

Increasing the Secondary Market for Sukuks

Overview & Considerations



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A MARKET OVERVIEW

- *Global and local sovereign/corporate Sukuk market currently exceeds an aggregate issuance value of approximately US\$ 50 billion to date and is expected to surpass the US\$150 billion mark before the end of this decade*
- *Up till December 2006, US\$20.60 billion in Sukuks have been issued, up 46% from the whole of last year*
- *Malaysian Sukuk issuance to date stands at US\$32 billion approximately*
- *GCC issuance of Sukuk accounts for US\$16.5 billion of the global total, with a growth rate of around 45% a year since 2001*

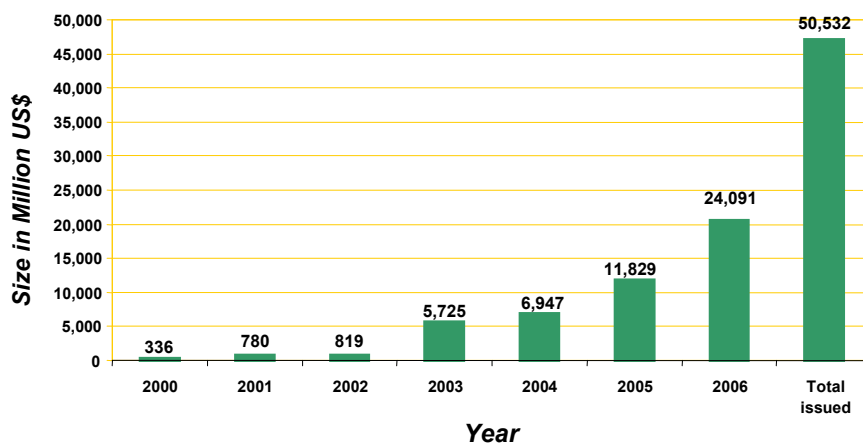


A MARKET OVERVIEW

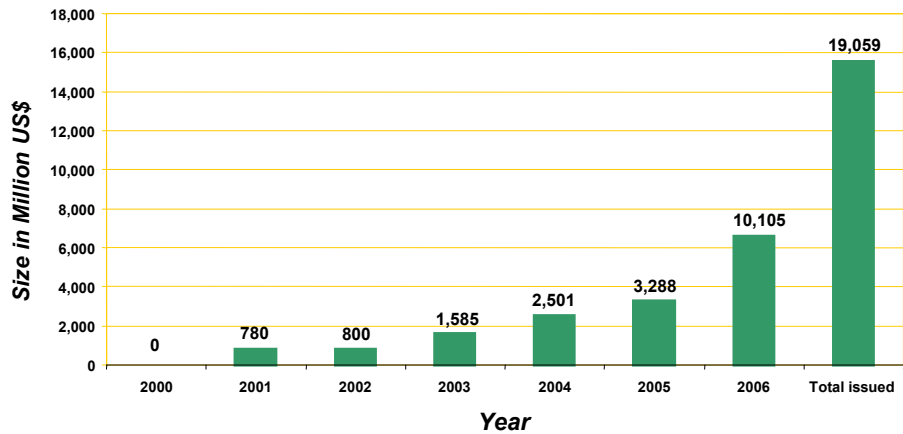
UNITED KINGDOM

- *Over the past two years London based financial institutions have arranged more than a dozen Sukuk issuances on behalf of Middle Eastern clients, all of them structured in offshore jurisdictions*
- *London Stock Exchange listed its first sukuk – the US\$ 200 million offering by National Central Cooling Company (Tabreed) PJSC. This should pave the way for further Sukuk listings on the regulated European markets. Sukuks have previously been listed in Luxembourg and Dublin*
- *Britain is set to introduce new regulatory framework and tax reforms to support the domestic issuance of Sukuk by next year*

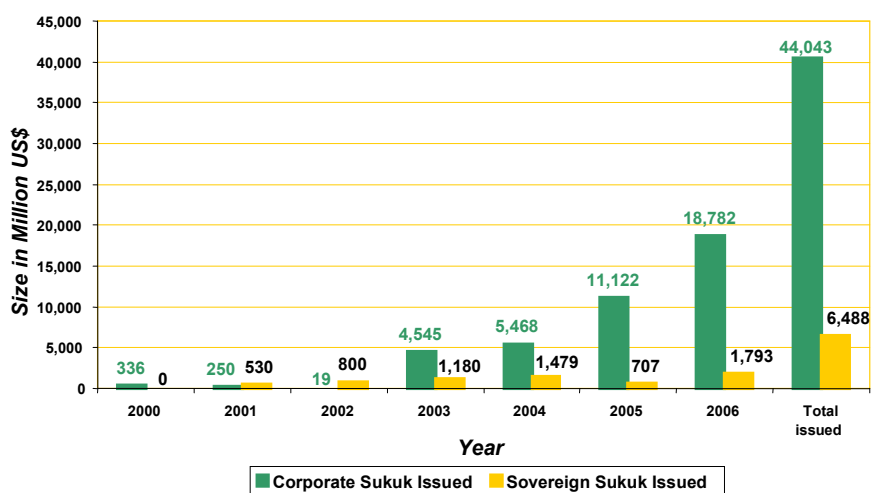
TOTAL SUKUK ISSUANCE WORLDWIDE (AS OF DECEMBER 2006)



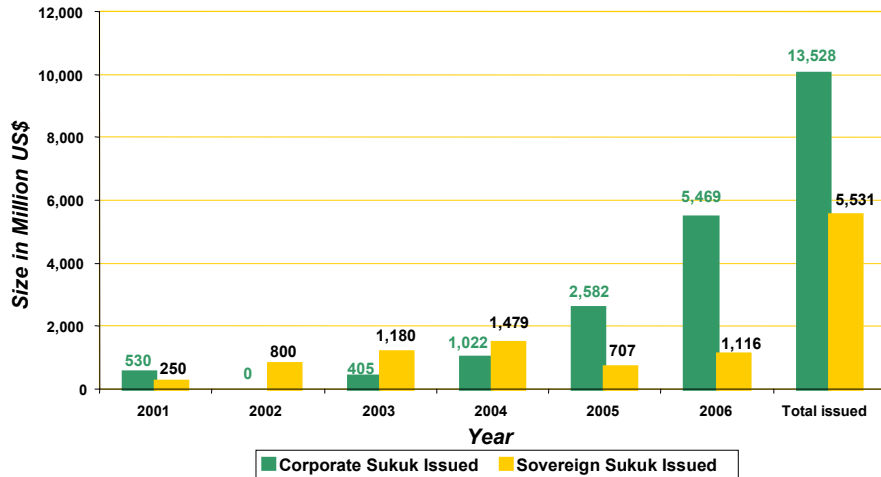
GLOBAL SUKUK ISSUANCE WORLDWIDE (AS OF DECEMBER 2006)



TOTAL SOVEREIGN/CORPORATE SUKUK ISSUANCE WORLDWIDE (AS OF DEC 2006)



GLOBAL SOVEREIGN/CORPORATE SUKUK ISSUANCE WORLDWIDE (AS OF DEC 2006)



CONSIDERATIONS – SECONDARY MARKET

- *Primary Market State & Development*
- *Efficient Settlement System*
- *Sukuk pricing in a transparent and accessible manner*
- *Forward value of Sukuk and Shariah Acceptability*
- *Listing on Exchanges? What about market makers?
Regional Players?*

Considerations – Secondary Market

- Review of certain common Sukuk structure & bench marking
- Publication of Executed Trades
- Short Term Sukuk
 - Bahrain
 - Brunei

THANK YOU