
The Sukuk Market Overview

STRUCTURE AND TECHNICAL INSIGHT WORKSHOP

organised jointly by
Turkrating and Capital Intelligence

This detailed workshop on **Islamic fixed income** or **Sukuks** aims to provide an in-depth study on the mechanisms of issuing, arranging and pricing of Sukuks. The workshop covers a general overview of the Sukuks market, a **comprehensive quantitative and qualitative analysis** of the supply and demand and is supported by a **hands-on technical structuring** of various project financing Sukuks. Case studies will be conducted on structuring a sukuk transaction going through detailed steps from the creation of the SPV, the prospectus up to underwriting and sales.

Programme Level: Advanced

Date: 26-27 April 2017

Location: Hilton Bomonti, Istanbul

Lecturers: Mr. Nicolas Photiades and Dr. Ghassan Chammas
Senior Directors at Capital Intelligence

Price: €850 per person
*Early bird 15% discount on reservations until April 10, 2017.

Registration Form: www.turkrating.com/kayit/

Sukuk Market Overview

STRUCTURE AND TECHNICAL INSIGHT

This detailed workshop on **Islamic fixed income** or **Sukuks** to be held on April 26-27, 2017 aims to provide the participant an in-depth study on the mechanisms of issuing, arranging and pricing of Sukuks. The workshop will begin with a general overview of the Sukuks market, a **comprehensive quantitative and qualitative analysis** of the supply and demand supported by a **hands-on technical structuring** aspects of various project financing Sukuks.

Day 1

9:00 - 11:00 **Fixed income market outlook**

Opening comment: Economic factors affecting the health of Islamic Banks.

This workshop will start by introducing the participants to the dynamic world of fixed income and will present, through a series of slides, the resulting graphs of the global asset allocation. This introductory session will focus on the reflection of the low oil prices and the fed hiking rates on the global climate of fixed income issuance. The discussion on Sukuks credit rating concludes this session with a comprehensive explanation of the Sukuk rating methodology and the different credit rating consideration from the investors' view point. This section covers a brief description of the rating process and presents some interesting rating report to Some Sukuk issues.

11:00 - 11:20 **COFFEE BREAK**

11:20 - 13:20 **Sukuk market overview**

What really happened in 2015 and what was the effect of sovereign issuances plunge? What were the causes underlying this plunge? This session will illustrate the market types of issuances by geographical location, region, sector, currency, type of market and volume. The session will conclude with the breakdown of the issuance by rating and will shed a light on the rating preferences from the sell side and the buy side alike.

13:20 - 14:00 **LUNCH BREAK**

Sukuk Supply and Demand: What are the economic and financial drivers behind an issuance of Sukuks? Where are the proceeds invested? The three sessions address the market equilibrium between the supply and the demand of Sukuks.

14:00 - 16:00 **Sukuk Supply**

We will present a quantitative breakdown of the Sukuks issuances and Sukuks investors supported by graphs. Various categories of issuances will shed a light on the actual Sukuks market dynamics, costing, preference compared to conventional bonds. The session will also present the volume of issuances in the pipeline with a sectorial, structural, size and geographical breakdown.

16:00 - 16:20 **COFFEE BREAK**

16:20 - 18:20 **Sukuks Demand**

The demand of Sukuks at a global level was also affected by various economic and financial factors that shaped the appetite of investors to tap into this financial instrument. We will analyze the allocation strategies of investors within their Islamic asset portfolio. The investors' preference breakdown is analyzed with respect to geographical location, Tenor, type of Sukuks, currency, ratings, structure and sector. The analysis will conclude by breaking down the profile of the Sukuks investors. A final graph will show the Sukuks demand and supply levels between 2014 and 2020E.

Day 2

9:00 - 13:00 **Sukuk Structures**

How to structure a Sukuk transaction. Detailed steps of Sukuk transaction structuring from the creation of the SPV, the prospectus until the underwriting and sales. The session closes by illustrating the Sukuk structure with an Sukuk al Ijara example. Sukuk Murabaha, Sukuk al Salam and Sukuk al istisna, Sukuk al Mudaraba. Sukuk al Musharaka.

(Coffee Break timing as convenient)

13:00 - 14:00 **LUNCH BREAK**

14:00 - 18:00 **Structuring Sukuk for Project Finance**

*Participants will be divided into 3 to 5 groups.
A calculator is required and EXCEL sheet is a plus.*

This section will focus on structuring from inception 3 or 4 different Sukuk types to finance a hypothetical project of US\$200mn. The participants will be able to structure each type of Sukuk, draft the legal documentation needed, get an idea of the cost involved and price the issuance according to the market gap method and to the Sharia compliance of each structure

(Coffee Break timing as convenient)



Turkrating is a leading Turkish rating agency licensed by the Turkish Capital Markets Board. In recent years Turkrating has assigned ratings to a number of financial institutions and corporations in a wide spectrum of sectors.

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CI Ratings' coverage of more than 300 ratings includes Sovereign, Bank, Insurance Corporate and Bond/Sukuk ratings in 39 countries in the Middle East, North Africa, Asia, and Europe.

For more information, visit www.ciratings.com

SPEAKERS

Mr. Nicolas Photiades

Director, Business Development of Capital Intelligence Ratings

Nicolas Photiades has over 25 years of experience in investing, investment banking and credit research. Nicolas was head of investment banking at one of Lebanon's leading banks and CEO of the bank's investment banking subsidiary in Saudi Arabia. He also held the position of Chief Investment Officer for a private equity fund, which was a joint venture between BLOM Bank and GEM, a New-York based private equity firm. Nicolas also held the CEO position for a Lebanese investment bank and brokerage house. At a global level, Nicolas held senior investment banking positions and risk management positions at Hambros Bank and Lehman Brothers, where he was a credit analyst for European and Middle Eastern corporates and financial institutions. He also worked at Nomura, Schrodgers and Barclays Capital. At Nomura he was in charge of the French privatization program

and for covering the French primary bond and equity capital markets. At Schrodgers he worked as a senior investment banker in MENA mergers and acquisitions. At Barclays Capital, Nicolas was responsible for financial institution ratings and debt advisory in Europe, South East Asia and the MENA region.

He was a senior vice president at Thomson Bankwatch, a US SEC recognized rating agency (now part of the Fitch Group), where he was responsible for rating financial institutions in the MENA region. Fluent in four languages, Nicolas is a holder of a BA in Economics from the American University of Beirut and an MA in Finance and Investment from the University of Exeter in the United Kingdom. He is the author of various articles and research, published in local and regional specialized reviews and periodicals.

Dr. Ghassan Chammas

Director, Business Development (Islamic Finance) of Capital Intelligence Ratings

Ghassan is an Islamic finance proponent and financial engineer with wide experience on the regulatory as well as the banking fronts. He advised the Central Bank of Lebanon on Islamic financial affairs and the boards of several Islamic banks on product innovation and corporate governance, as well as on risk management. Ghassan is a graduate of Erasmus University of Rotterdam with a PhD degree in Finance. He holds a Masters degree in Finance from Ecole Supérieure de Commerce de Paris (ESCP-EAP), France, A Masters degree in International Finance and Treasury from Ecole Supérieure des Affaires (ESA) Beirut, Lebanon, a Masters degree in International Marketing from EAFIT University,

Colombia and an Electrical Engineering degree from the American University of Beirut, Lebanon.

Ghassan is a lecturer in Islamic finance in various universities and institutions across the world including Lebanon, France, UK, USA, Kuwait, UAE, Sultanate of Oman, Curacao and Argentina. He is widely published in specialized magazines and reviews in several languages. He publishes on concentration measures in Islamic investment portfolios, diversification measures in Islamic investment and on filtering and depuration methodologies in Islamic investment universe, among other subjects.