saudi Court of Appeal for the UAE Banks Federation. The firm has worked with KADASA Law Firm in Riyadh and Saudi advocates to appear in person relating to matters of Saudi patent procedural law.

King & Spalding worked on a fascinating transaction that digitized Permian Basin (US) oil rights. It continued its work for Riyadh Capital's Riyadh Taqnia Fund which invested in Souqalmal, Beehive and Foodics. And it added Global Ventures to its client list working on deals like Paymob, Pyppl and Derayah Financial's Shariah compliant entire capital fund with knock-on investments in Saudi Arabia. Their flagship deal was the formation of KISP Ventures as the venture capital tech fund for KFH Capital.

Clifford Chance worked with Wethaq Capital Markets on the first 'Smart Sukuk'. The concept is based on smart contract technology and is meant to allow efficient and cost-effective issuances in Wethaq's market space.

**Winner: Simmons & Simmons** takes back the crown — litigation plus 10 years of effort across 22 Arab nations! Its standout fintech project this year has been the contractual completion of the Arab Regional Payment System project.



Under the auspices of the Arab Monetary Fund (AMF, representing 22 member countries), Simmons & Simmons helped fulfill the request of the Council of Governors of the Arab Central Banks and Monetary Authorities to build a cross-border payment system for the entire Arabian region. The project involved each of the Middle Eastern jurisdictions as well as each country's financial regulators and their respective executive and Shariah advisory committees. The nature of the underlying stakeholders meant that critical aspects of the solution needed to be considered from a Shariah perspective.

The project has long-term significance as it will change the backend of regional cross-border payments across the Islamic world. The appointment of Simmons & Simmons by the AMF's fintech partner was to provide end-to-end legal, commercial and regulatory support relating to the design and build of the platform. Its team is routinely required to demonstrate a mastery of complex multi-jurisdictional laws and regulations and an operational understanding of emerging technology system architecture and topologies. However, on this unique project, Simmons & Simmons also had to deploy the highest forms of diplomacy and cultural/political awareness. Driving intense negotiations and trying to find common ground with representatives of 22 Arab countries, multiple subcommittees and downstream independent application developers were phenomenal challenges.

Raza Rizvi, the firm's fintech partner said: "We adopted an 'agile' methodology (more commonly seen in software development projects) enabling 'sprints' of collective brainstorming with room for trial and error-based progress. Such a methodology runs counter to the style deployed by most law firms but for us to execute this project and truly add value as integrated business partners rather than conventional third-party consultants, we embraced this bold way of working."

**Why:** But there is one more element in this story. Simmons and Simmons won the first round in the litigation between Saudi Arabia and the UAE over digital payments. The result should pave the way for a patent-free payment landscape and upend the assertion of monopoly rights. Although subject to appeal, the case will have a wide implication beyond Saudi Arabia.

The firm stated: "Our case, while still going through a judicial process, hopes to clear the way for digital wallet-related

intellectual property to be used without fear of infringing patent rights which we maintain should be invalidated.”

## Arbitration, Insolvency & Restructuring

**Overview:** This category has been quite narrow over the years. A big issue pops up like Arcapita-related litigation. A massive blow-up was caused by Dana Gas. But one should expect that we are in the calm before the storm. One can only imagine that COVID-19 will give birth to a plethora of disputes in every field, including Islamic finance. 2020 is still reflecting the less turbulent pre-pandemic situation.

**Contenders:** Simmons & Simmons is engaged in ongoing litigation for an open payment environment. K&L Gates enjoys a Qatari and European presence for litigation, restructuring and arbitration. Allen & Overy has deeply engaged in significant GCC restructurings as well as the Garuda Sukuk restructuring.

Simmons & Simmons represented the UAE Banks Association before the Saudi Arabian courts on matters relating to payment systems. Round 1 went to Simmons & Simmons.

KL Gates has been busy advising Qatari Islamic banks on European insolvencies affecting their customers. The firm also had to restructure domestic Qatari Istisnah-Ijarah facilities. Allen & Overy worked on a global slate of restructurings including Gulf Marine Services and Garuda Indonesia. Gulf Marine is notable as ‘covered Ijarah’ facilities were among the various facilities that were addressed. Garuda required an extension of its Sukuk by three years and an adjustment of the covenants. Garuda may be the first known restructuring of travel rights available tonne kilometer (ATKM)-based Sukuk. Clifford Chance also worked on the Garuda transaction representing the committee of certificate holders.

**Winner:** Allen & Overy has been present in most of the notable Middle Eastern debt restructurings including Dana Gas, Al Jaber, Dubai Group, Amlak and more. Along with Clifford Chance, the firm worked on the Garuda ATKM restructuring.

Allen & Overy’s signature effort in the past year has been the Gulf Marine Services FZE (GSM) restructuring. Allen & Overy advised the participants on restructuring and providing new debt to the London-listed company. GSM’s US\$600 million of debt included: Islamic Ijarah facilities, conventional facilities, existing capex facilities that were collapsed into existing term facilities, Shariah compliant working capital (covered drawing) facilities and letter of guarantee facilities. Allen & Overy spent time with the in-house teams of a UAE bank to restructure the bank’s existing Islamic covered drawing documentation so that it could be used in the overall transaction. This involved suggesting bespoke and innovative solutions. Allen & Overy was also obliged to advise on the warrant instrument for the transaction with a focus on the Shariah requirements of the Islamic participants.

The legal team included: in the UAE, Christian Saunders (partner-lead partner), Nicolo Harris (senior associate who led on the commercial terms), Afsha Karim (senior associate who led on the Islamic terms) and Jess Hansford (senior

associate who led on the conventional terms), and in Istanbul, Jo Clinton (partner-lead partner).

**Why:** The restructuring was finalized in June 2020 during the UAE’s COVID-19 lockdown. Unusual for the GCC, all documents were executed remotely including certain notarial mortgage deeds that required registration. The last phase of negotiations was concluded under a tight time frame as a result of a non-binding hostile offer to take over the company made by one of the shareholders.

## Mergers & Acquisitions

**Overview:** The single theme of mergers and acquisitions (M&A) activity in this year’s awards is consolidation. The Kingdom of Saudi Arabia is reorganizing how it owns and operates the oil and gas sector from reserves to downstream to distribution. The emirate of Dubai is also engaged in the revision of how it owns and operates assets. Elsewhere, we are seeing the slow consolidation of the GCC banking industry.

**Contenders:** Khoshaim & Associates has been among the marquee firms advising major M&A deals in Saudi Arabia. This year Abuhimed Alsheikh Alhagbani Law Firm (AS&H) squared up against Khoshaim in the oil and gas sector. In Oman, Addleshaw Goddard Middle East supported the rare acquisition of an Islamic bank by a conventional bank.

Saudi Arabia enjoyed a number of important M&A deals during the past year. Khoshaim & Associates was deeply involved with deals like Saudi Aramco’s acquisition of SABIC, Saudi Aramco’s acquisition of Ta’shelat Marketing Co (owners of the Sahel & Sahel Mart petrol and service station network), Saudi Aramco’s acquisition of Saudi Aramco Shell Refinery Co and Sipchem’s merger with Sahara Petrochemical.

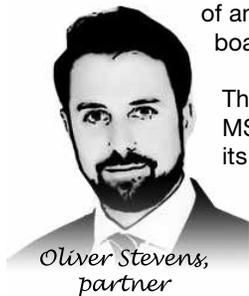
Right there, often across the table from Khoshaim, was AS&H which acts in cooperation with Clifford Chance. AS&H was engaged as well on the SABIC sale to Saudi Aramco. AS&H also advised on a host of private equity- and banking-related deals.

Clifford Chance advised Port & Free Zone World FZE (a subsidiary of Dubai World) on its cash offer for DP World. The US\$2.7 billion offer required refinancing of US\$8 billion of facilities which included what may be the world’s largest bilateral Islamic financing under the Central Bank of the UAE’s AAOIFI standards guidance.

In one of the more unusual deals, Addleshaw Goddard Middle East advised Alizz Islamic Bank on its merger with conventional bank Oman Arab Bank. This required a delisting of Alizz from the Muscat Securities Market (MSM) and the integration of Oman Arab Bank’s Al Yusr business into the Alizz operation. The firm was also involved in energy-related acquisitions in the Sultanate.

**Winner:** Addleshaw Goddard advised Alizz Islamic Bank (AIB) on its merger with Oman Arab Bank (OAB). This was the first case under Oman’s Takeover and Acquisition Regulation which was issued in 2019 (utilizing the ‘squeeze out’ provisions in particular). The deal is unique as a conventional





bank — OAB — acquired 100% of the shares of an Islamic bank — AIB. The merged bank boasts US\$8.4 billion in assets.

The deal resulted in AIB delisting from the MSM. At the same time, OAB transferred its Al Yusr Islamic banking business to AIB. OAB was listed on the MSM. OAB will continue to operate its conventional banking business and AIB, now a wholly-owned subsidiary of OAB, will operate its Islamic banking business.

Partner Oliver Stevens led the team which included Kae Searle and Ma'athir Al Busaidy.

Regarding the first Omani banking merger in eight years, Stevens shared: "We have been advising AIB on this landmark deal for nearly two years. We were able to use our experience of being one of only a few law firms in Oman to have previously advised on a successful bank merger. It was fantastic to see the banks, shareholders, advisors and regulators working so closely together, during lockdown, to complete a complex merger of two of the largest banks in the Sultanate and the first-ever takeover under Oman's new Takeover Regulation."

**Why:** Completed during the lockdown, this deal turned the past approach to Islamic finance on its head. Banks, including OAB, had preferred to open Islamic windows. Sometimes, the windows become subsidiaries. But this is only the second time that a stand-alone Islamic bank was acquired to be the Islamic banking subsidiary of a conventional bank. As GCC banks continue to merge, one may now imagine that conventional banks may skip the window process and buy a subsidiary.

## Offshore Finance

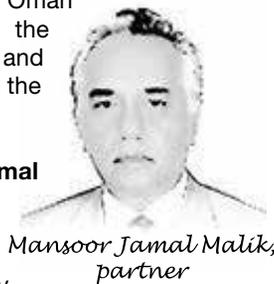
**Overview:** Offshore finance is a curious category. The submissions are divided between those demonstrating the art of structuring and those who offer excellent service. Periodically, the artful deals are unique, even market-changing.

**Contenders:** Maples was the leading firm among high-quality service providers. Malaysian firms like Zaid Ibrahim and Zul Rafique often address particular issues in cross-border deals. Al Busaidy, Mansoor Jamal & Co engaged on the complexities of bringing offshore investment into Oman.

Maples continues to be the leading provider of offshore structuring and advice for global Sukuk, funds and cross-border acquisitions. The volume speaks for itself. If trust is the only criteria, Maples has demonstrated that it has garnered the markets' trust by the volume of deals that it advises on offshore factors.

Zaid Ibrahim worked on Serba Dinamik (SD)'s SD International Sukuk II issued through Labuan. Zul Rafique & Partners advised Halpro that required managing English law elements for a project investment into Malaysia. Al Busaidy, Mansoor Jamal & Co was the Omani law counsel for the State General Reserve Fund (now Oman Investment Authority) and Rakiza

Fund 1 (Guernsey) as the sponsors, Oman Infrastructure Investment Co as the investment and issue manager and Equitix Investment Management as the international fund manager.



### Winner: Al Busaidy, Mansoor Jamal & Co

worked on the Rakiza Fund 1. This was the first time that an infrastructure fund was established in Oman where the vast majority of investments would be injected through offshore feeder funds. Al Busaidy, Mansoor Jamal & Co was required to work closely with international counsels to structure such feeder funds and their investments into the Rakiza Master Fund in a manner acceptable to the Capital Market Authority (CMA) and not in contravention of the Capital Market Law and its Executive Regulations.

At another level, the transaction was required to be structured in such a manner that foreign investment manager Equitix Investments could be permitted to advise on investments made by the Rakiza Master Fund in Oman without being registered and licensed under the Omani fund regime.

The US\$2 billion fund is registered with the CMA. Al Busaidy, Mansoor Jamal & Co was responsible for liaising with the Muscat Clearing and Depositary Company and the Muscat Securities Market to procure allotment of the Rakiza Fund units to investors and listing of the same on the Third Market of the Muscat Securities Market.

Al Busaidy, Mansoor Jamal & Co's team was led by partners Mansoor Jamal Malik and Asad Qayyum.

**Why:** We are long used to GCC money going out in funds for private investment. Rakiza is designed to attract global investors into Oman. Despite its complexity, the fund may prove a model for other GCC and emerging market countries to finance infrastructure.

## Project & Infrastructure Finance

**Overview:** There can be only one observation when observing infrastructure, power and water in Muslim-majority countries: not enough. There can be no foreseeable slowdown in project finance lest those who are behind fall further back. The two distinctive trends are for Islamic banks to play a role in any new project, and for Malaysia to find funds in its capital markets.

**Contenders:** Each of our finalists played a distinct role in project finance. One might say that Al Busaidy, Mansoor Jamal & Co built the legal infrastructure for foreign investment into Omani projects. Adnan Sundra & Low was the best in a deep Malaysian market for Sukuk-driven project funding. And Clifford Chance played a key role across multiple markets.

Clifford Chance advised the Islamic Corporation for Development of the Private Sector on the US dollar leg of NASDA, an Overall Deal of the Year 2019 finalist and winner of the Pakistan and Green Energy categories. It also acted as the international counsel for the banking consortium on the Northern Marmara Motorway (winner of the Deal of the

Year 2019 for the Turkey and Project & Infrastructure Finance categories ).

Adnan Sundra & Low proved the monarch of capital market financing for energy and project finance, advising Edra Solar and Leader Energy. Although the power capacity for solar projects is not the same as for 'dirty' energy, the uptick in alternative energy and its embrace by the Malaysian capital markets are keeping Adnan Sundra & Low busy.

Al Busaidy, Mansoor Jamal & Co did yeoman service, providing the Omani law bits to bring the Oman Infrastructure Fund to life. This entailed managing complexities of local law with respect to foreign fund managers and investors acting in the Sultanate. This is certainly a model for many other countries.

**Winner: Clifford Chance** represented the bank on the Northern Marmara Motorway, a build-operate-transfer project for Turkey's General Directorate of Highways. The multibillion dollar deal was executed in the shadow of Turkey's initiative to expand its infrastructure network under debt assumption legislation that includes risk-sharing arrangements between the sponsors, financiers and the Undersecretariat of Treasury of Turkey. The finance documents and financial close were both signed in September 2019, with separate finance documents relating to the European and Asian sections of the Northern Marmara Motorway respectively.

The bank consortium consisted of the offshore branches of many of Turkey's leading banks and other major regional and international banks and included both a conventional and Islamic tranche. The Islamic tranche was a fixed Istisnah/Wakalah (agency), allowing for modifications to the repayment dates and amounts under a specified limited set of circumstances. This required extensive cooperation and adoption of the Shariah requirements of the Islamic financiers, which consisted of Kuveyt Turk Participation Bank Bahrain Branch and Al Baraka Islamic Bank.

The work drew on Clifford Chance's offices in London, Istanbul, Dubai and Singapore and required its expertise in project finance, Islamic finance, construction, infrastructure, tax and hedging. The team was led by Qudeer Latif, a Dubai partner and included: Timothy Cleary (partner, London), Nicholas Wong (partner, Singapore), Jared Grubb (partner, Istanbul), Sait Eryilmaz (counsel, Istanbul), Ahmed Choudhry (senior associate, Dubai), Daniel Deacon (senior associate, London), Anthony Matsis (associate, Dubai), AliCan Altiparmak (associate, Istanbul); Tanner Phaovibul (lawyer, London) and Tom Ward (lawyer, London).

**Why:** Clifford Chance put itself at the front of renewable energy with the NASDA deal blending cross-border, project and Islamic finance. The complexities of the Northern Marmara Motorway also demonstrated the elite skills that Clifford Chance brings to bear on a project.

## Real Estate

**Overview:** One wonders whether in the post COVID-19 world, real estate will be quite the same. When it comes to 2020, we are finishing

the deals that reflect our long-standing experience with real estate. Within this, GCC and Malaysian investors appear to agree that the UK is an ideal target. Given the risk of an election throwing the US into deeper travails, the UK is an isle of tranquility and a familiar stop. But the vagaries of UK tax law and banking regulations have driven the UK property finance market to Tawarruq. Whatever the reformulation of real estate post-COVID-19, expect investors to look away from the US for safe havens, or to double down at home.

**Contenders:** Baker McKenzie Wong & Leow and Trowers & Hamblins worked different sides of the same deal relating to Permodalan Nasional (PNB), one of the largest government-linked fund investment companies in Malaysia. Allen & Overy shone in the UAE.

Baker McKenzie Wong & Leow advised the arrangers – Oversea-Chinese Banking Corporation and Sumitomo Mitsui Banking Corp – on the GBP340.4 million (US\$433.7 million) Islamic (Tawarruq) and conventional facilities for PNB Jersey, in relation to the refinancing of existing facilities involving certain London properties.

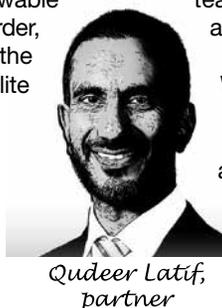
On the other side of the table was Trowers & Hamblins acting as the counsel to the obligor, PNB Jersey. It advised PNB, its wholly-owned Jersey subsidiary PNB Jersey and three of its SPVs to refinance PNB's office investments in London. Trowers & Hamblins also advised SOYO Property Company on a GBP300 million (US\$382.22 million) development project in Leeds which enjoyed co-investment from Shariah compliant investors. It continued its close relationship with Warba Bank on the acquisition of the Tesco Extra building in Yeadon, London.

In the UAE, Allen & Overy executed joint Islamic/conventional financing for Merex Investment Group, the joint venture between Meraas Hoding and Brookfield Asset Management as well as Aldar on its Wakalah/Murabahah dual tranche Sukuk issuance.

**Winner: Trowers & Hamblins** has enhanced its positioning among Malaysian and GCC cross-border real estate investors. In the PNB deal, Trowers & Hamblins's mandate included assisting PNB's team, located in Malaysia, in liaising with the relevant building surveyors and valuers in London to obtain updated reports and valuations on each property required for the completion of the refinancing in the midst of the COVID-19 lockdown on central and wider London.

The firm further assisted the PNB team in negotiating the renewal of the latter's engagement terms with the respective managing agents of each property. Trowers & Hamblins's team included Nick Edmondes, Nicol Ong, Neill Gibson and Sam Folley.

**Why:** Trowers & Hamblins delivered two unique benefits to the parties in this situation. The firm is a true full-service legal advisor for property in the UK and Ireland. It observed: "As a firm, we are focused on delivering results for our clients. We specialize in cross-border real estate transactions. Moreover, as a top 10 UK real estate practice, with offices in the Gulf and Malaysia, we are regularly asked to



assist clients from these two key Islamic regions who want to move investment capital into the UK and Europe.”

## ESG, Green & SRI

**Overview:** ESG, Green & SRI nominations have been slowly crescendoing in the awards. Two factors drive our expectation that this category will sustain well into the future. Apart from the US Department of Labor, which governs US pension investing standards, regulators and investors globally are demanding better governance, socially-minded sustainable investing and constructive investment to combat the effects of climate change. This year our leaning is more toward the environment. Sustainability was noted in a number of submissions.

**Contenders:** Clifford Chance and Dentons flew the flag for deals ex-ASEAN. Adnan Sundra & Low once again represented Malaysia.

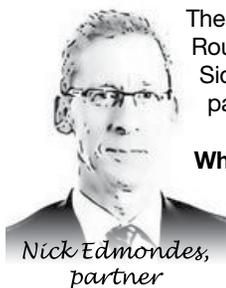
Not only did Clifford Chance work on the NASDA transaction, the firm also worked on Majid Al Futtaim’s MAF Sukuk’s green Sukuk. Majid Al Futtaim stands out in light of the firm’s Green Finance Framework to finance or refinance eligible projects within the categories of renewable energy, energy efficiency, sustainable water management and/or green buildings.

Dentons also worked on Majid Al Futtaim’s transaction, advising the managers of the Sukuk issuance. Dentons also advised on the IsDB green Sukuk, the first euro green Sukuk.

Adnan Sundra & Low’s advice on Sukuk for the solar projects of Edra Solar and Leader Energy brings life to the Securities Commission Malaysia’s commitment to environmental and sustainable finance. The deals also fit under the ASEAN sustainability and green bond frameworks.

**Winner: Dentons** advised the IsDB on its first sustainable Sukuk issuance of US\$1.5 billion, issued under the IsDB’s US\$25 billion Trust Certificate Issuance Programme. The IsDB is the first ‘AAA’-rated institution in the world to have issued a sustainable Sukuk facility. The Reg S issuance was listed on Euronext Dublin, NASDAQ Dubai and Bursa Malaysia. The deal closed in June 2020 with the proceeds being used exclusively to finance social projects to assist member countries with managing the impact of the COVID-19 pandemic. As such, the transaction also represents the first Sukuk aimed at raising proceeds to tackle the effects of the pandemic.

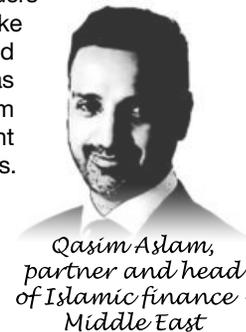
The IsDB put together a sustainable finance framework, with Sustainability providing the ESG rating and CICERO Shades of Green the second-party opinion. The IsDB had previously issued a EUR1 billion (US\$1.16 billion) green Sukuk facility under its sustainable finance framework in December 2019.



The team working on the deal was led by Alex Roussos and included Katie Phillips and Sana Siddiqui. Dentons’s Middle East managing partner (Abu Dhabi) is Paul Jarvis.

**Why:** With respect to the IsDB deals, Roussos observed: “Green and sustainable finance is becoming an area of growing importance in the Middle East and demand for such

paper is currently driven by both issuers and investors, all of whom want to make a positive impact on the environment and the societies we live in.” Dentons has worked on key deals across the spectrum that have required the development of sustainable or green frameworks. A key feature was shepherding the initial sustainable Sukuk directed at COVID-19 relief. It is are now possibly the leading ESG capital market firm in the Middle East.



## Best Law Firm of the Year

**Overview:** 2020 shows the COVID-19 effect on submissions, with firms which are commonly active absent and quite a few firms downsized due to COVID-19. But we anticipate that the impact of COVID-19 will be on the 2021 and 2022 awards. Disputes, innovation and heroism are expected to be backstories for those awards.

Expect fintech to be the real deal. Simmons & Simmons’s win in the category raised the importance of payments, and its litigation in the same area demonstrates how nothing grows without pain. Intellectual property will potentially tie up many noble efforts to take finance to those who need it the most. Runner-up King & Spalding showed how technology can change and expand the Sukuk and fund markets.

Fintech is not the only pushback on the role of banks. Herbert Smith Freehills’s win in Islamic Asset Management and Funds shows how shadow banking is moving south from New York and London to the GCC.

Cracking markets open is a theme that goes beyond fintech. Helmy, Hamza & Partners (Baker McKenzie) finally helped a notable Egyptian corporate obligor across the line in Egypt. One is awaiting the Moroccan corporate Sukuk and nominations from Nigeria and beyond as we proceed.

Addleshaw Goddard reminded us of the slow progress of banking consolidation in the GCC. It also presented us with the rare case of an Islamic bank being acquired by a conventional bank.

M&A work by Khoshaim & Associates and Abuhimed Alsheikh Alhagbani Law Firm represents the current dynamic transformation in the Kingdom as economic reforms initiated by the crown prince drive a reorganization of resources. This consolidation is hoped to drive resources from the cash-rich oil and gas sector into the newly emerging national developments.

The 2020 awards were tightly contested. For the first-time ever, no firm won more than a single category. That means that our top firm had to show more than the next.

Malaysian champion Adnan Sundra & Low showed well in 2020, winning Energy & Natural Resources and contending in Project Finance and ESG. The firm led with capital market solutions for project and ESG, green and SRI finance. It also told the tale of one green hand and one grimy hand with considerable work in the oil and gas sector.

Allen & Overy was a bit ahead with one win for Arbitration, Insolvency & Restructuring. The firm is a leader in both Middle East and Islamic finance restructuring. They also gained notice for Asset Management & Islamic Funds, Banking & Finance and Real Estate.

Every year there is a surprise. This year, the competition was withering with new firms and expanding markets. This year's surprise is that the perennial champion across many categories, King & Spalding, is but only a strong contender across many categories. In another year, the digitization and international trade of oil and gas rights would have been a fintech winner. That is how hot the competition was — even the best is bested.

### FN Law Awards 2020: Best Law Firm

Emerging from the scorching competition was Clifford Chance. The Magic Circle firm was a contender in many categories, including Banking & Finance; Capital Markets; Fintech; Mergers & Acquisitions; and ESG, Green & SRI; however, it stood out with their win in Project & Infrastructure Finance. One point to note is that many of the deals that vaulted Clifford Chance ahead of the competition were already IFN Deal of the Year winners.

Fintech: Clifford Chance was the runner-up for its work on Wethaq's smart Sukuk. The project has important implications for expansion and transparency in the Sukuk market. Indeed, one can see the Wethaq model may lead to a 'democratization' of the Sukuk space as it opens access to a wider universe of smaller investors and issuers. Capital Markets: The Arabian Centres Company Sukuk issuance was an IFN Deal of the Year finalist because of its far-reaching implications — a private

issuer in the Kingdom of Saudi Arabia tapping global markets and a complex reorganization of a complex business's capital structure. The deal topped the list of Clifford Chance's work on a portfolio of significant Sukuk deals.

M&A: Abuhimed Alsheikh Alhagbani Law Firm in cooperation with Clifford Chance was one of the two busiest firms in Saudi Arabia's merger mania.

Banking & Finance: Abuhimed Alsheikh Alhagbani Law Firm, which cooperates with Clifford Chance in Saudi Arabia, worked on the AAOIFI Shariah Standard 59 compliant financing for Fawaz Al Hokair. This demonstrated the reach of Clifford Chance in alliance with emerging firms in important markets like Saudi Arabia.

ESG, Green & SRI: NASDA, another IFN Deal of the Year finalist, showed Clifford Chance's capacity to support the emerging green, renewable energy market through a complex cross-border deal.

Project Finance: Yet another IFN Deal of the Year winner (Turkey, Project & Infrastructure Finance), the Northern Marmara Motorway demonstrated how cross-border financiers and multilateral development banks respect Clifford Chance in highly complicated multisource financings.

In 2019–20, Clifford Chance was involved in the most complex and interesting types of deals. A trusted global name, Clifford Chance demonstrated why it is the winner of Best Law Firm 2020. 

**Table 1: IFN Law Awards 2020 — categories and winners**

Categories	Winners
Arbitration, Insolvency & Restructuring	Allen & Overy
Asset Management & Islamic Funds	Herbert Smith Freehills
Banking & Finance	Norton Rose Fulbright
Capital Markets	Helmy, Hamza & Partners
Energy & Natural Resources	Adnan Sundra & Low
ESG, Green & SRI	Dentons
Fintech	Simmons & Simmons
Mergers & Acquisitions	Addleshaw Goddard
Offshore Finance	Al Busaidy, Mansoor Jamal & Co
Project & Infrastructure Finance	Clifford Chance
Real Estate	Trowers & Hamlins

# IFN Service Providers Poll 2020: Asserting dominance amid tempestuous times



Now in its 15<sup>th</sup> year, the annual IFN Service Providers Poll continues to be the benchmark of excellence honoring the Islamic finance industry's best in supporting operations, facilitating transactions, setting standards and rating results.

Voted by the industry and readers of IFN, winners of the IFN Service Providers Poll 2020 displayed resilience during a tumultuous year, noteworthy agility and perseverance as well as business savviness while remaining committed to serving the global Islamic finance industry through a dedication to upholding Shariah principles.

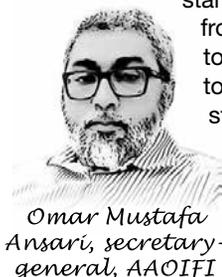
## Most Outstanding Standard-Setting Body



Winning by the largest margin across all categories with 51% of the votes for this category, **AAOIFI** anchors its undisputable position as the Islamic

finance industry's Most Outstanding Standard-Setting Body with its 10<sup>th</sup> consecutive win this year. For almost three decades, AAOIFI has been serving the global Islamic finance industry from its home market Bahrain, supporting over 200 institutional members across over 45 countries with over 100 standards.

The global standard-setting body continues to advocate for Shariah harmonization with meaningful initiatives in 2020 including introducing a new Waqf governance standard, revising its conceptual framework for financial reporting for issuance and finalizing the financial accounting standard to facilitate institutions transitioning from conventional accounting frameworks to Islamic. Demonstrating its commitment to the Islamic finance industry beyond standardization, AAOIFI also signed a three-year MoU with the UN High Commissioner for Refugees to develop Islamic finance tools to benefit refugees and internally displaced persons.



Malaysia's IFSB and Bahrain's International Islamic Financial Markets came in second and third respectively.

## Best Islamic Consultancy Firm



In one of the tightest competitions for votes, **ISRA Consulting** maintains its crown as the Best Islamic Consultancy Firm, after taking the title for the first time last year. The consulting arm of the International Shari'ah Research Academy for Islamic Finance (ISRA) leverages on the strength of Malaysia as a global leader in Islamic finance to provide advisory and consultancy, training, industrial market research and translation services.

Over the last decade, it has attracted local and international Shariah scholars into its fold and formed strategic alliances with the likes of the Islamic Banking and Finance Institute Malaysia to better service the market. Among its clients include Malaysia's Credit Guarantee Corporation, Affin Hwang Investment Bank and the National Mortgage Company of Malaysia.



Prof Dr Ashraf Md Hashim, CEO, ISRA Consulting

Dar Al Sharia secures second spot followed by Amanie Advisory in third.

## Best Islamic Index Provider

### S&P Dow Jones Indices

A Division of S&P Global

**S&P Dow Jones Indices** continues its dominance, winning for a 9<sup>th</sup> straight year and attracting 29% of the votes. This winning streak expands to 14 years when taking into consideration the former Dow Jones Indices wins from 2007 to 2011.

Its dominance in this field is evident by the outperformance of its pioneering indices. In the most tumultuous times triggered by a global coronavirus pandemic which saw global equities fall by 22.3% in the first quarter of 2020 according to the S&P Global BMI, the S&P Global BMI Shariah outperformed the conventional benchmark by over 500bps, its most significant quarterly outperformance since its inception.

This outperformance is also witnessed across its other Islamic indices: the S&P 500 Shari'ah outshone its conventional peer by 2.7% while the DJIM Europe and DJIM Emerging Market respectively outperformed their conventional benchmarks by more than 8%.

This year, IdealRatings notably entered the top-three league grabbing second spot, displacing MSCI, while FTSE Russell maintains its hold on third position.



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

## Best Interbroker for Islamic Transactions



**DDCAP Group**

True to its industry-leading repertoire, backed by over two decades of success and heavy investments into technology, **DDCAP Group** is acknowledged as the Best Interbroker for Islamic Transactions for the fourth year running, attracting almost one-third of the votes. The UK-based Islamic intermediary firm expanded its geographical presence to Malaysia in 2019 for further expansion and even secured Cyber Essential Plus accreditation for its ETHOS AFP platform.



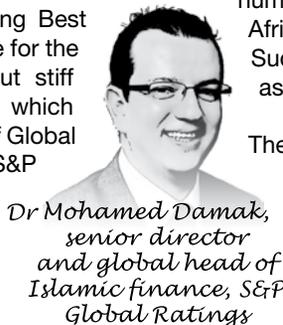
*Stella Cox,  
managing director,  
DDCAP Group*

Eiger Trading Advisors climbed up the ranks this year beating Bursa Suq Al-Sila' to second place while the Malaysian platform fell to third.

## Best Rating Agency in Islamic Finance

**S&P Global Ratings**

With a quarter of the votes, it is a hat trick for **S&P Global Ratings**, winning Best Rating Agency in Islamic Finance for the third year. But the victory did not come without stiff competition from Moody's Investors Service which attracted 21% of the votes. Under the leadership of Global head of Islamic finance Dr Mohamed Damak, S&P Global Ratings continues to produce numerous Islamic finance research and commentaries as well as provide ratings to Islamic financial institutions and instruments across the world.



*Dr Mohamed Damak,  
senior director  
and global head of  
Islamic finance, S&P  
Global Ratings*

## Best Islamic Research Firm



In one of the biggest reshufflings in the IFN Service Providers Poll rankings this year, **Islamic Research and Training Institute (IRTI)** catapulted itself to first spot, from third last year, in the race for Best Islamic Research Firm.

The training arm of the IsDB Group demonstrated great thought leadership this past year despite COVID-19-related challenges, particularly shifting its focus to digital-enabled initiatives: IRTI partnered with Samsung-backed blockchain firm Blocko to launch the Smart Credit Management Platform and rolled out the Smart Economy Grants Program which focuses on the application of emerging technologies.



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

IRTI led the race by a comfortable margin, followed by ISRA in second place while last year's winner, Malaysia's IIUM Institute of Islamic Banking and Finance (IIBF), moved to third.

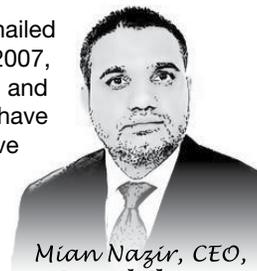
## Best Shariah Advisory Firm



**DAR AL SHARIA**

Proving that when it comes to Shariah advisory, its expertise, repertoire and capabilities are unparalleled, **Dar Al Sharia** is taking home the title of Best Shariah Advisory Firm for the sixth consecutive year.

The award-winning firm has been hailed as a pioneer since its inception in 2007, advising on countless transactions and whose Shariah pronouncements have provided much-needed clarity to move the Islamic finance industry forward.



*Mian Nazir, CEO,  
Dar Al Sharia*

Amanie Advisors and Shariyah Review Bureau came in second and third respectively.

## Best Islamic Technology Provider



If there is any immovable victor in this poll, it is **Path Solutions**. The Islamic finance tech giant is crowned the Best Islamic Technology Provider for the 13<sup>th</sup> year running, a testament to the firm's unquestionable dominance in the space.

Its victory is backed by an impressive year comprising numerous high-profile new contracts particularly in the African region: Somalia's Amana Bank and MyBank; Sudan's Al Baraka Bank, Africa and Gulf Bank as well as Al Khaleej Bank; and Morocco's Bank Assafa.

The year 2020 is also momentous for Path Solutions as it marked the start of its intelligent digital initiative roadmap with the unveiling of two new platforms: Path Digital and Path Intelligence, bolstering its open banking and core banking offerings.

It is also worth noting that the technology category witnessed a stunning shakeup in second and third rankings this year. 2019's first runner-up International Turnkey Systems and second runner-up Oracle FSS were both pushed out of the top rankings this year, supplanted by Silverlake Axis which came in second with HeiTech Padu third.



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

## Best Stock Exchange for Islamic Listings



The category of Best Stock Exchange for Islamic Listings may have been ferociously fought in the last two years; however, the reigning champion **Bursa Malaysia** succeeded in building a comfortable lead over its rivals with 31% of the votes.

While last year's top contenders — London Stock Exchange and Saudi's Tadawul — were edged out of the top league in 2020, Bursa Malaysia remains steadfast in anchoring its position despite competition from new rivals such as Dubai Financial Market and Abu Dhabi Stock Exchange which were second and third respectively.



*Umar Swift, CEO,  
Bursa Malaysia*

The Malaysian bourse, which boasts the world's first fully integrated Islamic securities exchange platform, has been investing heavily in upgrading its technology infrastructure to better service its clients, particularly during the COVID-19 pandemic. It is developing a blockchain proof-of-concept to facilitate the growth of the bond and Sukuk marketplace at the Labuan Financial Exchange and will be rolling out a new data platform. Amid these technological developments, Bursa Malaysia also continues to build the Islamic capital market with new regulations: it released a new IPO framework, amended listing requirements, formed new partnerships and is working

to liberalize its stockbroking policy. As at the end of May 2020, 76.33%, or 687 of the 900 listed securities on Bursa Malaysia, are certified as Shariah compliant.

## Congratulations

IFN would like to extend its heartiest congratulations to all winners of the IFN Service Providers Poll, and a big thank you to all who voted. We are honored to be a part in recognizing the movers and shakers of the global Islamic finance industry. (F)

### Winners of the IFN Service Providers Poll 2020

Award	Winner	First runner-up	Second runner-up
<b>Most Outstanding Standard-Setting Body</b>	<b>AAOIFI</b>	IFSB	IIFM
<b>Best Islamic Consultancy Firm</b>	<b>ISRA Consulting</b>	Dar Al Sharia	Amanie Advisors
<b>Best Islamic Index Provider</b>	<b>S&amp;P Dow Jones Indices</b>	IdealRatings	FTSE Russell
<b>Best Interbroker for Islamic Transactions</b>	<b>DDCAP Group</b>	Eiger Trading Advisors	Bursa Suq Al-Sila'
<b>Best Rating Agency in Islamic Finance</b>	<b>S&amp;P Global Ratings</b>	Moody's Investors Service	RAM Ratings
<b>Best Islamic Research Firm</b>	<b>IRTI</b>	ISRA	IiIBF
<b>Best Shariah Advisory Firm</b>	<b>Dar Al Sharia</b>	Amanie Advisors	Syariah Review Bureau
<b>Best Islamic Technology Provider</b>	<b>Path Solutions</b>	Silverlake Axis	HeiTech Padu
<b>Best Stock Exchange for Islamic Listings</b>	<b>Bursa Malaysia</b>	Dubai Financial Market	Abu Dhabi Stock Exchange

# World Islamic Fintech Awards 2020: Rainbow after the storm



**The year 2020 has been a greatly challenging year for most. Yet despite the unprecedented pressures from the global COVID-19 pandemic, Islamic fintech start-ups from across the world are soldiering on – with a handful being left behind, and many finding opportunities amid chaos to advance their mission.**

This tenacity is shown in the submissions received for the 2020 World Islamic Fintech Awards. A total of 94 submissions were received from across North America, the Middle East, Asia and Europe from start-ups in varying stages of growth.

Each submission was carefully vetted and processed by the independent Awards Board which deliberated and evaluated each submission based on a set of parameters including product innovation, impact, track record, market reach and viability, and time-to-market among others. Only categories which received more than three qualifying submissions were included in this year's awards.

The WIFA People's Choice Award was the only category voted by the public. Each individual was only allowed to vote once and only votes by verified email addresses were accepted.

Our heartiest congratulations to all winners of the 2020 World Islamic Fintech Awards on their most deserved win.

## Best Alternative Finance Fintech Provider

**Winner: Manzil (Canada)**

# MANZIL

Since the launch of the World Islamic Fintech Awards in 2018, the Best Alternative Finance Fintech Provider category has consistently been one of the most competitively fought categories. With nominees hailing from diverse geographies including North America, North and West Africa, Southeast Asia and South Asia as well as the Middle East, the lineup this year also featured a wide range of alternative digital financial service providers. From non-interest Shariah compliant buy-now-pay-later businesses to supply chain financiers, the Best Alternative Finance Fintech Provider of 2020 stood out from the rest due to its achievement, significance and impact.

Canada's Manzil, crowned the Most Promising Islamic Fintech Start-up of 2019, has lived up to expectations. The Islamic mortgage provider did not slow down after taking the coveted title and tirelessly soldiered on for a total of two years to bring

its product to market: a home financing solution that not only meets the religious obligations of Muslims but is also both ethically and financially attractive to Canadians at large due to its participatory nature. To date, Manzil is the only lender in Canada with open fixed rates and payment terms of up to 25 years.

In 2020, the start-up not only closed its first few mortgages and raised over CA\$1 million (US\$793,379), but it also introduced other Islamic financial products including a Halal prepaid card in partnership with neobank KOHO, car financing as well as an income mortgage fund. Starting out as a Halal mortgage provider, the start-up has performed above and beyond widening its product suite and laying the foundation toward its long-term goal: becoming an Islamic digital bank for Canadian Muslims. It is truly deserving of the Best Alternative Finance Fintech Provider 2020 title.

*This award recognizes non-mainstream digital platforms offering financing to individuals, SMEs and/or corporates.*

## Best Islamic Crowdfunding Finance Platform

**Winner: Global Sadaqah (Malaysia)**



COVID-19 has demonstrated the vulnerability and fragility of our global integrated economy, healthcare system and social safety net. But it has also created a perfect storm for digital Islamic social philanthropy to shine as an effective vehicle for social development and financial inclusion.

Kuala Lumpur-based Global Sadaqah exemplifies this. One of the earliest Islamic charity crowdfunding platforms around, Global Sadaqah about doubled the money raised through its platform in 2020 as compared to funds raised in the first two years of its inception: over RM720,000 (US\$177,969) from the RM1.5 million (US\$370,769) raised since launching its beta platform in July 2018 was crowdfunded in 2020 alone. It also managed to mobilized over RM500,000 (US\$121,000) from corporate institutions or partners such as the IsDB, Bank Islam, Alliance Islamic Bank and Kuwait Finance House.

While the amount may be relatively humble, Global Sadaqah

brings home 2020's title of Best Islamic Crowdfunding Finance Platform for embodying the twin spirits of crowdsourcing and Islamic finance: collective funding for good.

Contributing to its win is the start-up's commitment to sustainability and social development which was amplified in the challenging year of 2020: Global Sadaqah launched its Sustainable Charity Program, employing Qard Hasan, to match corporate social responsibility funds of financial institutions with verified beneficiaries in the form of loans which will be paid back in good faith without penalties nor interest.

The start-up is also expanding its range of services from retail crowdfunding to Zakat management for high-net-worth individuals, Wasiyyah and estate planning and provision of Qard Hasan microfinancing, as well as enhancing Zakat collection for state Zakat bodies among others.

*This award recognizes the most outstanding Islamic crowdfunding finance platform. It covers donation-based platforms, reward-based crowdfunding and equity crowdfunding.*

## Best Islamic Peer-to-Peer Finance Platform

**Winner: ALAMI Sharia (Indonesia)**



Once again, Indonesian peer-to-peer (P2P) players dominated the submissions in the Best Islamic Peer-to-Peer Finance Platform category, with some formidable rivals from the Middle East and South Asia. There were heavyweights which recorded immense growth in financing distribution; however, they were pipped to the post by relative newcomer ALAMI, which displayed great resilience, business fortitude, potential and an impressive track record to boot.

Licensed by the Financial Services Authority, the Islamic P2P platform focuses on Islamic invoice financing for SMEs and is one of the fastest-growing Islamic P2P start-ups in the Republic. Since it officially registered with the regulator in April 2019, the start-up aggressively fundraised, serving local SMEs, building partnerships and enhancing its product.

It closed its first year of operations disbursing IDR80.2 billion (US\$5.55 million), and more than doubled it in 2020 reaching over IDR200 billion (US\$13.85 million) by the third quarter of 2020 while maintaining a 0% non-performing financing ratio. In the span of one year, the start-up also grew its pool of registered funders to over 10,000.

Apart from encouraging credit growth, 2020 was also a year of strategic partnerships including with: Bank BNI and Bank

Syariah Mandiri, the latter of which was to distribute the National Economic Recovery fund to support SMEs affected by the COVID-19 pandemic.

While young, the start-up has a clear vision of becoming a platform that embodies both Shariah principles and social impact. This is evident by it not only adopting Shariah finance but also integrating Muslim-targeted features into its app such as the ability to access the Quran, prayer times and a Qibla locator. As far as delivering meaningful social impact, ALAMI is cognizant of the businesses it supports such as its partnership with aquaculture intelligence company eFishery to fund the latter's aquaculture farmers.

In 2020, the firm supported its expansion with a fresh round of financing including a seed round led by Golden Gate Ventures with the participation of regional investors Agaeti Ventures, RHL Ventures and Zeldia Crown. The round was structured according to Shariah compliant principles, namely Akad Musharakah, one of the first venture capital funding rounds in Southeast Asia to be conducted as such. In the same year, it also implemented ISO27000:1, the international standard on information security management systems, building confidence in its platform.

For its encouraging growth numbers, attention to detail, business savviness and ability to execute its vision, ALAMI is the Best Islamic Peer-to-Peer Financing Platform of 2020.

*This award recognizes the most outstanding peer-to-peer financing platform with Shariah financing principles.*

## Best Islamic Trading and Investment Platform

**Winner: INAIA (Germany)**



Over the last two years, there has been an explosion in Islamic trading and investment platforms bringing the number of providers in this space to 22 as identified by the IFN Islamic Fintech Landscape. This vibrant space has captured the imagination of many and attracted new innovators, but the Best Islamic Trading and Investment Platform is not a new face, it is an established name making waves in the European market.

Founded in 2007, Germany-based INAIA continues to push the envelope when it comes to developing Shariah compliant financial products across the investment, financing and insurance spectrum for the Muslim minority. Over 13 years, the firm managed to expand its operations to also serve Muslim and ethical investors in Austria, Switzerland, France, Belgium, Luxembourg and the Netherlands.

Its INAIA Gold Dinar Savings Plan allows Muslims in Germany to invest in a Shariah compliant asset class that is

certified according to ethical and sustainability standards in a completely digital environment, from contracting and investment management to physical delivery across Europe. INAIA has also collaborated with fund managers including Blackrock Asset Management, BNP Paribas and Comgest to act as a broker for Shariah funds. Its brokerage and advisory service includes a complete digital onboarding journey integrated with know-your-customer (KYC) processes and investment management tools.

Equipped with regulatory approval from BaFin or the German Federal Financial Supervisory Authority, INAIA is preparing to roll out its real estate financing solution; it also secured approval to offer Sukuk for retail real estate financing in Europe.

For its ability to meet an urgent need in the underserved European market and commitment to continuously expand its investment arsenal, all within a largely conventional finance-skewed regulatory environment, INAIA is 2020's Best Islamic Trading and Investment Platform.

*This award recognizes the best digital applications facilitating financial planning, budgeting and/or savings and/or investments based on Islamic principles.*

## Best Social Impact Firm

**Winner: TEEK TAKA (Bangladesh)**



The winner of the 2020 Best Social Impact Firm category is indeed impressive on many fronts. The start-up, TEEK TAKA, exemplifies how Islamic fintech can be deployed to support, uplift and empower vulnerable communities, in line with the UN Social Development Goals.

The Bangladeshi start-up is an ethical finance platform seeking to improve work conditions of blue-collar workers by incentivizing factories with access to cheaper and faster financing and also promoting greater transparency, collaboration and accountability in global supply chains. Its initial focus is the garments industry, but the platform can be accommodated to any sector seeking working capital.

Suppliers register on the platform and provide information on their compliance and commitment to labor standards, such as fair wages, health and safety, and employee welfare — all of which will be verified against international labor standards as well as necessary KYC and anti-money laundering checks.

Once these claims are verified, alongside necessary KYC checks, the supplier is given access to the platform where it can apply for Shariah compliant financing. Improved access to working capital enables suppliers to pay workers' wages, maintain health and safety measures and minimize business disruption.

The significance of such a platform becomes even more apparent in a year ravaged by a global pandemic which has exposed and amplified the structural inequalities faced by suppliers and garment workers as factories shutter businesses as the retail fashion market takes a brutal hit.

In 2020, the start-up, founded by Thaslina Begum, successfully piloted and launched its platform and onboarded over 200 factories. It also was selected by Cambridge University as an innovator for sustainable fashion, was a finalist of the She Loves Tech competition — the world's largest start-up competition for women leveraging technology for social impact — and was also selected to take part in the Youth Co:Lab regionals by UN Development Programme and Citi Foundation.

*This award recognizes the most innovative use of Islamic fintech to deliver social good.*

## Best Islamic Digital Bank

**Winner: Kestrl (UK)**



There may not be many fully-fledged Islamic digital banks yet; however, the space is indeed brimming with exciting start-ups laying the foundations to challenge traditional banking services with digital solutions. With many at rather early stages of development, one start-up stood out from the crowd by putting its money where its mouth is: it is backing its bold vision with concrete material progress, all within an impressive timeline.

The winner of the 2020 Best Islamic Digital Bank category is the UK's Kestrl, a mobile app enabling Muslims to budget, save and invest in line with their religious faith and values. The story behind Kestrl is not an unfamiliar one: it all started with a common dilemma faced by everyday practicing Muslims: not being able to readily bank and invest in the UK in a Shariah compliant manner. This was the case for the then-Cambridge MBA students Areeb Siddiqui and Daeng Termizi who both conducted a nationwide survey of Muslim banking habits as part of a research project and found the proposition compelling enough. It did not take long for the both of them to decide to combine their experiences in consulting and working in the local fintech scene as well as experience in the Malaysian Islamic banking industry to fill this market gap: within a

year since setting up in November 2019, the duo formed a Malaysia-based tech team, raised GBP135,000 (US\$186,080) in a pre-seed round and launched their app which leverages on open banking to allow users to plug in multiple bank accounts to facilitate budgeting, financial planning, savings as well as investing for long-term goals.

Worth noting is the collaborative spirit that Kestrl embodies: it is working with established UK Islamic banks as well as other Shariah fintech start-ups to better serve the UK Muslim market. With the banking incumbents, Kestrl is engaging younger and digitally savvy Muslims by becoming a digital front-end for the banks, providing users with access to their savings accounts and mortgages through the app and integrating them with Kestrl services. The start-up in 2020 also partnered with payment platform Contis to provide savings pots and debit card services. The start-up also established a marketplace, giving users options to invest in Shariah compliant asset classes through other fintech platforms such as Yielders (for properties), Minted (gold) and Qardus (small businesses). While the start-up was fundraising, developing its platform and building a partnership with financial service providers, it also got admitted into the accelerator programs of the University of Cambridge and CMS Lega.

*This award recognizes the top start-up offering Shariah compliant digital banking services.*

## Best Islamic Robo-Advisory Platform

**Winner: Wahed Invest (US)**



The Best Islamic Robo-Advisory Platform of 2020 is no stranger — if anything, it has become the poster child for Islamic fintech. Wahed Invest, founded in New York, has become a global brand expanding its physical presence into the UK, Malaysia, Bahrain and Saudi while making its services accessible in some 130 countries.

Since its launch in 2017, the start-up has been unstoppable: it grew its business within an incredibly competitive industry by creating a niche which serves and uplifts a historically

disenfranchised community. Armed with low fees and minimum investment criteria as well as an easy-to-use platform, Wahed Invest appeals to the mass market across all income brackets, making it the largest Islamic robo-advisor by client count. From 4,000 clients just two years ago, the company has grown its client base to over 100,000 in 2020.

Its first-mover advantage to the Islamic digital investment space is paying off, and it is exciting to see what Wahed Invest will continue to achieve. What is certain is that this start-up is raising the standard for Islamic fintech entrepreneurs.

*This award recognizes the best digital portfolio management system providing algorithm-based and largely automated Islamic financial investment advice and decisions.*

## Best Islamic Financial Software Provider

**Winner: Path Solutions (Kuwait)**



The array of submissions received for the category of Best Islamic Financial Software Provider is indeed impressive. With contenders from the Middle East and South Asia to Central Asia and Southeast Asia, the decision was certainly not easy.

The 2020 Best Islamic Financial Software Provider title goes to heavyweight Path Solutions. Serving over 150 Islamic financial institutions across 40 countries, Path Solutions has built an empire over the last three decades. The success of the company is driven by, among others, its strong focus on research and development (R&D). Path Solutions consistently invests 25% of its revenue into R&D which is spearheaded by five of its R&D centers.

Its R&D investments are rewarding: its flagship iMAL Islamic core banking platform is widely used by Islamic finance institutions across four continents, but the company is not resting on its laurels. Path Solutions is currently focusing on offering financial software services that could play a key role as an enabler in enriching the customer's journey and tracking the value created throughout the financial ecosystem, to generate a better customer experience ecosystem.

The firm in 2020 launched its new Intelligent Digital initiative roadmap with the Path Digital and Path Intelligence platforms as well as an artificial intelligence-powered integrated governance, risk and compliance solution, built on a scalable intelligence platform to provide a single source of truth for an overall risk management and digital strategy.

In essence, the Path Digital suite is an open banking platform connecting digital banking channels to a bank's services and applications such as core banking, customer relationship management and payment systems to facilitate the bank in delivering a unified and seamless omnichannel user experience while Path Intelligence is a platform with the ability to integrate with any core banking system, enabling banks to harness data and analyze it intelligently using the Enterprise Data Lake, providing a significant competitive advantage to the banks by helping them transform their business to become analytically-focused and customer-centric.

The company's wide range of AAOIFI-certified solutions benefited the likes of Al Baraka Bank Sudan and Sterling Alternative Finance — the Shariah banking arm of Nigeria's Sterling Bank — in 2020.

*This award recognizes the best technology company offering technical solutions for financial service providers such as banking software, trading software and accounting software.*

## WIFA People's Choice Award

**Winner: Dana Syariah**



Commanding over one-third of the votes, Indonesia's Dana Syariah received the lion's share of the public's votes making it the winner of the 2020 WIFA People's Choice Award.

The popularity of Dana Syariah perhaps does not come as a surprise. Operating in the world's most populous Muslim nation as an Islamic P2P financing platform, Dana Syariah has made incredible gains in 2020. Despite COVID-19, the start-up managed to grow its business by 300% and expanded its user base.

In 2020, the licensed P2P financier distributed over IDR650 billion (US\$44.83 million) in funding, more than twice what it extended in 2018–19. Dana Syariah's phenomenal growth is fueled by its proactive marketing strategy and solid business proposition: the platform integrates several layers of risk mitigation including only funding properties with guaranteed buyers, funding recipients required to provide collateral in the form of productive real estate assets worth 120% of the total funding amount and the use of a Murabahah sales and purchase agreement.

*This award recognizes an Islamic fintech company which has made the deepest impression on the market as voted by our readers and the public.*

## Best Shariah Compliant Payment, Remittance and FX Platform

**Winner: Alif Tech (Tajikistan)**



Central Asia's Alif Tech takes home the Best Shariah Compliant Payment, Remittance and FX Platform 2020 crown. Islamic financial services in the CIS [Commonwealth of Independent States] region are still relatively nascent with sporadic activities, but Alif Tech addresses an urgent need in the market with its interest-free Shariah compliant payment and remittance platform, Alif Mobi. Currently operating in Tajikistan and Uzbekistan (with plans to expand into other neighboring markets), Alif Tech may have humble beginnings as a payment, remittance and FX [foreign exchange] platform, but it is operating with the future in mind, and that is to build a super app housing a holistic ecosystem of digitally-driven Shariah compliant financial and technological solutions.

The company has designed an app which allows users in Tajikistan and Uzbekistan to pay for utilities, enables migrant workers to remit money abroad directly to local payment cards or

to its Alif Mobi e-wallet and provides installment financing plans for retail purchases. It is worth noting that the remittance service and P2P transfer service within the e-wallet are commission-free.

In addition to these developments, the start-up in 2020 also secured several licenses: a data processing license from the Ministry for Development of Information Technologies and Communications of Uzbekistan and a license as a payment company from the Central Bank of Uzbekistan. It also obtained resident status at the IT Park in Uzbekistan, becoming the first foreign enterprise to be granted a permit.

Alif Tech has expanded its client pool to over 370,000 users with over 52,000 active users a month; and the digital wallet is proving to be popular among millennials and Gen Z with 60% of its users between the age of 18 and 34 years.

*This award recognizes companies offering alternative Shariah compliant payment solutions such as mobile payment, e-wallets, payment gateways, the transfer of money in real time between individuals and the exchange of currency.*

## Most Promising Islamic Fintech Start-up of the Year

**Winner: Kestrl (UK)**



It takes more than just a bold idea to make a fintech start-up promising. It takes vision, the right leaders to steer the ship, solid support to navigate choppy waters and focused execution to ensure success. And Kestrl from the UK has all of these, making it the Most Promising Islamic Fintech Start-up of the Year 2020. The start-up has identified a tremendous market opportunity in the greatly underserved UK market, produced a compelling business plan and mobilized a strategy built on robust technology as well as collaboration. This is the reason why the firm has been able to make rapid progress within a relatively short period of time.

Within the first 12 months of its launch, Kestrl has been able to raise funds, build a tech team and design, develop, test and launch its app. It has also secured the confidence of eminent

Islamic finance professionals such as Sultan Choudhury, former CEO of Al Rayan Bank; James Bagshawe, former CFO of Gatehouse Bank; and Oz Ahmed, CEO of HSBC Amanah, who are advising the start-up. Internal research by the management team identified a potential market of about 1.9 million Muslims in the UK holding a collective wealth of GBP390 billion (US\$537.57 billion); the start-up targets to acquire 10–25% of this market over the next five to 10 years. The start-up is looking to raise its next round this year, which will be used to support its growth: having launched its budgeting tool and marketplace, it is looking to roll out debit cards this year and home purchase financing in 2022. Judging on what it has achieved so far, Kestrl's future growth does indeed look promising.

*This award recognizes a fintech start-up that may not have a minimum viable product yet but whose idea demonstrates ingenuity, an ability to deliver sustainable impact to the community/ Islamic financial sector and viability.*

## Islamic Fintech Company of the Year

**Winner: Manzil (Canada)**



It is interesting that the leading contenders for both the Most Promising Islamic Fintech Start-up of the Year and Islamic Fintech Company of the Year are from non-Muslim-majority countries. For its ability to deliver on its promises, dedication to innovation and commitment to serve the Muslim market of Canada, Manzil is the Islamic Fintech Company of the Year 2020. From closing

several funding rounds, and launching a range of financing and investment products in a market without dedicated Islamic financial regulations, Manzil is demonstrating great progress and signaling a promising evolution from being merely a Halal mortgage provider to becoming an Islamic challenger bank.

*This award honors an Islamic fintech company for its outstanding overall performance in product innovation, market reach and delivery of significant impact on society.*

# IFN Non-Banking Financial Institutions Poll 2020: Winners revealed!



Non-banking financial institutions (NBFIs) play a crucial role in fulfilling the financing demand that cannot be met by banking institutions. For their indispensable contribution to the global Islamic finance industry, IFN is honored to be recognizing the top Islamic NBFIs through the inaugural IFN Non-Banking Financial Institutions Poll 2020 as voted by the readers of IFN.

## Best Islamic Financial Cooperative

The winner of the Best Islamic Financial Cooperative may not have a global stature but that certainly does not undermine its influence and significance within the community it serves, particularly in a country without any Islamic banks. Mauritius may have a fairly supportive Islamic finance legal infrastructure; however, the East African tourism haven's Islamic banking sector has struggled to take off in the tiny nation of over one million, and took a particularly crushing blow this year when its sole fully-fledged Islamic bank had its license revoked. The chasm left in the banking sector has emphasized the important pillar that is Al Barakah Multi-Purpose Co-operative Society in ensuring Muslims in Mauritius are still able to access Riba-free financial products in line with their faith. With small humble beginnings in 1998 when several Mauritian Muslims pooled together their resources to form the country's first Islamic credit cooperative, Al Barakah Multi-Purpose Co-operative Society has grown over the last two decades expanding its operations to nine branches throughout the island and serving over 2,000 members, about 10% of the local Muslim population.

It has developed a slew of Islamic financial products, including home financing, motor vehicle financing, real estate financing, trade financing, general financing as well as a Hajj savings account. As a community-driven institution, Al Barakah Multi-Purpose Co-operative Society also provides Qard Hasan financing for medical and educational purposes. It is also worth noting that the cooperative introduced an internal Social Takaful Fund to cover debts of debtors. The institution has also been active in promoting and educating the public about Islamic finance and sharing its successful co-op model with international peers. Commanding 22% of the votes, Al Barakah Multi-Purpose Cooperative Society took home the title of Best Islamic Financial Cooperative, followed by California's Ameen Housing Co-operative with 10% of the votes and Bank Kerjasama Rakyat Malaysia with 9%.

## Best Islamic Leasing Provider

Winning by the largest margin across all categories with 60% of the votes, Sri Lanka's largest non-banking financial group LOLC's Al-Falaah brand was crowned Best Islamic Leasing Provider.

The diversified conglomerate with an impressive international footprint including across South Asia, Southeast Asia and Africa built over 34 years, ventured into Shariah compliant financing under Al-Falaah in 2007. LOLC Al-Falaah offers a wide range of products from savings and investments and business financing to leasing. As one of its first products launched, LOLC Al-Falaah's Ijarah portfolio is one of its best-performing asset classes, supporting the Islamic finance unit position as one of the top-performing divisions of LOLC Finance in terms of non-performing financing performance, profitability and return on equity. Competitive rentals and diversity in types of leasable assets as well as solid branding equity anchored LOLC Finance's position in the space of Islamic leasing.

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

## Best Islamic Microfinance Institution

Along with Islamic social philanthropic instruments such as Zakat, Waqf and Sadaqah, Shariah compliant microfinance is at the heart of financial inclusion and the democratization of financial access. Staying true to its mandate of poverty eradication and promoting financial freedom among the financially vulnerable, Amanah Ikhtiar Malaysia (AIM) secured 38% of the votes to become the first to be honored as Best Islamic Microfinance Institution in a tightly contested race. AIM, established in 1987 as a private trust, grew to become Malaysia's largest microcredit institution. For over 30 years, the Islamic microfinance organization has disbursed hundreds of millions of dollars-worth of financing to Malaysia's poorest as well as MSMEs.

This year alone, AIM has allocated RM2.7 billion (US\$656.28 million) to assist entrepreneurs in the low-income group to expand their business. With almost 380,000 borrowers, AIM expects to lift over 56,000 of them out of poverty in 2020.

Grameen Bank and Palestine for Credit and Development came in second and third respectively with 23% and 13% of the votes.

## Best Islamic Private Equity/Venture Capital Firm

Private equity (PE) and venture capital (VC) financing are forces to be reckoned with. Widely acknowledged as a major driver of economic growth, PE and VC activities are also critical in the Islamic finance narrative.

The Best Islamic Private Equity/Venture Capital Firm goes to Gulf Islamic Investments (GII), a familiar name in the space with a strong track record. To date, the UAE-based firm manages over US\$1.4 billion in assets, securing US\$5.5 billion in debt and in excess of US\$1.3 billion in equity. GII inherits the track record of Union National Financial Consultancy (renamed GII) and Allied Investment Partners which managed and advised the private assets of some members of the Abu Dhabi royal family; the firm decided to focus solely on Shariah investments in 2014.

As its name implies, GII hunts for yield in various investment opportunities in the GCC across multiple sectors including industrial, manufacturing, transportation and logistics, technology, healthcare, education, energy, tourism and financial services. Despite the depressed investment climate due to the COVID-19 pandemic, GII continues to search for the alpha in opportune asset classes including in India's US\$200 billion healthcare sector with the acquisition of a significant minority stake in a portfolio of healthcare companies including a virus test manufacturing company this year.

Doha Venture Capital and Taqwa Tech were runner-up and second runner-up respectively.

### Best Islamic Real Estate Financier

In a clear race to the top, Michigan-based UIF Corporation flexed its Islamic finance capabilities, winning 57% of the votes to be awarded the Best Islamic Real Estate Financier. The US Islamic financial institution beat the odds amid an economic recession, heightening political tension and market uncertainty. Finding a silver lining during the COVID-19 storm, UIF Corporation generated record profits — about US\$1 million a week — in July and originated US\$90 million in home financing every month. The firm is working on expanding its network and presence through new partnership home financing across the 26 states it is operating in. Australia's Amanah Islamic Finance came in second while another US contender, Guidance Residential, was third.

### Best Takaful Company

In the fiercest competition of the IFN Non-Banking Financial Institutions Poll 2020, Etiqa (General and Family Takaful) was neck and neck with its closest rivals but managed to pip its competitors to the post by a hair's breadth to grab the Best Takaful Company title. Part of Malaysia's largest banking group, Maybank, and a joint venture with international insurance company Ageas, Etiqa leverages its deep local expertise and global experience to offer

General and Family Takaful services to the Malaysian people and consistently maintain its lead ranking in the Takaful sphere. With over 10,000 agents, 46 branches, 17 offices and over 490 bancassurance networks nationwide, Etiqa is the country's largest Takaful and insurance provider.

While the COVID-19 pandemic is expected to dent its financial performance for the 2020 financial year, as the whole industry takes a hit, Etiqa is in a solid position to weather the storm bolstered by its robust fundamentals and equally important, its investments into its digital architecture which has prepped the group well to navigate a pandemic environment. Etiqa continues to win customers with its hassle-free purchase and claim experiences, groundbreaking products (it was the first in the country to introduce mental health Takaful coverage early this year) and service to the community with millions channeled toward various relief efforts including for cancer prevention/awareness and COVID-19 this year alone. Takaful Malaysia and Pak-Qatar Family Takaful were in a deadlock for second place.

### Best Re-Takaful Company

Best Re-Takaful Company is awarded to Malaysian Reinsurance (Malaysian Re). The largest national reinsurer by asset in Southeast Asia entered the re-Takaful market in 2016, extending the Halal supply chain to both local and international Takaful operators.

By utilizing a leveraged model, the firm's re-Takaful division harnesses Malaysian Re's underwriting best practices including sound rating disciplines, appropriate pricing models and accessibility to readily available actuarial assessments. Rated 'A' by Fitch Ratings, Malaysian Re maintains a "very strong" capital buffer and consistently profitable financial performance which would support the reinsurer in coping with the adverse impact of the coronavirus pandemic. Having started with General re-Takaful solutions, the company continues to steadily expand its Islamic business with new products and collaborations: at the end of last year, it forayed into the Family re-Takaful segment via a strategic partnership with Pacific Life Re to begin servicing Family Takaful operators. Africa Re and Emirates Re tied for second place.

### Congratulations!

IFN would like to congratulate all winners of the inaugural IFN Non-Banking Financial Institutions Poll! Your diligence, adaptability and perseverance in an exceptionally difficult year fraught with unprecedented challenges distinguish you from the rest. Congratulations again on a very well-deserved win. 🎉

Category	Winner	First runner-up	Second runner-up
Best Islamic Financial Cooperative	Al Barakah Multi-Purpose Co-operative Society	Ameen Housing Co-operative	Bank Kerjasama Rakyat Malaysia
Best Islamic Leasing Provider	LOLC Al-Falaah	Amanah Leasing Public Company	Ijara Community Development Corporation (IjaraCDC)
Best Islamic Microfinance Institution	Amanah Ikhtiar Malaysia	Grameen Bank	Palestine for Credit and Development - FATEN
Best Islamic Private Equity/Venture Capital Firm	Gulf Islamic Investments	Doha Venture Capital	Taqwa Tech
Best Islamic Real Estate Financier	UIF Corporation	Amanah Islamic Finance	Guidance Residential
Best Takaful Company	Etiqa (General and Family Takaful)	Takaful Malaysia; Pak-Qatar Family Takaful	NA
Best Re-Takaful Company	Malaysian Reinsurance	Africa Re; Emirates Re	NA

# IFN Awards 2020 Winners' List



COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
AAOIFI	Most Outstanding Standard-Setting Body		SERVICE
ABC Islamic Bank	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Abdulaziz Alajjan & Partners in association with Baker & McKenzie	Corporate Deal of the Year & Saudi Deal of the Year	Saudi Electricity Company's SAR168 billion Recapitalization Exercise	DOTY
Abu Dhabi Islamic Bank	Best Islamic Bank for Treasury Management		BANKS
Abu Dhabi Islamic Bank	Best Islamic Bank in the UAE		BANKS
Abu Dhabi Islamic Bank	Best Islamic Private Bank		BANKS
Abu Dhabi Islamic Bank	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Abu Dhabi Islamic Bank	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Abu Dhabi Islamic Bank	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Abu Dhabi Islamic Bank	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Abu Dhabi Islamic Bank	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
Abu Dhabi Islamic Bank (Egypt)	Best Islamic Bank in Egypt		BANKS
Abu Dhabi Islamic Bank (Iraq)	Best Islamic Bank in Iraq		BANKS
Abuhimed Alsheikh Alhagbani Law Firm (AS&H) (Clifford Chance)	Corporate Deal of the Year & Saudi Deal of the Year	Saudi Electricity Company's SAR168 billion Recapitalization Exercise	DOTY
Addresshaw Goddard	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
Adnan Sundra & Low	Best Law Firm in Energy & Natural Resources		LAW
Adnan Sundra & Low	Ijarah Deal of the Year	Semarak Gigih's RM244.3 million Sukuk Ijarah	DOTY
Akin Gump Strauss Hauer & Feld	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Al Akhdar Bank	Best Participation Bank in Morocco		BANKS

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Al Barakah Multi-Purpose Co-operative Society	Best Islamic Financial Cooperative		NBFI
Al Busaidy, Mansoor Jamal & Co.	Best Law Firm in Offshore		LAW
Al Hilal Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Al Hilal Bank (Kazakhstan)	Best Islamic Bank in the CIS		BANKS
Alif Tech (Tajikistan)	Best Shariah Compliant Payment, Remittance and FX Platform		WIFA
ALAMI Sharia (Indonesia)	Best Islamic Peer-to-Peer Finance Platform		WIFA
Al Rajhi Bank	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
Al Rajhi Bank (Saudi Arabia)	Best Islamic Bank in Saudi Arabia		BANKS
Al Salam Bank (Algeria)	Best Islamic Bank in Algeria		BANKS
Al Tamimi Law Office	Cross Border Deal of the Year	Gateway Fund 1's Acquisition of Tim Hortons's GCC franchises	DOTY
Al Waseelah	UK Deal of the Year	P1'S US\$50 million 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
Ali Khan Law Associates	Musharakah Deal of the Year & Pakistan Deal of the Year	Amreli Steel's US\$3.93 million diminishing Musharakah facility	DOTY
Alizz Islamic Bank	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
Allen & Overy	Best Law Firm in Arbitration, Insolvency & Restructuring		LAW
Allen & Overy	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Allen & Overy	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Allen & Overy	Restructuring Deal of the Year	Gulf Marine Service's US\$391 million Restructuring	DOTY
Amana Bank (Tanzania)	Best Islamic Bank in Tanzania		BANKS
Amanah Ikhtiar Malaysia (AIM)	Best Islamic Microfinance Institution		NBFI
Amreli Steels	Musharakah Deal of the Year & Pakistan Deal of the Year	Amreli Steel's US\$3.93 million diminishing Musharakah facility	DOTY
Ansar Bank	Best Islamic Bank in Iran		BANKS
ANZ	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Arab Company for Projects and Urban Development (sub of Talaat Moustafa)	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Arab Islamic Bank	Best Islamic Bank in State of Palestine		BANKS

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Arab Petroleum Investments Corporation	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Ashurst	Sovereign & Multilateral Deal of the Year	ICIEC'S EUR142 million cover for Ivorian health sector	DOTY
Axiata Group	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
Bahrain Islamic Bank	Best Islamic Bank in Bahrain		BANKS
Baker McKenzie	UK Deal of the Year	P1'S US\$50 million Sukuk	DOTY
Baker McKenzie (Cairo & Dubai)	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Bank Muamalat Indonesia	Best Islamic Bank in Indonesia		BANKS
Bank Muscat	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
Bank Nizwa	Best Islamic Bank in Oman		BANKS
Bank Nizwa	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
BankIslami Pakistan	Sukuk Deal of the Year	Kot Addu Power Company's PKR5 billion short-term Sukuk	DOTY
Bedford Row Capital	UK Deal of the Year	P1'S US\$50 million Sukuk	DOTY
BMCE Bank Offshore, Morocco	Africa Deal of the Year	ICIEC'S EUR20 million cover for Scientific High School of Yamoussoukro, Cameroon	DOTY
BNI Securities	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Boubyan Bank	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Bursa Malaysia	Best Stock Exchange for Islamic Listings		SERVICE
CIFTCI Law Firm	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
CIMB Investment Bank	Best Islamic Investment Bank		BANKS
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 Islamic	Best Islamic Bank in Malaysia		BANKS
Citi	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Citi	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Citi	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
Citibank (London Branch)	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Citigroup Global Markets	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Clifford Chance	Best Law Firm in Project & Infrastructure Finance		LAW

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Clifford Chance	Corporate Deal of the Year & Saudi Deal of the Year	Saudi Electricity Company's SAR168 billion Recapitalization Exercise	DOTY
Clifford Chance	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Clifford Chance	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Clifford Chance	Mudarahab DOTY & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Clifford Chance	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
CMS	M&A, Equity & IPO Deal of the Year	Western Union's US\$1.3 billion equity investment into stc pay	DOTY
Commercial Bank of Dubai	Mudarahab Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Covington & Burling	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Covington and Burling	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
Credit Agricole CIB	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
Crédit Agricole CIB	Mudarahab Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Crédit Agricole CIB	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Dana Syariah	WIFA People's Choice Award		WIFA
Dar Al Sharia	Best Shariah Advisory Firm		SERVICE
Dar Al Sharia	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Dar Al Sharia	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
DDCAP	Best Interbroker for Islamic transactions		SERVICE
Dentons	Best Law Firm in ESG, Green & SRI		LAW
Dentons	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Dentons	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Dentons	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Dentons	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Deutsche Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Deutsche Bank	Sovereign & Multilateral Deal of the Year	ICIEC'S EUR142 million cover for Ivorian health sector	DOTY

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Deutsche Bank (London)	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
DP World Salaam	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Dubai Islamic Bank	Best Islamic Retail Bank		BANKS
Dubai Islamic Bank	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Dubai Islamic Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Dubai Islamic Bank	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Dubai Islamic Bank Kenya	Best Islamic Bank in Kenya		BANKS
Dubai Islamic Bank Pakistan	Structured Finance Deal of the Year	Engro Polymer & Chemical's US\$35 million FX hedge	DOTY
EFG Hermes	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Emirates Islamic	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Emirates Islamic	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Emirates NBD	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Emirates NBD	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Emirates NBD	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
Emirates NBD Capital	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Emirates NBD Capital	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Emirates NBD Capital	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Emirates NBD Capital	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Emirates NBD Capital	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Emirates NBD Capital	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Engro Polymer and Chemicals	Structured Finance Deal of the Year	Engro Polymer & Chemical's US\$35 million FX hedge	DOTY
Etiqa Group	Best Takaful Company		NBFI
Evercore	Restructuring Deal of the Year	Gulf Marine Service's US\$391 million Restructuring	DOTY
Faisal Islamic Bank (Sudan)	Best Islamic Bank in Sudan		BANKS

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Faysal Bank	Musharakah Deal of the Year & Pakistan Deal of the Year	Amreli Steel's US\$3.93 million diminishing Musharakah facility	DOTY
First Abu Dhabi Bank	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
First Abu Dhabi Bank	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
First Abu Dhabi Bank	Mudarabah Deal of the Year & Perpetual DOTY & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
First Abu Dhabi Bank (France)	Best Islamic Bank in France		BANKS
First Gulf Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Freshfields	M&A, Equity & IPO Deal of the Year	Western Union's US\$1.3 billion equity investment into stc pay	DOTY
Garuda Indonesia	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Gatehouse Bank (UK)	Best Islamic Bank in the UK		BANKS
Gateway Partners	Cross Border Deal of the Year	Gateway Fund 1's Acquisition of Tim Hortons's GCC franchises	DOTY
GFH Financial Group	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
GFH Sukuk Company	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Global Islamic Financial Services	UK Deal of the Year	P1'S US\$50 million Sukuk	DOTY
Global Sadaqah (Malaysia)	Best Islamic Crowdfunding Finance Platform		WIFA
Government of Malaysia	Most Innovative Deal of the Year & Malaysia Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Greenwoods GRP	UK Deal of the Year	P1'S US\$50 million Sukuk	DOTY
Gulf International Bank	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Gulf International Bank	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
Gulf International Bank	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Gulf Islamic Investments	Best Islamic Private Equity / Venture Capital Firm		NBFI
Gulf Marine Services	Restructuring Deal of the Year	Gulf Marine Service's US\$391 million Restructuring	DOTY
Haidermota & Co	Sukuk Deal of the Year	Kot Addu Power Company's PKR5 billion short-term Sukuk	DOTY
Hassan Radhi & Associates	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Helmy, Hamza & Partners and Baker McKenzie (Dubai)	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Helmy, Hamza & Partners and Baker McKenzie (Dubai)	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Helmy, Hamza and Partners	Best Law Firm in Capital Markets		LAW
Herbert Smith Freehills	Best Law Firm in Asset Management & Islamic Funds		LAW
Hogan Lovells	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
Hong Leong Investment Bank	Ijarah Deal of the Year	Semarak Gigih's RM244.3 million Sukuk Ijarah	DOTY
Houlihan Lokey	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
HSBC	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
HSBC	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
HSBC	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
HSBC	Best Islamic Trustee/Custodian		BANKS
HSBC Saudi Arabia	Corporate Deal of the Year & Saudi Deal of the Year	Saudi Electricity Company's SAR168 billion Recapitalization Exercise	DOTY
HSBC Saudi Arabia's Shariah Board	Corporate Deal of the Year & Saudi Deal of the Year	Saudi Electricity Company's SAR168 billion Recapitalization Exercise	DOTY
ICIEC Legal	Africa Deal of the Year	ICIEC'S EUR20 million cover for Scientific High School of Yamoussoukro, Cameroon	DOTY
ICIEC Shariah Board	Africa Deal of the Year	ICIEC'S EUR20 million cover for Scientific High School of Yamoussoukro, Cameroon	DOTY
IDB Trust Services	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
INAIA (Germany)	Best Islamic Trading and Investment Platform		WIFA
Industrial and Commercial Bank of China, Dubai (DIFC) Branch	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Industrial Development Bank of Turkey	Turkey Deal of the Year	Zorlu Energy's Green Sukuk	DOTY
International Islamic Trade Finance Corporation (ITFC)	Trade Finance Deal of the Year	ITFC-Eco Banks's US\$5 million Muranahah financing to Malawi	DOTY
IRTI	Best Islamic Research Firm		SERVICE
Islami Bank Bangladesh	Best Islamic Bank in Bangladesh		BANKS
Islamic Bank of Afghanistan	Best Islamic Bank in Afghanistan		BANKS
Islamic Corporation for the Insurance of Investment and Export Credit	Sovereign & Multilateral DOTY	ICIEC'S EUR142 million cover for Ivorian health sector	DOTY
ISRA Consultancy	Best Islamic Consultancy Firm		SERVICE

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Jazlah Water Desalination Company	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
Jordan Islamic Bank	Best Islamic Bank in Jordan		BANKS
JP Morgan Saudi Arabia	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
JP Morgan Securities	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
JS Global Capital Limited	Sukuk Deal of the Year	Kot Addu Power Company's PKR5 billion short-term Sukuk	DOTY
Kamco Invest	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Kamco Investment Company	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Kestrl (UK)	Most Promising Islamic Fintech Start-up of the Year		WIFA
Kestrl (UK)	Best Islamic Digital Bank		WIFA
KFH Capital	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
KFH Capital	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Khalij Islamic	UK Deal of the Year	P1'S US\$50 million Sukuk	DOTY
King & Spalding	Cross Border Deal of the Year	Gateway Fund 1's Acquisition of Tim Hortons's GCC franchises	DOTY
King & Spalding	M&A, Equity & IPO Deal of the Year	Western Union's US\$1.3 billion equity investment into stc pay	DOTY
Kot Addu Power Company (KAPCO)	Sukuk Deal of the Year	Kot Addu Power Company's PKR5 billion short-term Sukuk	DOTY
KPMG	Cross Border Deal of the Year	Gateway Fund 1's Acquisition of Tim Hortons's GCC franchises	DOTY
KT AT One Company	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Kuveyt Turk Katilim Bankasi AS	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Kuwait International Bank	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Kuwait International Bank	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Linklaters	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
LOLC Al-Falaah	Best Islamic Leasing Provider		NBFI
Malaysian Reinsurance	Best Re-Takaful Company		NBFI
Manzil (Canada)	Islamic Fintech Company of the Year		WIFA
Manzil (Canada)	Best Alternative Finance Fintech Provider		WIFA

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Maples and Calder	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Maples and Calder	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Mashreqbank	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Maybank	Most Innovative DOTY & Malaysia Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Maybank Investment Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	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 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
MCB Bank	Best Islamic Bank in Sri Lanka		BANKS
Meezan Bank	Best Islamic Bank in Pakistan		BANKS
Meezan Bank	Best Overall Islamic Bank		BANKS
Meezan Bank	Most Innovative Islamic Bank		BANKS
Mega Capital Indonesia	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Mizuho Bank	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
Mizuho Bank, Dubai	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
Mohsin Tayebaly & Co	Structured Finance Deal of the Year	Engro Polymer & Chemical's US\$35 million FX hedge	DOTY
Mohsin Tayebaly & Co	Sukuk Deal of the Year	Kot Addu Power Company's PKR5 billion short-term Sukuk	DOTY
MUFG Bank	Best Japanese Bank offering Islamic financial services		BANKS
MUFG Bank (Malaysia)	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
Mutlu Avukatlık Ortaklığı	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
National Bank of Kuwait (NBK)	Best Islamic Bank in Kuwait		BANKS
National Commercial Bank	Best Islamic Bank in Libya		BANKS
Natixis	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Natixis	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
NBAD	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Noor Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Norton Rose Fulbright	Best Law Firm in Banking & Finance		LAW
Norton Rose Fullbright	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Norton Rose Fullbright	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	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
Ogier	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Path Solutions (Kuwait)	Best Islamic Financial Software Provider		WIFA
Path Solutions	Best Islamic Technology Provider		SERVICE
PricewaterhouseCooper	Restructuring Deal of the Year	Gulf Marine Service's US\$391 million Restructuring	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
Qatar Islamic Bank (QIB)	Best Islamic Bank in Qatar		BANKS
QInvest	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Rahmat Lim & Partners	Green & Sustainable Finance Deal of the Year	Axiata Group's US\$800 million multicurrency sustainability-linked Shariah facilities	DOTY
Rimon Law	Restructuring Deal of the Year	Gulf Marine Service's US\$391 million Restructuring	DOTY
Riyad Bank	Project & Infrastructure Finance Deal of the Year	Jaziah Water Desalination Co's US\$481 million financing facilities	DOTY
S&P Dow Jones Indices	Best Islamic Index Provider		SERVICE
S&P Global Ratings	Best Rating Agency in Islamic Finance		SERVICE
Saba Islamic Bank	Best Islamic Bank in Yemen		BANKS
Salaam Somali Bank	Best Islamic Bank in Somalia		BANKS
Samba Financial Group	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Samba Financial Group	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Saudi Electricity Company (SEC)	Corporate Deal of the Year & Saudi Deal of the Year	Saudi Electricity Company's SAR168 billion Recapitalization Exercise	DOTY
Semarak Gigih	Ijarah Deal of the Year	Semarak Gigih's RM244.3 million Sukuk Ijarah	DOTY
Shari'a Advisory Board of Citi Islamic Investment Bank	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Sharia boards of KFH Capital and Kuveyt Turk	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
Sharia boards of Kuveyt Turk	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Shariah Advisory Boards and Committees of GFH	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Shariah Advisory Boards and Committees of Societe Generale	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Shariah Advisory Boards and Committees of Standard Chartered	Bahrain Deal of the Year	GFH Financial Group's US\$300 million 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 Supervisory Boards of Alizz Islamic Bank	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
Shariah Supervisory Boards of Bank Muscat - Meethaq	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
Shariah Supervisory Boards of Bank Nizwa	Oman Deal of the Year	Oman Arab Bank's OMR300 million acquisition of Alizz Islamic Bank	DOTY
Sharjah Islamic Bank	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
Sharjah Islamic Bank	Egypt Deal of the Year	Arab Company for Projects and Urban Development's EUR2 billion Sukuk	DOTY
SHUAA Capital	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Shuaa Energy 3 PSC	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	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
Simmons & Simmons	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Simmons & Simmons	Best Law Firm in FinTech		LAW
Société Générale	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Société Générale	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
Standard Chartered Bank	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Standard Chartered Bank	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Standard Chartered Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Standard Chartered Bank	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
Standard Chartered Bank	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
Standard Chartered Bank	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Standard Chartered Bank	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY

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COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
State Bank of Pakistan	Best Central Bank in Promoting Islamic Finance		BANKS
Sumitomo Mitsui Banking Corporation	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
Taj Bank	Best Islamic Bank in Nigeria		BANKS
TEEK TAKA (Bangladesh)	Best Social Impact Firm		WIFA
The Arab Republic of Egypt Acting Through the Ministry of Finance	Commodity Murabahah / Tawarruq Deal of the Year	Ministry of Finance, Arab Republic of Egypt's US\$510 million Sovereign Deal	DOTY
The Bank of Nova Scotia	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The Fatwa and Sharia Supervisory Board of Dubai Islamic Bank PJSC	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The Global Shariah Supervisory Committee of Standard Chartered Bank	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The Internal Shariah Supervision Committee of First Abu Dhabi Bank PJSC	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The Internal Shariah Supervision Committee of HSBC Bank Middle East	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The IsDB Group Shariah Board	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
The Islamic Corporation for the Development of the Private Sector	Kuwait Deal of the Year	Kuwait International Bank's US\$300 million Tier 2 Sukuk	DOTY
The Islamic Corporation for the Development of the Private Sector	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
The Islamic Development Bank	Social Impact /SRI/ ESG Deal of the Year	IsDB'S US\$1.5 billion Sustainable Sukuk	DOTY
The National Commercial Bank	Syndicated Deal of the Year	National Commercial Bank's US\$1.2 billion Syndication	DOTY
The Sharia Committee of Dar al Sharia Islamic Finance Consultancy LLC	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The Shariah advisers of J.P. Morgan Securities	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
The Western Union Company	M&A, Equity & IPO Deal of the Year	Western Union's US\$1.3 billion equity investment into stc pay	DOTY
Trimegah Securities	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
Trowers & Hamblins	Best Law Firm in Real Estate		LAW

## IFN Awards 2020 Winners' List

COMPANY	CATEGORY	DEAL NAME	AWARD TYPE
TSKB Sustainability Consultancy	Turkey Deal of the Year	Zorlu Energy's Green Sukuk	DOTY
UIF Corporation (University Islamic Financial)	Best Islamic Real Estate Financier		NBFI
United Commercial Bank (UCB Taqwa)	Best New Islamic Bank		BANKS
Wahed Invest (US)	Best Islamic Robo-Advisory Platform		WIFA
Walkers (Dubai)	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Warba Bank	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Warba Bank	Hybrid Deal of the Year	SHUAA Energy 3's US\$420 million project finance facility	DOTY
Warba Bank	Indonesia Deal of the Year	Garuda Indonesia's US\$500 million Sukuk Restructuring	DOTY
White & Case	Mudarabah Deal of the Year & Perpetual Deal of the Year & UAE Deal of the Year	DP World Salam's US\$1.5 billion Perpetual Sukuk	DOTY
Zorlu Enerji	Turkey Deal of the Year	Zorlu Energy's Green Sukuk	DOTY
Zu'bi & Partners	Bahrain Deal of the Year	GFH Financial Group's US\$300 million Sukuk	DOTY
Zul Rafique & Partners	Real Estate Deal of the Year	Sime Darby's RM800 million Asean Sustainability Sri Sukuk Musharakah and Sukuk Musharakah Issuance	DOTY
Zul Rafique & Partners	Regulatory Deal of the Year	KT AT One Co's US\$250 million Tier 1 Issuances	DOTY
Government of Malaysia	Overall Deal of the Year	Government of Malaysia's RM666 million Sukuk Prihatin	DOTY
Maybank	Overall 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



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