

Compliance Report Based On

IdealRatings



Score 81.04 / 0.00

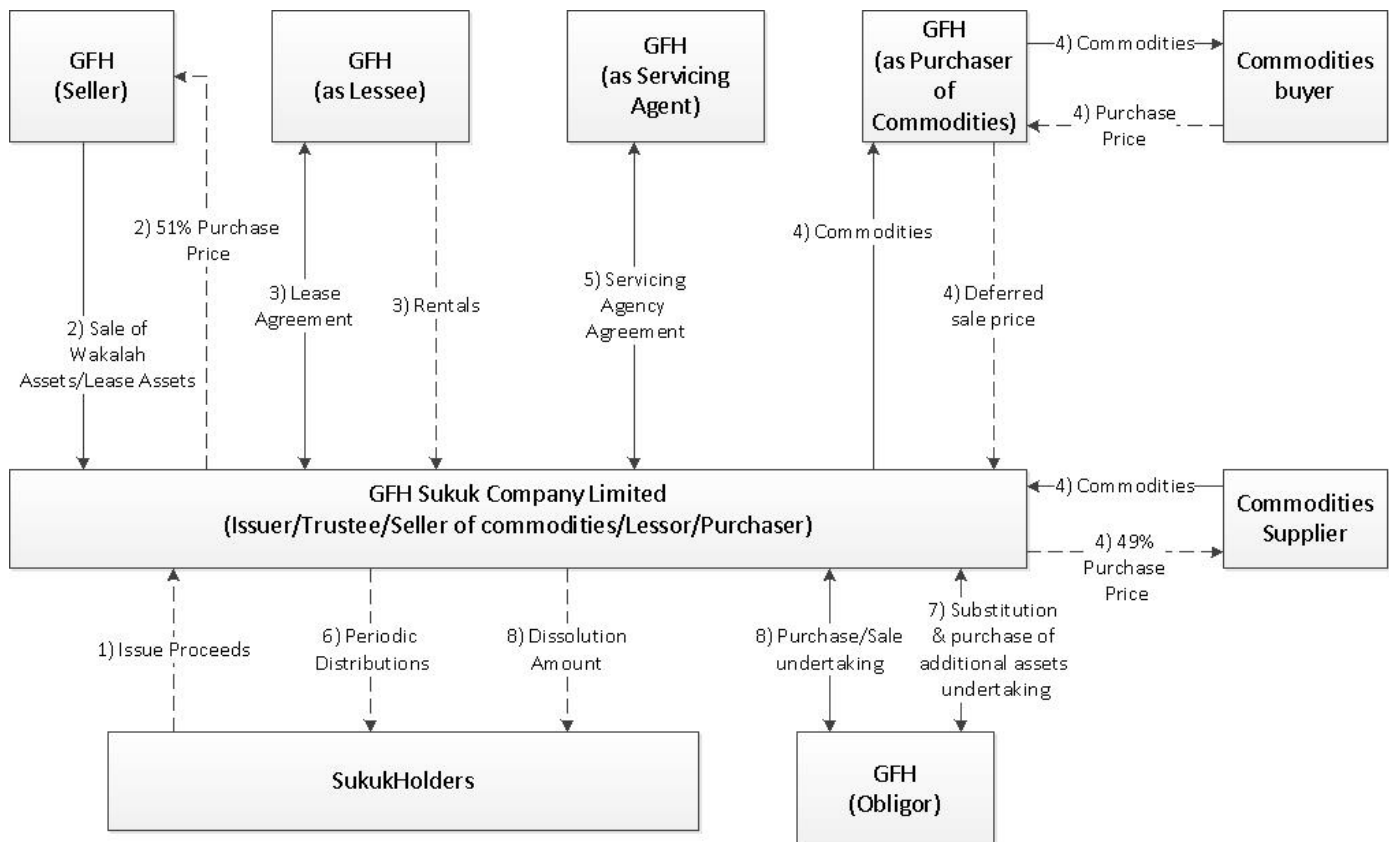
GFH 7.5 2025 GFH Financial Group

Type Of Sukuk	Ijara, Wakalah, Tawarruq
Domicile	Cayman Islands
Originator Business Activity	Investment Services
Exchange	LONDON STOCK EXCHANGE
ISIN	XS2100582142

This report has been prepared to determine the Shariah compliance status of the Sukuk based on the IdealRatings Shariah mandate as at 10-02-2020

Funds
REITs Equities Purification
Sukuk Benchmark

Sukuk Structure Diagram:



- 1) The Sukukholders will pay the issue proceeds to the Trustee in order to purchase the Sukuk assets on the issue date
- 2) The Trustee will use 51% of the issue proceeds to buy Wakalah assets and Lease assets from GFH as seller
- 3) The Trustee and GFH will enter into Lease Agreement and the Trustee will agree to lease the Lease assets to GFH for a rental payment
- 4) The Trustee will use 49% of the issue proceeds to buy commodities from a commodity supplier that will be sold to GFH under a Murabaha agreement and GFH will agree to pay a deferred payment to the Trustee and this commodities will be sold to a third party purchaser for a spot price by GFH or his agent
- 5) GFH will be appointed as a Servicing agent and will manage the Asset portfolio by following certain functions under a Service plan given by the Trustee
- 6) Periodic distributions will be collected by the servicing agent and will be paid to the Trustee to be distributed on the Sukukholders
- 7) During the duration of the Sukuk the Trustee has given to GFH the right provided that no total loss has occurred to require Agreement and the assets sold will be substituted by another assets
- 8) At schedule dissolution date GFH will undertake to purchase sukukholders interest in the wakalah and Lease Assets pursuant to the Purchase undertaking. The dissolution amount will be equal to the exercise price pursuant to the purchase undertaking

Sukuk Details

Original Issue Amount (M)	300.00 M
Issue Currency	USD
Issue Date	January 28, 2020
Maturity Date	January 28, 2025
Tenor (Years)	5.00
Total Amount outstanding	300.00 M
Governing Law	Laws of England Laws of Cayman Islands Laws of Bahrain
Jurisdiction	London Court of International Arbitration Courts of Cayman Island
Domicile	Cayman Islands
Ownership	Corporate
Sukuk Structure	Ijara Wakalah Tawarruq
Exchanges	LONDON STOCK EXCHANGE
Coupon Class	FIX
Coupon Frequency	Semiannually
Current Coupon Rate	7.5
Solicitor	Allen & Overy LLP / Hassan Radhi & Associates / Walkers (Dubai) LLP / Zu'bi & Partners / Simmons & Simmons Middle East LLP
Auditor	N/A

Shariah Boards approved the Sukuk:

GFH Shariah Board 2020

Abdullah Bin Sulaiman Al-Manea
Nezam Mohamad Yaqoubi
Farid Mohammed Hadi
Abdul Aziz khalifa Al -Qassar

Standard Chartered Shariah Board 2020

Muhammad Ali Elgari
Nezam Mohamad Yaqoubi

Structure Screening

Ijara

Score **77.00** ↓Threshold **0.00**

Shariah Field	Value	Compliance	Weight
Sukuk structure and contract are based on shariah non complaint contracts? Ref: Page 182 lines:33, Page 183 lines:14, Page 186 lines:29, Page 188 all page	No	✓	5
Did the prospectus not include a statement to abide to shariah principles? Ref: Page 188 lines:39-48, Page 189 all page	No	✓	3
Has the Prospectus not disclosed the contractual conditions? Ref: Page 181 all page, Page 182 all page, Page 183 all page, Page 184 all page, Page 185 all page, Page 186 all page, Page 187 all page, Page 188 all page, Page 189 all page	No	✓	3
Has the Prospectus not disclosed the loss conditions and tolerance ? Ref: Page 36 lines:6-41, Page 76 lines:9-32	No	✓	3
Are the Sukuk not monitored through out tenure? Ref: No Reference Data	NIP	✗	3
Are the Proceeds used in non-compliant investments? Ref: Page 89 lines:6-7	No	✓	3
Has the Prospectus not disclosed the events of default ? Ref: Page 79 lines:11-44, Page 54 lines:31, Page 57 lines:17-50, Page 58 all page, Page 64 lines:7-48, Page 65 lines:1-7	No	✓	3
Are the sukuk not approved by shariah board? Ref: Page 4 lines:47-52	No	✓	3
Is Sukuk manager obliged to make up profit shortfalls? Ref: Page 44 lines:19-29	No	✓	3
Does sukuk manager seize surplus profits? Ref: Page 44 lines:32-33	Yes	✗	3
Does sukuk manager utilize from reserve account for his own interest? Ref: Page 187 lines:29-37	Yes	✗	5
Does the originator have the right to exchange the sukuk assets in total loss? Ref: Page 185 lines:25-58, Page 186 lines:1-28	No	✓	5
Are Sukukholders refrained from their asset disposition rights? Ref: Page 80 lines:20-25	Yes	✗	5
Are late payment charges not donated? Ref: No Reference Data	NA	✓	5
Are the Sukuk assets not clearly specified? Ref: Page 44 lines:3-8	Yes	✗	5
Does Sukuk Manager seize surplus profits and make up shortfalls? Ref: Page 44 lines:32-33, Page 44 lines:19-29	No	✓	3
Is the Takaful/ insurance shortfall guarantee a non shariah guarantee? Ref: Page 36 lines:32-35	No	✓	3
Do PU and SU agreements have same trigger events? Ref: Page 184 lines:15-51, Page 185 lines:1-24, Page 185 lines:25-52, Page 186 lines:1-28	No	✓	3
Has the prospectus not stated that the proceeds will be used in shariah compliant investments Ref: Page 89 lines:1-6	No	✓	3
Are Sukuk assets not evaluated Ref: Page 44 lines:3-8	No	✓	5
Does lessor not own the assets before Ijarah? Ref: Page 182 lines:33-50, Page 183 lines:1-13	No	✓	3

Shariah Field	Value	Compliance	Weight
Is Ijarah contract Conditioned in the Purchase contract? Ref: Page 182 lines:33-50, Page 183 lines:1-13	No		2
Do leased assets perish by leasing? Ref: Page 183 lines:25-30	No		2
Are leased assets used in prohibited activities? Ref: No Reference Data	ND		
Is floating rental rate not tied to an agreed upon benchmark? Ref: No Reference Data	NA		
Does lessee bear Takaful/ Insurance installments or major maintenance or taxes? Ref: Page 183 lines:31-50	No		5
In default, Is lessee obliged to pay the non-accrued installments? Ref: Page 184 lines:25-37	No		3
Is rental period not specified in the Contract? Ref: Page 183 lines:18-24	No		3
In Fwd Lease, Is Ijarah rate and period not predefined? Ref: No Reference Data	NA		
Does lessee make payments on behalf of the lessor? Ref: Page 183 lines:40-50	Yes		2
Is leased assets insurance not a takaful insurance? Ref: Page 187 lines:29-37	ND		
In Fwd Lease, Do advance rental payments accrue before use of assets? Ref: No Reference Data	NA		
Is lessee obliged to pay rents if assets are not enabled to him Ref: No Reference Data	No		3
Are the leased assets occupied? Ref: No Reference Data	NIP		
Is lessee obliged to bear total loss of assets or Takaful/ insurance shortfall? Ref: Page 183 lines:40-50	No		3

Structure Screening

Wakalah

Score **82.00** |Threshold **0.00**

Shariah Field	Value	Compliance	Weight
Sukuk structure and contract are based on shariah non complaint contracts? Ref: Page 182 lines:33, Page 183 lines:14, Page 186 lines:29, Page 188 all page	No	✓	5
Did the prospectus not include a statement to abide to shariah principles? Ref: Page 188 lines:39-48, Page 189 all page	No	✓	3
Has the Prospectus not disclosed the contractual conditions? Ref: Page 181 all page, Page 182 all page, Page 183 all page, Page 184 all page, Page 185 all page, Page 186 all page, Page 187 all page, Page 188 all page, Page 189 all page	No	✓	3
Has the Prospectus not disclosed the loss conditions and tolerance ? Ref: Page 36 lines:6-41, Page 76 lines:9-32	No	✓	3
Are the Sukuk not monitored through out tenure? Ref: No Reference Data	NIP	✗	3
Are the Proceeds used in non-compliant investments? Ref: Page 89 lines:6-7	No	✓	3
Has the Prospectus not disclosed the events of default ? Ref: Page 79 lines:11-44, Page 54 lines:31, Page 57 lines:17-50, Page 58 all page, Page 64 lines:7-48, Page 65 lines:1-7	No	✓	3
Are the sukuk not approved by shariah board? Ref: Page 4 lines:47-52	No	✓	3
Is Sukuk manager obliged to make up profit shortfalls? Ref: Page 44 lines:19-29	No	✓	3
Does sukuk manager seize surplus profits? Ref: Page 44 lines:32-33	Yes	✗	3
Does sukuk manager utilize from reserve account for his own interest? Ref: Page 187 lines:29-37	Yes	✗	5
Does the originator have the right to exchange the sukuk assets in total loss? Ref: Page 185 lines:25-58, Page 186 lines:1-28	No	✓	5
Are Sukukholders refrained from their asset disposition rights? Ref: Page 80 lines:20-25	Yes	✗	5
Are late payment charges not donated? Ref: No Reference Data	NA	✓	5
Are the Sukuk assets not clearly specified? Ref: Page 44 lines:3-8	Yes	✗	5
Does Sukuk Manager seize surplus profits and make up shortfalls? Ref: Page 44 lines:32-33, Page 44 lines:19-29	No	✓	3
Is the Takaful/ insurance shortfall guarantee a non shariah guarantee? Ref: Page 36 lines:32-35	No	✓	3
Do PU and SU agreements have same trigger events? Ref: Page 184 lines:15-51, Page 185 lines:1-24, Page 185 lines:25-52, Page 186 lines:1-28	No	✓	3
Has the prospectus not stated that the proceeds will be used in shariah compliant investments Ref: Page 89 lines:1-6	No	✓	3
Are Sukuk assets not evaluated Ref: Page 44 lines:3-8	No	✓	5
Is WSM not identified? Ref: Page 44 lines:3-8, Page 186 lines:32-49, Page 187 lines:1-28	No	✓	5

Shariah Field	Value	Compliance	Weight
Is WSM non-compliant? Ref: Page 44 lines:3-8, Page 186 lines:32-49, Page 187 lines:1-28	No		5
Are the agency fees not determined? Ref: No Reference Data	Yes		3
Has the principal not consented the sub-agency? Ref: No Reference Data	NA		
Are the invested assets not owned by the wakeel (Sukukholder)? Ref: Page 182 lines:33-50, Page 183 lines:1-13	No		5
Does Sukuk Manager/Issuer guarantee Capital or Profits through compounded capacity? Ref: No Reference Data	No		5
Does the guarantor and guaranteed Correlation exceed 30%? Ref: No Reference Data	NA		
Does sukuk manager guarantee in cases other than torts and negligence? Ref: No Reference Data	No		5
Are profits distributed before capital is intact? Ref: No Reference Data	NA		
Are profits a preset amount? Ref: Page 44 lines:9-33	No		1
Is the wakalah exercise price face value? Ref: Page 184 lines:25-37	NA		3

Structure Screening

Tawarruq

Score **78.00** ↓Threshold **0.00**

Shariah Field	Value	Compliance	Weight
Sukuk structure and contract are based on shariah non complaint contracts? Ref: Page 182 lines:33, Page 183 lines:14, Page 186 lines:29, Page 188 all page	No	✓	5
Did the prospectus not include a statement to abide to shariah principles? Ref: Page 188 lines:39-48, Page 189 all page	No	✓	3
Has the Prospectus not disclosed the contractual conditions? Ref: Page 181 all page, Page 182 all page, Page 183 all page, Page 184 all page, Page 185 all page, Page 186 all page, Page 187 all page, Page 188 all page, Page 189 all page	No	✓	3
Has the Prospectus not disclosed the loss conditions and tolerance ? Ref: Page 36 lines:6-41, Page 76 lines:9-32	No	✓	3
Are the Sukuk not monitored through out tenure? Ref: No Reference Data	NIP	✗	3
Are the Proceeds used in non-compliant investments? Ref: Page 89 lines:6-7	No	✓	3
Has the Prospectus not disclosed the events of default ? Ref: Page 79 lines:11-44, Page 54 lines:31, Page 57 lines:17-50, Page 58 all page, Page 64 lines:7-48, Page 65 lines:1-7	No	✓	3
Are the sukuk not approved by shariah board? Ref: Page 4 lines:47-52	No	✓	3
Is Sukuk manager obliged to make up profit shortfalls? Ref: Page 44 lines:19-29	No	✓	3
Does sukuk manager seize surplus profits? Ref: Page 44 lines:32-33	Yes	✗	3
Does sukuk manager utilize from reserve account for his own interest? Ref: Page 187 lines:29-37	Yes	✗	5
Does the originator have the right to exchange the sukuk assets in total loss? Ref: Page 185 lines:25-58, Page 186 lines:1-28	No	✓	5
Are Sukukholders refrained from their asset disposition rights? Ref: Page 80 lines:20-25	Yes	✗	5
Are late payment charges not donated? Ref: No Reference Data	NA	✓	5
Are the Sukuk assets not clearly specified? Ref: Page 44 lines:3-8	Yes	✗	5
Does Sukuk Manager seize surplus profits and make up shortfalls? Ref: Page 44 lines:32-33, Page 44 lines:19-29	No	✓	3
Is the Takaful/ insurance shortfall guarantee a non shariah guarantee? Ref: Page 36 lines:32-35	No	✓	3
Do PU and SU agreements have same trigger events? Ref: Page 184 lines:15-51, Page 185 lines:1-24, Page 185 lines:25-52, Page 186 lines:1-28	No	✓	3
Has the prospectus not stated that the proceeds will be used in shariah compliant investments Ref: Page 89 lines:1-6	No	✓	3
Are Sukuk assets not evaluated Ref: Page 44 lines:3-8	No	✓	5
Are Tawarruq commodities gold, silver or currencies? Ref: Page 43 lines:23-24	NIP	🚫	

Shariah Field	Value	Compliance	Weight
Are Tawarruq commodities not distinct? Ref: No Reference Data	NIP		
Is purchaser not given adequate details on commodities purchased? Ref: No Reference Data	No		5
Are commodities not received by the Purchaser? Ref: Page 188 lines:26-31	No		5
Is there a ban on receiving commodities? Ref: Page 188 lines:26-31	No		5
Are Tawarruq commodities sold to original seller? Ref: Page 37 lines:17-19	No		5
Is re-selling of purchased goods not by the Purchaser himself or its agent? Ref: No Reference Data	NIP		
Is tawarruq applied to fund regular, non-urgent, finance needs? Ref: Page 89 lines:6-7	Yes		5
Is the Mustawriq a conventional bank? Ref: Page 43 all page	No		5

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