

BUSINESS AND POLITICS IN THE MUSLIM WORLD
Weekly Report on Global Islamic Finance and Business in the Muslim World

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Submitted By: Zain Arshad

1. GLOBAL FINANCE & GLOBAL ISLAMIC FINANCE

- Bargain hunting lifts Dubai market
- Middle East set for increased growth prospects in 2011
- Indonesia Positive Islamic Banking Outlook for 2013
- Islamic Banks To Be Fully Fledged in Bangladesh

2. ISLAMIC BANKING & INSTITUTIONS

- Abu Dhabi Islamic Bank opens a new branch in Sharjah
- Bank Islami Signs Deal For Acquisition of Citi Bank House Financing Portfolio
- Islamic Development Bank and ADFB Sign US \$1 Billion Agreement
- KFHMB Relocates Shah Alam Branch
- in's Ithmaar Jumps Most in Month after raising \$167 Million
- Dubai Islamic Bank announces key appointments to support growth and expansion strategy
- Stanchart Saadiq Named 'Best International Bank 2010' By Islamic Business & Finance
- Qatar National Bank Enhances Eazypay Solution to Include Merchant Services
- KFH Islamic Finance Project Collaborates with Harvard
- Dubai Islamic Bank Making Headway In The Islamic Finance Industry

3. SUKUK (ISLAMIC BONDS)

- Yemen raises sukuk target to \$500m

4. TAKAFUL (ISLAMIC INSURANCE)

- Prudential BSN Takaful Launches PruBSN Ummah

5. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

- IDB Grants US\$ 350 Thousand for Promoting Education in South Africa
- Bombay Stock Exchange Launches Islamic Stock Index
- Gulf Arab Markets Exhibiting Islamic Equity

6. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

- Top Training Award for BIBF's Islamic Centre
- ITFC to provide \$2bn in support of Bangladesh energy sector
- Challenges and Future Prospects of the Islamic Solidarity Fund for Development

Summary:

Bank Islami has signed first of its kind deal to acquire Citi Bank Pakistan's House Financing portfolio amounting to Rs. 953 million. This is the first time a Bank has acquired mortgage assets of another Bank. It is expected that this transaction will open door for other similar transactions enabling banks to acquire entire business or product lines.

Prudential BSN Takaful Bhd (PruBSN) has launched the PruBSN Ummah, a first of its kind product aimed at Muslims, PruBSN Ummah is a unique Family Takaful plan that is specifically designed to help Muslims realise their religious obligation and at the same time provide them with protection and savings, it also provides savings for Hajj or Umrah, offer loyalty bonuses, provides financial security against untimely passing or total and permanent disability and critical illness coverage.

The Bombay Stock Exchange has developed a Muslim-friendly stock index called the Tasis Shariah 50 to spur Islamic investment, The investment plan, a brainchild of BSE Managing Director Madhu Kannan, is designed to "create increased awareness of financial investments among the masses and help enhance financial inclusion." Under Sharia law, Muslims are forbidden from investing in companies that have ties to alcohol, firearms, or tobacco. Unfortunately, that's most of the companies listed on the BSE. Officials from Tasis met with an Indian Shariah advisory board and together, they came up with a list of 50 stocks that are safe for Muslims to invest in with the goal of improving Islamic involvement in the trading industry. The stocks will be reviewed monthly to ensure Sharia compliance.

The Centre for Islamic Finance at BIBF has received the World's Best Islamic Training Institution Award for 2010. It was awarded by CPI Financial's Islamic Business and Finance, a sister publication of The Banker.

1. GLOBAL FINANCE & GLOBAL ISLAMIC FINANCE

Bargain hunting lifts Dubai market

Wednesday, December 29, 2010

After a week of declining, cheap valuations at the Dubai market DFM triggered a modest buying spree, lifting the DFM General Index by 1.14% to close at 1,621.70. Market bellwether Emaar jumped two percent higher to reach Dhs3.46. Dubai Islamic Bank added 1.86%, closing at Dhs2.19. Over the last six months, DIB shares gained 7.46%. Earlier in the day, DIB announced that it appointed Dr. Adnan Chilwan Deputy CEO - Chief of Consumer and Wholesale Banking, while Mohammed Al Nahdi has been appointed Deputy CEO - Chief Operating Officer. As Chief of Retail Banking Dr. Chilwan has expanded DIB's product range in 2010, by introducing Al Islami Salam Finance, a way of financing where clients receive cash against the future delivery of sugar, and, in a joint-venture with Eiffel Management, the first Islamic Real Estate Investment Trust (REIT), among other innovations. Bank Emirates NBD failed to jump on the bullish bandwagon today, ending off 0.36% at Dhs2.75. Seventeen shares gained, five ended flat and five lost value.

<http://www.ameinfo.com/252609.html>

Middle East set for increased growth prospects in 2011

Thursday, December 30, 2010

Analysts worldwide have revised growth prospects for most developed and emerging markets. In the post-crisis world, decoupling will intensify, regionally and globally. Inflation and higher interest rates will be inevitable, while in the GCC, the foundations for a sustainable knowledge economy are just being put in place.

According to Gary Dugan, chief investment officer, private banking, Emirates NBD, 2011 will be characterised by "good growth but ongoing challenges" - and this short prognosis hits the nerve of what the GCC region can expect in the year ahead. Meanwhile, decoupling will remain the hot topic in 2011.

The core European countries Germany, France and the Netherlands are expected to post stronger growth while the 'Club Med', meaning Spain, Greece, and Portugal, will continue to struggle with record high debt. "Global growth is strong enough to support a good rally in risk markets such as equities", says Dugan. "However ongoing problems in Europe and missile testing in Korea are all restraining the rally. We believe that the markets will eventually overcome the problems. However, the structural challenges of indebted countries in Europe, the weakness of the financial sector, and the malaise of the US housing market remain challenges to long term returns."

For Dr Nasser Saïdi, chief economist of the DIFC Authority and head of external relations at the financial centre, the change of roles is too visible: "Paradoxically the countries (primarily US, UK) portrayed as the great beneficiaries of globalisation have

been the main losers, while (at least so far) the largest relative gains (economically and politically) have been enjoyed by China and other emerging markets which were expected to be the targets of the globalisation."

Decoupling seen globally

According to Dr Saïdi, decoupling is seen not only in Europe, but globally: "In 1999, the US represented 46% of the value of world equity market capitalisation, whereas emerging market economies represented a mere 8%. In 2010, the US represents 31% of global market capitalisation, pretty much the same share as emerging economies, which stands at 30% (according to S&P)", he said in December. Arnaud de Bresson, managing director, of the Paris-EUROPLACE initiative to promote France's capital as a financial centre told AMEinfo.com that despite the ongoing Euro-crisis, France did not lose its credibility among global investors, and on top of that, the French regulator AMF paved way for Paris to become the second Islamic Finance-hub in Europe after London. "With 30% of the world's government bonds outstanding of \$2.34 trillion, the Fifth Republic is still globally number two after the United States", Bresson said. Standard and Poor's Ratings Services affirmed France's AAA-Rating, the highest possible investment grade level, during the same month.

For the GCC, Europe and East Asia are equally important as trade partners and likewise as sources for travel and tourism. But emerging markets increasingly outpace Western developed countries. "The D10 (BRIC, Indonesia, Turkey, Mexico, South Korea, South Africa and Saudi Arabia), now represent some 35% of world output and have about 25% of world exports", Dr. Saïdi explains. As China already took over as the largest consumer of power in 2010, the GCC is eager to strengthen ties with Beijing. China's economy needs oil, gas and petrochemical products from the Gulf Arab region. The six member states of the GCC aim to lure investments as a result.

Diversification is key

Growth prospects for the member states of the GCC have been all revised upwards for 2011.

<http://www.ameinfo.com/252672.html>

Indonesia Positive Islamic Banking Outlook for 2013

Thursday, December 30, 2010

With the global financial crisis raising doubts over the world's conventional financial system, the banking industry in Indonesia stands to benefit from the global downturn and expects to continue rapid growth in the coming years.

The financial crisis is having no negative impact on the development of Islamic banking in the country. So far, Islamic banks have not showed any weakening of their performance and we expect both assets and lending would grow at a CAGR of over 50%

between 2009 and 2013. This optimistic view is based on its very nature (avoid involvement of interest rates), extremely low penetration and a healthy growth in lending over the past two years.

While it makes sense for global financial institutions to continue growth, exploit the opportunities offered by the Islamic banking market despite the financial crisis, and keep themselves regularly updated against the status of Islamic banking market in some of the emergent countries, it is worthwhile to keep eyes on developments in Islamic banking markets. Keeping the same fact in mind, RNCOS decided to research on one of the fastest growing Islamic banking destinations - Indonesia - and launched a report, "Indonesian Islamic Banking Outlook to 2013".

The report gives an extensive research and in-depth analysis on the Islamic banking market in Indonesia and helps clients to analyze the opportunities being opened by it. Based on this analysis, the report gives a forecast of the market intended as a rough guide to the direction in which the market is likely to move. The report provides 4 year industry forecast (2009-2013) on various key banking performance indicators, including: Islamic banking assets, Islamic bank financing and Islamic bank deposits.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1299

Islamic Banks to Be Fully Fledged in Bangladesh

Friday, December 31, 2010

A delegation of Central Shariah Board for Islamic Banks of Bangladesh (CSBIB) comprising of Prof. Maulana Salah Uddin, Khatib, Baitul Mukarram National Masjid and Mr. Md. Mukhlesur Rahman, Secretary General of CSBIB met the Governor of Bangladesh Bank Dr. Atiur Rahman Tuesday at his office and exchanged their views on some important issues relating to Islamic Banking of Bangladesh.

BB Governor called upon the Islamic Banks to follow Islamic Shariah completely. He also called upon the Central Shariah Board to play important role in uplifting the concept of Islamic Banking in Bangladesh and increasing its consciousness among the people. He also informed the delegation that BB is morally promised to follow the international rules and regulations of Islamic Banking as a member of different international Islamic forum including International Financial Services Board (IFSB).

The globally-booming Islamic finance is making strides and gaining popularity in Bangladesh, with experts predicting that the shari`ah-compliant industry will continue in steady steps to become the mainstream banking system in Muslim South Asian nation. "The future of the Islamic banking systems is so bright," Mominul Islam Patwary, Chairman of the executive committee of Islami Bank Bangladesh Limited.

Bangladesh entered the Islamic banking system only in 1983, with the establishment of Islami Bank Bangladesh. Since then, five more full-fledged private Islamic banks and 20 Islamic banking branches of conventional banks have been established.

Patwary says that his bank is now one of the top performer banks in terms of business and profits among the 48 commercial banks operating in the country.

"Islamic Bank Bangladesh Limited has gained first position in the all private banks in term of deposits, investment, export & import and remittance collection."

According to the Bangladesh Bank (BB), the central bank of the country, the deposits of the Islamic banking systems are now 25 percent of all private banks deposits and its investments are 30 percent.

Bahauddin Mohammad Yousuf, vice chairman of Al-Arafah Islamic Bank, has an explanation for Bangladesh's Islamic finance boom.

He says that for a Muslim, whose religion prohibits earning or paying interests, Islamic banking makes it possible to operate interest-free business.

"People of this country are religious," Patwary, of the Islami Bank, agrees. Islam forbids Muslims from usury, receiving or paying interest on loans. Bangladesh is the world's third largest Muslim majority country, with Muslims making up more than 80 percent of the nation's 148 million population.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1303

2. ISLAMIC BANKING & INSTITUTIONS

Abu Dhabi Islamic Bank opens a new branch in Sharjah

Monday, December 27, 2010

Tirad Mahmoud, CEO of Abu Dhabi Islamic Bank (ADIB), announced the opening of the new ADIB branch located in Al-Wahda Street, Kalba Area, in the Emirate of Sharjah. This is in line with ADIB's commitment to reach out to its customers wherever they are, and to provide them with Islamic banking services to meet their needs.

Through new branches, ADIB aims to enhance local presence to keep pace with the continued growth of its customer base and their geographic distribution in the UAE.

The new branch will open its doors to customer between 08:00 am and 02:00 pm from Saturday to Thursday, to provide them with a wide range of Islamic banking services in comfortable surroundings.

With this branch, the total number of ADIB local branches reached 61 across the UAE, and 14 in the Northern Emirates, 7 of which are in the emirates of Sharjah. The new branch marks the fourth branch in the East Coast area.

Commenting on the opening of the Kalba branch, Sameh Al-Awadallah, Head of Branches at ADIB, said, "We are delighted to open the new branch to provide Islamic banking solutions to our customers in Kalba. Our branch expansion reflects our commitment to provide leading, top class, Islamic financial services to our customers. Since we began implementing our expansion strategy, we have seen positive results of providing customized and specialized services, reflected by positive customer satisfaction, as they are able to fulfil their banking and financial needs in a speedy and efficient way."

The new ADIB branch will be headed by Ahmed Salem Al Zaabi, who will supervise a highly skilled and trained UAE national team, distinguished by its knowledge of ADIB culture and Islamic banking. Demonstrating a 70% Emaratisation rate, the Kalba branch will cater to its customers through a thoroughly skilled UAE national team.

"By mid 2010, we had renovated and equipped our branches with the latest banking technologies to provide the highest levels of service quality. We bring to our customers 'banking as it should be' and our team is able to provide a leading banking experience," Sameh concluded.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1295

Bank Islami Signs Deal for Acquisition of Citi Bank House Financing Portfolio

Monday, December 27, 2010

Bank Islami has signed first of its kind deal to acquire Citi Bank Pakistan's House Financing portfolio amounting to Rs. 953 million. This is the first time a Bank has acquired mortgage assets of another Bank. It is expected that this transaction will open door for other similar transactions enabling banks to acquire entire business or product lines.

The added significance of the transaction is that this is the first time an Islamic bank has acquired business of a conventional bank. The transaction will be viewed closely by Islamic banks and regulators around the world, as globally Islamic banking Industry is more liquid than their conventional counterparts, there by creating an alternate route of deployment of liquidity and further accelerating the growth of the Industry.

Speaking on the occasion CEO Bank Islami, Hasan A. Bilgrami said that this acquisition will serve as a milestone for the Islamic Banking industry in Pakistan and elsewhere. Further, he stated that the acquisition of the Housing portfolio is in line with Bank Islami's growth strategy in this segment.

Citi Bank's Housing finance customers will now required to be switched to Islamic mode of financing. "The transition for the customers to Bank Islami will be made easy and convenient" CEO Bank Islami said.

Earlier, the Bank raised upto 100 branches in less than three years which is a record in itself. Despite a general slow down in the Banking Industry, Bank Islami has recorded CAGR of 72% in the last two years alone making it one of the fastest growing bank in the country. Bank Islami has signed first of its kind deal to acquire Citi Bank Pakistan's House Financing portfolio amounting to Rs. 953 million. This is the first time a Bank has acquired mortgage assets of another Bank.

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http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1294

Islamic Development Bank and ADFB Sign US \$1 Billion Agreement

Monday, December 27, 2010

The African Development Bank (AfDB) and the Islamic Development Bank (IDB) are to give US\$500 million each over three years to finance development projects in their "common" member countries, AfDB said on Wednesday in Tunis.

An AfDB statement said a memorandum of understanding between their two institutions was signed on Tuesday in Jeddah, Saudi Arabia, by the deputy chairman of AfDB Group, Kamal El Kheshen and his IDB counterpart, Birama Boubacar Sidibé.

Countries to benefit are the Comoros, Somalia, Burkina Faso, Chad, Cameroon, Egypt, Togo, Uganda, Djibouti, Tunisia, Gabon, Gambia, Guinea, Mali, Mauritania, Morocco, Mozambique, Niger, Sierra Leone, Côte d'Ivoire, Guinea-Bissau, Algeria, Libya, Nigeria, Benin, Sudan and Senegal.

The AfDB statement said financing would focus on the primary sectors - infrastructure, water and sanitation, regional integration, education, social infrastructure, agriculture and food security, development of institutional capacity, training and statistics.

“The objective of the agreement is to stimulate economic development and social progress in our common member countries. Our two institutions will coordinate the projects by promoting technical cooperation,” Sidibé said

The Board of Directors of the African Development Bank (AfDB) approved on Friday 17 December 2010 in Tunis, a €70-million senior loan to finance construction of the Blaise Diagne International Airport on a new site located 45 km east of Dakar in Senegal. The Project is estimated at €25 million of which €379 million will be financed with senior loans

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1290

KFHMB Relocates Shah Alam Branch

Monday, December 27, 2010

KUALA LUMPUR, Kuwait Finance House (Malaysia) Bhd (KFHMB), the first foreign Islamic bank in the country, will relocate its Shah Alam branch to Commercial Centre, Section 7, effective Monday.

"This new location will enable us to reach out and increase the offerings of our Shariah-based banking services to the customers. We want to be closer to our customers," Chief Executive Officer Jamelah Jamaluddin said.

In a statement, she said the newly relocated Shah Alam branch would further contribute towards the business plans and overall growth of KFHMB.

"Moving forward, we plan to set up more branches nationwide in the near future," she said.

Currently, KFHMB has seven branches nationwide. Its other branches are in Bayan Lepas (Penang), Taman Molek (Johor Bahru), Jalan Satok (Kuching), Pavilion and Jalan Pinang (Kuala Lumpur) and Batu Unjur (Klang).

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=552675>

Bahrain's Ithmaar Jumps Most in Month after raising \$167 Million

Tuesday, December 28, 2010

Ithmaar Bank BSC, the retail-focused Islamic bank based in Bahrain, advanced the most in more than a month after it received a \$167 million Shariah-compliant loan.

The shares gained 4.2 percent, the biggest intraday increase since Nov. 21, to 12.5 cents at 12:10 p.m. in Manama. Ithmaar has declined 48 percent this year.

The bank raised the Islamic murabaha loan from Bahrain's Ahli United Bank BSC. Ahli United Bank was unchanged at 72 cents.

<http://www.bloomberg.com/news/2010-12-28/bahrain-s-ithmaar-jumps-most-in-month-after-raising-167-million.html>

Dubai Islamic Bank announces key appointments to support growth and expansion strategy

Wednesday, December 29, 2010

Dubai Islamic Bank (DIB) announced today that it has made some strategic appointments to support its growth and expansion strategy. Under the new management restructure, Dr. Adnan Chilwan has been appointed Deputy CEO - Chief of Consumer and Wholesale Banking, while Mohammed Al Nahdi has been appointed Deputy CEO - Chief Operating Officer.

Dubai Islamic Bank (DIB) announced today that it has made some strategic appointments to support its growth and expansion strategy. Under the new management restructure, Dr. Adnan Chilwan has been appointed Deputy CEO - Chief of Consumer and Wholesale Banking, while Mohammed Al Nahdi has been appointed Deputy CEO - Chief Operating Officer.

Addressing the needs of a constantly changing environment, the bank recognises the significance and value of streamlining its operations. Hence, it has announced the formation of a Business Group and a Support Group to ensure the successful implementation of its strategy through an effective organization structure.

The Business Group - Consumer and Wholesale Banking - headed by Dr. Chilwan, will be responsible for all the business functions of the bank, i.e. Consumer Banking, Corporate Banking, Real Estate and Contracting and Treasury. The Support Group, led by Al Nahdi, will be responsible for support functions like Central Operations, Information Technology, Legal, Compliance, Administration and Collections.

"Dubai Islamic Bank is embarking upon a new phase of growth and expansion, and our new structure has been aligned to capitalise on this business potential," said Abdulla Al Hamli, Chief Executive Officer, DIB. "Dubai Islamic Bank successfully weathered the global economic crisis through its prudent approach to financing and provisioning. The bank is now geared to seize the opportunities in the coming years and to meet shareholder expectations."

He added, "I am confident that the strengthened management team will enable the bank to effectively implement its business strategy, while continuing to provide customers with innovative Sharia-compliant solutions that meet their evolving needs."

In line with its long-term domestic expansion strategy, Dubai Islamic Bank continues to focus on the opening of strategically located branches while also increasing its total customer base. DIB aims to strengthen its UAE-wide branch network by 10 more branches in 2011.

Recently, DIB announced the increase of its stake in Tamweel, the UAE-based Islamic home finance provider, to approximately 58 per cent, thus becoming the majority shareholder of the company. Upon the successful completion of the contractual arrangements with major shareholders, the Bank will have a controlling interest in the company.

DIB also launched Emirates REIT in joint venture with Eiffel Management, a pioneer of REITs in France. Both these initiatives are expected to provide much-needed impetus to Dubai's real estate sector, as well as strengthen DIB's share in the real estate financing sector in the UAE.

<http://www.ameinfo.com/252600.html>

Stanchart Saadiq Named 'Best International Bank 2010' By Islamic Business & Finance

Wednesday, December 29, 2010

Standard Chartered Saadiq Malaysia, the Islamic banking unit of Standard Chartered Bank Malaysia Bhd has won the Islamic Business & Finance Awards for Best International Bank 2010.

In a statement on Wednesday, Stanchart said the award has cemented the position of its unit as one of the leading Islamic banks in the country.

Standard Chartered Saadiq Malaysia chief executive officer (CEO), Azrulnizam Abdul Aziz, said the bank has worked hard to capitalise on its market position, build its brand and improve customer service.

Standard Chartered Saadiq Group CEO, Afaq Khan, said the award was a well-earned recognition for the bank's commitment to deliver unique and innovative syariah-compliant solutions for the clients.

"Our focus on meeting client needs is aligned to our commitment to lead the development of the global Islamic banking industry," he said.

Stanchart Saadiq, set up in November 2008, offers a full suite of syariah-compliant products and services.

The award, presented in Dubai recently, is designed to highlight, encourage and reward the exceptional performance and growth of the Islamic business and finance community.

<http://bernama.com.my/bernama/v5/newsindex.php?id=553186>

Qatar National Bank Enhances Eazypay Solution to Include Merchant Services

Thursday, December 30, 2010

QNB today announced a significant upgrade to the eazypay mobile payment solution to include merchant transactions as part of the eazypay solution. The service allows merchants to complete customer transactions via mobile telephones.

QNB is the only bank in the country that offers a mobile payment service. It can be used as a substitute for transactions that currently require payment by cash, cheque or credit card.

Having launched the service in September 2010, QNB has now extended the service to offer businesses access to this revolutionary technology. The Bank also plans to include additional support services for merchant transactions with more mobile payment options which will be available via QNB eazypay.

This new feature adds more flexibility to QNB's eazypay solution which already allows retail banking customers to transfer funds to friends and family using their mobile phones. QNB eazypay is a real-time payment system, connected to the customer's bank account that allows users to transfer funds up to QR2000 per day.

The transactions are carried out over secure and user-friendly networks. It also benefits from 24-hour support from the Bank's Customer Care Center, in case customers require further guidance.

The initial payment request can now be requested by either the merchant or the customer, provided both merchant and customer are registered with QNB to benefit from the eazypay service.

In addition, individual customers wishing to transfer money to their friends and family can continue to use the eazypay service to transfer funds to any other QNB registered individual simply by knowing the recipient's mobile phone number. All transactions using eazypay will be denominated in Qatari Riyals.

Merchant initiated transactions will further have to be approved by the customer and the funds are transferred almost instantly. Merchants in Qatar wishing to sign up for the eazypay service will be required to first endorse QNB's Mobile Commerce (M-commerce) agreement.

[http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1301\](http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1301)

KFH Islamic Finance Project Collaborates with Harvard

Friday, December 31, 2010

The Islamic Finance Program (IFP) Manager at Harvard University Nazem Ali stated that Kuwait Finance House Kuwait achievements in numerous projects and its innovation in the Shariah compliant products and services that it offers are taught to the students and researchers taking part in the IFP at the University.

Such products and services reveal Kuwait Finance House's leading status in the establishment of Islamic banking and its expansion in most international markets. He went on to say after meeting several Legal Department employees at Kuwait Finance House that the diversification in Kuwait Finance House's operation fields is an important source of studies in the forum that is associated with the IFP that the university has been organizing for the past nine years.

He went on to say that he became familiar with some products and services that Kuwait Finance House had managed to tailor to suit Islamic requirements, which prompted other banks to imitate and apply Kuwait Finance House's experience in many projects around the world. He applauded Kuwait Finance House's interest in Islamic financing at Harvard University, which is evident by Kuwait Finance House's belief in the importance of scientific researches in boosting Islamic banking.

Meanwhile, the Legal Consultant at Kuwait Finance House's Legal Department Salma Hammad said that her participation in the event granted her the opportunity to discuss the issues of Islamic finance with people from many countries who are interested in that field, especially that the event included senior officials from various financial institutions around the world. She revealed that Kuwait Finance House senior officials have taken part in many training programs during the past five years.

She further elaborated by saying that Kuwait Finance House was the first bank to setup an investment fund called Emar and Al-Kawthar that offers monthly profits, which catered to clients that require fast returns and the ability to liquefy their investments. In

addition to that, Kuwait Finance House 's participation in Equate Project allowed Islamic finance to compete against traditional banking in financing major projects, which caused a paradigm shift and innovation.

It is worth noting that Kuwait Finance House has also invested in cultural and development fields, such as communications, infrastructure, power projects, sukuk, establishing of new funds and investment portfolios, in addition to reinforcing Ijarah in strategic commodities that include aircrafts.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1302

Dubai Islamic Bank Making Headway in The Islamic Finance Industry

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Addressing the needs of a constantly changing environment, the bank recognises the significance and value of streamlining its operations. Hence, it has announced the formation of a Business Group and a Support Group to ensure the successful implementation of its strategy through an effective organization structure.

The Business Group - Consumer and Wholesale Banking - headed by Dr. Chilwan, will be responsible for all the business functions of the bank, i.e. Consumer Banking, Corporate Banking, Real Estate and Contracting and Treasury. The Support Group, led by Al Nahdi, will be responsible for support functions like Central Operations, Information Technology, Legal, Compliance, Administration and Collections.

“Dubai Islamic Bank is embarking upon a new phase of growth and expansion, and our new structure has been aligned to capitalise on this business potential,” said Abdulla Al Hamli, Chief Executive Officer, DIB. “Dubai Islamic Bank successfully weathered the global economic crisis through its prudent approach to financing and provisioning. The bank is now geared to seize the opportunities in the coming years and to meet shareholder expectations.”

He added: “I am confident that the strengthened management team will enable the bank to effectively implement its business strategy, while continuing to provide customers with innovative Sharia-compliant solutions that meet their evolving needs.”

In line with its long-term domestic expansion strategy, Dubai Islamic Bank continues to focus on the opening of strategically located branches while also increasing its total

customer base. DIB aims to strengthen its UAE-wide branch network by 10 more branches in 2011.

Recently, DIB announced the increase of its stake in Tamweel, the UAE-based Islamic home finance provider, to approximately 58 per cent, thus becoming the majority shareholder of the company. Upon the successful completion of the contractual arrangements with major shareholders, the Bank will have a controlling interest in the company.

DIB also launched Emirates REIT in joint venture with Eiffel Management, a pioneer of REITs in France. Both these initiatives are expected to provide much-needed impetus to Dubai's real estate sector, as well as strengthen DIB's share in the real estate financing sector in the UAE.

Dubai is becoming a fast competitor in the Islamic financial market and making headway in developments to spur the estimated £2 trillion dollar Islamic finance industry into a successful financial competitor and key player in the global financial market.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1304

3. SUKUK (ISLAMIC BONDS)

Yemen raises sukuk target to \$500m

Monday, December 27, 2010

Abu Dhabi: Yemen, hit by rising security concerns and economic woes, will increase a planned 2011 Islamic bond to \$500 million (Dh1.83 billion), the country's finance minister said on Sunday.

Yemen had originally planned to raise about \$250 million to \$300 million from Islamic bonds to diversify government financing and help lower its budget deficit, currently running at around eight per cent of gross domestic product.

"We are expecting to issue a sukuk of the amount of \$500 million during the year 2011," Nouman Al Suhaibi told reporters in Abu Dhabi.

Technical issues

The bond issue was delayed to the first quarter of next year to give the government more time to iron out technical aspects of the sale, Yemen's deputy finance minister said in December. Final details of the sukuk bond pricing and amount are unlikely to be released until a few weeks before the issue.

Al Suhaibi said the country's 2011 budget was to be ratified by today.

"For next year, we expect expenditures on average of \$9 billion. Revenues will be in the area of \$8 billion. The deficit will be around \$1.5 billion, which is equivalent of 3.8 per cent of GDP," Suhaibi said.

Attractive investor

Yemen has struggled to attract investor interest in its assets due to ongoing security concerns which have also affected its tourism industry.

Impoverished Yemen is struggling to combat a resurgent wing of Al Qaida based in the Arabian Peninsula state. The government is also trying to quell a separatist rebellion in the south and maintain a shaky truce with insurgents in the north.

The Arab world's poorest country is currently under a \$370 million loan programme from the International Monetary Fund, aimed at shoring up an economy weakened by the fragile security situation.

<http://gulfnews.com/business/markets/yemen-raises-sukuk-target-to-500m-1.736444>

4. TAKAFUL (ISLAMIC INSURANCE)

Prudential BSN Takaful Launches PruBSN Ummah

Monday, December 27, 2010

KUALA LUMPUR, Prudential BSN Takaful Bhd (PruBSN) has launched the PruBSN Ummah, a first of its kind product aimed at Muslims.

"We are very pleased with the response to PruBSN Ummah. Our products are designed with our consumers in mind and are packaged with our customers' interests and needs at heart," said PruBSN chief executive officer Azim Mithani in a statement today.

PruBSN Ummah is a unique Family Takaful plan that is specifically designed to help Muslims realise their religious obligation and at the same time provide them with protection and savings.

Moreover, PruBSN Ummah provides savings for Hajj or Umrah, offer loyalty bonuses, provides financial security against untimely passing or total and permanent disability and critical illness coverage.

It also offers will writing thus making it a truly comprehensive plan.

"All of our distributors are extremely excited about PruBSN Ummah as they see this as a

unique Takaful plan within the Takaful market that allows them to capture new market segments," Azim said.

"I am confident that we will be able to do even more in the future, designing and promoting other exciting plans for a broad cross section of the market and maintaining our market leadership in that," he added.

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=552657>

5. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

IDB Grants US\$ 350 Thousand for Promoting Education in South Africa

Tuesday, December 28, 2010

Jeddah, KSA – The Islamic Development Bank (IDB) and the Islamia College Cape Town Trust (ICCTT) on Saturday signed an agreement IDB Headquarters for funding a new teacher training facility in Cape Town, South Africa. The granting of US\$ 350 Thousand by the IDB, as per the agreement, comes in continuation of the Bank's relentless efforts in implementing its ambitious mandate for promoting human development in its member countries as well as Muslim communities in non-member countries.

Under the agreement signed between IDB Vice-President, H.E. Dr. Abdulaziz Al Hinai and founder and director of the ICCTT, Maulana Dr. Ali Adam, the IDB shall provide the Islamia College Cape Town Trust with a US\$ 350 Thousand grant to construct a three storey building housing 10 lecture halls, a modern library, six state-of –the –art labs and a (240-seat) auditorium as well as other facilities with a total built up area of four thousand square meters on a 3.35 hectares of land. The facility shall provide access to Undergraduate Teacher Training to (360) students including "Ulema" and to research and production of teaching and learning material in Arabic Language for Islamic Studies of Muslim Schools.

The Islamia College Cape Town Trust already manages and accommodates (1500) students in primary and high schools for both girls and boys in addition to a vocational training institute.

Dr. Ali Adam is a graduate of Nadwatul Ulema, India, and a Ph.D. holder from Gloucestershire University, UK, and has long been a member of the international advisory board to develop authentic Islamic Studies Literature for Muslim schools.

http://www.isdb.org/irj/servlet/prt/portal/prtroot/NewsAppEU.NewsDetails?idbNews=IDB_Grants_US_350_Thousand_for_Promoting_Education_in_South_Africa.xml

Bombay Stock Exchange Launches Islamic Stock Index

Tuesday, December 28, 2010

India is one of the largest and most dynamic countries on the face of the earth. With a population in the billions and containing hundreds of different spoken languages, it's not hard to imagine how difficult it must be to reach out to everyone. Given the amounts of devout Muslims in the nation, it's not surprising that outreach efforts might be difficult.

Fortunately, the Bombay Stock Exchange (BSE) has a plan. The Bombay Stock Exchange has developed a Muslim-friendly stock index called the Tasis Shariah 50 to spur Islamic investment.

The investment plan, a brainchild of BSE Managing Director Madhu Kannan, is designed to "create increased awareness of financial investments among the masses and help enhance financial inclusion." Under Sharia law, Muslims are forbidden from investing in companies that have ties to alcohol, firearms, or tobacco. Unfortunately, that's most of the companies listed on the BSE. Officials from Tasis met with an Indian Shariah advisory board and together, they came up with a list of 50 stocks that are safe for Muslims to invest in with the goal of improving Islamic involvement in the trading industry. The stocks will be reviewed monthly to ensure Sharia compliance.

"The BSE has the largest number of listed Sharia-compliant stocks in the world," said Shariq Nisar, director of research and operations at Tasis. "All Muslim countries of the Middle East and Pakistan put together do not have as many listed Sharia-complaint stocks as are available on the BSE."

Sharia, or Shariah, is the Islamic court system, where offenses from bad haircuts to polygamy issues are solved by a religious system of justice. Sharia courts also serve as advisors for Muslims when it comes to other affairs governed by the Koran.

<http://www.popfi.com/2010/12/28/bombay-stock-exchange-launches-islamic-stock-index/>

Gulf Arab Markets Exhibiting Islamic Equity

Thursday, December 30, 2010

The following companies may rise or fall in Gulf Arab markets. Stock symbols are in parentheses and prices are from the last close.

The DFM General Index gained 1.1 percent to 1,621.70, trimming the year's loss to 10 percent. Qatar's QE Index rose 0.2 percent. Kuwait's SE Price Index advanced 0.3 percent. Saudi Arabia's market is closed for the weekend. Aviation Lease & Finance Co. (ALAFKO KK): The company said shareholders approved a board recommendation to distribute a dividend of 5 fils (17.7 cents) per share and 5 shares for every 100 held. The shares jumped 6.2 percent to 345 fils.

Dubai Islamic Bank PJSC (DIB UH): The United Arab Emirates' biggest lender complying with Islamic banking rules appointed Adnan Chilwan and Mohammed Al Nahdi as deputy chief executive officers. The shares gained 1.9 percent to 2.19 dirhams.

DP World Ltd. (DPW DU): The Dubai government-controlled ports operator will hand over the management of marine terminal operations at Abu Dhabi's Mina Zayed to Abu Dhabi Terminals in 2011 as a five-year contract ends. The shares rose 0.5 percent to 62.5 cents.

Emaar Properties PJSC (EMAAR UH): The U.A.E.'s biggest property developer said a unit is collaborating with Emirates Healthcare Ltd., which will operate clinics in Dubai. The shares climbed 2.1 percent to 3.46 dirhams.

Emirates Telecommunications Corp. (ETISALAT UH): Etisalat DB Telecom Pvt. paid India's Department of Telecommunications a fine of 99 million rupees (\$2.2 million) for not rolling out mobile-phone services as planned in four regions. The unit of Etisalat said it paid the charge "under protest." The shares were unchanged at 10.8 dirhams.

Qatar National Cement Co. (QNCD QD): The producer of materials for the construction industry said its new mill will replace two mills. Nine-month net income rose to 378.1 million riyals (\$104 million) from 323.2 million riyals a year-earlier. The shares advanced 1.4 percent to 119 riyals.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1300

6. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

Top Training Award for BIBF's Islamic Centre

Monday, December 27, 2010

The Centre for Islamic Finance at BIBF has received the World's Best Islamic Training Institution Award for 2010. It was awarded by CPI Financial's Islamic Business and Finance, a sister publication of The Banker.

The award was received during the Islamic Business and Finance Awards Ceremony held at the Emirates Towers Hotel in Dubai.

"To have received this honour for the third time indicates the strides that BIBF and in particular the Centre for Islamic Finance had made in leading, coaching and advising both local and international staff in Islamic finance education," BIBF director Garry Muriwai said.

"It is important to recognise the legacy of the late Mahmood Al Shehabi who as the prior head of Islamic finance at BIBF was the instigator of much of what the centre has achieved to date.

"The award is an acknowledgement of our significant efforts not only in investing intellectual and monetary resources in Islamic finance education but also the continued innovation in delivering Islamic finance solutions.

"The success we enjoy is attributed to the strong support and guidance provided by the Bahrain government. Special thanks go out to the Central Bank of Bahrain and the Waqf Fund for their tremendous support to BIBF's Centre for Islamic Finance," added Mr. Muriwai.

"I would like to congratulate the entire BIBF team on their success. Never in our history has a company won an award in three consecutive years. This is truly a great achievement and a genuine reflection of your success," CPI Financial chief operating officer Adam Broom said.

BIBF has an important role to play in supporting the financial sector of Bahrain. It continues to support all the financial institutions in Bahrain in the development of world-class people for the sector.

BIBF does this by providing the highest quality of assessment, education, training and development in the region and ensuring that it delivers internationally accredited courses and programmes.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1292

ITFC to provide \$2bn in support of Bangladesh energy sector

Monday, December 27, 2010

The International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank (IDB) Group, and the Government of Bangladesh took a step forward towards strengthening their working alliance, when they signed a memorandum of understanding at IDB headquarters in Jeddah.

The signed memorandum of understanding covers the 1432H (2011) financing and implementation plan to facilitate the utilization of \$2 billion made available for the benefit of the Government of Bangladesh for the importation of crude oil and petroleum products.

Dr. Waleed Al-Wohaib, CEO of ITFC, received the senior level delegation from the People's Republic of Bangladesh at his office where he highlighted the long standing relations between ITFC and the Republic of Bangladesh.

In welcoming the delegation, Eng. Hani Salem Sonbol, Deputy CEO of ITFC said

"Bangladesh is one of the major customers of IDB Group trade financing programs. Since 1397H, about \$7.83bn has been approved to the Republic of Bangladesh and this represents about 21% of total trade financing approvals of IDB."

He went on to add " Since the launch of ITFC in Muharram 1429H (2008), the ITFC has approved 33 operations in favor of the Government of Bangladesh amounting to \$2.56bn of which 12 operations valued at \$880m were approved in 1431H."

From his part, H. E. Dr. Atiur Rahman, Governor of Bangladesh Bank, said" On behalf of the Government of Bangladesh, I would like to thank the IDB Group, represented by ITFC, for supporting the country during the difficult times of the global financial crisis."

"It is of utmost importance for the country to get its energy requirements met where ITFC plays a strategic role in this area enabling the country to keep and enhance its momentum of growth and development." he added.

The senior level delegation also included H.E Mr. Muhammad Musharraf Hossain Bhuiyan, Secretary, Economic Relations Division, Ministry of Finance and the alternate IDB Governor for the Republic of Bangladesh, H.E Mr. Mohammad Mejbahuddin, Secretary, Energy and Mineral Resources Division, Mr. Syed Monjurul Islam, Additional Secretary, Finance Division, Ministry of Finance, Mr. Anwarul Karim, Chairman, Bangladesh Petroleum Corporation, Mr. ATM Mustafa Kamal, Joint Secretary (Admin & Middle East), Economic Relations Division, Ministry of Finance and Mr. Nazmul Ahsan, Senior Assistant Secretary, Energy and Mineral Resources Division.

<http://www.ameinfo.com/252432.html>

Challenges and Future Prospects of the Islamic Solidarity Fund for Development

Tuesday, December 28, 2010

The Islamic Development Bank (IDB) is to host a two-day Expert Group Meeting (on 28-29 December 2010), comprising of experts from its member countries. The meeting is scheduled to review the progress made so far by the Islamic Solidarity Fund for Development (ISFD) and discuss the way forward. Discussing the challenges facing the Fund and considering ways and means for enhancing its poverty combat capacity in IDB member countries also top the agenda of the event.

President of the IDB Group H.E. Dr. Ahmad Mohamed Ali will be addressing the meeting and ISFD Director, Dr. Bashir Omar Fadlallah is also set to deliver a presentation on the Fund.

The ISFD was established by the OIC extraordinary summit held in Makkah in December 2005 and launched in 2007 with the objective to fight poverty, illiteracy, unemployment and diseases such as malaria and HIV / AIDS in IDB member countries. The Fund's target capital has been set at US\$10 billion of which so far US\$2.63 billion has been committed by member countries and the IDB.

The ISFD total approvals have thus far reached US\$ 515 Million covering infrastructural,

agricultural, educational, professional training and SME projects. The Fund is currently pursuing two 5-year thematic programs for Micro-Financing and Vocational Training worth a total of US\$ 500 Million each in the course of the planned period.

http://www.isdb.org/irj/servlet/prt/portal/prtroot/NewsAppEU.NewsDetails?idbNews=Challenges_and_Future_Prospects_of_the_Islamic_Solidarity_Fund_for_Development.xml