BUSINESS AND POLITICS IN THE MUSLIM WORLD

Weekly Report on Global Islamic Finance and Business in the Muslim World

Period: October 31 -- November 06

Report # 144

Submitted By: Zain Arshad

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Summary

- The aim is to stop any moves to expand Islamic banking in Australia. Senator Bernardi last night sent a background brief to his Liberal Party colleagues and said he had "already received a great deal of positive feedback", "Sharia or Islamic law is incompatible with Australia's Western values," the South Australian right-wing senator said. "I want to ensure the Liberal Party is opposed to the government's proposal to introduce any form of sharia-law banking into Australia."
- Absa Islamic Banking, a unit of South Africa's third-largest bank, plans to offer Islamic mortgages after the government introduces new tax rules next year, The Treasury department said in August it will forgo charging tax on three Islamic structures to allow home loans. The government may sell Islamic bonds after deciding whether to make tax amendments in the middle of 2011
- Dubai-based Minhaj Shari'ah Financial Advisory and Bahrain-based Accounting and Auditing Organization for Islamic Financial Institutions (AAOFI) have launched a set of 11 new Shari'ah standards for Islamic financial institutions**,** 11 new standards stipulate Shari'ah-compliant ways to sort out issues arising from uncertainty (gharar) in financial transactions and arbitration, endowments (waqf), labour leasing (ijarah), zakah, contingent obligations, credit facilities, online financial transactions, pledge (rahn), investment accounts and profit distribution, and Islamic reinsurance.
- The Private Financial Services Department Manager at Kuwait Finance House (KFH) Talal Al-Nesf stressed that the demand for private Islamic banking services that KFH offers to its clients that have high financial coverage, has witnessed rapid growth during the past two years, despite the consequences of the financial crisis and its effect on various economic sectors and the rates of assets, as a result of the innovative investment solutions that KFH offers that segment of clients
- Al Baraka Islamic Bank has the honor of being the first Islamic Bank to undertake the first ever merger in the Islamic banking industry of Pakistan by taking over controlling stake of Emirates Global Islamic Bank (EGIBL), which has been approved by the State Bank of Pakistan. The Central Bank has recently notified de-scheduling of Al Baraka Islamic Bank
- UBL Fund Managers Limited has announced the launch of its new Shariah-compliant savings scheme – UBL Islamic Savings Fund (UISF). The scheme will open for public subscription from November 5, 2010. UBL Islamic Savings Fund (UISF) is an open-end Shariah-compliant income scheme that is designed for investors who are looking to earn 'Halal' income on their savings. Staff report

1. GLOBAL FINANCE & GLOBAL ISLAMIC FINANCE

Islamic Finance Unit Heraymila in Srilanka Feeds International Appetite
Tuesday, October 02, 2010

The Sri Lanka unit Heraymila Investments, a part of Saudi Arabia's Al Mashal group will use its global links to channel funds from the Middle East and elsewhere with a strong research backed strategy, the head of its local unit said.

We will be offering opportunities for Sri Lankan companies to raise funds tapping the relationships we have with international funds," Ravi Abeysuriya, group chief executive of Heraymila's Sri Lankan operations said."Our main strength will be our placement capabilities."

Heraymila bought into a licensed stock brokerage, formerly controlled by Amana, a Colombo-based Islamic finance group.But Heraymila is also setting up divisions to handle investment banking and fund management.

Heraymila has been investing in Sri Lanka's equity market from 2005, and bought strategic stakes in several firms, including a 10 percent stake in Commercial Bank at one time.

"When peace came they were keen to play a more active part in the market, because they felt there were a lot of opportunities to attract foreign funds, including their own money," Abeysuriya said.

In addition to around 260 million dollars it is directly managing, Abeysuriya says the group co-invests around the globe with international finance houses such as JP Morgan and Goldman Sachs.

One of its strengths will be a strong research capacity. Abeysuriya himself at one time headed the Sri Lanka unit of Amba Research, a capital markets research outsourcing firm catering to US and European markets.

"The core of our value proposition is fundamental research, where we will be publishing quarterly research on the macro-economic situation, sectoral analysis and selected coverage of individual companies," he said. Heraymila will also get into fund management. Abeysuriya says the group will structure funds that will meet the appetite for mutual funds abroad.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1190

Bahrain Aims to Help Shariah Complaint Banks Manage Profits
Tuesday, October 02, 2010

Bahrain, the only country in the Persian Gulf to sell Islamic debt due in six months or less, plans to issue additional securities to help Shariah-compliant banks invest and manage their money.

Regulators from Bahrain to Malaysia are trying to increase the tools available to Islamic banks as a dearth of money-market instruments forces the lenders to keep excess cash with central banks or locked into longer-dated securities.

Bahrain's product should be "like any other conventional money-market instrument, easy and standardized," central bank Governor Rasheed al-Maraj said in an Oct. 27 interview in Marrakesh, Morocco. "This is something that has been in the making for a while, and we are now confident that we have reached a level where we can bring it to the industry."

Bahrain is the only one of the six Gulf Cooperation Council countries to issue three- and six-month domestic Islamic bills. The International Islamic Liquidity Management Corp., which is being set up by 11 central banks in Kuala Lumpur, will sell its first short-term bills in dollars and the next issue in euros, Malaysian central bank Governor Zeti Akhtar Aziz said Oct. 28.

The United Arab Emirates is seeking to enable the government to issue bills, central bank Governor Sultan bin Nasser al-Suwaidi said in March. Islamic lenders in Indonesia were keeping as much as 20 percent of their excess cash with the central bank, compared with 2.1 percent at non-Islamic banks, according to a 2006 study by the Islamic Financial Services Board, a standard-setting body. In Pakistan, the figure was 3.8 percent against 0.3 percent. Global assets held by Shariah- compliant financial institutions may climb to $1.6 trillion in 2012 from about $1 trillion, the body said in April.

"These are very timely initiatives" as many banks are "hesitant" to invest in long-term paper, said Abdul Kadir Hussain, who manages $2 billion of mainly Persian Gulf assets as chief executive officer of Mashreq Capital DIFC Ltd. in Dubai. "Islamic banks can't park their liquidity in the overnight market because it's not Shariah compliant," he said.

Global sukuk returned 12.1 percent this year, according to the HSBC/NASDAQ Dubai US Dollar Index. Bonds in developing markets gained 16.4 percent, JPMorgan Chase & Co.'s EMBI Global Diversified Index. Islamic bonds in the GCC returned 12.5 percent, the HSBC/NASDAQ Dubai GCC US Dollar Sukuk Index shows.

The difference between the average yield for emerging- market sukuk and the London interbank offered rate narrowed 12 basis points, or 0.12 percentage point, last month to 361 on Oct. 29, according to the HSBC/ NASDAQ Dubai US Dollar Sukuk Index.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1192

Ethica Institute makes history at Mashreq Bank: Delivers first bank-wide Islamic finance e-learning
Tuesday, October 02, 2010

Islamic finance just got one step closer to addressing its biggest problem: a lack of qualified bankers and scholars. Today, the UAE's largest private bank, Mashreq Bank, rolled out the first ever bank-wide Islamic finance e-learning solution at its Islamic banking division, Mashreq Al Islami. Hiring Ethica, the Islamic finance e-learning institute, brings Mashreq 100% online Islamic finance training and certification across their entire network of branches.
The move marks a major turning point in an industry heavily bottlenecked by a lack of trained bankers and scholars. To date, banks have had to rely on external consultants to deliver short courses, but today's announcement makes year-round, bank-wide Islamic banking courses approved by scholars a working reality.

Mashreq Al Islami's Chief Executive Officer, Moinuddin Malim, said, "Our partnership with Ethica demonstrates our commitment to ensure imparting quality programs, which caters to both basic Islamic banking courses as well as more sophisticated programs. We hold Sharia'h compliance as the core value of our business."

Ethica's Managing Director, Atif Khan, said, "Whether training 100 bankers or 1,000 bankers, in tough times only e-learning provides the cost-effectiveness and year-round learning advantage over more expensive delivery channels such as classroom training. We are delighted to finally deliver Islamic banking courses to bankers anywhere, anytime."

Mashreq piloted Ethica with a few hundred users before rolling out bank-wide training. Earlier this year Dow Jones affiliate Zawya.com and New York based Banker's Academy signed on with Ethica as well.

In 2010, Ethica Institute of Islamic Finance was chosen by more professionals for Islamic finance certification than any other organization in the world. The Dubai-based institute received the award nomination for "Best Islamic Finance Training Institution" in 2009 and 2010 by Islamic Business and Finance Magazine. Mashreq Bank is the largest private bank in the UAE with assets of $25bn and launched Mashreq Al Islami, their Islamic finance division, in March of this year.

http://www.ameinfo.com/247574.html

Senator Cory Bernardi is looking for party room support to maintain barriers on sharia-compliant financial products.
Tuesday, October 02, 2010

The aim is to stop any moves to expand Islamic banking in Australia. Senator Bernardi last night sent a background brief to his Liberal Party colleagues and said he had "already received a great deal of positive feedback".

"Sharia or Islamic law is incompatible with Australia's Western values," the South Australian right-wing senator said.

"I want to ensure the Liberal Party is opposed to the government's proposal to introduce any form of sharia-law banking into Australia."

Senator Bernardi said Australian tax officials, supported by the Gillard government, were planning to ease barriers to sharia-compliant financial products to tap into the Islamic finance industry's $1 trillion in assets.

"We will have to consider what the government finally brings forward into parliament and consider that on its merits," Senator Bernardi said yesterday.

"I want people to be as informed as they can be in the hope we resist any such moves."

In the note sent to his Liberal parliamentary members, Senator Bernardi points out a government review into ensuring there was a "level playing field" was supported in principle by Labor.

"I would contend that we already have a level playing field in this country and we shouldn't be adopting those laws to appease sharia in any form," Senator Bernardi said.

"This is an issue I am sure a great many Australians feel very strongly about."

Discussions are slated this month, organised by the national taxation board, in Sydney, Canberra and Melbourne about how to ensure Islamic finance transactions are treated the same as equivalent non-Islamic deals.

Assistant Treasurer Bill Shorten did not respond to questions from The Australian last night. But last month he said Islamic finance would provide Australia with access to offshore capital.

A small number of companies offer Islamic financing in Australia, such as the Muslim Community Co-operative Australia in Melbourne and Islamic Co-operative Finance Australia.

Asian Finance Bank, an arm of Qatar Islamic Bank, is advising the NSW government on Islamic financial services.

http://www.theaustralian.com.au/news/nation/lib-demands-sharia-banking-is-kept-out/story-e6frg6nf-1225946344169

Islamic Banks Need Strong Liquidity Management to Withstand 'Shocks'
Tuesday, October 02, 2010

Bandar Seri Begawan - After the economic crisis that temporarily paralysed the entire globe in 2009, the Basel Committee has proposed to issue new and more effective global liquidity management standards for banks that aim to protect world finances to avoid a repeat of what was dubbed the "worst economic crisis since the 1930s".

However, though well-intentioned, the international standard setter for banks' vision does not entirely accommodate Islamic financial institutions as their reforms "have serious implications for Islamic banks" and may even fuel liquidity risks across Islamic financial markets due to the limited stock of Syariah-compliant government securities that are geared to meet the proposed narrow definition of liquid assets.

As the Permanent Secretary (Monetary) at the Ministry of Finance, Haji Mohd Roselan bin Haji Mohd Daud, underscored this point, he reminded that there is a need for a strong liquidity management infrastructure for Islamic financial institutions in order to develop the ability to "withstand shocks from externalities" and at the same time reducing "costs of intermediation for Islamic banks" and thus "rendering them more competitive".

The permanent secretary was addressing workshop participants who are in the country to take part in the 6th SEACEN-IRTI/IDB Course carrying the theme "Building a Sustainable Islamic Banking System - Liquidity Management".

The opening ceremony took place yesterday afternoon at the Centre point Hotel in Gadong where Haji Mohd Roselan highlighted that banks are required to be "liquidity solvent before it is capital solvent to ensure that a bank's liabilities to the public are met when they fall due".

"Two important aspects here are that this liquidity must be available at short notice and at a reasonable cost," he said after stating that "banking in whatever form involves maturity transformation - short-term liabilities are converted into long-term assets".

However, he also pointed that the Islamic financial world currently does not have the proper Syariah-compliant utilities to assist in overcoming this obstacle. As a result, Islamic banks are forced to hold a significant-portion of their assets in cash or readily liquefiable property "because of the scarcity of tradable money market instruments" that are in line with Islamic principles.

"The lack of a global Islamic interbank market and a liquidity management scheme has hampered the systemic development of the Islamic finance industry," he said.

He reminded that those who are working within the Islamic finance arena ought to be more conscious of the threat that "without an efficient interbank market and without support from central banks, market forces will drive Islamic banks towards increasing replicating conventional banking techniques".

"We run the risk of becoming irrelevant", whilst stressing that the Islamic finance concept of profit and loss or risk sharing "must not be compromised for short-term gain and for the sake of competition and market share".

As he outlined the problems that are currently standing in the way of developing Islamic finances, Haji Mohd Roselan shared that a solution is in the works thanks to the establishment of the Liquidity Task Force initiated by the Islamic Financial Service Board (IFSB) which stated that, as of October 25 this year, 11 central banks and two multilateral organisations have collaborated in a landmark global initiative for the establishment of the International Islamic Liquidity Management Corporation (IILM).

It was explained that the IILM will be tasked to issue "high quality Syariah-compliant financial instruments at both the national level and across borders", towards enhancing the "soundness and stability of the jurisdictions in which they operate'.

Meanwhile, the five-day workshop - facilitated by eight resource speakers of diverse backgrounds and vast knowledge in their respective subject areas - will see the participation of 35 individuals from SEACEN member countries, including Brunei Darussalarn and non-member countries.

Participants hail from financial institutions in countries such as Afghanistan, Albania, Cambodia, Indonesia, Malaysia, Korea, Bangladesh, Iran, Sri Lanka, Maldives, Pakistan as well as Turkey.

Invited speakers comprise those from central banks in the region, Islamic scholars as well as from the Islamic Research and Training Institute (IRTI).

The workshop is aimed at enabling participants to identify and evaluate critical regulatory and supervisory components to develop a sustainable Islamic banking system in accordance to Syariah principals by learning on ways to discuss legal and regulatory framework for Islamic banking, discover links between Islamic banking systems with Islamic capital and money markets for liquidity management, examine sukuk structuring and approval process as well as through describing issues and challenges in Islamic Liquidity Management in compliance with Syariah principles.

http://www.brudirect.com/index.php/2010110232439/Local-News/islamic-banks-need-strong-liquidity-management-to-withstand-shocks.html

Increasing demand for Islamic services despite crisis
Tuesday, October 02, 2010

KFH presents two real estate portfolios worth KD 110 million
The Private Financial Services Department Manager at Kuwait Finance House **(**KFH**)** Talal Al-Nesf stressed that the demand for private Islamic banking services that KFH offers to its clients that have high financial coverage, has witnessed rapid growth during the past two years, despite the consequences of the financial crisis and its effect on various economic sectors and the rates of assets, as a result of the innovative investment solutions that KFH offers that segment of clients. He added in a press statement that the market witnessed new approaches after the global financial crisis, where that segment of clients have reassessed their objectives and strategies, which prompted them to be more conservative while also seeking profitable products with minimal risks. Such an approach is contrary to their approach before the crisis, where they were willing to take high risks in return for high returns in light of the available opportunities and liquidity. He noted that KFH changed its strategy to meet the new demands of this pivotal segment of clients, which allowed KFH to retain its clients and achieve satisfying growth.

Moreover, Al-Nesf revealed that during that past two years, KFH has presented a real estate portfolio with a capital of KD 50 million, where this portfolio includes a group of profitable real estates. The portfolio was a great success, which is evident by its annual returns that reached 6% that are distributed quarterly. He went on to elaborate by saying that after the first successful portfolio, KFH set up another successful real estate portfolio with a capital of KD 60 million and an annual return of 6% that is distributed quarterly. He further revealed that during the financial crisis, KFH managed to exit real estate portfolios after achieving returns that exceeded the expectations of the investors, such as KFH's real estate portfolio in Malaysia, which succeeded in returning the capital to all investors at the end of the investment period, in addition to over 18% returns, not to mention the returns they received throughout the investment period. He added that by the end of this year, KFH is expected to exit a real estate portfolio in Turkey with a return of 12%, in addition to regaining the capital. He stated that KFH has also exited Durrat Al-Bahrain fund for real estate development, despite the market's fluctuations, where the investors managed to achieve a return of 20% throughout five years, in addition to regaining the capital.

Concerning the deposits of clients with high financial coverage, Al-Nesf said that at the beginning of the financial crisis, there was a high demand by clients to invest in deposits because of the availability of cash, in addition to the fact that deposits are considered to be the best investment solutions with minimal risks at that time. However, as time passed, liquidity began to shift from deposits to investing in some profitable funds. It is worth noting that the returns on deposits at KFH reached 2.78%, which is rendered to be one of the best returns in the market.

Furthermore, Al-Nesf announced that KFH is ready to present more investment products and services that are designed for its distinguished clients, in order to retain that segment and increase its wealth. He added that KFH is currently considering some new products

from all aspects, especially the level of risk, the expected returns, and the estimated exiting time. Those products are expected to be offered through funds that invest in the sectors of Ijarah and shipping. In addition, he stated that KFH is expected to boost the Sukuk market.

Meanwhile, Senior Investment Manager at the department Ossama Al-Rasheed mentioned that KFH has been offering its wealthy clients consultancy services and advices concerning their investments in the stock market, real estate, and other investment sectors in Kuwait and overseas. He added that KFH has exerted sterling efforts to abandon the traditional role of banks and play the role of a councilor, in addition to making investments on behalf of its clients in Kuwait and overseas. He stressed that KFH has never marketed an investment product without clarifying to its clients the level of risk, the nature of the markets, and the kind of investments, especially that investors are currently reluctant to take part in any vague investments.

http://www.ameinfo.com/247703.html

Absa of South Africa to Offer Mortgages after New Tax Law
Wednesday, October 03, 2010

Absa Islamic Banking, a unit of South Africa's third-largest bank, plans to offer Islamic mortgages after the government introduces new tax rules next year.

The Treasury department said in August it will forgo charging tax on three Islamic structures to allow home loans. The government may sell Islamic bonds after deciding whether to make tax amendments in the middle of 2011, said Absa Islamic Managing Director Amman Muhammad, who is also a participant in the Treasury's discussions on Islamic finance. Absa Islamic is a unit of Absa Group Ltd., which is controlled by Barclays Plc.

While its 737,000 Muslims account for just 1.5 percent of the country's population according to CIA World Factbook, South Africa is seeking to access a growing industry with global assets of $1 trillion. Albaraka Bank Ltd., a unit of Manama, Bahrain-based Albaraka Banking Group BSC and the African nation's only Shariah compliant financial institution, will increase its capital next year to finance expansion, the group's Chief Executive Officer Adnan Yousif said Oct. 31 in Kuwait.

"The minute the minister announces the first changes, we want to be in a position to start offering this product," said Johannesburg-based Muhammad in an interview in Dubai Oct. 27. "The tax amendments level the playing field, so if a customer chooses to bank Islamically, there should be no extra-burden from a tax perspective." Finance Minister Pravin Gordhan is expected to announce the tax changes in February, possibly sooner, Muhammad said.

In the new tax plan, the Treasury will deem profit made from murabahah, mudarabah and diminishing musharaka deals as interest, exempting proceeds below 22,300 rand ($3,206) annually for investors under 65 years of age from being taxed, according to documents the Treasury. Currently there are no tax exemptions on Islamic products, said Tasneem Gangat, an income tax consultant with Grant Thornton South Africa, part of Grant Thornton International Ltd.

Transactions in Islamic finance are based on the exchange of assets rather than interest to comply with Shariah principles. A mudarabah is a partnership in profit, whereby one party provides capital and the other provides labor.

The taxation changes come as South Africa's economy expands. The National Treasury raised its economic growth estimate to 3 percent this year from 2.3 percent in its medium-term budget statement. It forecasts growth of 3.5 percent for next year. The country is the continent's biggest economy.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1195

Minhaj and AAOFI Launch New Shariah Standards
Wednesday, October 03, 2010

Dubai-based Minhaj Sharia'h Financial Advisory and Bahrain-based Accounting and Auditing Organisation for Islamic Financial Institutions (AAOFI) have launched a set of 11 new Sharia'h standards for Islamic financial institutions**.**

Commenting on the launch, Minhaj and AAOFI said these Sharia'h standards will help FIs tackle contemporary issues of banking, finance and investment.The new Islamic norms have been conceived in the wake of the challenges faced by the Islamic FIs in the current times and paves the way for them to sort out a variety of issues in the light of Islamic jurisprudence.

Speaking at the launch ceremony, Sheikh Dr Abdul Sattar Abu Ghuddah, Minhaj chairman, said these standards will have great positive impact on the growth of the Islamic financial industry.

'Moreover, the launch of these standards is also a salient indication of the constant evolution of Islamic He said that the 11 new standards stipulate Sharia'h-compliant ways to sort out issues arising from uncertainty (gharar) in financial transactions and arbitration, endowments (waqf), labour leasing (ijarah), zakah, contingent obligations, credit facilities, online financial transactions, pledge (rahn), investment accounts and profit distribution, and Islamic reinsurance.

"These laws also have brought in greater harmonization to the Sharia'h principles which will help further the growth of the Islamic banking and finance," Abu Ghuddah said.On the need for new Shariah laws, Khairul Nizam, AAOIFI assistant general secretary, said:

'Despite the economic meltdown, the Islamic finance and banking sector has shown considerable resilience and has kept a pace of growth.'

'This is because we have been able to adapt to the economic changes and innovate on Shariah principles to the benefit of the Islamic society and economy across the world. The new standards are launched in this perspective,' he added.

He said over 90 per cent of the Islamic banks around the world go by the AAOFI standards.“The new standards will contribute to the growth and evolution of Islamic financial industry which now has Shariah- compliant assets estimated at $1.275 trillion. The industry is growing at an average annual rate of 15-20 per cent and the positive trend will continue despite economic fluctuations thanks to the in-built prudence in Sharia’h principles,” Nizam added.

The launch ceremony of the new Sharia’h standards was attended by the key sponsors of the event, Noor Islamic Bank, Abu Dhabi Islamic Bank and Al Hilal Bank, and a host of senior executives of major Islamic FIs.

Dr Mohammed Amin Qattan, Shari’ah advisor, Minhaj, said, “The new standards addresses crucial issues of complexity seen in contemporary Islamic banking and finance, particularly in the financial services sector, including issues like debt restructuring and arbitration cases – which has risen in the wake of the financial uncertainty."What is of significance is that all these issues of a contemporary nature can be addressed by laws of Islamic jurisprudence and that in itself is a great leap forward,' he added.

Since the beginning of last year, 14 new standards have been adopted and the total number of the existing AAOFI standards number over 84.The development of AAOIFI’s standards was undertaken by its Shariah Board – acknowledged as the leading global authority on Shari’a for international Islamic finance – and accounting and auditing standards board.

Amjed Naser, head of Shari’ah, Noor Islamic Bank said: “As an Islamic bank, we look at the launch of the new Sharia’h standards as a milestone exercise, bringing us more clarity and transparency to face the challenges of the new realities of Islamic economy.'

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1194

Increasing demand for Islamic services despite crisis, announces Kuwait Finance House

Wednesday, October 03, 2010

The Private Financial Services Department Manager at Kuwait Finance House (KFH) Talal Al-Nesf stressed that the demand for private Islamic banking services that KFH offers to its clients that have high financial coverage, has witnessed rapid growth during

the past two years, despite the consequences of the financial crisis and its effect on various economic sectors and the rates of assets, as a result of the innovative investment solutions that KFH offers that segment of clients.

He added in a press statement that the market witnessed new approaches after the global financial crisis, where that segment of clients have reassessed their objectives and strategies, which prompted them to be more conservative while also seeking profitable products with minimal risks. Such an approach is contrary to their approach before the crisis, where they were willing to take high risks in return for high returns in light of the available opportunities and liquidity.

He noted that KFH changed its strategy to meet the new demands of this pivotal segment of clients, which allowed KFH to retain its clients and achieve satisfying growth.

Moreover, Al-Nesf revealed that during that past two years, KFH has presented a real estate portfolio with a capital of KD50m, where this portfolio includes a group of profitable real estates. The portfolio was a great success, which is evident by its annual returns that reached 6% that are distributed quarterly.

He went on to elaborate by saying that after the first successful portfolio, KFH set up another successful real estate portfolio with a capital of KD60m and an annual return of 6% that is distributed quarterly.

He further revealed that during the financial crisis, KFH managed to exit real estate portfolios after achieving returns that exceeded the expectations of the investors, such as KFH's real estate portfolio in Malaysia, which succeeded in returning the capital to all investors at the end of the investment period, in addition to over 18% returns, not to mention the returns they received throughout the investment period.

He added that by the end of this year, KFH is expected to exit a real estate portfolio in Turkey with a return of 12%, in addition to regaining the capital.

He stated that KFH has also exited Durrat Al-Bahrain fund for real estate development, despite the market's fluctuations, where the investors managed to achieve a return of 20% throughout five years, in addition to regaining the capital.

Concerning the deposits of clients with high financial coverage, Al-Nesf said that at the beginning of the financial crisis, there was a high demand by clients to invest in deposits because of the availability of cash, in addition to the fact that deposits are considered to be the best investment solutions with minimal risks at that time. However, as time passed, liquidity began to shift from deposits to investing in some profitable funds. It is worth noting that the returns on deposits at KFH reached 2.78%, which is rendered to be one of the best returns in the market.

Furthermore, Al-Nesf announced that KFH is ready to present more investment products and services that are designed for its distinguished clients, in order to retain that segment and increase its wealth.

He added that KFH is currently considering some new products from all aspects, especially the level of risk, the expected returns, and the estimated exiting time. Those products are expected to be offered through funds that invest in the sectors of Ijarah and shipping. In addition, he stated that KFH is expected to boost the Sukuk market.

Meanwhile, Senior Investment Manager at the department Ossama Al-Rasheed mentioned that KFH has been offering its wealthy clients consultancy services and advices concerning their investments in the stock market, real estate, and other investment sectors in Kuwait and overseas.

He added that KFH has exerted sterling efforts to abandon the traditional role of banks and play the role of a councilor, in addition to making investments on behalf of its clients in Kuwait and overseas.

He stressed that KFH has never marketed an investment product without clarifying to its clients the level of risk, the nature of the markets, and the kind of investments, especially that investors are currently reluctant to take part in any vague investments.

http://www.ameinfo.com/247703.html

HSBC Amanah's Deputy CEO Says to Offer Islamic Finance in India, China
Wednesday, October 03, 2010

HSBC Holdings Plc, the largest bank in Europe, plans to offer Shariah-compliant services in India and China to tap economic growth after the countries issue regulations to develop their Islamic financial markets.

HSBC Amanah also plans to expand in Egypt and Oman, said Razi Fakih, the deputy chief executive officer of the bank's Islamic unit. The lender, which has operations in 10 nations including Malaysia and Saudi Arabia, is seeking to increase bank branches globally to about 125 over the next two years from 100 at the end of 2010, he said.

"Our ability to expand in these markets depends on how the regulatory environment changes in those countries," Fakih said in a telephone interview from London today. "Licensing to foreign banks is restrictive in certain markets. We would certainly like to see ourselves in the entire Middle East."

HSBC is trying to strengthen its brand in a market that has attracted competitors such as Barclays Plc, Citigroup Inc. and Standard Chartered Plc to tap wealth from the world's 1.6 billion Muslims. Global assets held by Shariah-compliant financial institutions may climb to $1.6 trillion in 2012 from about $1 trillion, the Kuala Lumpur-based Islamic Financial Services Board said in April.

HSBC ranked second among 31 Islamic bond underwriters this year, arranging $2.3 billion of the notes, or 17 percent of the total $13.5 billion, according to data compiled by Bloomberg. The bank had a market share of 13 percent last year.

Selling Bonds

India has no Islamic finance policies, and that is restricting sales of Shariah-compliant bonds in a nation with 157 million Muslims, according to Paris-based BNP Paribas SA and Standard Chartered. Prime Minister Manmohan Singh said last week during an official visit to Kuala Lumpur that he would ask the central bank to learn more about Islamic finance from Malaysia, the world's biggest market for sukuk.

Countries with smaller Muslim populations are taking steps to develop Islamic finance. Australia plans to amend laws to ensure products are taxed fairly, the national taxation board said on Oct. 13. South Africa, whose 737,000 Muslims account for 1.5 percent of its population, will forgo charging tax on three Islamic structures to allow home loans that meet Shariah principles, the country's Treasury department said in August.

HSBC Amanah bank has a "strong pipeline" of Islamic bonds over the next six to eight weeks, Fakih said. The bank is in discussions with new issuers in Asia and Europe seeking to sell sukuk next year, he said.

'Many Issuers'

"We continue to work with many issuers, both sovereigns and financial institutions, and we have a healthy pipeline in place globally," he said, declining to provide details.

Sales of sukuk fell 29 percent to $13.5 billion so far this year, from $19.1 billion in the same period of 2009, according to data compiled by Bloomberg. Islamic law, or Shariah, bars investment in industries such as gambling and alcohol, while sukuk are typically backed by assets such as real estate.

http://www.bloomberg.com/news/2010-11-03/hsbc-amanah-s-deputy-ceo-says-to-offer-islamic-finance-in-india-china.html

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Islamic finance out sources scholars' supervision to grow
Wednesday, October 03, 2010

Bankers in Islamic finance are increasingly outsourcing sharia supervision due to a lack of scholars in the industry, but critics say this is making the sector even less transparent and slowing its development.

The $1 trillion industry rode a five-year oil boom until the 2008 property crash in the Gulf Arab region raised complaints that many of its investment instruments can be seen

as mere copy-cats of conventional banking products, threatening the sector's future growth.

Critics say growth and product innovation is being further stifled by the limited number of top scholars available to join the sharia boards of Islamic banks, some sitting on up to 80 boards.

"In banking you can lose a deal in one day," said John Sandwick, a Geneva-based Islamic wealth and asset manager.

"If the scholars are not responsive, and we know it is literally impossible for one man to provide so much work, and then everyone suffers," he said.

Instead of maintaining their own costly sharia boards with prominent scholars, bankers are increasingly using consultancy firms that directly deal with the scholars.

"Instead of worrying about processing time with a few busy scholars, you get a professional team available to process your needs in real time," said Sandwick.

RUBBERSTAMP

During the boom years, scholars in the Gulf Arab region allowed investment firms to book large amounts of up-front fees on the money they raised for property deals, violating the Islamic principle that risk and rewards should be shared.

Critics say sharia consultancy firms will not bring about any real sharia supervision.

"They will have one or two people in their organisation to structure the product and then will just rubberstamp it from three or four scholars and pay them a fee and get it done for you," said Aly Khorshid, a scholar and sharia consultant based in the United Kingdom.

"Of course (outsourcing) is growing because they're going to the institutions and say give me x amount, I will get you a structure, a fatwa, a board, in no time," he said.

Bahrain-based industry body AAOIFI is drafting rules to regulate sharia scholars' shareholdings and the number of sharia supervisory boards a single scholar can sit on.

Khorshid said that the number of boards scholars can sit on should be limited to just one.

Currently, sharia boards only act as advisers and are not accountable for decisions as boards of directors would be.

"If you had the sharia board responsible and accountable for what's happening, then I don't think one person would engage in too many," said Khorshid.

Regulators such as the Islamic Financial Services Board (IFSB), an association of Islamic finance regulators, also seem to be wary of sharia outsourcing.

“In recent years there has been an increasing trend towards the formation of sharia advisory firms which offer services such as sharia audit/review, although they can not be considered as an alternative to a proper full-panel sharia board,” it says in its standard on sharia supervision.

Murat Unal, chief executive of consultancy Funds@Work that has researched the issue of sharia scholars, said that the problem was further compounded by the fact that sharia scholars also sit on the boards of standard setters like AAOIFI.

“They will certainly kick off reforms, but they won’t be as comprehensive as you would possibly wish for, because they will make sure not to step on each others’ feet,” he said.

He said one practical step would be to convince bankers and scholars to only have one top scholar on each board rather than three or four prominent ones, allowing a greater number of junior scholars to join boards.

http://www.kippreport.com/2010/11/islamic-finance-outsources-scholars-supervision-to-grow/?bnr=1

Despite Mideast Debt Woes, Shariah Banking Still Rising
Friday, October 05, 2010

A year after Dubai’s monster debt problems sent shockwaves though the Islamic bond world, sukuk is thriving again — and with it, Malaysia’s role as the center of gravity of international Islamic finance.

Although Islamic banking, investment and insurance activity are again gaining global ground, it is still relatively small and mainly concentrated in Malaysia and the United Arab Emirates, which are able to use local liquidity and government help to promote it outside their borders.

The Malaysian role is being further enhanced by the establishment of the International Islamic Liquidity Management Corp. being set up by several central banks.

The IILM will be based in Kuala Lumpur and is expected to start operations next year.

Islamic bonds have seen signs of acceptance among sovereign wealth funds and companies outside the Muslim world seeking Muslim funds.

Japanese financial giant Nomura made a $100 million issue, while half of a $500 million issue by the Islamic Development Bank was sold to European and East Asian investors.

Malaysia's state holding company, Khazanah, created a first for the Singapore sukuk market with a 1.5 billion Singapore dollar ($1.2 billion) issue.

Total outstanding Islamic bond issues are now over $100 billion from almost nothing five years ago.

Proponents of Islamic finance claim that, notwithstanding problems in Dubai and Kuwait in particular, they have proved more resilient than conventional financial products during the crisis.

They point to the fact that they avoid complex derivatives and all issues must be driven by an underlying economic and commercial purpose, not by pure speculation.

Islamic equity funds also outperformed conventional ones over the crisis period, albeit marginally.

However, skeptics suggest that other factors are at work.

Although Islamic finance is supposed to be about sharing risk and reward, the Dubai bailout by its richer emirate, Abu Dhabi, contradicted that principle.

Others point out that in the case of Malaysia, the leader in sukuk issues, almost all were by state entities including the government, Cagamas the mortgage institution, Khazanah and state oil company Petronas, and that most of the buying was by local Islamic banks and the state-managed pension funds.

Islamic banking is still a minority business in Islamic countries other than Iran and Saudi Arabia. Seven of the top 10 Islamic banks are Iranian.

In Malaysia, Islamic banking continues to gain market share, but even with much official support it is still only 20 percent of the system.

It is also growing in Indonesia and Turkey but from a very low base.

Islamic microfinance has recently been quite successful in Indonesia but the Muslim heartland of microfinance, Bangladesh, with its Grameen bank, has stuck with conventional forms.

Nor is there much evidence, aside from the IDB, that Islamic finance has become a way in which rich Islamic countries could help poorer ones by buying their sukuk issues.

Many continue to claim that there is scant practical difference between Islamic and conventional forms.

Be that as it may, there has been a significant narrowing of gaps in the interpretation of Shariah.

This impact on cross-border trade with Shariah scholars in the Gulf who do not accept the legitimacy of some compliance decisions made in other jurisdictions.

Disclosure standards are also often weak.

Convergence and disclosure are, however, increasing. Malaysia is forming a body of codes and practices in English.

The global crisis also showed some problems of dispute settlement and in realizing ownership of security for sukuk issues.

Gaps between civil law and its Shariah counterpart also present potential dangers.

For non-Muslim issuers there is also a problem of showing that funds raised are used in ways compatible with Shariah.

But again, Malaysia has largely avoided such problems with its orderly compliance system and efforts made to align Islamic products both with civil law and with internationally accepted accounting standards.

But not many Islamic countries are as organized as Malaysia where Bank Negara has been successful in developing Islamic finance mechanisms while running a tight ship for all forms of banking and finance.

At least for now, Islamic finance will continue to grow, helped by its acceptance by non-Muslim central banks of its global role.

The IILF stems from the creation of the Islamic Financial Services Board, which plays a role similar to the Basel committee of the Bank for International Settlements.

The liquidity facility coupled with increased issues will gradually enable the development of yield curves and other mechanisms that provide more benchmarks for comparisons with conventional yields.

http://www.thejakartaglobe.com/opinion/despite-mideast-debt-woes-shariah-banking-still-rising/405113

2. ISLAMIC BANKING & INSTITUTIONS

Tamweel relaunches home finance solutions; to offer up to 80% financing
Sunday, October 31, 2010

Tamweel PJSC, an Islamic home finance provider in the UAE, announced the relaunch of its core activities. Following the recent announcement on a significant increase in the equity stake in the company by Dubai Islamic Bank, Tamweel is now well positioned to support the country's real estate sector.

Beginning November 1, 2010, Tamweel will offer up to 80% financing of the current value of ready residential properties in Dubai and Abu Dhabi. Demonstrating its commitment to meeting the needs of end users, the company is extending finance to salaried and self-employed residents who meet the required eligibility criteria.

"Tamweel is back in business," said Varun Sood, Chief Executive Officer, Home Finance Division. "While the past two years have been extremely challenging for the company - during a period of unprecedented turmoil in the global real estate and financial services sectors - we have persevered. All of us at Tamweel are grateful for the support of our stakeholders over that period.

"With a renewed focus on prudence and conservatism, we are focused on booking a high-quality portfolio of select customers and properties," he said. "Today, our mission is to contribute to the stability and growth of the UAE real estate market, and to ensure that individuals can avail of the same high standard of products and services that made Tamweel a benchmark for the home finance industry."

Sood concluded: "We would especially like to thank the Government of Dubai, under the guidance of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai and the UAE Government-appointed Steering Committee for facilitating the return of Tamweel to the market."

http://www.ameinfo.com/247345.html

Tamweel to offer up to 80% financing
Sunday, October 31, 2010

UAE-based Islamic home finance provider Tamweel has announced the re-launch of its core activities, following the recent increase in the equity stake in the company by Dubai Islamic Bank. "Tamweel is back in business," Varun Sood, CEO, Home Finance Division, said. Beginning November 1, 2010, Tamweel will offer up to 80% financing of the current value of ready residential properties in Dubai and Abu Dhabi.

http://www.ameinfo.com/247367.html

ADIB issues US$750M Sukuk
Sunday, October 31, 2010

Abu Dhabi Islamic Bank (ADIB), a top-tier Islamic financial services group, has announced its first new Sukuk issue since 2006. The five-year Sukuk, rated A2 by Moody's and A+ by Fitch with a stable outlook from both rating agencies, will mature in November 2015. The US$750 million issue was priced at an expected profit rate of 3.745%, which is one of the lowest profit rates achieved for a five-year offering by a GCC Bank, and was oversubscribed by approximately 4.8 times.

Commenting on the strong demand for the ADIB issuance, Tirad Mahmoud, CEO of ADIB, said: "I am delighted that ADIB's return to the international capital markets was supported by extremely strong investor demand from across the Middle East, Europe and Asia. This is a testament to investors demand for ADIB's rare, and highly rated, credit. Moreover, this success highlights the investor confidence in Emirate of Abu Dhabi's vision and fundamentals and ADIB's status as Abu Dhabi's flagship Islamic Bank. With an orderbook of USD3.6 billion and an expected spread of 225 basis points over mid swaps, we have successfully diversified and extended the tenor of our funding base and this will enable ADIB to maintain its already successful customer centric growth strategy."

The book-runners for the Sukuk were Barclays Capital, HSBC (B&D) and Standard Chartered Bank and the co-leads were LMH and Nomura.

In conclusion, Tirad said: "While ADIB's new Sukuk issuance meets the strict investment guidelines of Islamic asset managers, pension funds and other investors, it attracted interest from a broad range of investors, including Central Banks, Banks, Asset Managers, Hedge Funds and Private Banks. We will build our relationships with our new partners and will involve them in our forthcoming initiatives and issuances and ADIB's geographic reach continues to grow."

http://www1.albawaba.com/main-headlines/adib-issues-us750m-sukuk

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Qatar Islamic Bank signs agreement with Ministry of Labor to sponsor Qatari students
Tuesday, October 02, 2010

Qatar Islamic Bank (QIB), the leading Islamic institution in Qatar and the owner of the largest Islamic banking network, signed a sponsorship agreement with the Ministry of Labor that enables 13 local students to study at the College of the North Atlantic.

The educational program is designed to prepare the students so they can join QIB's diverse team after graduation and start implementing their new skills.

The selected students will obtain diplomas in many different areas of specialization including customer service, banking services, accounting, financing, IT, and business.

General Manager of Human Capital, Dr. Ahmed Bin A. Al Kuwari, signed on behalf of QIB, and Mr. Mohammed Saad Al Marrikhi, the Director of National Manpower Development Department, signed the agreement on behalf of the Ministry of Labor. The local students were also a part of the process and signed their own individual contracts that related to the agreement. Mr. Amer M. Al-Jabri, QIB's Assistant General Manager and Mr. Abdulhadi Mubarak Al-Shahwani, QIB's Executive Manager both attended the signing ceremony. QIB was engaged in a similar agreement with the Ministry of Labor in 2009, and sponsored 10 students who enrolled in a 3 year finance related program at universities in Qatar and abroad.

Dr. Ahmed Al Kuwari commented on the program, "This agreement reflects QIB's commitment, adopted by the Board presided by HE Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani's, to the strategy to get Qataris engaged in the private and governmental sectors. Our program will enhance Qatarization in various sectors by developing and training locals. Providing additional knowledge and skills empowers citizens to shape Qatar's Dynamic job market."

"QIB considers this agreement as an investment in their human resources and will help fuel the bank's campaign to increase the number of Qatari employees while improving QIB's operations. QIB will provide students a 4 to 6 week training program that covers various sectors and allows the participants to further acquire important skills. The institution will also allocate monthly bonuses and provide comprehensive benefits such as helath care and more for the new employees," added Dr. Al Kuwari.

Mr. Mohammed Al Marrikhi said, "We would like to extend our gratitude to QIB for its efforts to attract and retain skilled nationals. This agreement between Qatar's Ministry of Labor, the students and QIB is helping to meet the country's Qatarization policy while improving skills within the region."

http://www.ameinfo.com/247600.html

Islamic bank buys Brookes housing block

Tuesday, October 02, 2010

An Islamic investment bank which has its headquarters in oil-rich Kuwait has snapped up a student accommodation block in Cowley for £28.95m.

The new building, on the former Territorial Army site at Slade Park, is built around a central courtyard and contains 350 en-suite rooms in apartments with independent kitchens and sitting areas, as well as 24 self-contained studios.

A spokesman for Oxford Brookes University, which will nominate the tenants in the block, said the new building will fulfill an important role as the university is obliged to reduce the numbers of students in private rented accommodation.

The Gatehouse Bank, a Sharia law-compliant subsidiary of Securities House Kuwait, will obtain a 9.63 per cent annual return on its money.

Sharia-compliant investors only put up money for projects which meet moral standards laid down by Islam and cannot invest in anything related to gambling or alcohol.

Philip Churchill, Gatehouse executive vice president and head of real estate said: “Student accommodation is an extremely well-established sector in the UK, worth £6.5bn.

“It is also one of the few sectors experiencing rental growth at the moment, with average increases of five per cent per annum over the last six years.”

Paul Large, register and clerk to the board at Brookes said: “The university is currently able to accommodate the vast majority of its first year students but is under an obligation to the City Council to reduce the number of students living in rented private houses to 3,000 or less.

To do this we must attract students (typical second and third year students) out of private houses into other types of accommodation.

“There is no significant increase in student numbers planned and we are simply continuing to work towards reducing the number of students renting private houses and will continue to pursue responsible options to achieve this.”

This year Gatehouse has already bought two other UK halls of residence — in Loughborough and in Liverpool. Its total investment in the sector is now £150m.

http://www.witneygazette.co.uk/business/8490037.Islamic_bank_buys_Brookes_housing_block/

Al Baraka undertakes first ever Islamic banking merger in Pakistan
Tuesday, October 02, 2010

Al Baraka Banking Group is the biggest Islamic banking group listed on the Bahrain Stock Exchange in terms of capitalization. It has been rated by Standard & Poor's as BBB- with a short-term rating of A-3. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Shariah.

The authorized capital of ABG is US$1.5 billion, while the total equity amounts to about US$1.59 billion.

"With assets of US$15 billion, the Group has a wide geographical presence in the form of subsidiary banking units in 12 countries, which in turn provide their services through more than 250 branches," Shafqaat Ahmed, Country Head (Pakistan**),** Al Baraka Islamic Bank

Can you give us some details about Al Baraka Islamic Bank's merger with Emirates Global Islamic Bank?

Al Baraka Islamic Bank has the honor of being the first Islamic Bank to undertake the first ever merger in the Islamic banking industry of Pakistan by taking over controlling stake of Emirates Global Islamic Bank (EGIBL), which has been approved by the State Bank of Pakistan. The Central Bank has recently notified de-scheduling of Al Baraka Islamic Bank

Pakistan operations on account of its merger with and into Emirates Global Islamic Bank with effect from the close of business on October 29, 2010.

Meanwhile, the regulator has also notified the change of name of Emirates Global Islamic Bank to 'Al Baraka Bank (Pakistan) Limited'.

The merger has led to the emergence of a new bank that has assets in excess of US$582 million and a network of 89 branches covering cities and towns in Pakistan.

The merger reflects Al Baraka Group to expand in the Pakistani market as part of its strategies to strengthen its presence and operations in promising Islamic markets. The merger creates a high value-addition not just for the merged financial institutions, but also for the banking and financial market in Pakistan.

The operations of Al Baraka Bank in Pakistan had achieved excellent results during the past years. This requires that we continue the efforts to achieve further expansion in these operations given the huge size of the Pakistani market. For this reason, we decided to undertake the merger with and into the Emirates Global Islamic Bank, which had enjoyed a significant and successful presence since it was established in Pakistan.

We are confident that this merger will benefit the shareholders of both banks as well as the Pakistani economy.

How is this merger going to be implemented?

Shafqaat Ahmed: Initially all Al Baraka bank branches will be merged into Emirates Global Islamic Bank Limited, which will be followed by the change of name to 'Al Baraka Bank (Pakistan) Limited'.

What makes the newly merged Al Baraka Bank (Pakistan) Limited stand out in Pakistan's Islamic banking market?

Shafqaat Ahmed: The newly merged Islamic bank will have substantial capital resources and a wide branch network that would enable it to play a truly leading role in the Pakistani banking market and provide a full range of Islamic banking services, supported by the extensive resources and expertise of the well established parent company Albaraka Banking Group (ABG) and its twelve subsidiary banking units in various parts of the world, as well as the solid and wide presence in the Pakistani market.

Can you please highlight the operations Al Baraka Bank since its inception in Pakistan?

Shafqaat Ahmed: The presence of Al Baraka Islamic Bank in the Pakistani market dates back to more than 20 years ago and the Bank has the honor of being the pioneer of Islamic banking in Pakistan.

It had 29 branches that offer all types of Islamic banking products and services, which in turn had earned the bank a high standing in Pakistan and the trust of the Pakistani businessmen and investors communities.

Over the years, the bank has successfully developed and maintained its identity as one of the leading providers of a host of banking products and services in strict compliance with Shariah principles.

Al Baraka offers a wide array of Islamic financing products such as Murabaha, Ijara, Musharaka and Islamic Export Refinance, etc., catering to a diverse cross-section of the economy, including the Corporate, SME and Consumer sectors. Moreover, various Shariah compliant deposit schemes are available for customers to invest their funds in, along with a variety of other ancillary services such as online banking, ATM/debit card, safe deposit lockers and utility bill payments etc.

Where does Al Baraka Islamic Bank currently stands in terms of credit rating?

Shafqaat Ahmed: JCR-VIS Credit Rating Co Ltd. has reaffirmed the medium to long term ratings of Albaraka Islamic Bank B.S.C. © - Pakistan Branches (AIB) at 'A/A-1' (Single A/A-One). Outlook on the assigned rating is stable.The reaffirmation takes into account AIB's association with Al-Baraka Banking Group (ABG), a Bahrain based Joint Stock Company listed on the Bahrain Stock Exchange and NASDAQ Dubai Stock Exchange.

What's your opinion about the growth and challenges faced by Islamic Banking in Pakistan?

Shafqaat Ahmed: It seems that Islamic banking institutions have improved their market share in Pakistan's banking industry despite prevailing depressive economic situation. Islamic banking continued to flourish and increased its share in banking system to 6.1 per cent at the end of June 2010 from 5.1 per cent in June 2009. However, the biggest challenge to promote Islamic banking in the country is lack of awareness about Islamic banking concepts among general public.

The stakeholders, including bankers and practitioners must play their due role in promotion of Islamic banking products. The apprehensions and confusion about Islamic banking among masses needs to be removed. The second major issue is capacity of banking sector where share of Islamic banking needs to be improved.

The macroeconomic situation of Pakistan is not so encouraging nowadays; nonetheless, you decided to expand Al Baraka Bank's operations in Pakistan. What are your plans for ensuring handsome returns on equity?

Shafqaat Ahmed: Although the economic performance has depressed nowadays and Pakistan was going through difficult times, we, however, consider Pakistan as one of the most important markets in the Muslim world where the future of Islamic banking is prosperous. We have made this investment on long term basis and I am pretty much optimistic that we will be able to ensure good returns on our equity keeping in view the wide scope and the massive untapped Islamic banking market of Pakistan.

Albaraka Banking Group is committed to expanding its presence in Pakistan, which is evident from the rapid growth being undertaken by Al Baraka Islamic Bank in the country and its plans to have its Pakistan operations localised as a Bank registered in Pakistan.

What are your plans towards streamlining the human capital of the newly merged bank? Any plans for lay offs after the merger?

Shafqaat Ahmed: We have no plans for any kind of lay offs after the merger with Emirates Global Islamic Bank as the bank is already well equipped with a sound and professional human capital. We will be focusing on further polishing the skills of the newly emerged bank's human capital by imparting special training so that they could become a valuable asset of the bank.

http://www.zawya.com/story.cfm/sidZAWYA20101102042651

Meezan Bank to promote Islamic Banking
Thursday, October 04, 2010

KARACHI: The Islamabad International Islamic University and Development Finance Support Unit (DFSU) of State Bank of Pakistan organised a seminar on Islamic Banking and Finance in Pakistan: Issues, Challenges and Way Forward' Wednesday. The objective was to create better awareness about Islamic Banking, dispel the misunderstandings about it and give access to the general public to the key people in the Islamic Banking sector for one-on-one discussions, answering queries and developing a better understanding of the concepts of Islamic finance, Over 600 guests included a large number of traders and prominent businessmen attended the seminar. staff report

http://www.dailytimes.com.pk/default.asp?page=2010\11\04\story_4-11-2010_pg10_2

UBL Funds launches Islamic Savings Scheme
Thursday, October 04, 2010

KARACHI: UBL Fund Managers Limited has announced the launch of its new Shariah-compliant savings scheme – UBL Islamic Savings Fund (UISF). The scheme will open for public subscription from November 5, 2010. UBL Islamic Savings Fund (UISF) is an open-end Shariah-compliant income scheme that is designed for investors who are looking to earn 'Halal' income on their savings. Staff report

http://www.dailytimes.com.pk/default.asp?page=2010\11\04\story_4-11-2010_pg10_4

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3. SUKUK (ISLAMIC BONDS)

Al Baraka Egypt unit eyes up to $150 mln sukuk sale
Sunday, October 31, 2010

The Egyptian unit of Bahrain's Islamic lender Al Baraka plans to issue a sukuk, or Islamic bond, to rise about up to $150 million next year, the chief executive of the group said on Sunday.

"We have not yet finalised (the issue) because we have to do the structure....for it from the Islamic point of view," Adnan Yousif told reporters on the sidelines of a conference in Kuwait.

He said Al Baraka's Egyptian unit would use the funds to restructure its balance sheet and fund expansion.

Gulf Arab banks are trying to expand in Egypt, but the country's Islamic finance industry is still in its infancy as its government fears it could give a boost to Islamists.

The head of the Egyptian Financial Supervisory Authority (EFSA) said in April that Egypt plans to issue its first regulations governing sukuk in the second half of this year.

Al Baraka group also has plans to issue a $200 million sukuk by year-end.

Sukuk are structured around underlying assets that generate returns to bondholders. The market is expected to recover over the coming months alongside fixed-income markets in the Gulf that were hit by Dubai's debt woes and the European debt crisis.

http://af.reuters.com/article/investingNews/idAFJOE69U08Z20101031

Bank raises $970m in sukuks
Sunday, October 31, 2010

DUBAI - ABU Dhabi Islamic Bank announced Sunday a US$750 million (S$970 million) issue of five-year sukuk Islamic bonds, the first since 2006, rated A2 by Moody's and A+ by Fitch with a stable outlook from both.

The second largest Islamic lender in the United Arab Emirates said in a statement that the issue was oversubscribed by nearly 4.8 times, adding the demand highlights confidence in the bank.

'I am delighted that ADIB's return to the international capital markets was supported by extremely strong investor demand from across the Middle East, Europe and Asia,' said Tirad Mahmoud, ADIB's chief executive officer.

'This success highlights the investor confidence in (the) emirate of Abu Dhabi's vision and fundamentals, and ADIB's status as Abu Dhabi's flagship Islamic bank.'

The issue was priced at an expected profit rate of 3.745 per cent, ADIB said, adding that it was the lowest rate achieved for a five-year offering by a Gulf bank.

The book-runners for the sukuk were Barclays Capital, HSBC and Standard Chartered Bank and the co-leads were LMH and Nomura, it said. -- AFP

http://www.straitstimes.com/BreakingNews/Money/Story/STIStory_597646.html

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Dow Jones Indexes Named Best Islamic Index Provider in IFN Award Poll
Monday, October 01, 2010

Dow Jones Indexes, a leading global index provider, today announced that it has been named "Best Islamic Index Provider" in the Islamic Finance News (IFN) award poll for the 4th consecutive year.

"We are honored to receive this prestigious award for the fourth year in a row. The Dow Jones Islamic Market index series is one of our finest achievements in terms of innovation, design and market acceptance," said Michael A. Petronella, president, Dow Jones Indexes. "As Islamic finance grows and evolves worldwide, we are committed to continue providing meaningful, new Islamic indexes."

Launched in 1999, the Dow Jones Islamic Market Indexes were the first indexes intended to measure the global universe of investable equities that pass screens for Shari'ah compliance. With more than 100 indexes, the series is the most comprehensive family of Islamic market measures and includes regional, country, and industry indexes, all of which are subsets of the Dow Jones Islamic Market Index. An independent Shari'ah

Supervisory Board counsels Dow Jones Indexes on matters related to the compliance of index-eligible companies.

In the past 6 years, the Dow Jones Islamic Market index series has won 21 industry awards by organizations, research institutions and magazines around the world; amongst them are the International Islamic Finance Forum, the Kuala Lumpur Islamic Finance Forum, the Islamic Center of Southern California, Global Finance Magazine, Islamic Business & Finance Magazine and Incisive Media.

There are currently more than 150 licensees with more than US$7 billion in assets benchmarked to the Dow Jones Islamic Market Indexes. For more information on the Dow Jones Islamic Market Indexes

About Dow Jones Indexes

Dow Jones Indexes (www.djindexes.com) is a leading full-service index provider that develops, maintains and licenses indexes for use as benchmarks and as the basis of investment products. Best-known for the Dow Jones Industrial Average, Dow Jones Indexes offers more than 130,000 equity indexes as well as fixed-income and alternative indexes, including measures of hedge funds, commodities and real estate. Dow Jones Indexes employs clear, unbiased and systematic methodologies that are fully integrated within index families. Dow Jones Indexes is part of a joint venture company owned 90 percent by CME Group Inc. (www.cmegroup.com) and 10 percent by Dow Jones & Company, Inc. (www.dowjones.com), a News Corporation company (Nasdaq:NWS) (Nasdaq:NWSA) (ASX:NWS) (ASX:NWSLV) (www.newscorp.com).

The Dow Jones Indexes logo is available at
http://www.globenewswire.com/newsroom/prs/?pkgid=1289

http://www.thestreet.com/story/10905991/1/dow-jones-indexes-named-best-islamic-index-provider-in-ifn-award-poll.html

The Association of Islamic Banking to Develop Malaysian Sukuk Ringgit Index
Monday, October 01, 2010

The Association of Islamic Banking Institutions Malaysia (AIBIM) is working to develop a Malaysian Ringgit sukuk (Islamic bonds) index to measure the performance of highly liquid, high grade bonds, including on- the-run Ringgit-denominated sukuk in Malaysia.

The index is expected to be mainly for use as a benchmark for investors seeking exposure to Syariah- compliant fixed-income securities, the association said in a statement here Thursday.

"The goal is to create a new Malaysian Ringgit sukuk benchmark index, as well as spur the creation of customised index-linked products," said AIBIM president Zukri Samat in the statement.

"We are confident that this index will not only act as the Islamic benchmark of choice among investors, but will also contribute towards strengthening further the foundation of Islamic finance, in terms of its viability, and sustainability, particularly in this challenging global financial environment."

The sukuk index is expected to become another milestone for Malaysia's Islamic financial services industry (IFSI) and will support the government's efforts to promote Malaysia as the global Islamic financial hub.

AIBIM believes that the index would help stimulate further innovation among member institutions to meet demand for competitively priced, effective and all-encompassing products.

The Islamic capital market in Malaysia has emerged as an IFSI segment with huge growth potential, the association said, noting that today, the country had the full spectrum of products, infrastructure, institutions, intermediaries and investors, contributing to the development and greater depth of the overall capital market.

AIBIM said Islamic capital market products and services had also become an integral part of Malaysia's overall capital market landscape, able to offer viable and competitive alternatives to conventional peers.

"The strategic cross-border alliances with leading global players by our market intermediaries and institutions as well as the direct participation of Malaysian intermediaries in some foreign markets will greatly contribute towards enhancing international presence for Malaysian products and services," it said.

"Through strategic partnerships and collaborative efforts, we will be able to build an extensive and leading-edge Islamic financial community that can compete globally."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1187

Global Sukuk Sales to Hit $46bn in 2011'
Monday, October 01, 2010

The global Islamic bond market could see issues of close to $46bn in 2011 as investor confidence returns and new issuers emerge in the growing Islamic finance industry, BMB Islamic's chief executive said.

With economies recovering from the financial crisis and the restructuring of state-owned entities like Dubai World gaining momentum, sukuk is once again going to emerge as the preferred way to raise money, Humayon Dar on the sidelines of a conference in Dubai.

BMB Islamic is the Shariah advisory and structuring subsidiary of Cayman Islands-based BMB Group which has businesses that include wealth management, infrastructure and real estate. Dar said the sukuk market would return to pre-crisis levels next year, hitting near the 46bn mark.

"Even now, in 2010, there has been a lot of activity in Islamic finance and that trend will continue," Dar said. However, global analysts polled by Reuters have been more cautious, predicting that global sukuk issuances could be below $25bn next year.

Until the last couple of months, the sale of Islamic bonds in the Gulf region was at a near-standstill, with Saudi Arabia's Dar al Arkan holding the only international sukuk issue. Malaysia has not slowed down, issuing 62.5% of the world's Islamic bonds in the first three quarters of the year.

Dar said more sukuk issues will come out of Malaysia and there should be a revival in the Gulf, boosted in part by the restructuring of Dubai World, and its unit, Nakheel.

Nakheel is expected to issue a $1.6bn Islamic bond as part of its restructuring to help pay off its debts and that should be helpful to the market.

"Before all of these restructuring, investors weren't sure if restructuring was possible in Shariah," he said. Since , the region has seen offerings as varied as Kuveyt Turk's three-year $100mn Islamic bond—the first sukuk out of secular Turkey—and Qatar Islamic Bank's $750mn sukuk.

Abu Dhabi Islamic Bank launched a non-equity investor roadshow in Asia, Europe and the Middle East last week, while a specialist at Saudi Hollandi Bank Saudi firms may launch as much as 10 sukuk in 2011 as confidence returns.

Dar said after talking to European lenders, he expects more issues out of Europe. "Primarily we will see European investment banks" looking to issue more sukuk and

develop other structured finance products, he said. Dar said he was advising a French-based bank in Luxembourg on creating a Shariah-based structured finance platform.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1189

Persian Gulf banks go for a rebound of $1.5 billion sukuk bonds
Wednesday, October 03, 2010

There is a sudden spread in the Islamic debt market in the Persian Gulf countries within the last few months. The investors sold the sukuk bonds with lower debt ratings in order to raise funds for new issuance of sukuk bonds that are state-backed.

The Islamic finance has spread widely and due to the huge returns from investing in Islamic bonds or sukuk, more and more people are investing and utilizing the proceeds in paying off debt relief services. The sale of Islamic bonds by the banks of the Persian Gulf countries may rise up to $1.5 billion in the month of October, 2010, that will be highest in record. This positive statistic is luring investors to invest in the Persian Gulf banks that are supporting the Islamic finance.

It has been reported that a multilateral Jeddah-based bank in the Persian Gulf has sold $500 million sukuk bonds with maturity of 5 year and they have yielded 40 points and has again set new standards for Islamic finance investment. Abu Dhabi Islamic bank and the UAE, which the second-largest among Islamic banks are also expected to put up for sale $1 billion of Islamic debt. Such offerings would fetch $2.5 billion of issuance this year from the financial institutions
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After the two years of provisioning and write downs, most banks in the Persian Gulf are going ahead as they are the ones who are always in need of cash flow. The sale of Islamic bonds from the 6 countries that constitutes the GCC (Gulf Cooperation Council) is increasing after the Agreement of the Dubai World. It was agreed in this meeting that 99% of the credit or will amend the terms and conditions on the borrowings worth $24.9 billion and reduce the hazard that the company can default and thus strengthen then appetite of the investor for debt in that particular region. With such financial changes, economic growth will step up to 4.1% in the year 2010, from a 2% in the previous year in the Middle East and North Africa.

The sale of the Shariah-compliant bonds by the Gulf financial institutions and banks have also escalated 15.5% in the year 2010. Islamic notes that were sold by the issuers have returned to 12.2% within this same period. The Islamic debt in the developing financial markets has increased by 15.8%. The average yield in the Islamic bonds has maintained a consistent rate and this is attracting most investors to invest in the Islamic financial

market. Especially, those who are mired in debt can easily eliminate their debt burden by utilizing the proceeds of Islamic bond investment in paying off debt relief services.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1193

Bahrain GFH looks to extend £200m bond
Wednesday, October 03, 2010

Bahrain-based Shari'ah-compliant investment firm Gulf Finance House (GFH) plans to ask holders of its $200m Islamic bond to extend its maturity by three years to 2015 from 2012, as part of its debt restructuring, Reuters has reported. "This is the final element of getting a really smooth maturity profile in place, so that cash generated over the next years goes into growth," a GFH spokesman said.

http://www.ameinfo.com/247718.html

Sukuk sales hit $5.3bn in Oct, aided by Gulf
Wednesday, October 03, 2010

The global Islamic bond market saw issues of $5.3bn in October as investor confidence returned, aided by major issues from Gulf states, data from Zawya showed.

A total of $39bn worth of sukuk were issued in the first ten months of the year, indicating that global investors are keen to dabble in Islamic bonds, said Zawya analyst Adnan Halawi.

“Sukuk in the GCC is back on track and the rest of the world is warming up to the benefits of Islamic bonds,” he said. “October was marked by diversity of issuing countries with major issues from Qatar, Saudi Arabia, Malaysia and Indonesia.”

Qatar Bank issued the largest Islamic bond of the month with a $750m wakala sukuk, which listed on the London Stock Exchange and marked the emirate’s first corporate issue of the year.

Saudi-based Islamic Development Bank (IDB) followed suit on October 27 with a five-year $500m, part of its $3.5bn IMTN sukuk program.

Listed on both the London Stock Exchange and Bursa Malaysia, 54 percent of the sukuk was allocated to Middle Eastern investors and 34 percent to Asian investors. The remainder of the issue was allocated to buyers from Europe.

The month concluded with Malaysia’s toll-road operator Konsortium Lebuhraya Utara-Timur (Kesturi) issuing a MYR820m ($365.7m) IMTN sukuk in the domestic market to redeem an existing sukuk.

Looking ahead in November and Abu Dhabi Islamic Bank, the emirate's largest Islamic lender by market value, is expected to issue a $750m sukuk, as part of its $5bn sukuk programme.

This benchmark sukuk will also be listed on the London Stock Exchange.

A long-delayed $1bn sukuk from Saudi's Jubail Refining and Petrochemical Company is expected to launch in the fourth quarter.

Also from Saudi Arabia, Ahmed Salem Bugshan Group (ASB) is said to be planning to raise as much as $100m, selling five-year Islamic bonds to fund projects.

Globally, Australia announced plans to ensure Islamic finance products are taxed fairly in a bid to attract investors from the Middle East and Asia, paving the way for sukuk sales.

Jordan's first law covering the issuance of sovereign Islamic sukuk is being finalized, while Egypt, India, Canada and Australia are also whispered to join the list of issuing countries.

"Governments continued to implement regulatory changes and tax amendments to facilitate the issuance of sukuk on the one hand, while countries where sukuk are already issued continue to introduce enhancements to secure a bigger share of the fast-growing Islamic finance industry," said Halawi.

http://www.arabianbusiness.com/sukuk-sales-hit-5-3bn-in-oct-aided-by-gulf-359709.html

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GCC sukuk activity rebounds
Thursday, October 04, 2010

Sukuk in the Gulf Cooperation Council (GCC) nations are back on track as the Shariah-compliant products witness continued development with major issues originated from Qatar and Saudi Arabia during October.

Last month, $5.3 billion worth of sukuk were issued globally taking the total issued in the first ten months of 2010 to $39 billion, according to data compiled by Zawya's Sukuk Monitor.

Sukuk is known as Islamic bond, but actually its certificates of ownership. Sukuk are asset-backed securities designed to provide a relatively fixed stream of investment income without violating the Islamic prohibition on interest.

In November, the UAE witnessed $750 million sukuk by one of the country's largest Islamic financial institutions. Abu Dhabi Islamic Bank**,** or ADIB, issued $750 million sukuk - part of its $5 billion sukuk programme. This benchmark sukuk will be listed on the London Stock Exchange.

"Data from Zawya Sukuk Monitor shows that sukuk in the GCC is back on track and the rest of the world is warming up to the benefits of Islamic bonds," said Adnan Halawi, Senior Sukuk Analyst, Zawya. "October was marked by diversity of issuing countries with major issues from Qatar, Saudi Arabia, Malaysia and Indonesia."

On October 7, Qatar Islamic Bank issued a $750 million wakala sukuk. Rated 'A' by Fitch and listed on the London Stock Exchange, the issue represented the first corporate issue out of Qatar this year.

The Saudi-based Islamic Development Bank (IDB) followed suit by issuing a five-year $500 million - part of its $3.5 billion IMTN sukuk programme on October 27.

The month concluded with Malaysia's toll-road operator Konsortium Lebuhraya Utara-Timur (Kesturi) issuing an MYR820 IMTN sukuk in the domestic market to redeem existing sukuk.

The long-delayed $1billion Jubail Refining and Petrochemical Company's sukuk is expected to launch in the fourth quarter. Also from Saudi Arabia, Ahmed Salem Bugshan Group is said to be planning to raise as much as $100 million, selling five-year Islamic bonds to fund projects. In Pakistan, the government may sell around Rs40 billion of sukuk in November.

Separately, sukuk and bond issuances in the Middle East and North Africa (MENA) region totaled $24.2 billion in the first half of 2010, staging a broad-based recovery and ushering in much needed stability to regional capital markets.

Planned capital expenditure and infrastructure investments are likely to drive the MENA debt markets in the coming quarters, staving off the period of uncertainty currently prevalent due to the European sovereign debt crisis and the Dubai World restructuring.

The Mena bond market with its huge untapped potential is a fertile ground for investors, particularly retail investors, according to a latest report 'MENA Bond Market: Untapped Potential and its Impact on Your Portfolio' by alternate asset management firm, Al Masah Capital.

"The sizeable sukuk pipeline for 2010 and 2011 indicates significant expansion of debt financing in the region. The situation has improved markedly as there have been key, successful issuances in the MENA bond markets in the first half of this year," said Shailesh Dash, Founder and Chief Executive Officer of Al Masah Capital.

"The recent issuances have provided stability to bond markets, raising optimism over its future performance and lifting overall investor sentiment. We believe that the recovery in oil prices and high amount of economic activity in the form of massive investments in non-oil sectors will aid the future growth of debt markets in the region," Dash said.

http://www.zawya.com/story.cfm/sidZAWYA20101104041434/GCC%20sukuk%20activity%20rebounds

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New Sovereign to sell Islamic bonds, says Citigroup
Friday, October 05, 2010

Citigroup is working on several issues from Middle East and new markets to be carried out by the end of the first quarter of 2011

An unnamed government new to Islamic finance is scheduled for its first sukuk issue before the end of March, Citigroup's director of global Islamic banking said in Beirut today.

Declining to provide further details, Dubai based Hulusi Horozoglu said: "The size of the issue is not decided yet."

Citigroup is working on several issues from the Middle East and new markets which should be carried out by the end of the first quarter of 2011, he said. The bank should lead a number of sales of Islamic debt, or sukuk, from Turkey next year, Horozoglu said.

The new Turkish issues will probably be bigger than the $100 million sold by Kuveyt Turk Katilim Bankasi AS, a bank, in August, he said.

Sales of sukuk fell 29 percent to $13.5 billion as of November 4 after reaching a record $31 billion in 2007 before the collapse of the credit markets drove investors away from all but the safest government securities, according to data compiled by Bloomberg.

Islamic law, or Shariah, bars investment in industries such as gambling and alcohol, while sukuk are typically backed by assets such as real estate.

http://www.arabianbusiness.com/new-sovereign-sell-islamic-bonds-says-citigroup--360272.html

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Al-Omar: Sukuk suitable tool for governments to finance projects
Saturday, October 06, 2010

Kuwait Finance House (KFH) CEO Mohammed Al-Omar stated that that the Fatwa and Shariah Supervisory Authority has embodied the moral and social responsibility towards the society as a unit that operates in harmony to protect the client by ensuring that all banking transactions are Shariah compliant. The authority has played a pivotal role in developing numerous products that caused a paradigm shift in the in the history of Islamic banking. He appealed to governments to resort to Sukuk, since Sukuk have greatly succeeded in financing many projects, which made Sukuk highly demanded by worldwide.

Al-Omar added in a paper that he presented during the Islamic Financial Institutions Forum in Beirut, that Sukuk are considered to be the Shariah compliant alternative for bonds, were not granted an opportunity to highlight its role as a suitable financing tool, despite the advantages that Sukuk have, such as creating assets that have a specific value, which makes the financing process based on real tangible assets, in addition to the fact that it does not burden governments and companies. He stressed that Islamic banks work on taking advantage of resources, and mentioned that Islamic banks have become an important sector in the global economy and abides by the requirements and regulations that others follow, but still maintaining its different work nature. He also stressed the importance of developing Basel standards 2 and 3, reinforcing risks management departments at banks and Islamic financial institutions, and boosting the performance of studies sections.

Al-Omar elaborated in his work paper about Islamic banks by saying that they are about to overcome the negative impact of the financial crisis, but still requiring the governmental support that has become an essential matter. He said that the crisis has resulted in the restructuring of the international financial infrastructure, the theories that govern growth, and the assumption of governmental expenditure.

The importance of Islamic banks lie in its ability to offer investment companies solutions to regain their ability to grow, in addition to their ability to expand their gigantic regional investment circle, where Islamic banks depend on real investments and they always seek to take part in the efforts of restoring faith in the market, in addition to developing financial tools that depend on using governmental and banking financing, and amending Sukuk legislations to provide more sources of support and financing.

Concerning the social responsibility role, he stated that KFH believes in the role of money in developing the society, assisting in the government's development projects, and catering to various society segments. He mentioned that the major fields of social responsibility, which include youth, health, education, and people with special needs, in addition to caring for those in need and supporting charitable and social events, such as establishing an addiction treatment medical center, 15 emergency medical centers, taking part in an international awareness campaign about diabetes, and a center that occupies 7000 square meters for people with special needs, and supporting governmental schools by equipping them with educational electronic devices.

Moreover, KFH developed Al-Kheir banking card, where KFH Donates part of its returns to send the poor to Haj and Umrah, where 5 pilgrims were sent to Haj in collaboration with the Ministry of Awqaf since launching the card last year.

Furthermore, KFH has been committed to the traditions and values of the society, which prompted it to establish branches for its female clients, which resulted in the formation of KFH Female staff that are capable of assisting female clients to manage their wealth.

In addition to that, KFH managed to finance houses for 30,000 Kuwaiti families over a period of 15 years. The project cost USD 4 billion.

http://www.zawya.com/story.cfm/sidZAWYA20101106101101

4. TAKAFUL (ISLAMIC INSURANCE)

JV Regional Takaful Market Attracting I-Great Capital Holdings
Monday, October 01, 2010

I Great Capital Holdings Sdn Bhd (i-Great), the parent of the new joint venture (JV) takaful licensee Great Eastern Takaful Sdn Bhd, hope to expand its Islamic insurance operations in Indonesia and Brunei by the second half of next year in line with its aspiration to become a key takaful player in South-East Asia by 2015.

The company also plans to penetrate Singapore and China over the next three to five years. I-Great, a subsidiary of Great Eastern Holdings Ltd, would function as Great Eastern's Islamic finance headquarters in Kuala Lumpur and would drive the takaful business expansion beyond Malaysia's shores to the region.

I- Great Eastern Takaful also targets over the next five years to achieve RM1bil in premium income, driven by its ister company Great Eastern Life Assurance Malaysia Bhd's 17,000 agents and 21 branches.

'Malaysia will be our takaful hub.'Awarded a takaful licence on Sept 1,the company expects to receive the operating licence from Bank Negara soon, according to Great Eastern Takaful chief executive officer Mohamad Salihuddin Ahmad.I-Great holds 70% stake in Great Eastern Takaful and the balance is held by Koperasi Angkatan Tentera Malaysia Bhd (KAT).

"Malaysia will be our takaful hub and we will use it as a launch pad to expand into these countries," Salihuddin said.

"In Indonesia, the Great Eastern group already has a syariah window and we intend to widen our footprint by converting it to a full-fledged takaful company."We have engaged a local Indonesian research company to conduct a feasibility study there.

"Although Indonesia has the biggest Muslim population, the penetration of takaful is less than 1% and hence the country presents a good market for us.

"For Brunei, demand for syariah-compliant products including takaful is strong although its population is only half a million," he said during an interview.

On China, Salihuddin said Great Eastern would leverage on its presence in the Muslim belt of China where there were more than 30 million Muslims.

He said with the large agency force it would be able to penetrate the takaful market which was currently still largely untapped with a penetration rate of about 8% compared with 41% for conventional insurance.He felt even though with 12 players now, the market for takaful was big enough for everyone.

The company is also collaborating with the International Centre For Education In Islamic Finance to syariah principles.Salihuddin said the takaful industry currently faced a talent shortage and he urged graduates to venture into this industry.

At the same time there was a need to create greater awareness on takaful as many were still not aware of the benefits of takaful which was based on the concept of profit- and risk-sharing, he added.

He also said Great Eastern Takaful would accept all proposals/applications and relevant submissions electronically, and to prevent a policy/certificate from lapsing, it would not accept cash periodically.

Instead payments would have to be via credit card, salary deductions or auto-debit.Great Eastern Takafuls one of four recipients of a takaful licence from the central bank. The other three are JVs between AMMB Holdings Bhd and UK's Friends Provident Group plc; Public Bank Bhd, Public Islamic Bank Bhd and ING Management Holdings (M) Sdn Bhd; and American International Assurance Bhd and Alliance Bank Malaysia Bhd

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1188

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5. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

World Islamic Banking Conference to discuss new growth paradigms for Islamic finance
Tuesday, October 02, 2010

As the global Islamic finance industry enters the next phase of growth, more than 1,200 industry leaders, senior decision-makers and key regulators from over 50 countries are set to gather at the 17th Annual World Islamic Banking Conference (WIBC 2010). Hosted with the official support of the Central Bank of Bahrain, WIBC 2010 will be held at the Gulf International Convention Centre, Gulf Hotel from the 22nd to 24th of November 2010 in the Kingdom of Bahrain.

The theme for this year's WIBC, "Building a new growth paradigm - Islamic banking and the new global financial landscape", reflects the future outlook that leading Islamic

finance institutions are now adopting as they seek to successfully compete in the new business environment. Discussions at WIBC 2010 will emphasize strategies for ensuring a healthy recovery and rebuilding sustainable growth trajectories for the Islamic finance industry in the new global financial landscape.

Speaking ahead of the conference, Abdul-Kareem Abu Al-Nasr, Chief Executive Officer of the National Commercial Bank (NCB) said, "This year's WIBC comes at a crucial time for the international industry as Islamic financial institutions seek to further advance their successful achievements in the new global financial landscape. NCB has been a strong supporter of the WIBC for many years and the Group is delighted to join WIBC 2010 as Platinum Strategic Partners, highlighting our long history of innovation in Islamic finance."

Discussions at WIBC 2010 will emphasize strategies for ensuring a healthy recovery and sustaining growth trajectories for the Islamic finance industry in the new global financial landscape. "The new, improved and upgraded format of this year's WIBC goes beyond the 'conference basics'; not only providing meaningful new research insights but also tackling the big picture industry-changing scenarios through a combination of high-profile plenary sessions and more intimate groupings enabling greater interaction," said David McLean, Managing Director of WIBC 2010.

Speaking and providing regulatory perspectives on strengthening the industry foundations at the inaugural keynote session of this year's conference will be H.E. Rasheed M. Al Maraj, Governor, Central Bank of Bahrain; H.E. Abdul Qadeer Fitrat, Governor, Central Bank of Afghanistan; and H.E. Khaled Mohammed Al-Aboodi, Chief Executive Officer & General Manager, The Islamic Corporation for the Development of the Private Sector, the private sector arm of the Islamic Development Bank Group (IDB), Saudi Arabia.

A highlight of WIBC 2010 will be the new innovative Power Debate led by internationally respected CEOs and industry leaders on the new strategies vital to the success of Islamic finance in the new global financial landscape. This dynamic power debate will feature Tirad Mahmoud, Chief Executive Officer, Abu Dhabi Islamic Bank (ADIB); Hussain AlQemzi, Group Chief Executive Officer, Noor Islamic Bank & Noor Investment Group; Samad Sirohey, Chief Executive Officer, Citi Islamic Investment Bank; Ibrahim Hassan, Chief Executive Officer, Maybank Islamic; and Dr. Salah Addeen Abdulqader Saeed, General Manager - Credit & Risk Management, Bahrain Islamic Bank.

Confirming his participation in the session Hussain AlQemzi, Group Chief Executive Officer, Noor Islamic Bank & Noor Investment Group said, "The World Islamic Banking Conference brings together a unique group of global experts to engage in critical discussions about the most pressing issues today. What emerges is superior insight and inspiring advice about our industry that tends to give every participant a deeper acknowledgement and appreciation for what the future holds. This truly is an invaluable resource for the global industry players."

WIBC 2010 will also feature the exclusive launch of the eagerly anticipated 2010/11 edition of the WIBC Competitiveness Report. Developed in collaboration with McKinsey & Company, the Report now in its 7th annual edition will examine the overall competitiveness of the sector, including its achievements and the challenges it faces; a new focus on the affluent high-net worth segment of Islamic banking; how to measure "real" performance; and the present and future opportunities in the Takaful market.

In addition to an exclusive opening keynote address on catalyzing growth of Islamic finance in Asian markets by Ng Nam Sin, Assistant Governor (Development), Monetary Authority of Singapore, the second day of the conference will feature a specially convened Guru keynote session by world renowned investment leader and emerging markets guru, Mark Mobius, Executive Chairman of Templeton Emerging Markets Group.

As a part of the world comes to the WIBC initiative a leading panel of international experts will converge at the Country Focus Roundtable at WIBC to address how well positioned Islamic banks can explore international growth opportunities in the most dynamically evolving high-growth markets for Islamic finance.

For the first time ever, WIBC 2010 will also feature an exclusive session by Ernst & Young providing a comprehensive update on two of their most significant reports released in 2010 - the Ernst & Young World Takaful Report 2010 and the Ernst & Young Islamic Funds and Investments Report 2010. The sessions, led by Ashar Nazim, Director and Head - Islamic Financial Services Group Advisory Services (IFSG), Ernst & Young Bahrain will further analyze the key findings of the Reports and discuss the latest developments since their original launch.

http://www.ameinfo.com/247625.html

QInvest Hosts Their 2nd Annual Qatar Global Investment Forum 2010
Wednesday, October 03, 2010

QInvest, Qatar's leading investment bank, today welcomed over 350 leaders and decision makers from the world of industry and finance banking experts to the 2nd Annual Qatar Global Investment Forum 2010 (QGIF 2010), hosted by H.E. Sheikh Jassim Bin Hamad Bin Jaber Al Thani, QInvest's Chairman.

Following a welcome address by Sheikh Jassim, the event, organized by Institutional Investor Conferences and supported by Lead Sponsor Qatar Financial Center Authority, brought together international and regional investors with industry leaders, and high-profile government officials at the Four Seasons Hotel, Doha - Qatar.

The most high-profile investment focused event held in Qatar this year, QGIF 2010 attracted 400 delegates from 30 countries. Keynote speeches, Interactive panel

discussions, and a networking Evening Reception gave delegates to gain a unique insight into the outlook for Qatar, the region's investment climate, and new investment strategies and global perspectives being adopted by industry experts post crisis environment.

Speakers at QGIF 2010, included H.E. Mr. Youssef Hussein Kamal, Minister of Economy and Finance, H.E. Sheikh Abdulla Saud Al Thani, Governor of Qatar Central Bank, Muhammad Al Agil (Chairman, Jarir Group), Patrick Ward (Chairman, Goldman Sachs Asset Management), Shahzad Shahbaz (Chief Executive Officer, QInvest), Glenn August (President & Senior Partner, Oak Hill Advisors), Win Jay Neuger (CEO and Chairman, PineBridge), Nafez Riad Al-Morhabi (CIO, Savola Group), George Farha (Chairman, Intercat), and Sandeep Ahuja (CEO, VLCC International).

Commenting on the success of the forum, Shahzad Shahbaz, QInvest's CEO and one of the panellists, said: "Qatar has experienced significant growth in recent years. Money from oil and natural gas continues to be channelled into the economy while government policies enable the private sector to prosper in the building of a modern state."

"QGIF 2010 has once again attracted some of the most prominent leaders in industry and finance across our region and internationally who have come together to share some of their latest thinking on investment strategies in Qatar, the region, and more internationally. Their perspectives on opportunities and risks will shape the way forward for many delegates who attended GGIF today," Shahbaz added.

In the welcome address, H. E. Sheikh Jassim Bin Hamad Bin Jaber Al Thani, QInvest's Chairman and host of this event, reinforced the view of Qatar as one of the world's strongest growth economies that is making substantial progress in the strategy to create a sustainable economy consistent with Qatar's National Vision 2030. He cited the important part that the financial sector will play in the realisation of the vision and the significant opportunities for the growth of Islamic finance in the region and more internationally.

Examining the outlook for the Qatari economy in the year ahead and the key challenges facing investors was the subject of H.E. Mr. Yousef Hussain Kamal, Qatar's Minister of Economy and Finance. H.E. Sheikh Abdulla Saud Al Thani, Governor of Qatar Central Bank, provided his insights on emerging markets and developments in banking.

As QGIF 2010 panellists discussed "New Investment Strategies and Global Perspectives" covering subjects related to new strategies for asset allocation, crisis driven investment opportunities in the region and globally, and additionally overcoming regional investor risk aversion, post crisis.

Investors looking to discover 'the region's next big thing' were keen not miss "The Landscape for Regional Investment Opportunities" as key growth sectors, intra-regional opportunities, global capital flows into the region, and the potential for R&D led growth were identified.

Following lunch, the audience heard perspectives on Qatar's future role as a centre for global finance activity from Acting QFC CEO Shashank Srivastava and Deputy Chief Executive Officer, QFCRA, Michael Ryan.

The QGIF ended on a topic very much in the fabric of the region, "The Role of Third Party Capital in Financing Family Companies", in which panellists explored the structure of the region's family companies as they evolve,various options in sourcing capital,and the need for sound corporate governance as firms grow and become more complex.

Armed with a wealth of new investment insights, QGIF 2010 delegates headed to the Evening Reception hopeful of renewing friendships and establishing new business relationships to leverage their new-found knowledge.

http://www.businesswire.com/news/home/20101103007199/en/QInvest-Hosts-2nd-Annual-Qatar-Global-Investment

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Chairman of Cooperative Societies Union praises KFH's social, economic role during honoring of Al-Qasr branch for its services to area residents
Thursday, October 04, 2010

The Chairman of Cooperative Societies Union and Chairman of Al-Nasseem Cooperative Society Hussein Al-Duweihees honored Kuwait Finance House (KFH) that is represented by its banking branch in Al-Qasr in Jahra Governorate for the high quality of services and performance, which reinforces the society's efforts in serving its shareholders and customers.

In addition, the branch always supports all the society's activities, which are reflected in the form of services and benefits for its shareholders and the area residents; thus revealing KFH's true nature as a leading Islamic bank that is keen to achieving an added value to the society through its contributions in the economic development efforts.

Moreover, he said while giving the award to Al-Qasr Branch Manager Abdullah Al-Kamali, that he is pleased to convey through this event the gratitude and appraisal of the area residents, the shareholders, and the customers, for KFH's pivotal role in supporting the activities and services offered by the society.

He hoped that such spirit would continue to serve the residents; especially that KFH is a pioneer bank that managed to establish a local and international reputation worldwide, not to mention its social responsibility role. It is worth noting that the event was attended by the Deputy Branches Department Manager Mohammed Al-Mekhyal, who stated that KFH views its contributions to its society as a token of appreciation and gratitude towards the society, since KFH's social role is based on supporting the national economy and the public welfare.

Furthermore, Al-Kamali stressed that the Al-Qasr branch is constantly in contact with various client segments in the area, and works on reinforcing relationships and fields of

cooperation, in order to serve the area residents, whether through the cooperative society, or other bodies, where school visits are organized, in addition to visits to diwaniyas and other public events.
http://www.ameinfo.com/248012.html

Sakana employees trained on effectiveness
Thursday, October 04, 2010

Sakana Holistic Housing Solutions the innovative Islamic mortgage finance provider held a one day training session for its employees on Organizational Effectiveness through personal habits at Elite Suites in Sanabis.

The program was conducted by Professor Hussain H. Rangwala, Founder/Director of A.I.M Worldwide and focused on achieving personal and interpersonal effectiveness through combination of theoretical and practical activities.

Mr. R Lakshmanan, CEO of Sakana said:
"Our employees are the backbone of our business and we are committed to investing on their training and development. We believe in continuous enhancement of skills and knowledge and through this program we are gearing up our team to faces the challenges for the future in personal and professional life."

Mr. Hussain H. Rangwala, Founder/Director of A.I.M Worldwide said: "I am pleased to work with Sakana for the second time and believe that this program will immensely benefit its employees to achieve success in the future provided they turn their learning into real-life habits".

http://www.ameinfo.com/247948.html
