



ROLLING OUT A PIONEERING ISLAMIC FINANCE INSTRUMENT: THE IDB SUKUK

IN 2005, IDB established a Medium Term Note (MTN) programme with a strategic aim of becoming a regular issuer of Sukuk in global capital markets and being more transparent to its Sukuk investors. The programme, which started with a limit of \$1 billion in 2005, was listed in Luxembourg. Under this program, IDB issued \$500 million Sukuk in the same year. The Sukuk was fully repaid in June, 2010. The MTN Program limit was subsequently increased to \$3.5 billion by September, 2010.

In early 2011, IDB issued a £60 million Sukuk on a private placement basis. It was followed with a public issuance of \$750 million, which was concluded in May 2011. Therefore, the total amount of Sukuk issued and currently outstanding under the existing \$3.5 billion MTN Program is approximately \$2.9 billion, leaving a balance of \$0.6 billion to be utilized for future issuances.

