

The best in Islamic finance

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SOVEREIGN

Egyptian General Petroleum Corporation
Size: US\$2.2 billion (in multiple tranches)

In the midst of a challenging year for Egypt, the International Islamic Trade Finance Corporation (ITFC) was able to generate strong attraction to this large sovereign backed deal. The financing is also used to import strategic commodities which are considered vital for Egypt especially at this time (the oil and gas sector plays a key role in the Egyptian economy contributing around 9% of GDP and 40% of the foreign currency income for Egypt). The deal was syndicated among 20 financial institutions. Approximately, thirty one percent of the deal has been disbursed. The remainder will be disbursed in tranches over the next two years.

Honorable Mention: Republic of Turkey/ Hazine Müsteşarlığı Varlık Kiralama anonim şirketi; Ministry of Power, Energy & Mineral Resources (MPEMR), Government of the People's Republic of Bangladesh; and, State of Qatar Sukuk A.

TRADE FINANCE

WIENCO (Ghana)
Size: US\$13.59 million (SAR51 million)

The Sidra-Ancile Global Structured Trade Finance Fund (Sidra-Ancile) built a custom financing platform to accumulate commodities from segmented growers. The accumulated commodities are sold on to global commodity firms under standardized off-take arrangements. The process is structured to control the flow of the commodities. Acquisition of commodities is via Aalam, processing is through Istisnah, and off-take via Murabahah. Wienco has been an active cotton producer for over thirty years; and off-take is usually by global firms like CDI, Cargill, and OLAM.

Honorable Mention: Ministry of Power, Energy & Mineral Resources (MPEMR), Government of the People's Republic of Bangladesh, Boustead Naval Shipyard, and Societe Anonyme Marocaine De l'Industrie Du Raffinage.

STRUCTURED FINANCE

Brunei Gas Carrier
Size: US\$169.89 million (in respect of the financing of a newbuild carrier) and US\$83 million (in respect of the refinancing of the existing Islamic leasing arrangements for the "ABADI" LNG

This deal included the construction and leasing of a newbuild 155,000m³ liquefied natural gas (LNG) carrier, being BGC's 4th newbuild LNG carrier. Bank Islam Brunei Darussalam, Bank of Tokyo-Mitsubishi UFJ (Malaysia), HSBC and Sumitomo Mitsui Banking Corporation Europe were mandated lead arrangers of the US\$169.89 million long-term Islamic lease financing facility. In the second transaction, a US\$83 million Islamic lease financing facility refinanced the existing Islamic leasing arrangements in respect of Brunei Gas Carrier's first 135,000m³ LNG carrier "ABADI".

Honorable Mention: YAAS Sukuk 1; Standard Chartered Bank's Shariah-compliant structured Trust Certificate Issuance Program; Tiryaki Agro Gida San. ve Tic. A.S.; Etihad Etisalat (Mobily); Tanjung Bin Energy Issuer; WIENCO (Ghana); and, Power and Water Company for Jubail and Yanbu (Marafiq)

RESTRUCTURING

N.U.R Power
Size: US\$49.28 million (RM150 million) in nominal value

Malaysia's first independent power producer, N.U.R Power Group serves KHTP in Kedah. Due to the financial crisis in 1997, the plant rollout was reconfigured into two stages of 220MW instead of 440MW, with project costs scaled down from RM1.75 billion (US\$575 million) to RM1.15 billion (US\$377.85 million). The IPU only commenced operations in 2006 as KHTP did not attract sufficient tenants. This led to a default on the project financing loans extended by its lenders and NUR Generation and NUR Distribution were placed under receivership in November 2004. Dulang Ekuiti (the acquirer) made an offer to the Receiver & Manager acquire the entire assets of N.U.R Power Group via the purchase of shares.

This deal restructures existing obligations with the existing financiers taking a substantial haircut on the total outstanding amount of the defaulted project financing loans, in addition to arranging for an agreement of the receiver and various creditors. Then, the challenge was to market the deal to investors, despite the negative image of a group that had defaulted and been under receivership for eight years. The end structure liquidates the prior claims with a cash settlement, reduces the obligors debt to a manageable amount, and stretches the tenor to fifteen years.

Honorable Mention: Global Investment House, JAFZ, Malaysian Airlines.

SYNDICATED

Jebel Ali Free Zone FZE
Size: US\$1.19 billion (AED4.4 billion)

This syndicated Wakalah refinanced Jebel Ali Free Zone FZE (JAFZ) had an AED7.5 billion (US\$2.04 billion) Sukuk issue, which was due to mature in November 2012. Standard Chartered arranged the syndication and Sukuk issuance of US\$1.85 billion (listed on the Irish Stock Exchange and NASDAQ Dubai). The facilities allowed JAFZ to restructure its capital and take on longer term liabilities. The Wakalah investment is backed by lease receivables.

The eight-year AED4.4 billion (US\$1.19 billion) Wakalah financing facility is expected to fully amortize during the facility period through a combination of contractual repayments and additional cash sweep. The facility purchased a portfolio of income generating real estate assets, including undeveloped plots of land and buildings being leased to third parties.

Honorable Mention: Egyptian General Petroleum Corporation; Etihad Etisalat (Mobily); National Industries Group; Brunei Gas Carrier; WIENCO (Ghana); and, Boustead Naval Shipyard.

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