

equity-linked issuance in Asia-Pacific ex-Japan since 2007 and the highest achieved by an exchangeable bond/Sukuk into the utility and energy sector in Asia-Pacific ex-Japan since 2003. The books were strongly covered with over 50 accounts participating. The allocation achieved a well-diversified investor base where Asian investors accounted for 60 percent of the deal with the balance allocated to European investors. The demand was equally spread between convertible bonds outright investors and hedge funds and traded above par in the grey market after pricing. Bank of America Merrill Lynch, CIMB Investment Bank and Deutsche Bank all acted as Joint Lead Managers and Joint Bookrunners on the deal. Leveraged on its recognised expertise in formulating innovative Sukuk structures, the banks involved played a key role in enabling Khazanah to achieve its objectives of monetising its investment in BEWG via a Shariah-compliant instrument using shares that are not Shariah-compliant at issuance, a first-of-its-kind transaction.

In fact, CIMB has been appointed by Khazanah to act as the active bookrunner for all its exchangeable Sukuk issuances since 2006, illustrating CIMB's prowess in not only plain vanilla issuances but equity-linked structures as evidenced by CIMB's track record in lead managing the most number of Exchangeable Sukuk transactions that are publicly distributed in the global markets to-date.

#### BEST MURABAHAH DEAL OF THE YEAR IN SOUTHEAST ASIA

##### AL DZAHAB ASSETS' RM900 MILLION (US\$202 MILLION) ASSET-BACKED SUKUK MURABAHAH PROGRAMME

- Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers: AmlInvestment Bank and Hong Leong Investment Bank

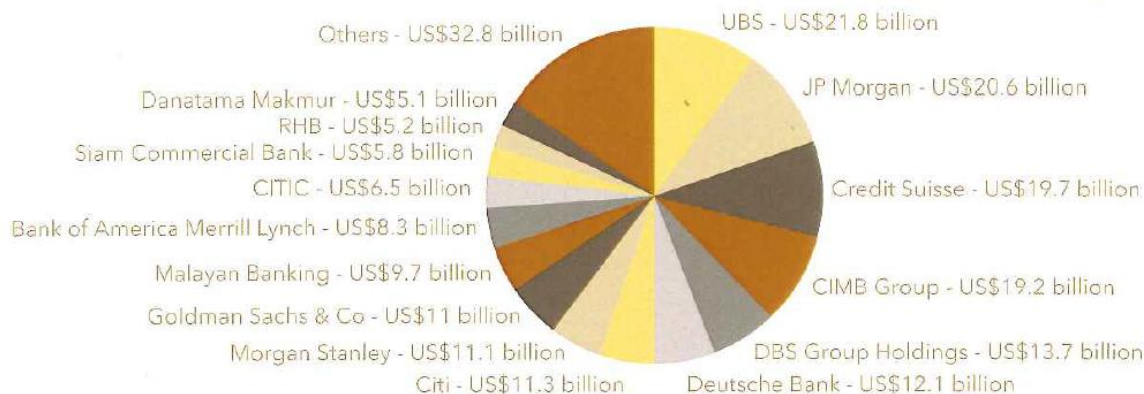
As the first non-property related Asset Backed Securitised Sukuk, based on receivables and based on the principles of Murabahah and Tawarruq issued by a non-GLC injecting further breadth and depth to the local ABS capital markets, the Al Dzahab Assets' RM900 million (US\$202 million) Asset-Backed Sukuk Murabahah Programme is a notable transaction worthy of limelight. The issuer, Al Dzahab Assets is a special-purpose vehicle incorporated to undertake the securitisation of receivables originated through the business partners of RCE Marketing Sdn Bhd (Originator) via the Sukuk Murabahah Programme.

The programme permits the Al Dzahab Assets', from time to time, issue Sukuk to fund its acquisition of Islamic personal-financing portfolios (IPFP), which comply with the pre-determined eligibility criteria.

The programme prioritises the financial obligations of the

#### TOP BOOKRUNNERS FOR ECM IN SOUTHEAST ASIA

Proceeds Equivalent (US\$ Billions)



Source: Thomson Reuters

10 YEARS LEAGUE TABLE (2007-2016)



Issuer in the order of Class A Sukuk, Class B Sukuk and the unrated Class C Sukuk.

Profit on unrated Class C Sukuk is payable only after the full redemption of the rated classes.

The proceeds from each issuance will be utilised to settle the purchase consideration of the IPFP, to meet the Minimum Required Profit Balance under the Finance Service Reserve Account and to meet all related expenses in

connection with the programme.

Each issuance /tranche will be secured by a different IPFP.

In fact, the issue size of the programme is capable of being upsized subject to compliance with the relevant provisions under the relevant regulatory guidelines.

Thus far, two issuances have been completed to-date, which achieved a rating of AAA for Class A and AA3 for Class B assigned by RAM Rating Services. The programme enables RCE Marketing to monetize its assets (i.e., the IPFP) from time to time at the right timing and acceptable pricing to raise financing for its business expansions.

RCE Marketing retains an option (in the form of a Clean-up Call) to repurchase all outstanding IPFP sold to the Al Dhab Assets' upon occurrence of certain events, if it desires. Such option provides an avenue for the originator to "collapse" a securitised tranche where it deems fit without affecting other tranche(s). Given how different classes/series with different tenure, rating and pricing mechanism to cater for investors with difference risk appetite and returns expectations was developed, this transaction stands as one of the most notable Murabahah deals of the year 2016.

#### BEST IJARAH DEAL OF THE YEAR 2016 IN SOUTHEAST ASIA

#### TIGA PILAR SEJAHTERA'S IDR1.2 TRILLION (US\$887 MILLION) SUKUK IJARAH

- **Joint Underwriters:** IndoPremier Securities, Danareksa Sekuritas, Mandiri Sekuritas, Maybank Kim Eng Securities and OCBC Sekuritas

As the largest single tranche private-sector corporate Sukuk issuance in Indonesia's capital market history, Tiga Pilar Sejahtera's IDR1.2 trillion (US\$887 million) Sukuk Ijarah was a



Although equity markets took a hit in Indonesia in 2016, 2016 was a busy year for bond markets in Indonesia

milestone transaction on many levels. While there are many companies in the country with a bigger balance sheet and sizeable market capitalisation, Tiga Pilar Sejahtera was able to raise a record amount directly from the nascent Indonesian rupiah debt market, attracting demand from the widest range of investors. The single A-rated issue not only attracted the largest ever demand from a plethora of investors but was also the largest single A-rated issue since 2012 when Garuda Indonesia launched a IDR2 trillion issue. With five firmly established, leading bond houses co-responsible for this landmark transaction, IndoPremier Securities, Danareksa Sekuritas, Mandiri Sekuritas, Maybank Kim Eng Securities and OCBC Sekuritas each demonstrated their unique distribution and execution capabilities and brought this deal to a successful close. In fact on a previous Sukuk transaction in 2013, only Indo Premier (a leading private sector bond house and Danareksa (a leading state-owned enterprise bond house) were part of the syndicate but perhaps as a reflection of the size and the importance of this transaction, a decision was taken to include more variant, niche bond houses to maximize the investor reach. Despite the limited