

IFN Deals of the Year 2014: A momentous moment for Islamic finance

Continued from page 3

MOST INNOVATIVE: OPES Holding

Size:	EUR7.5 million (US\$9 million)		
Arrangers:	Inoks Capital & Sidra Capital		
Lawyers:	Not disclosed		
Rating:	Unrated, privately placed		
Date Closed:	17 th January 2014		
Shariah Advisor:	Sidra Capital		
	<p>OPES Holding (OPES) is a privately-owned real estate developer and contractor. OPES is one of five developers/contractors that have been licensed/authorized under the Priority Presidential Bill for Social Housing (the Bill) by the government of the Ivory Coast and are expected to supply the social housing market with 50,000 units. OPES is contracted to build 2,320 units of houses under the Bill with 482 to be delivered in Abidjan. This transaction covers the first 441. Unit buyers are either financed by retail banks and/or guaranteed by the respective corporate employers of the buyers.</p> <p>Sidra Capital and INOKS Capital are the joint arrangers for the Mudarabah.</p>	<p>The investors are GCC-based private family offices. INOKS Capital is the Mudarib and responsible for the Istisnah project financing to OPES.</p> <p>The investment is secured by pledges and assignments of shares, bank accounts, receivables from sales of housing units, land and offtake proceeds. INOKS Capital will continue to monitor the investment progress as the Mudarib. Sidra Capital, on the other hand continues its role as the investment advisor to the Arbab ul Mal of the Mudarabah.</p> <p>The essence of the deal is to allow debt to equity conversion aligning risk and reward between the Mudarabah and</p>	<p>the finance beneficiary OPES. Although secured by offtakes, the completed Istisnah results in equity risk for housing units that are not taken up or for which payments and collateral are insufficient.</p> <p>The transaction is structured as a Mudarabah at investor level and Istisnah at project finance. This facilitates flow of capital from Shariah compliant Middle Eastern investors to non-traditional real estate investment destination of Cote d'Ivoire.</p> <p><i>Honorable Mention: Ley Choon Group Holdings; Gatehouse Bank Sigma Capital Joint Venture; DSI Sukuk Limited; and Amlak Finance.</i></p>