

## Qatari Sukuk market on the rise



**QATAR**

By Amjad Hussain

**Qatar International Islamic Bank (QIIB) announced the successful completion of its US\$300 million Tier 1 Capital Sukuk issuance on the London Stock Exchange at the end of September. There was very high demand from investors, which resulted in the total order book reaching more than eight times the size of the offering. The total subscription requests from over 110 investors from around the world exceeded US\$2.5 billion.**

A group of banks were involved in arranging the issuance including Standard Chartered Bank, which acted as sole global coordinator, Al Rayan Investment, Citibank, Doha Bank, Dubai Islamic Bank, Dukhan Bank, Emirates NBD Capital, Leshana Bank and QNB Capital, among others, which acted as joint lead managers and book runners. QIIB noted that the success of this issuance, which is QIIB's second Sukuk issuance this year, is a testament to investors' confidence in QIIB and the Qatari economy as a whole. Dr Abdulbasit Ahmad Al-Shaibei, CEO of QIIB, further noted that "The pricing of this issuance ranks among the most competitive for similar offerings both regionally and locally, with a final return of 5.45% per year."

On a similar note, Dukhan Bank has successfully issued a US\$800 million senior unsecured Sukuk with a five-year term and an annual profit rate of 4.56%.

Great investor demand in the issuance led to the total order book reaching more than three times the size of the issuance. Standard Chartered Bank also acted as sole global coordinator, and the joint lead managers and book runners included Al Rayan Investment, Deutsche Bank, QInvest, QIIB, The First Investor and others.

The Commercial Bank of Qatar (CBQ) has issued its first green bond denominated in Swiss Franc (CHF), as part of CBQ's Sustainable Finance Framework which was published last year. This issuance represents the largest CHF bond issuance in Qatar in over 10 years. CBQ announced that it plans for the proceeds of the issuance to be allocated to sustainable water and wastewater management, clean transportation and green buildings.

Banks in Qatar have been focused on sustainable and green financing and we expect to see more of these frameworks and initiatives as banks and financial institutions contribute to achieving the goals of the Qatar National Vision 2030. CBQ's CEO, Joseph Abraham, stated that "Commercial Bank's debut green CHF-denominated bond issuance marks a significant milestone in our sustainable financing journey, reinforcing our commitment to driving impactful green projects in Qatar." (2)

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