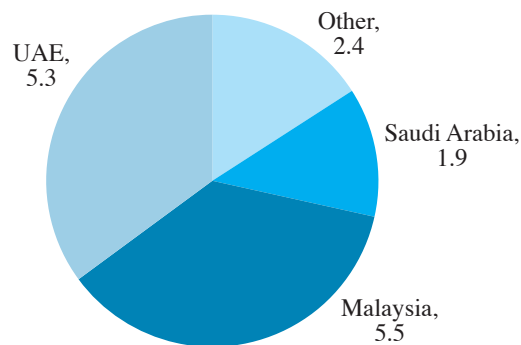


Sukuk Market – Down but Not Out

In 2008, the amount raised through sukuk issuance has fallen sharply by 54.5% to reach US\$15.1bn, as compared to US\$33.1bn in 2007. The decline in the sukuk issuance is due to the credit crunch that forced investors to step aside from the money markets, hence exhausting resources for sukuku as well.

The Islamic bond market is still concentrated in the GCC region and Malaysia, in terms of dollar amount. GCC countries accounted for 55.5% of the dollar amount issued, while Malaysia accounted for 36.3%. Corporate sukuk issues amounted to US\$13.3bn, or 88.5% of the total dollar amount, while sovereign sukuku were worth US\$1.7bn, or 11.5% in the same period. In the year 2008, Malaysia was the largest market for sukuk raising US\$5.5bn from 54 issues. UAE was the second largest market raising US\$5.3bn from 10 issues.

Chart 01: Distribution of Sukuk Issues by Country (US\$ bn)



Source: Zawya

The US dollar dominance over sukuk market has weakened. The total amount of dollar dominated sukuk issued in 2008 was US\$1.5bn, or 10.1% of the total sukuk issuance, as compared to total dollar dominated sukuk of US\$13.9bn in 2007 (41.2%). Moreover, the number of dollar dominated issues was 27 in 2007, as compared to 2008 where only five issues saw the light.

The Islamic financing industry still lacks harmony among its players, as the disparities among Islamic financial institutions are still present. As a matter of fact, previous efforts have successfully marginally closed the gap, which helped in the recent growth, but there is still more work needed to be done in order to bring more consistency in the industry.

Despite its decline, the prospects for the sukuk market are still positive because of the existing demand. The speedy recovery of the sukuk market depends largely on the global financial industry rehabilitation process, especially in the GCC region. In the mean time, many issues are being delayed in anticipation for the right time to jump back onto the wagon. In addition, many new issues are being announced without specific dates. Basically, sukuku are being piled up waiting for the global economy, especially the financial industry, to ride out of the recessionary conditions.

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Credit Crunch to Deny Sukuk Growth Continuance – for the mean time

Islamic financial industry has been gaining popularity in recent years. Around 300 financial institutions are working according to Islamic principles and they are scattered over 75 countries. Currently, GCC and Malaysia are the main centers for the Islamic industry.

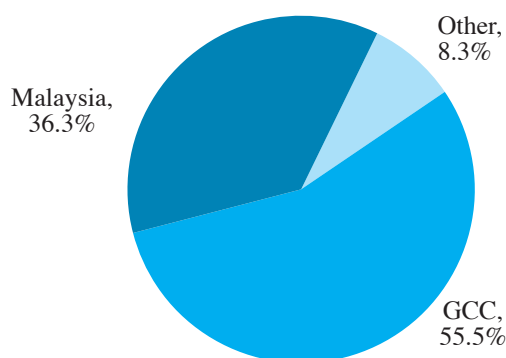
Excluding 2008, the Islamic financing industry had been growing at a double digit over the last ten years. It is estimated that the Islamic financing assets are worth up to US\$700bn. Part of this massive expansion of this market is due to the boom of the GCC economies. In addition, the industry had been witnessing a wide spread acceptance among Muslims, and non-Muslims alike. Nevertheless, the industry is still in its infancy, when compared to the total global financial sector.

With the recent crisis in the financial industry, voices calling to rely more on the Islamic principles are rising. Islamic financial institutions were impacted less than conventional institutions. The lesser impact was due to the restrictions that Islamic laws place on financial transactions. The toxic assets, which include mortgage backed securities (MBS) and credit default swap (CDS), are impressible in Shari'a.

The year 2008 witnessed a decline in the amount of sukuk issuance, after years of massive growth. The amount raised from issuance decreased by 54.5% in 2008 to US\$15.1bn, as compared to US\$33.1bn in 2007. Despite that, the number of global sukuk issues increased from 129 in 2007 to reach 165 in 2008.

The decline in sukuk issuance is due to the credit crunch that forced investors to step aside from the fixed income market, including the Islamic one. As evident of the credit crunch effect on sukuku, issuances in the fourth quarter of 2008 were weak when compared with other quarters in the same year. In the first three quarters of last year, the number of sukuk issuances was 139 raising US\$14.3bn, averaging US\$4.8bn per quarter. On the other hand, the number of sukuk issuance in the fourth quarter of 2008 was 26, raising US\$0.8bn.

Chart 02: Sukuk Issuance by Region

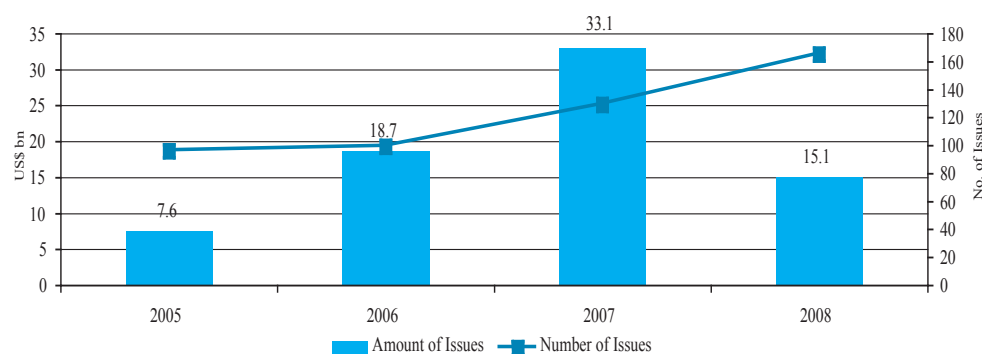


Source: Zawya

The Islamic bond market is still concentrated in the GCC region and Malaysia, in terms of dollar amount. GCC countries accounted for 55.5% of the dollar amount issued, while Malaysia accounted for 36.3%. Meanwhile, the number of sukuk issued by corporate slightly decreased from 97 in 2007 to reach 92, while the number of sovereign sukuku increased by more than double to reach 73 in 2008 from 32 in 2007.

The number of sovereign issuances was driven primarily by Gambia, which is a low-income African country (GDP per Capita of US\$1,200) populated mostly by Muslims. Gambia had no sukuk issues in 2007, but started issuing Al Salaam sukuks, ending 2008 with 40 issues. The dollar amount raised from these issues was small when compared to the total sukuk market, but the high number of Gambian sukuks shows that there is an overwhelming demand for financial instruments that are in compliance with Shari'a, especially in the Muslim world.

Chart 03: Global Sukuk Issuance



Source: Zawya

Out of 165 sukuk issued in 2008, 92 (55.8%) were corporate issues, as compared to 97 out of 129 (75.2%) corporate issues in 2007. Despite the decrease, corporate constituted a large piece of total amount issued. Corporate sukuk issues amounted to US\$13.3bn, or 88.5% of the total dollar amount, while sovereign sukuks were worth US\$1.7bn, or 11.5% in the same period.

Some countries had no corporate sukuk issues, such as, Brunei which had 4 sovereign sukuk issues worth more than US\$95mn. On the other hand, corporate issues were dominating in some countries like Malaysia which had 54 corporate issues. Out of 73 sovereign sukuk issues, 24 sukuks were sold by the government of Bahrain which included the US\$350mn international, dollar dominated sukuk by the Central Bank of Bahrain.

Malaysia & UAE still on Competition

In the year 2008, ten countries had sukuk issuance, of which half were from the GCC countries. The composition of issuing countries was the same in 2007, except for Gambia which replaced Sudan. All countries experienced a fall in sukuk issuance in terms of dollar amount in 2008 except for Qatar and Indonesia.

The largest drop in sukuk issuance was recorded by Kuwait that witnessed a decline by 77.2% from US\$835mn, followed by Saudi Arabia with a fall of 67.2% from US\$5.7bn in 2007. The only country to experience a major increase in sukuk issuance was Indonesia with more than a six folds increase over 2007 (US\$92.8mn), while Qatar maintained almost the same level.

In the year 2008, Malaysia was the largest market for sukuk raising US\$5.5bn from 54 issues; average issue raised US\$101.3mn. UAE was the second largest market raising US\$5.3bn from 10 issues; average issue size was US\$530mn. Saudi Arabia was the only country to join the billion dollar sukuk club, along with UAE and Malaysia, raising US\$1.9bn from

4 issues and averaging US\$468.3mn per issue. The amount of sukuk issuance in Gambia was the lowest in 2008 (US\$12.6mn), despite it had a high a number of issues of 40. Other countries include Bahrain (US\$700mn), Indonesia (US\$663mn), Pakistan (US\$476mn), Qatar (US\$300.9mn), Kuwait (US\$190mn), and Brunei (US\$95mn).

Table 01: Sukuk Issuance by Country

US\$ mn	2008	2007	YoY (%)
Bahrain	700.4	1,065.0	-34.2%
Saudi Arabia	1,873.2	5,716.3	-67.2%
Kuwait	190.0	835.0	-77.2%
Qatar	300.9	300.0	0.3%
Malaysia	5,470.4	13,412.9	-59.2%
Pakistan	476.2	524.3	-9.2%
Brunei	95.1	279.3	-65.9%
UAE	5,300.2	10,807.5	-51.0%
Indonesia	663.3	92.8	615.1%
Gambia	12.6	No Issue	N/A
Sudan	No Issue	130.0	N/A

Source: Zawya

Ijara the most favorable sukuk structure

Sukuk structure comes in a variety of flavors. Most importantly, all these structures must conform to the Islamic principles, and the degree of popularity of any structure depends on its usability, and credibility. Many structures could be similar, but practitioners avoid the complex one. In addition, issuers always seek the less controversial structure, in order to attract as many investors as possible. The creditability of a structure plays a vital role because vast majority of prospective buyers of sukuk are interested in its compliance with Shari'a.

In 2008, there were 5 structures whose market share of the total dollar amount exceeded 90%, and they were Ijara, Modaraba, Musharaka, Al-Isthimar, Murabaha. Of these structures, only Murabaha witnessed growth by 59.3% from its level of US\$512.3mn in 2007 to reach US\$816mn in 2008. Musharaka structure was the highest in 2007 with US\$12.4bn worth of sukuku issued, but it fell by more than 83% to reach US\$2.1bn in 2008 to become the third ranking structure in terms of dollar amount. Other structures declines include Modarabah (68.6%), Al-Isthimar (34.4%), and Ijara (5.5%).

Table 02: Sukuk Issuance by Structure

US\$ mn	2008	2007	YoY (%)
Ijarah	7,176.3	7,590.4	-5.5%
Modaraba	2,278.4	7,266.3	-68.6%
Musharaka	2,105.4	12,430.7	-83.1%
Al-Isthimar	1,399.9	2,133.1	-34.4%
Murabaha	816.0	512.3	59.3%

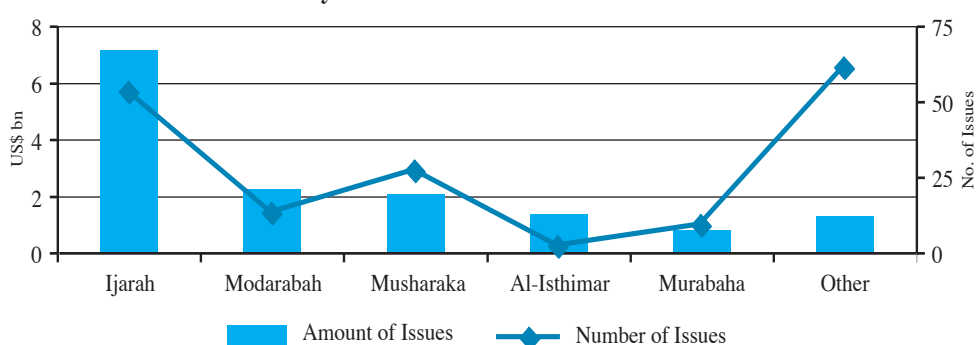
Source: Zawya

In 2008, Ijara was the most favorable type of sukuk in terms of dollar amount and number of issues. There were 53 Ijara sukuku issued amounting to US\$7.2bn, or 47.6% of total amount issued. 32 out of these 53 sukuku (60.3%) were corporate. Ijara is gaining popularity in the industry because the structure proved to be profitable while being compliant with teachings of

the Shari'a. Modarabah was the second largest dollar amount of sukuk issued with US\$2.3bn (15.1%) through 13 issues, followed by Musharaka with US\$2.1bn dollar amount (14.0%) through 27 issues.

Al-Istithmar was another type of sukuk to raise nine figures dollar amount with US\$1.4bn through two issues. In fact, both of these issues were in Saudi Arabia. Other structures include Murabaha (US\$816mn), Istisnaa (US\$591.4mn), Murabaha – Musharaka (US\$458.3mn), Al Salaam (US\$203mn), Murabaha – Istisnaa (US\$33.6mn), and Modarabah – Musharaka (US\$19.6mn). It is worth noting that all the structures, except Ijara and Al Salaam, were issued by corporates. On the other hand, there were 52 Al Salaam sukuks issued by two governments which were Gambia (40), and Bahrain (12).

Chart 04: Sukuk Issuance by Structure

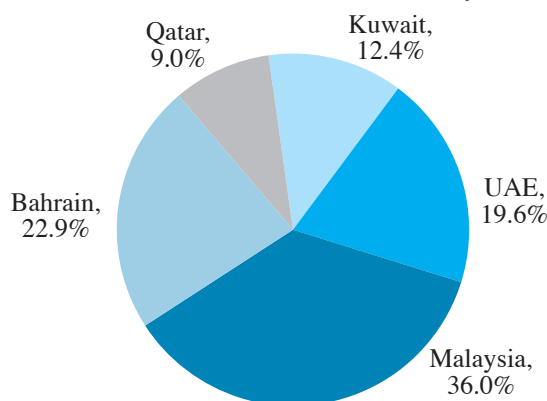


Source: Zawya

The US dollar Dominance over Sukuk Market weakened

The domestic market witnessed an increase in demand for sukuk as a tool for raising funds. Therefore, the dollar dominated sukuk declined relative to the total sukuk issuance in 2008 in terms of value and number of issues. The total amount of dollar dominated sukuk issued in 2008 was US\$1.5bn, or 10.1% of the total sukuk issuance, as compared to total dollar dominated sukuk of US\$13.9bn in 2007 (41.2%). Moreover, the number of dollar dominated issues was 27 in 2007, as compared to 2008 issues of only five, of which four were in the GCC countries. Only one government issued sovereign dollar dominated sukuk, and it was worth US\$350mn.

Chart 05: Distribution of Dollar Dominated Sukuk Issues by Country



Source: Zawya

Lack of harmonization – the main challenge

The financial products created must be compliant with the Islamic teachings, and religious scholars are the ones who decide on the compliance of these financial products. In fact, every financial institution has its own board of Fatwa, which might hold different interpretations of the Islamic teachings. This difference could create variation in opinions –sometimes conflicting- on the permissibility of some financial transactions. In other words, Islamic financial institutions depend on different scholars, who might embrace different interpretation of the Islamic financial laws. This variation among Islamic companies leads to a distraction in delivering the Islamic industry brand to consumers and investors alike, especially to the non Muslim world.

The standardization of sukuk regulations will not only improve the brand image, but it will yield other benefits. The standardization would reduce cost and times faced by Islamic firms, and eliminate inconsistency. Efforts to lay out the foundation for standardized rules for the Islamic financing industry have been put in place. A major organization that is focused on improving and standardizing the industry is the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Compliance with AAOIFI standards is optional, but they are required in some countries, such as, Bahrain and UAE. AAOIFI recognizes 14 sukuk structures that are in compliance with Shari'a.

There are also other organizations that attempt to promote Islamic financing. However, the Islamic financing industry still lacks harmony among its players, as the disparities among Islamic financial institutions are still present. Thus, more work is still needed to attain the desired standardized marketplace, in order to eliminate confusion, enhance credibility, and improve efficiency.

Because of its immaturity, the sukuk market still lacks the central information body, in which all the data can be publicly accessed. This includes the availability of indices that could represent the performance of the Islamic fixed income industry. Few indices were created a while back, but none of them was extensive enough to cover the whole market.

Key obstacles need to be resolved when deciding on creating an index to the sukuk market. Choosing what type of structure to be included is mind puzzling. Not all structures are agreed upon by scholars to be in compliance with Shari'a. Thus, any index including these structures will be controversial. Nevertheless, the goal of the index is to provide a benchmark for investors when investing in sukuk.

Yields are Flying High

Sukuk are under the same macroeconomic environment as the conventional bonds. Despite being compliant with Islamic Shari'a, sukuk are still part of the global financial industry. Sukuk market is always linked with conventional bonds market. The pattern of widening spread in the conventional is also present in the sukuk world. Thus, yields of many sukuk have skyrocketed in this crisis. The increase in yields can be attributed to two main factors: credit premium, and liquidity premium.

First of all, investors are concerned about the issuer's ability to meet its financial obligations, since confidence has been lost due to the collapse of the major financial institutions that used to be credit trustworthy. This has resulted in higher credit risk premium in order to entice investors into purchasing risky assets.

With sukuk, the degree of credit spread differs from one issuer to another one, depending on the issuer's credit worthiness, the underlying business of the issuer, and structure of sukuk. Some sukuk issues have been hit hard because of the sector in which the issuer is operating in, such as, Dubai real estate sector.

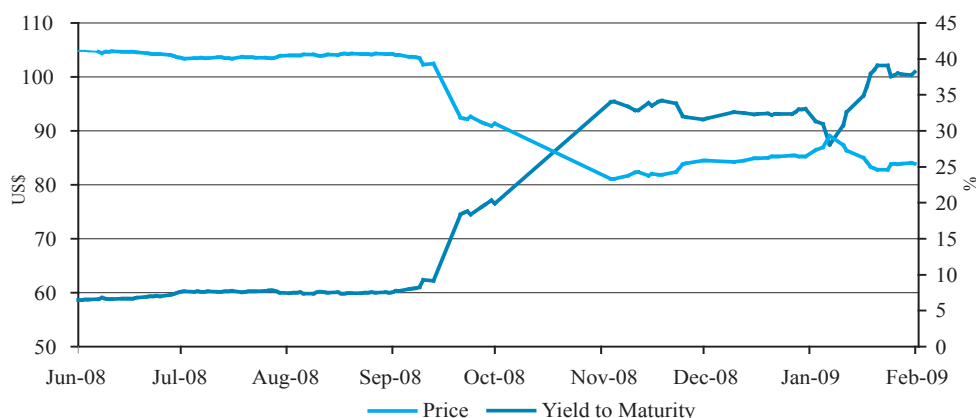
Secondly, the world is still severely short of liquidity even though current worldwide fiscal and monetary policies (including GCC initiatives) are pumping more cash to ease the credit market. The main cause of this liquidity shortage is the investors' negative sentiment that is overshadowing the whole market. Investors' holding into their cash has sharply slowed down the velocity of money, which has resulted in liquidity being cut-off from the market. Hence, the liquidity premium has surely increased across all markets, but this increase differs across markets, depending on the cash being circulated and the velocity of this circulation.

Combining these two premiums has resulted in higher yields. The scale of impact varies from one issue to another, depending on the underlying business and submarket. For some issue, it might seem that the yields did not change, or even decrease. This trend is attributed to the lowering of benchmark interest rates by central banks around the globe. Nonetheless, risk spread, represented by the credit and liquidity premium, has substantially increased, which has caused existing sukuk to fall in value.

An example of that is Nakheel sukuk which is an Ijara based structure issued in 2006 to finance the development of Nakheel projects in Dubai. The amount issued was US\$3.5bn which was dollar dominated issue with fixed rental rate. It is important to note that this Islamic bond is convertible to equity, in an event of IPO.

The sukuk was performing well, up until Lehman's collapsed in mid-September which triggered the escalation of yields in response to the evaporation of liquidity. Since Nakheel sukuk was dollar dominated, yields skyrocketed in response to the credit crunch, which caused prices to fall sharply. Additionally, the business line that Nakheel is engaged in, the real estate development in Dubai, is expected to perform poorly in the short term.

Chart 06: The Price & Yield of Nakheel Sukuk



Source: Bloomberg

Long Queue

The negative growth of sukuk issuance was mainly due to the global financial crisis. Even though Islamic financial institutions had no toxic assets, they had been weakened by the turmoil because they were influenced by the macro shocks of shortage in liquidity and the acute absence of investor's confidence. Still, Islamic firms are in a better shape than conventional institutions.

Despite the current credit crunch negatively affecting the sukuk market; the influence of this crisis will not have permanent impact on sukuk. The Islamic bond market is still set for expansion once the global economy regains its health.

Demand drivers for Islamic finances include:

- Sukuks are best suited for Muslims who are eager to enter the fixed-income market, but prohibited by the teachings of Islam. This kind of demand was clearly shown by Gambia, which had 40 issues of sukuku in 2008. Also, Muslims in western countries are interested in Islamic systems. According to a study conducted by Lloyds TSB, a quarter of Muslims in the UK favors to engage in Islamic banking rather than conventional.
- The current credit crunch proved that Islamic finances can provide alternative products other than conventional sources of financing. Having sukuk in the portfolio diversifies the holdings which could decrease the risk borne by the financial institutions. Many western countries have shown interest in the Islamic industry, as a way to complement their financial system. For example, there are plans for sovereign sukuk issuance in some western countries, such as, UK and Germany. Besides, UK, in its efforts to become a hub, is under way to issue a law governing sukuk.
- The number of Islamic financial institutions, (i.e Islamic banks, insurance companies Takaful, or Islamic investment bank), is growing. The latest data shows that there are more than 300 financial institutions scattered in 75 countries. The growth of Islamic institutions is driven not only by the establishment of new companies, but also by the conversion of conventional financial institutions to Islamic compliant companies. Therefore, these Islamic financial institutions will add to the demand for the products that are in compliance with the Islamic spirit.

Despite the current difficulties facing the Islamic financing industry, the long term potential for the sukuk market is still positive. The speedy recovery of the sukuk market depends largely on the global financial industry rehabilitation process, especially in the GCC region. Currently, there are more than a hundred announced sukuk issues aiming to raise more than US\$38bn. Due to the financial turmoil, some of these announced issuances might not see the light, but the figures show that there is a long line that awaits the global economic recovery to roll, in order to enter the market.

This long line includes the UK sovereign sukuk issuance of two billion British Pounds (USD2.7bn), which is part of London's efforts to become a sukuk market center. However, the British government is not expected to move ahead with this issuance this year. Other large issues include the recently announced US\$2.0bn Ijarah sukuk by Emaar, the largest real estate developer.

The sukuk market is a promising one, given the overwhelming existing demand. The market was impacted by the global credit crunch. However, Sukuk issuance is expected to get back on track, as soon as the global economy stands at its feet. Part of revival of sukuk market will depend largely at the recovery of financial system in the GCC region, as issues from this region constituted more than 54% of the total amount last year. Besides, the industry will need to work on its standards, in order to present the industry as a viable industry that can be part of the global financial system.

In the mean time, many issues are being delayed in further anticipation for the right time to jump back onto the wagon. In addition, many new issues are being announced without specific dates, as part of the efforts to capitalize on the demand presented in the market. Basically, sukuku are being piled up waiting for the global economy, especially the financial industry, to ride out the recessionary times.

Sukuk Issues in 2008

Sukuk Name	Structure	Country	Currency	Size (US\$ mn)	Subscription Date
Menara ABS Class A Sukuk (A2)	Ijarah	Malaysia	MYR	2.8	15-Jan-08
Menara ABS Class A Sukuk (A3)	Ijarah	Malaysia	MYR	11.2	15-Jan-08
Menara ABS Class A Sukuk (A4)	Ijarah	Malaysia	MYR	15.4	15-Jan-08
Menara ABS Class B Sukuk (B1)	Ijarah	Malaysia	MYR	8.4	15-Jan-08
Menara ABS Class B Sukuk (B2)	Ijarah	Malaysia	MYR	11.2	15-Jan-08
Menara ABS Class C Sukuk	Ijarah	Malaysia	MYR	139.8	15-Jan-08
Menara ABS Sukuk (A1)	Ijarah	Malaysia	MYR	67.1	15-Jan-08
Menara ABS Sukuk (B3)	Ijarah	Malaysia	MYR	23.8	15-Jan-08
CBB Short Term Sukuk 29	Ijarah	Bahrain	BHD	13.3	22-Jan-08
Gambia Al Salaam Sukuk 3	Al Salaam	Gambia	GMD	0.3	23-Jan-08
Tamweel Convertible Sukuk	Ijarah	UAE	USD	300.0	23-Jan-08
Sukuk Brunei 12	Ijarah	Brunei	BND	20.7	24-Jan-08
Gamuda Sukuk	Murabaha - Musharaka	Malaysia	MYR	134.2	24-Jan-08
Westports Sukuk	Musharaka	Malaysia	MYR	124.4	24-Jan-08
Manfaat Sukuk	Modarabah	Malaysia	MYR	210.3	25-Jan-08
Al Salaam Sukuk # 81	Al Salaam	Bahrain	BHD	15.9	30-Jan-08
Gambia Al Salaam Sukuk 4	Al Salaam	Gambia	GMD	0.2	30-Jan-08
House Building Finance Corporation Sukuk (Tranche 1)	Musharaka	Pakistan	PKR	19.0	1-Feb-08
Gambia Al Salaam Sukuk 5	Al Salaam	Gambia	GMD	0.1	6-Feb-08
Al-Aqar Capital Sukuk Class A	Ijarah	Malaysia	MYR	43.3	6-Feb-08
Al-Aqar Capital Sukuk Class B	Ijarah	Malaysia	MYR	7.0	6-Feb-08
Al-Aqar Capital Sukuk Class C	Ijarah	Malaysia	MYR	15.4	6-Feb-08
Gambia Al Salaam Sukuk 6	Al Salaam	Gambia	GMD	0.2	13-Feb-08
Gambia Al Salaam Sukuk 7	Al Salaam	Gambia	GMD	0.3	20-Feb-08
CBB Short Term Sukuk 30	Ijarah	Bahrain	BHD	13.3	21-Feb-08
Gambia Al Salaam Sukuk 8	Al Salaam	Gambia	GMD	0.5	27-Feb-08
Al Salaam Sukuk # 82	Al Salaam	Bahrain	BHD	15.9	4-Mar-08

Source: Zawya

Sukuk Issues in 2008 - Continued

Sukuk Name	Structure	Country	Currency	Size (US\$ mn)	Subscription Date
Bumpiutra-Commerce CP Sukuk	Murabaha - Musharaka	Malaysia	MYR	223.4	4-Mar-08
Gambia Al Salaam Sukuk 9	Al Salaam	Gambia	GMD	0.3	5-Mar-08
Taajeer Sukuk	Al-Isthimar	Saudi Arabia	SAR	66.7	5-Mar-08
Gambia Al Salaam Sukuk 10	Al Salaam	Gambia	GMD	0.3	12-Mar-08
Maple Leaf Sukuk	Musharaka	Pakistan	PKR	101.1	12-Mar-08
Khazanah National Exchangeable Sukuk III	Ijarah	Malaysia	USD	550.0	12-Mar-08
CBB International Sukuk	Ijarah	Bahrain	USD	350.0	13-Mar-08
Salam Bounian Sukuk	Musharaka	Qatar	USD	137.5	13-Mar-08
Tanjung Offshore Sukuk	Murabaha - Istisnaa	Malaysia	MYR	33.6	14-Mar-08
Tradewinds Plantation BG CP/MTN Sukuk	Murabaha	Malaysia	MYR	28.0	18-Mar-08
Tradewinds Plantation CP Sukuk	Murabaha	Malaysia	MYR	25.2	18-Mar-08
Gambia Al Salaam Sukuk 11	Al Salaam	Gambia	GMD	0.2	19-Mar-08
CBB Short Term Sukuk 31	Ijarah	Bahrain	BHD	13.3	25-Mar-08
Gambia Al Salaam Sukuk 12	Al Salaam	Gambia	GMD	0.2	26-Mar-08
WCT Engineering Sukuk	Musharaka	Malaysia	MYR	83.9	26-Mar-08
Al Salaam Sukuk # 83	Al Salaam	Bahrain	BHD	15.9	31-Mar-08
Eden Housing Sukuk (Tranche 2)	Musharaka	Pakistan	PKR	9.2	31-Mar-08
Pak Elektron Sukuk II	Musharaka	Pakistan	PKR	13.9	31-Mar-08
Gambia Al Salaam Sukuk 13	Al Salaam	Gambia	GMD	0.2	2-Apr-08
Optimus Limited (OL)	Ijarah	Pakistan	PKR	3.1	2-Apr-08
Gambia Al Salaam Sukuk 14	Al Salaam	Gambia	GMD	0.2	9-Apr-08
Indosat Sukuk Ijarah III	Ijarah	Indonesia	IDR	61.9	9-Apr-08
Litrak IMTN I Sukuk	Musharaka	Malaysia	MYR	320.1	14-Apr-08
Litrak IMTN II Sukuk	Musharaka	Malaysia	MYR	83.9	14-Apr-08
Muhibbah Engineering Sukuk	Modarabah	Malaysia	MYR	111.8	15-Apr-08
WCT Engineering ICP/IMTN Sukuk	Musharaka	Malaysia	MYR	55.9	15-Apr-08
Gambia Al Salaam Sukuk 15	Al Salaam	Gambia	GMD	0.2	16-Apr-08

Source: Zanyya

Sukuk Issues in 2008 - Continued

Sukuk Name	Structure	Country	Currency	Size (US\$ mn)	Subscription Date
CBB Short Term Sukuk 32	Ijarah	Bahrain	BHD	13.3	22-Apr-08
Gambia Al Salaam Sukuk 16	Al Salaam	Gambia	GMD	0.2	23-Apr-08
Serrisa Sinar Sukuk	Murabaha	Malaysia	MYR	28.0	23-Apr-08
Al Salaam Sukuk # 84	Al Salaam	Bahrain	BHD	15.9	28-Apr-08
Tabreed 08 Convertible Sukuk	Ijarah	UAE	AED	462.8	30-Apr-08
Hong Loeng Industries Sukuk	Musharaka	Malaysia	MYR	105.1	30-Apr-08
LESCO Sukuk	Ijarah	Pakistan	PKR	63.2	30-Apr-08
Eden Developers Sukuk	Musharaka	Pakistan	PKR	2.5	1-May-08
Aras Sejagat Sukuk	Ijarah	Malaysia	MYR	117.4	3-May-08
Villamar Sukuk	Musharaka	Kuwait	USD	190.0	7-May-08
Nakheel Sukuk 3	Ijarah	UAE	AED	980.1	13-May-08
Gambia Al Salaam Sukuk 17	Al Salaam	Gambia	GMD	0.1	14-May-08
Almana Group Sukuk	Modarabah	Qatar	AED	163.4	15-May-08
Tanjung Langsat Port MCP/MMTN Sukuk	Musharaka	Malaysia	MYR	10.6	15-May-08
Tanjung Langsat Port Sukuk	Musharaka	Malaysia	MYR	69.9	15-May-08
RAK Capital Sukuk (Tranche 1)	Ijarah	UAE	AED	272.3	20-May-08
Gambia Al Salaam Sukuk 18	Al Salaam	Gambia	GMD	0.2	21-May-08
CBB Short Term Sukuk 33	Ijarah	Bahrain	BHD	13.3	22-May-08
SABIC Sukuk III	Al-Istithmar	Saudi Arabia	SAR	1,333.2	26-May-08
Gambia Al Salaam Sukuk 19	Al Salaam	Gambia	GMD	0.3	27-May-08
Matang Highway Sukuk	Modarabah - Musharaka	Malaysia	MYR	19.6	27-May-08
Bumputra-Commerce MTN Sukuk	Murabaha - Musharaka	Malaysia	MYR	97.9	28-May-08
DEWA Sukuk	Ijarah	UAE	AED	871.2	29-May-08
DHTI ICO/IMTN	Murabaha	Malaysia	MYR	15.4	29-May-08
Plus Sukuk Series 3 (Tranche 2)	Musharaka	Malaysia	MYR	214.2	29-May-08
Prasarana Sukuk (Tranche 1)	Ijarah	Malaysia	MYR	92.4	30-May-08
Prasarana Sukuk (Tranche 2)	Ijarah	Malaysia	MYR	369.4	30-May-08

Source: Zawya

Sukuk Issues in 2008 - Continued

Sukuk Name	Structure	Country	Currency	Size (US\$ mn)	Subscription Date
Prasarana Sukuk (Tanche 3)	Ijarah	Malaysia	MYR	153.9	30-May-08
DHTI Junior IMTN Sukuk	Murabaha	Malaysia	MYR	0.8	30-May-08
PACE Sukuk	Musharaka	Pakistan	PKR	25.3	Jun-08
Al Salaam Sukuk # 85	Al Salaam	Bahrain	BHD	15.9	2-Jun-08
Toyota Sukuk	Musharaka	Malaysia	MYR	58.2	3-Jun-08
Gambia Al Salaam Sukuk 20	Al Salaam	Gambia	GMD	-	4-Jun-08
Mayora Indah Sukuk	Modarabah	Indonesia	IDR	17.9	5-Jun-08
Gambia Al Salaam Sukuk 24	Al Salaam	Gambia	GMD	0.5	16-Jun-08
Aldar Properties Sukuk II	Ijarah	UAE	AED	1,021.0	17-Jun-08
Sukuk Brunei 14	Ijarah	Brunei	BND	19.3	18-Jun-08
Gambia Al Salaam Sukuk 21	Al Salaam	Gambia	GMD	0.2	18-Jun-08
MRCB Southern Link Junior Sukuk	Istisnaa	Malaysia	MYR	236.3	23-Jun-08
MRCB Southern Link Junior Sukuk	Istisnaa	Malaysia	MYR	55.6	23-Jun-08
CBB Short Term Sukuk 34	Ijarah	Bahrain	BHD	13.3	24-Jun-08
Gambia Al Salaam Sukuk 22	Al Salaam	Gambia	GMD	0.2	25-Jun-08
Summarecon Agung Sukuk	Ijarah	Indonesia	IDR	21.5	25-Jun-08
Plus SPV Sukuk	Musharaka	Malaysia	MYR	295.0	26-Jun-08
Al Salaam Sukuk # 86	Al Salaam	Bahrain	BHD	15.9	30-Jun-08
Gambia Al Salaam Sukuk 2	Al Salaam	Gambia	GMD	0.2	2-Jul-08
Metrodata Sukuk	Ijarah	Indonesia	IDR	8.1	4-Jul-08
Aneka Gas Sukuk	Ijarah	Indonesia	IDR	14.3	8-Jul-08
Serrisa Sinar Junior IMTN Sukuk	Murabaha	Malaysia	MYR	1.4	8-Jul-08
Bank Muamalat Modarabah Sukuk	Modarabah	Indonesia	IDR	28.1	10-Jul-08
Tamweel Non-Convertible Sukuk II	Istisnaa	UAE	AED	299.5	21-Jul-08
CBB Short Term Sukuk 35	Ijarah	Bahrain	BHD	13.3	22-Jul-08
Gambia Al Salaam Sukuk 25	Al Salaam	Gambia	GMD	-	23-Jul-08
Three Star Hoseiry Mills	Musharaka	Pakistan	PKR	5.1	25-Jul-08

Source: Zanyya

Sukuk Issues in 2008 - Continued

Sukuk Name	Structure	Country	Currency	Size (US\$ mn)	Subscription Date
Al Salaam Sukuk # 87	Al Salaam	Bahrain	BHD	15.9	28-Jul-08
Gambia Al Salaam Sukuk 26	Al Salaam	Gambia	GMD	0.2	30-Jul-08
Pak American Fertilizers Sukuk	Musharaka	Pakistan	PKR	20.2	5-Aug-08
Cagamas Commodity Sukuk	Murabaha	Malaysia	MYR	563.4	8-Aug-08
Gambia Al Salaam Sukuk 27	Al Salaam	Gambia	GMD	1.0	13-Aug-08
Haq Bahu Sugar Mill Sukuk (Tranche 1)	Musharaka	Pakistan	PKR	3.7	13-Aug-08
Haq Bahu Sugar Mill Sukuk (Tranche 2)	Musharaka	Pakistan	PKR	0.6	13-Aug-08
CBB Short Term Sukuk 36	Ijarah	Bahrain	BHD	13.3	19-Aug-08
Gambia Al Salaam Sukuk 28	Al Salaam	Gambia	GMD	1.0	20-Aug-08
Tadamun Service Sukuk	Musharaka	Malaysia	MYR	83.9	20-Aug-08
Government of Indonesia Domestic Sukuk (Tranche 1)	Ijarah	Indonesia	IDR	295.5	21-Aug-08
Government of Indonesia Domestic Sukuk (Tranche 2)	Ijarah	Indonesia	IDR	216.0	21-Aug-08
Ameril Steels Sukuk	Musharaka	Pakistan	PKR	12.6	23-Aug-08
Gambia Al Salaam Sukuk 29	Al Salaam	Gambia	GMD	0.7	27-Aug-08
Sorouh Real Estate Sukuk (Class B)	Modarabah	UAE	AED	751.7	28-Aug-08
Sorouh Real Estate Sukuk (Class B)	Modarabah	UAE	AED	68.3	28-Aug-08
Sorouh Real Estate Sukuk (Class C)	Modarabah	UAE	AED	273.3	28-Aug-08
Tesco ICP Sukuk	Murabaha	Malaysia	MYR	14.0	28-Aug-08
Sitara Peroxide Sukuk	Musharaka	Pakistan	PKR	17.7	28-Aug-08
Al Salaam Sukuk # 88	Al Salaam	Bahrain	BHD	15.9	1-Sep-08
Gambia Al Salaam Sukuk 30	Al Salaam	Gambia	GMD	0.5	3-Sep-08
Gambia Al Salaam Sukuk 31	Al Salaam	Gambia	GMD	0.5	9-Sep-08
Sukuk Brunei 18	Ijarah	Brunei	BND	31.0	11-Sep-08
Government of Pakistan Sukuk (GIS) (tranche 1)	Ijarah	Pakistan	PKR	85.2	15-Sep-08
Saudi Binladin Group Sukuk	Modarabah	Saudi Arabia	SAR	266.6	16-Sep-08
Gambia Al Salaam Sukuk 32	Al Salaam	Gambia	GMD	0.5	17-Sep-08
Brocos Shipping Sukuk (Tranche 1)	Ijarah	Malaysia	MYR	44.7	19-Sep-08

Source: Zawiya

Sukuk Issues in 2008 - Continued

Sukuk Name	Structure	Country	Currency	Size (US\$ mn)	Subscription Date
CBB Short Term Sukuk 37	Ijarah	Bahrain	BHD	13.3	23-Sep-08
Gambia Al Salaam Sukuk 33	Al Salaam	Gambia	GMD	0.5	24-Sep-08
Malaysia Debt Ventures Sukuk	Murabaha	Malaysia	MYR	139.8	26-Sep-08
Quetta Textiles Mills Sukuk	Ijarah	Pakistan	PKR	17.5	26-Sep-08
Al Salaam Sukuk # 89	Al Salaam	Bahrain	BHD	15.9	1-Oct-08
Gambia Al Salaam Sukuk 34	Al Salaam	Gambia	GMD	0.5	6-Oct-08
Sukuk Brunei 19	Ijarah	Brunei	BND	24.1	9-Oct-08
Cagamas MTN Sukuk II	Modarabah	Malaysia	MYR	60.1	10-Oct-08
Gambia Al Salaam Sukuk 35	Al Salaam	Gambia	GMD	-	15-Oct-08
CBB Short Term Sukuk 38	Ijarah	Bahrain	BHD	13.3	22-Oct-08
Gambia Al Salaam Sukuk 36	Al Salaam	Gambia	GMD	0.2	22-Oct-08
Al Salaam Sukuk # 90	Al Salaam	Bahrain	BHD	15.9	27-Oct-08
Gambia Al Salaam Sukuk 37	Al Salaam	Gambia	GMD	0.2	29-Oct-08
Projek Lintasan Shah Alam Sukuk	Ijarah	Malaysia	MYR	79.7	29-Oct-08
Projek Lintasan Shah Alam Sukuk	Modarabah	Malaysia	MYR	64.3	30-Oct-08
Gambia Al Salaam Sukuk 38	Al Salaam	Gambia	GMD	0.2	5-Nov-08
Gambia Al Salaam Sukuk 39	Al Salaam	Gambia	GMD	0.5	12-Nov-08
Gambia Al Salaam Sukuk 40	Al Salaam	Gambia	GMD	0.3	12-Nov-08
CBB Short Term Sukuk 39	Ijarah	Bahrain	BHD	13.3	18-Nov-08
OCBC Al-Amin Bank Sukuk	Modarabah	Malaysia	MYR	55.9	24-Nov-08
Chemical Company MMTN Sukuk	Musharaka	Malaysia	MYR	41.9	28-Nov-08
Al Salaam Sukuk # 91	Al Salaam	Bahrain	BHD	15.9	1-Dec-08
Gamuda ICP Sukuk	Murabaha - Musharaka	Malaysia	MYR	2.8	4-Dec-08
Gambia Al Salaam Sukuk 41	Al Salaam	Gambia	GMD	0.5	17-Dec-08
Government of Pakistan Sukuk (GIS) (tranche 2)	Ijarah	Pakistan	PKR	76.3	20-Dec-08
CBB Short Term Sukuk 40	Ijarah	Bahrain	BHD	13.3	23-Dec-08
Gambia Al Salaam Sukuk 42	Al Salaam	Gambia	GMD	0.2	24-Dec-08
Al Salaam Sukuk # 92	Al Salaam	Bahrain	BHD	15.9	25-Dec-08
Saudi Hollandi Bank Sukuk (Tranche 1)	Modarabah	Saudi Arabia	SAR	206.7	29-Dec-08
TH Group Sukuk	Ijarah	Malaysia	MYR	48.7	31-Dec-08

Source: Zaviya

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