

Another first for Qatar



QATAR

By Amjad Hussain

Estithmar Holding, a subsidiary of Qatari conglomerate Power International Holding, recently announced the successful issuance of a QAR500 million (US\$137.36 million) Sukuk. This marks the issuance of the first corporate Sukuk in Qatari riyal. The parties involved in the transaction included Al Rayan Investment, a wholly-owned subsidiary of Islamic bank Masraf Al Rayan, Leshah Bank (Public) and The First Investor, which all acted as joint lead managers for the issuance.

This is the first issuance by Estithmar Holding as part of its QAR3.4 billion (US\$934.06 million) Sukuk program listed on the International Securities Market of the London Stock Exchange.

Eng. Mohamad Bin Badr Al-Sadah, group CEO of Estithmar Holding, commented: "The issuance of the first corporate QAR-denominated Sukuk is a historic milestone for Estithmar Holding. Being listed on the London Stock Exchange's International Securities Market, this issuance has garnered significant interest from a diverse mix of investors. This broad investor appetite is a testament to the confidence in our strategic growth plan across all four of our key divisions: healthcare, services, ventures and specialized contracting."

Moody's latest report on Qatar stated that Qatari banks have showed resilience by their growth, quality of their assets and ability to navigate unexpected challenges. Moody's further reported that Qatari banks have "demonstrated impressive liquidity coverage ratios".

Moody's data shows that Qatari banks have been mainly funded by customer deposits which represented nearly 52% of their total assets as of June 2024. Additionally, 36% of the total deposits as of June 2024 were deposits by the government and government-owned entities.

Moody's also highlighted the significance of the prudential regulations issued by the Qatar Central Bank, which have resulted in reduced reliance by banks on foreign funding.

IFN Qatar Dialogues was held in Doha on the 11th September 2024. The dialogues included discussions on, among other matters, Qatar's Third National Strategy, the development of financial markets and asset management in Qatar, the role that Shariah compliant capital plays in this development and a case study on the QAR500 million (US\$137.36 million) Sukuk issuance by Estithmar Holding. ^(f)

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