

Report # 160
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Weekly Report on Global Islamic Finance and Business in the Muslim World
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Summary:

National Bank of Abu Dhabi's (NBAD) annual Global Financial Markets Islamic Forum (GFMIF) will kick off on Sunday, February 27, 2011, with a keynote and welcome speech by Michael Tomalin, the Group Chief Executive of NBAD.

NBAD has organised a host of sophisticated discussions and workshops on Sharia-complaint banking at GFMIF.

Innovative Sharia'h compliant banking products and solutions available through Al Dhameen program - joint venture of Barwa Bank and QDB in Qatar.

Barwa Bank, the newest financial services provider in Qatar and Qatar Development Bank (QDB), has signed an agreement that enables Barwa Bank to provide its customers with the benefits of \"Al Dhameen,\" a loan assurance program for Small and Medium Enterprises (SMEs) in Qatar.

The agreement was signed by Mr. Steve Troop, Chief Executive Officer of Barwa Bank, and Mr. Mansour bin Ibrahim Al Mahmoud, Chief Executive Officer of QDB, in a ceremony held in QDB's main branch.

Dubai - Central Bank of Afghanistan hope that Syariah banking laws will start officially in September 2011. Currently, millions of citizens of the country entrust their funds billions in conventional banks.

General Director of the Central Bank of Afghanistan to the Department of Financial Supervisors, Muhammed Qaseem Rahimi, said it would meet with the Board of the Central Bank of Syariah, Islamic banking supervisors in Afghanistan, in the near future. Those steps are to finalize the draft rules of Syariah banking in Afghanistan.

Thereafter, the new Central Bank will submit this rule to the Department of Justice and Parliament Afghanistan for approval.

Emirates Islamic Bank (EIB) has launched a new Islamic personal finance product called Investment Murahaba which is set to attract customers across the Middle East.

With this product, customers will now be able to purchase Sharia Compliant Shares listed on the Abu Dhabi Securities Exchange (ADX) or Dubai Financial Market (DFM). The customers can hold or sell their shares depending on their objectives i.e growth in their investments or enhancing their funds flow. The product is for UAE Nationals as well as expats and is based on the Wakalah / Murabaha structure

1. GLOBAL FINANCE & GLOBAL ISLAMIC FINANCE

Qatar: New report to chart growth in Islamic Financial Services

Sunday, January 20, 2011

The Chief Executive Officer of First Finance Company a Qatari based Islamic Finance Services (IFS) institution has applauded moves by the Central Bank of Qatar to impose greater regulation on conventional banks offering Islamic services over concerns that "unhealthy competition could lead to over-aggressive practices".

Khalid Bin Ibrahim Al-Sulaiti, who is also Vice Chairman of IFS consultancy Bait Al Mushara, told Oxford Business Group (OBG), the global publishing, research and consultancy firm, that the constraints of Qatar's market also highlighted the likelihood of consolidation within the sector.

"The market is too small to allow more conventional banks to open Islamic windows," he said. "The Central Bank needs to issue more conditions that conventional banks operating Islamic windows must meet. While we want a competitive market, we do not want unhealthy competition that leads to over-aggressive practices." Al-Sulaiti said prospects for growth within Qatar's IFS industry looked promising, with figures indicating that customers were prepared to pay more for services which instilled confidence and were also in line with their beliefs. "The dedicated Islamic banks are doing well as customers realise they are more reliable," he said. "A large percentage of banking customers are willing to pay a premium for sharia-compliant services as it's about their belief system."

He was also upbeat about the opportunities for growth in Islamic bonds but admitted that this could be hampered by delays in approvals. "The sukuk market has strong growth potential in the coming years but the approval process in Qatar takes too long," he said. "By the time approval is granted, market conditions have often changed."

Al-Sulaiti was interviewed by OBG's team as part of the research undertaken for the Islamic Financial Services Chapter of The Report: Qatar 2011. OBG's in-depth economic report will include a detailed analysis of the key issues shaping the development of IFS in Qatar and across the region, together with a sector-by-sector guide for foreign investors. The report will also feature a wide range of interviews with the most prominent political, economic and business leaders including the Emir HH Sheikh Hamad bin Khalifa Al Thani, Consort to the Emir HH Sheikha Mozah bint Nasser, Deputy Prime Minister and Minister of Energy and Industry HE Sheikh Abdullah bin Hamad Al Attiyah and the Minister of Economy and Finance HE Youself Hussein Kamal.

Al-Sulaiti voiced his concern that the rate of growth within IFS in Qatar was far outpacing human capital development for the industry. "Islamic banks in Qatar often hire CEOs from conventional banks because there are not enough candidates with specialist expertise to fill these positions," he said. "There is more work to be done in Qatar in terms of giving attention

and care to the Islamic Financial Services sector, especially in education and human capital development."

The Report: Qatar 2011 will mark the culmination of more than six months' on-the-ground research by a team of analysts from OBG, assessing trends and developments in all major sectors of the economy. It will provide information on opportunities for foreign direct investment into Qatar's economy and will be a guide to the many facets of the country, including its macroeconomics, infrastructure, political landscape, banking and sectoral developments. The report will be available in print form or online.

<http://www.zawya.com/story.cfm/sidZAWYA20110220084925>

Kuwait market gains half a percent

Monday, January 21, 2011

Gains in the banking sector helped the KSE Market Index to recover, closing 0.50% higher at 6,426. National Bank of Kuwait (up 1.51% at KD1.340) and Islamic banks Kuwait Finance House (1.75% higher at KD1.160) and Boubyan Bank (gaining 1.72% at KD0.590) were top gainers in the banking segment. Insurers performed mostly lower, as Kuwait Insurance Co. dived 3.65% to close at KD0.395.

<http://www.ameinfo.com/257172.html>

Markaz: KD8.17m net profit/18 fils EPS for the year 2010

Tuesday, February 22, 2011

Kuwait Financial Centre S.A.K. "Markaz", one of the Middle East's leading investment banking and asset management companies, announced its 2010 financial results. The Company reported a net profit of KD8.17m, or 18 fils per share; a 222% increase over last year's results of KD2.54m in net profit, or 6 fils per share. The operating income posted a growth of 70% over the same period of 2009 to reach KD15.27m. Total shareholders' equity reached 93.89 million, a growth of 14%. Markaz Assets under Management totalled KD1.03bn as of end of December 2010, which represents a growth of 29% compared to the same period of 2009.

<http://www.ameinfo.com/257302.html>

Dow Jones Indexes to launch Dow Jones Islamic Market Global Finance & Takaful Index

Tuesday, February 22, 2011

Dow Jones Indexes, a global index provider, today announced it will expand its Dow Jones Islamic Market Indexes series by launching the Dow Jones Islamic Market Global Finance & Takaful Index, which measures the performance of financial services stocks that pass rules-based screens for Shari'ah compliance. (Insurance stocks that pass such screens are known as Takaful.)

The index, designed to provide broader coverage of the Shari'ah-compliant financial services sector, will serve as a benchmark and an underlying instrument for investment products such as mutual funds and exchange-traded funds (ETFs).

"The Dow Jones Islamic Market Indexes is a unique series that combines faith-based principles and benchmarking," said Michael A. Petronella, president, Dow Jones Indexes. "Our index family was the first to market and has clearly set the standards of Islamic indexing around the world. And, once again, with the launch of the Dow Jones Islamic Market Global Finance & Takaful Index, we are providing the market with the first benchmark of its kind for these combined sectors."

Eligible companies are banks, insurance and financial services companies. Included in the index are those stocks that pass financial ratio screens that are less than 33% in total debt, divided by trailing 24-month average market capitalization; cash plus interest-bearing securities, divided by trailing 24-month average market capitalization; and accounts receivables, divided by trailing 24-month average market capitalization.

The US dollar-denominated Dow Jones Islamic Market Global Finance & Takaful Index is weighted based on float-adjusted market capitalization, with the weight of individual stocks restricted to 15%. The index composition is reviewed quarterly in March, June, September and December; it is also regularly reviewed to account for corporate actions such as mergers, delistings or bankruptcies.

Dow Jones Indexes was the pioneer in Islamic indexes, launching the first Shari'ah-compliant indexes in 1999. With thousands of indexes, the series is the most comprehensive family of Islamic market measures with regional, country, and industry indexes, all of which are subsets of the Dow Jones Islamic Market Index. An independent Shari'ah Supervisory Board regularly counsels Dow Jones Indexes on the current and potential eligibility of index companies.

<http://www.ameinfo.com/257266.html>

Nigeria May Have Two Islamic Banks by Yearend, Moghalu Says

Tuesday, February 22, 2011

Nigeria will see as many as two Islamic banks open by the end of the year, according to Kingsley Moghalu, a Central Bank of Nigeria deputy governor.

Two or three "conventional banks" have expressed interest in opening "Islamic windows," he said in an interview in London today. He declined to name the banks.

"We recognize Islamic finance is a very helpful system and we want to develop it," he said at a conference in London. "Nigeria is a huge potential market. We have about 70 percent of the population who are unbanked. In the north you have a very, very strong market, people are yearning for this."

Nigeria, Africa's third-largest economy, is home to 75 million Muslims, or about half its population. Lamido Sanusi, governor of the central bank, said Sept. 24 the country plans to sell its first Islamic debt within 12 months as part of a bid to become the continent's center for Shariah-compliant financing.

<http://www.bloomberg.com/news/2011-02-22/nigeria-may-have-two-islamic-banks-by-yearend-moghalu-says.html>

Afghanistan Will Launches Syariah Banking Laws by End of 2011

Thursday, February 24, 2011

Dubai - Central Bank of Afghanistan hope that Syariah banking laws will start officially in September 2011. Currently, millions of citizens of the country entrust their funds billions in conventional banks.

General Director of the Central Bank of Afghanistan to the Department of Financial Supervisors, Muhammed Qaseem Rahimi, said it would meet with the Board of the Central Bank of Syariah, Islamic banking supervisors in Afghanistan, in the near future. Those steps are to finalize the draft rules of Syariah banking in Afghanistan.

Thereafter, the new Central Bank will submit this rule to the Department of Justice and Parliament Afghanistan for approval.

'Most people in Afghanistan don't use bank services because they believe the system that used un-Islamic,' said Rahimi quoted as saying by Reuters. He said demand for the emergence of Syariah banks in Afghanistan is very high, especially from the user population rather than conventional banks.

Afghanistan has 17 conventional banks. Of the total, only six banks that have Syariah units. Central Bank of Afghanistan hopes that the inauguration of the rules of Syariah banking in the country will be able to raise Syariah banks in the country. Especially because the law that there is already clear, he said.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1419

Global Financial Markets Islamic Forum to kick off tomorrow

Saturday, February 26, 2011

National Bank of Abu Dhabi's (NBAD) annual Global Financial Markets Islamic Forum (GFMIF) will kick off on Sunday, February 27, 2011, with a keynote and welcome speech by Michael Tomalin, the Group Chief Executive of NBAD.

NBAD has organised a host of sophisticated discussions and workshops on Sharia-complaint banking at GFMIF.

"Organising annual Global Financial Markets Forums reflects NBAD's commitment to increase information-sharing and raise knowledge for our valued investors and clients," says Sameh Abdulla Al Qubaisi, the General Manager of Institutional and Corporate Coverage Group at NBAD's Financial Markets Division. "The team has done a superb job in the past two years in organising the GFMF and this year we are building on our success as attested by the lineup of prestigious speakers and vital workshops and panel discussions."

Mr. Al Qubaisi, adds, "Islamic finance continues to experience a rise in size, importance, and influence, so it is fitting that we bring global financiers to Abu Dhabi to discuss about Shariah-compliant banking."

Financiers and scholars will discuss challenges and opportunities of the US\$1 trillion Shariah-compliant banking system. Dr. Mohamad Nadal Alchaar, the Secretary General of Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), will deliver a talk on "Developing the Islamic Finance Industry Through Harmonisation and Standardisation."

Rushdie Siddiqui, the Global Head of Islamic Finance at Thompson Reuters, would speak for "The Need of the Hour - A Dedicated Islamic Sovereign Wealth Fund."

World's leading Shari'ah scholars, Sheikh Nizam Yaquby and Sheikh Yusuf De Lorenzo, will deliver presentations on "Shariah Scholars: Open Discussion;" to be followed by panel discussions on "Investing in Abu Dhabi Sukuk and the Impact of Industry Challenges",

"Identifying Opportunities for Convergence of the GCC and Malaysian Approaches to Islamic Finance," and "Understanding and Mitigating Key Business Risks in the Takaful Market."

The day concludes with the Thompson Reuters workshop "Success in Shariah compliant Fund Management;" and a Gala Dinner at night by Abu Dhabi National Islamic Finance (ADNIF), which is NBAD's Islamic banking unit.

Global Financial Markets Islamic Forum continues on Monday, February 28, 2011. Dr. Nassim Nicholas Taleb, the author of "The Black Swan," which was described as one of the 12 most influential books since World War II, will deliver keynote presentation. Mr. Taleb, who is the Senior Scientific Advisor at Universa Investments, was one of the first observers to forewarn about the financial crisis of 2007.

"Dr. Taleb is a renowned observer of the financial markets and NBAD is extremely proud that he will speak at the GFMIF," says Mark Pritchard, the Vice President and Head of Islamic Products Institutional Coverage at NBAD's Financial Markets Division. "GFMIF attendees will certainly benefit from his insights into the markets and global economy."

The topics of discussion on Monday are "The Impact Of Current Market Conditions On Islamic Private Equity" by Aamir Rehman, Managing Director of Fajr Capital; "Looking Forward: Building a Sustainable Future for Islamic Finance Post Crisis" by Abdul Kader Thomas, President and CEO of Shape Financial Corporate and Director of American Journal of Islamic Finance; and "The Family Office: Exploring the Appetite for Shariah Compliant Investing" by David Gibson-Moore, Chief Representative of LGT Bank in Lichtenstein.

Monday's event offers the Panel Discussion "The Future of Short Term Liquidity Management for Islamic Finance Institutions." It is followed by the Workshop "Bloomberg for Islamic Markets," conducted Bloomberg professionals Jahon Burhonov, an Islamic Market specialist; and Tibor Szigeti, a Fixed Income Specialist.

Al Hilal Bank is NBAD's partner in GFMIF. Thompson Reuters, Bloomberg, Murex and NBAD Academy are NBAD's workshop partners; and CNBC Arabia is the official Broadcaster of GFMIF. Other partners are Etihad Airways, Official Airline, YAS Hotel, Official Hospitality Partner; Blaze Event Solutions and YAS Marina Circuit, official Entertainment Partners; Etisalat, Official ICT Partner. Supporters of GFMIF are Abu Dhabi Department of Finance; Abu Dhabi Council for Economic Development; and ACT Middle East.

"NBAD is thankful to all our partners for their support and contribution which will lead to a more successful forum." Al Qubaisi says.

NBAD's Third Annual Global Financial Markets Forum will be held on March 2nd and 3rd with topics on conventional banking.

<http://www.ameinfo.com/257567.html>

2. ISLAMIC BANKING & INSTITUTIONS

Barwa Bank and QDB join forces to provide Shariah-compliant SME products

Sunday, January 20, 2011

Innovative Shariah compliant banking products and solutions available through Al Dhameen program - joint venture of Barwa Bank and QDB in Qatar.

Barwa Bank, the newest financial services provider in Qatar and Qatar Development Bank (QDB), has signed an agreement that enables Barwa Bank to provide its customers with the

benefits of "Al Dhameen," a loan assurance program for Small and Medium Enterprises (SMEs) in Qatar.

The agreement was signed by Mr. Steve Troop, Chief Executive Officer of Barwa Bank, and Mr. Mansour bin Ibrahim Al Mahmoud, Chief Executive Officer of QDB, in a ceremony held in QDB's main branch.

Through this agreement, small and medium enterprises will have access to the wide range of Shari'ah-compliant financing solutions provided by Barwa Bank, while benefiting from QDB's support through "Al Dhameen" which covers a portion of the banking sector exposure in the event of borrower default.

Mr. Steve Troop, CEO, Barwa Bank, commented on the occasion: " Small and Medium Enterprises are playing an increasingly significant role in the future of Qatar's economy, and we at Barwa Bank are committed to support this vital segment through our full range of Sharia'h-compliant banking products and services. Our co operation with QDB, will address r the financial needs of many new and existing SMEs and help them to overcome many barriers and achieve sustainability."

The Al Dhameen program came as a result of extensive research and market studies conducted by QDB to assess current obstacles and challenges being faced by the SME sector in Qatar, taking into particular account the potential contribution of this segment to overall economic growth and diversification.

Mr. Mansour bin Ibrahim Al Mahmoud, CEO, Qatar Development Bank, confirmed that this agreement is a main pillar in cementing QDB's role as a supporter to the SMEs sector. The agreement also represents the new strategy of QDB aiming to achieve practical solution sto support vital sectors, which contributes to the overall development of Qatar's economy in line with Qatar's 2030 national vision.

Mr. Al Mahmoud stressed that the agreement signed today will facilitate access of Barwa Bank's SME customers to finance. It will also help Barwa Bank to extend its innovative banking products targeting SMEs through new advanced tools and mechanisms.

He also highlighted that QDB as the main supporter of the SME sector is keen on engaging the major banks and finance companies in "Al Dhameen" project, to maximize the impact and reach.

Mr. Al Mahmoud added that through "Al Dhameen", QDB will covers a portion of the banking sector exposure in the event of borrower default, to encourage banks to extend their financing services to promising SMEs.

Mr. Abdul Aziz Bin Nasser Al Khalifa, Director, Strategic Planning and Control, QDB, said that the purpose of "Al Dhameen" program is to provide the suitable business environment for SMEs growth in Qatar, through eliminating barriers to finance. He highlighted the importance of SME sector as a supporter to major industries in line with Qatar's 2030 national vision to diversify income and develop SME sector.

Mr. Al Khalifa mentioned that QDB will continue to develop "Al Dhameen" to provide the required guarantees in co operation with partner banks, and that the QDB's strategy is materializing through a set of unique products that provides the private sector with solutions to many of the barriers facing its growth. He encouraged SME' owners to benefit from this unique program in Qatar.

The program encourages banks in Qatar to expand their lending to the small and medium scale sector, especially to promising SMEs but which are not in a position to leverage assets or

furnish accounting records to secure these loans. Al Dhameen is expected to increase the number of SME initiatives by expanding the scope of banking services offered to this sector.

Mr. Keith Bradley, Head of Banking Group, Barwa Bank further commented : "A healthy SME sector is key to the success of any economy and will play a vital role in the development of Qatar over the next decade. Barwa Bank is fully committed to small businesses and is proud to partner with QDB to serve the sector better. This partnership will enable Barwa Bank to work with more small businesses in providing a full range of sharia'a compliant financial services, rapid credit decisions to enable customer to take full advantage of market opportunities and a first class on-line banking proposition for business customers."

This agreement comes as a new step towards realizing Barwa Bank's strategy of becoming a universal sharia'h compliant banking group based out of Qatar. The agreement will boost the activities of the recently established Business Banking Group which caters to the needs of SME clients.

Mr. Samy Kher El-Din, Head of Business Banking Group, Barwa Bank said : "through our market knowledge and research, we have identified SME to be one of the growth sectors with over 20000 SME operating in Qatar. As a response, we have established a Business Banking Group to cater to the specific needs of this new sector. The agreement signed today with QDB is recognition of Barwa Bank's leading position as an innovative and customer focused Sharia'h compliant bank."

Barwa Bank provides a comprehensive range of sharia'h compliant business banking products and services. Start up and existing SMEs will now be able to benefit from these financing solutions to begin or grow their ventures.

The team of Barwa Bank business banking unit will be available to evaluate the clients' needs and provide them with consultancy and advise on suitable financing solutions, which will enable them to benefit from the support of QDB's Al Dhameen program.

<http://www.cpifinancial.net/v2/News.aspx?v=1&aid=7249&sec=Commercial%20Banking>

Islamic International Rating Agency (IIRA) maintains Shari'a Quality Rating of AA (SQR) for Dawood Islamic Bank Limited (DIBL)

Sunday, January 20, 2011

Karachi / Manama, February 20, 2011: Islamic International Rating Agency (IIRA) has maintained Shari'a Quality Rating of AA (SQR) for Dawood Islamic Bank Ltd. The rating reflects IIRA's opinion that the DIBL confirms to very high standards of Shari'a requirements in all aspects of Shari'a quality analysis.

DIBL commenced operations in April 2007 with the vision to provide Shari'ah compliant financial solutions to all segments of an increasing Shari'ah conscious business and consumer society.

The rating is supported by the fact that Dawood Islamic Bank Ltd (DIBL) has an effective Shari'ah Supervisory Structure consisting of a Shari'ah Supervisory Committee (SSC) and is headed by a well known and highly respected Shari'a scholar Professor Mufti Munib-ur-Rehman. Mr. Mufti Munib-ur-Rehman has post graduate level education in Tafsir, Fiqeh, Arabic and other Islamic banking subjects and has more than 40 years of Fatawaas experience. The other two members of SSC are also well qualified.

DIBL has approved procedures and a manual for Shari'ah compliance, audit and control. The SSC enjoys close working relationship with the shareholders, Board of Directors and the executives of the bank. Since the bank operations are growing, we recommend that an independent Shari'a audit department be established with proper staffing and the role of SSC members should be confined to supervision.

The DIBL also has a formal training program for all new inductees and for the existing staff. The SSC members also participate in the program. Overall the training program was found to be effective and reflects the management commitment towards this important aspect of human resource development. IIRA recommends that the SSC be given more structured role in the induction of employees particularly at more senior levels.

The DIBL gives Zakat according to Central Bank regulation but does not help clients to calculate Zakat and its distribution. The bank has been following a program of benevolent funding to fulfill its social responsibility. A number of institutions have benefitted from this program.

While the bank has decent share of more desirable participatory modes of financing, IIRA recommends that a written policy may be adopted in this aspect.

<http://www.zawya.com/story.cfm/sidZAWYA20110220073933>

Noor Islamic Bank to revive regional ambitions

Monday, January 21, 2011

- Noor Islamic Bank will refocus its efforts on the UAE market and internally in order to regroup, said Hussain Al Qemzi, CEO of Noor Islamic Bank.

- Image Credit: Oliver Clarke/Gulf News

Dubai: Noor Islamic Bank, the new-generation Sharia-compliant bank, sees big growth opportunities for the Noor brand within the UAE and the region in the long term. In the aftermath of the financial crisis the group has put on hold some of its ambitions regional expansion plans, but the group sees it only as a temporary setback and is determined to work on its vision of creating a universal Islamic banking group that will have businesses ranging from Islamic financing, takaful, investment banking and financial services outsourcing business.

After completing three years in operation, Noor Islamic Bank expects to break even in 2012. For the year 2011, the bank expects a 25 per cent balance sheet growth largely driven by corporate finance, structured deals, financing syndications and mortgages. The bank is back in the mortgage market and expects healthy growth in that segment of business. In a recent interview with Gulf News, Hussain Al Qemzi, CEO of Noor Islamic Bank, spoke about the challenges the Noor Group and the banking industry in the country face in the wake of the global financial crisis.

Gulf News: When Noor was started the original plan was to create some kind of a universal Islamic bank anchored in Dubai but with a pan regional plan. How far are you sticking to the original plan or has the financial crisis altered some of it?

Hussain Al Qemzi: I think the most important thing in our strategy was to create a very strong and well recognized brand in the Islamic banking worldwide and that is still our objective. When we started the process it was a different time.

After the launch of the bank it was later in 2008 the crisis started and the markets changed. As a result we decided to be cautious as the changes were rapid and so much uncertain that we decided to refocus our efforts on the UAE market and focus internally in order to regroup

and make sure our value propositions and our services and business continue to survive and thrive during the crisis. We should remember that we are a new bank. We continue to consolidate our network here. Even in the middle of the crisis we launched a Takaful (Islamic insurance) company to compliment the services we already offer. We continue our efforts to guide the company towards break even and sustained profitability. We expect to break even in 2012, as per our original schedule.

Do you mean to say whatever changes you made to the original plan during the financial crisis are temporary and as the economy and markets improve you will go ahead with your original plan?

We will continue our efforts to stick to the original plan. I think today we have a very strongly recognized brand name and presence in the world of Islamic finance. We will continue to consolidate these advantages.

Even without branching out internationally we have been engaging in some international deals in Turkey and in the GCC, which emphasizes the role and ambitions of the bank.

Noor as a financial services group had plans to get into investment banking and services such as pan regional financial services outsourcing. What is happening to those plans? I remember you had announced plans to start a joint venture outsourcing company in association with an Indian firm. Is the project still on?

We established an outsourcing company which we use to a certain extent. However, the partnership with the Indian company did not realise. We are going to look at these opportunities again. But many of these projects are on hold because of the impact of the financial crisis and it was very difficult to raise capital for these projects during the crisis.

You have put on hold most of your regional expansion plans. However you already have some regional presence, Tunisia for example. Are you continuing these operations?

We still have our representative office in Tunisia, but we do not have a physical branch presence there. All such plans have been put on hold until the overall economic conditions improve. Currently our main focus is the UAE market, but we will continue to monitor other regional markets and as it improves that will be the time to revisit these plans.

Do you think the financial crisis has made you more retail focused?

No. In fact retail has always been one of our long term goals. We continue to invest in retail as part of our long term plan, but we remain by and large a corporate bank, mostly funding companies and infrastructure projects.

There is a widely held perception that Noor is primarily a government focused bank and most of its exposure is to government or government related entities. How do you react to this comment?

I consider that as very positive. Maybe people are seeing it as something negative because of the sovereign debt issues faced by governments all over the world. But as far as Noor is concerned I still think it is a good business and it is a very good long term investment. These are good assets we should keep and from our perspective we will continue to support government.

Going forward will you look at expanding your reach to the private sector, particularly the small and medium enterprises?

We are already very much present in the private sector with special focus on the small and medium companies. It is not like we are exclusively focusing on government and government related assets. But as far as the government sector is concerned our view is that it is a good business segment and we will continue to be very active there.

Islamic banks in general have very high capital adequacy ratios and they have emerged stronger from the crisis, probably because their financing exposures are backed by real assets. What are your views?

Islamic banks have emerged better off than the conventional banks because of their asset based financing model. When the crisis happened it was proved that even if you are better off with this model you are not immune to what happened to the whole system because Islamic banks are also part of the system.

One of the major issues faced by Islamic banks during and after the crisis relates to the decline in the value of real assets against which they did financing. In fact, you were an aggressive player in mortgages how are you dealing with the decline in asset values?

We have no way but make adequate provisions against these value erosions. We have been very realistic in making these provisions.

Although the real estate sector has been impacted by the crisis which represents about 25 per cent of our economy, we are seeing other segments of the economy such as retail, trading, tourism and hospitality recovering fast. We expect recovery to begin in the real estate sector from 2012. In the current market, I think there are very good opportunities for serious home buyers.

<http://gulfnews.com/business/banking/noor-islamic-bank-to-revive-regional-ambitions-1.764991>

Citi establishes Japan Desk in Middle East

Tuesday, February 22, 2011

Citi's Global Subsidiaries Group (GSG), a focused client segment for Citi serving multinationals in more than 170 markets around the globe, announced the establishment of dedicated Japan Desk covering the Middle East and based in Dubai.

This move is designed to better serve Japanese clients as they continue to expand into the region in response to increased trade and investment flows into the Middle East.

The Japan Desk will be led by Osamu Okada, a seasoned banker who's held, for the past twenty years, various senior positions with global financial institutions in Tokyo and Dubai covering business development, trade finance, cash management, and risk assessment for large as well as SME-level Japanese corporations.

Working closely with counterparty desks in the Americas, Europe, Africa, Singapore and Hong Kong, the Middle East's Japan Desk will serve Japanese corporations active in the Middle East geography, and leveraging Citi's extensive network, product platform and proven business model in serving companies at home and abroad.

This announcement follows the appointment of Mike Pendill as Middle East Head of Citi's Global Subsidiaries Group based in Dubai. With close to four decades of Citi banking experience, Mike had led critical Citi businesses in North America, Russia, Eastern Europe, and Hong Kong. Under his leadership, the ME GSG group goals is to effectively serve this key segment in the Middle East and to fully support their banking, investment and credit requirements across multiple locations.

Commenting on the expanded Japan coverage, Atiq Ur Rehman, Chief Executive Officer for the Middle East Division, said, "Trade and investment flows between Japan and the Region are quite compelling. We believe that setting up a Japan Desk in the Middle East will enable us

to facilitate cross-border activities with Japanese companies and allow us to be more responsive on the ground."

Citi has been in the Arab World for nearly 50 years and views the region as critical to its global franchise. It currently offers full scale corporate banking services across ten Arab countries including Egypt, UAE, Lebanon, Jordan, Tunisia, Morocco, Algeria, Bahrain, Qatar and Kuwait as well as Pakistan.

Citi's on-the-ground capabilities include Investment Banking, Capital Markets Origination, Equity Sales & Distribution businesses, Global Transactions Services, Equity Research, and Global Islamic Banking serving the Mena region.

<http://www.ameinfo.com/257331.html>

Barclays names director for Islamic products -source

Tuesday, February 22, 2011

British lender Barclays Bank has appointed Dominic Selwood as a director responsible for its Islamic products services, a source familiar with the matter told Reuters on Tuesday.

Selwood, who has previously held positions in Deutsche Bank and BMG Group, joins Barclays as a director in the Financial Institutional Structuring Group (FISG) and is currently based in London.

The structuring of Sharia-compliant financing products will fall under the FISG.

The move follows the departure in January of Harris Irfan who headed global Islamic finance operations for the bank as it refocuses its attention to core businesses.

http://www.lse.co.uk/FinanceNews.asp?ArticleCode=h9p7erx28iefyga&ArticleHeadline=MOVESBarclays_names_director_for_Islamic_products_source

HSBC Amanah is Euro money's Best International Islamic Bank for second year

Tuesday, February 22, 2011

HSBC Amanah has again been named Best International Islamic Bank by Euro money magazine, in its Islamic Finance Awards 2011. The awards are widely considered to be the most high profile accolades in the Islamic finance industry and annually recognize outstanding performance, quality, service, and innovation in the sector.

Besides Best International Islamic Bank, HSBC Amanah has also won the Best Sukuk House award for the second consecutive year, in recognition of its leading role in Islamic debt capital markets.

In 2010, HSBC Amanah continued to grow its operations in the core markets of Saudi Arabia, UAE, and Malaysia, while expanding in key growth territories of Indonesia, Bangladesh, Bahrain and the UK. The business also continued to lead in several global, landmark transactions, including:

- * Largest Sukuk deal of the year: Saudi Electricity Company's SAR 7 billion Sukuk
- * Largest US dollar sovereign Sukuk: US\$1.25 billion Government of Malaysia Sukuk
- * World's largest Shariah-compliant REIT and first Shariah-compliant listing in Singapore: US\$664.4 million Sabana REIT
- * First project finance Sukuk by a foreign borrower in the Malaysian Ringgit capital markets: Trans Thai-Malaysia (Thailand) Limited MYR 600 million Sukuk

Mukhtar Hussain, Global CEO of HSBC Amanah said: "HSBC Amanah is delighted to be at the forefront of a global industry which increases in scale, sophistication and penetration each year. Shariah-compliant financial services continue to grow in line with customer demands and HSBC Amanah is proud to be recognized as the premier, cross-border financial institution by Euro money.

HSBC Amanah will continue to invest in our franchises both in the Middle East and Asia. The potential for the industry remains considerable but further efforts will need to be made to institutionalize and operationalise best practices. Notwithstanding the challenges, this remains an exciting era of opportunities."

<http://www.zawya.com/story.cfm/sidZAWYA20110222061014>

First Energy Bank appoints new Chairman

Wednesday, February 23, 2011

Bahrain-based First Energy Bank (FEB) held its first Board Meeting for the year on the 9th of February, 2011, during which the board discussed the Bank's recent performance as well as the Bank's plans for 2011 and beyond. Additionally, the board of directors unanimously appointed Khadem Abdulla Al Qubaisi as the Bank's new chairman, following the recent departure of the Bank's former chairman, Esam Janahi.

<http://www.ameinfo.com/257431.html>

ADCB Opens Its Doors at New Sheikh Zayed Road Branch

Friday, February 25, 2010

Abu Dhabi Commercial Bank has announced the opening of its newest Bank branch on Sheikh Zayed Road, bringing the total number of branches across the UAE to 47. H.E. Eissa Al Suwaidi, the Chairman of ADCB formally opened the new branch at prestigious ceremony attended by ADCB Board Members, Ala'a Eraiqat, Chief Executive Officer, Executive Management Members, VIP customers and employees.

The new branch cements ADCB's commitment to service excellence, mirrored in all its branches across the UAE, with customers benefiting from innovative, efficient, fast and easy to use products and services. The branch will service all customers, from retail and wealth management to commercial and small and medium enterprises (SMEs).

The latest addition to ADCB's branch network will also host a specific desk for ADCP customers as well as two ATMs providing deposit facilities for both ADCB and former RBS customers.

Commenting on the branch opening, Ali Darwish, Head of Branch Network of ADCB, said "ADCB continues to evaluate its customer's needs and the opening of the Sheikh Zayed Road branch is testament to this. Our commitment to providing customers with innovative products and services in high traffic locations continues with the opening of this strategically located branch."

"We recognize that the UAE is a global hub for individuals and businesses alike, with diverse banking needs. We believe the new Sheikh Zayed Road branch allows our customers to bank without restriction, offering them access to our services and products at any time of day or night."

The new branches which are to be opened up by ADCB will help to further facilitate Islamic banking and further develop services for the increasingly popular sector.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1422

Emirates Islamic Bank Launches New Personal Finance Product

Friday, February 25, 2011

Emirates Islamic Bank (EIB) has launched a new Islamic personal finance product called Investment Murabaha which is set to attract customers across the Middle East.

With this product, customers will now be able to purchase Sharia Compliant Shares listed on the Abu Dhabi Securities Exchange (ADX) or Dubai Financial Market (DFM). The customers can hold or sell their shares depending on their objectives i.e growth in their investments or enhancing their funds flow. The product is for UAE Nationals as well as expats and is based on the Wakalah / Murabaha structure.

Commenting on the launch, Faisal Aqil, GM Retail Banking for Emirates Islamic Bank stated, "We have always believed that only a truly customer centric organisation is an organisation of today and tomorrow. It is this belief and passion that has endeared us to our customers & helped us acquire more and more customers at a rapid pace. We are confident that our customers will be delighted with this offering as well and keep us on the bottom of their hearts and top of their minds when planning for their financial future".

"Investment Murabaha" is available through all 31 branches of EIB as well as its sales offices across the Emirates. The product offers competitive rates. And payment tenures for as long as 15 years. It also comes with exciting features such as zero processing fees, prestigious Skywards EIB credit card as a pre-approved facility and much more.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1421

Shurooq seeks to expand Asian investor base in Sharjah

Saturday, February 26, 2011

The Sharjah Investment and Development Authority (Shurooq) has concluded its promotional Asia Tour of Thailand and Singapore. The tour aimed to expand the base of Asian investors in Sharjah and open up channels of communication with new investment markets.

The Asia Tour, which kicked off in mid-February, is in line with Shurooq's efforts to attract foreign investment to the emirate, and is part of its regional and international promotional activities, which aim to promote Sharjah's investment attractions while highlighting its unique economic, cultural and geographical elements, and the promising investment opportunities available, as well as the incentives and advantages on offer to investors.

Speaking of the importance of the tour, Shurooq CEO, Marwan Jassim Al Sarkal, said, "The aim of the Asia Tour was to attract companies and investments to the emirate of Sharjah, as well as to network with new investment markets so as to lay the ground for forging future partnerships. The tour has paved the way for many potential investment partnerships with Asian countries, particularly Singapore, by identifying relevant Singaporean bodies and investment authorities and informing them of Sharjah's distinctiveness and attractions as one of the region's most important economic destinations."

Al Sarkal also revealed that there are more regional and international promotional tours on Shurooq's 2011 calendar as part of its strategy to enhance Sharjah's investment and business environment.

The first stop on the tour was Thailand, where the Shurooq delegation, which included CEO Marwan Jassim Al Sarkal, Director of Business Development Elie Armaly, and Director of Finance and Administration Saud Meqdad Al Suwaidi, met with the Thai Board of Investment and reviewed the vast potential of Sharjah and the UAE, as well as the investment opportunities in Sharjah for foreign companies that are looking to invest in and communicate with the the UAE and world markets due to the UAE's leading financial and economic position in the region, and the world.

The delegation highlighted Sharjah's sophisticated infrastructure, which gives investors and companies easy access to local and global markets through modern transport networks and sophisticated wired and wireless telecommunication networks. It also shed light on the emirate's multicultural environment and the stable life it secures for investors, as well as the fact that Sharjah serves as a link between Asia and Africa.

After its stop in Thailand, the delegation moved on to Singapore, where it met with a number of organisations and authorities.

First up was a meeting with International Enterprise Singapore (IES), the regulatory body in charge of encouraging and helping Singaporean investors to expand their investments beyond Singapore, attended by Lim Ban Hoe, Group Director: International Operations (Middle East and Africa), Lester Lu, Senior Manager: International Operations (Middle East and Africa), and Garry Kan, Manager: International Operations (Middle East and Africa). The meeting looked at avenues of cooperation between Shurooq and IES, and investment opportunities appropriate for Singaporeans in Sharjah. The Shurooq delegation delivered a detailed presentation on Sharjah's economic and investment environment, as well as the advantages and facilities provided to enhance the emirate's position as a leading regional and global investment destination.

Next was a meeting with H.E Mohammed Ahmed Al Qubaisi, the UAE Ambassador to Singapore, and H.E Tee Tua Ba, Singapore's Ambassador to the UAE, where ways of attracting Singaporean investors to Sharjah were discussed and the embassy stressed its interest in collaborating with Shurooq to achieve these goals.

The delegation also met with the Singapore Business Federation, represented by Cody Lee, Director: Global Business Division (Middle East and Africa), and discussed the nature of Sharjah's investment climate, the emirate's potential, the elements that could help enhance the trade movement and encourage foreign investment, and logistics services that would ease trade exchange between Sharjah and the world.

The Shurooq delegation then met with representatives of the Singapore Ministry of Trade and Industry, including Douglas Chow Tuck Kheong, Senior Assistant Director of Entrepreneurship at the Ministry's Research and Enterprise Division, and a number of other officials. Both parties agreed to specify a joint work mechanism to create investment opportunities in the industrial and commercial fields.

Accompanied by Singapore Member of Parliament Penny Low, the Shurooq delegation also visited a work site developed by the Housing and Development Board in the country's capita, as well as meeting with a number of operators of world-class hotels in Singapore.

Said Al Sarkal, "The tour was very successful, and we were able to achieve a number of our goals, most notably to introduce the investment opportunities available in Sharjah, to communicate with Singapore's leading investment bodies, and to exchange expertise while

getting a clear overall picture of the best practices carried out by Singapore to draw investors from all over the world. We also reached an agreement with the Singaporean representatives to organise workshops and seminars for Singaporean investors in Sharjah, in coordination with the UAE Embassy in Singapore and the Singaporean Embassy in the UAE."

Singapore is one of the world's fastest-growing economies, and its trade volume with countries worldwide reaching \$513bn in 2009. Trade volume between the UAE and Singapore from 2002 to 2008 reached \$43.996bn (Dhs161.5bn). In 2008, the volume of Singapore's investments abroad amounted to \$174bn as a result of the government's policy of encouraging companies and businessmen to invest outside the country in order to diversify sources of income.

Shurooq was established in 2009 with the aim of achieving social, cultural, environmental and economic development on the basis of Sharjah's distinct Arab and Islamic identity, so as to encourage investment by adopting the best international standards in providing quality services that help attract investors from the region and the world. Its key mission is to provide the required facilities and incentives, to overcome obstacles facing investment activities in the emirate, to evaluate tourism-related infrastructure projects, and to lay down the necessary plans to complete such projects.

<http://www.ameinfo.com/257603.html>

3. SUKUK (ISLAMIC BONDS)

Indonesia sells 7.3 trln rph of retail sukuk

Sunday, January 20, 2011

Indonesia's finance ministry sold 7.3 trillion rupiah (\$824 million) of three-year retail sukuk, with a coupon of 8.15 percent, an official said on Monday. (\$1 = 8857.5 Rupiah) (Reporting by Adriana Nina Kusuma and Rieka Rahadiana; Editing by Neil Chatterjee)

<http://www.reuters.com/article/2011/02/21/indonesia-economy-debt-idUSJKB00432220110221>

Govt plans to introduce sukuk, sharia T-bills

Monday, January 21, 2011

The Finance Ministry's debt management office plans to introduce new sharia-compliant debt instruments, an official says.

Those instruments include Islamic bonds (sukuk) designated for infrastructure projects and sharia short-term Treasury bills.

Director of sharia financing policy at the Finance Ministry's debt management office, Dahlan Siamat, said Monday that the ministry is still assessing two possibilities for the sukuk project. In one scenario proceeds from the sukuk issuance would be used to fund planned infrastructure projects in the state budget. In the second the money would go towards underlying projects.

"The first one is the most feasible because it doesn't need new permissions. We have secured principle approval from the President," he said.

The ministry is also considering a plan to introduce one-year sharia and regular T-bills to meet the demand for short-term sharia notes and to assist with the liquidity management of sharia banks, the debt office's director general Rahmat Waluyanto said.

"We are discussing it with BI. There will be a solution because BI no longer sells their debt papers with less than 9-months maturity. There are problems with benchmarking, but they can be solved," Rahmat said.

<http://www.thejakartapost.com/news/2011/02/21/govt-plans-introduce-sukuk-sharia-tbills.html>

Asia sukuk draw Gulf funds as crisis worsens

Wednesday, February 23, 2011

Spreading unrest across the Middle East may be encouraging Shariah-compliant investors to increase purchases of Asian assets and will spur sales of Islamic bonds, said CIMB Islamic Bank Bhd and HSBC Amanah Malaysia Bhd.

Yields on Malaysia's 3.928% sukuk due June 2015 fell 22 basis points from a week ago to 2.96% yesterday, Royal Bank of Scotland Group prices show. Average yields on Islamic bonds in the Gulf Co-operation Council climbed 23 basis points in the same period to a four-month high of 5.97% on Monday, the HSBC/Nasdaq Dubai GCC US Dollar Sukuk Index shows. The political conflict that has spread to Bahrain, Libya, Yemen and Morocco will make it more expensive for companies to issue Islamic bonds in the region and in Malaysia. The Asian nation is attractive to borrowers because of its lower yields, according to Kuala Lumpur-based Bank Muamalat Malaysia Bhd. Global sales of sukuk will exceed their 2007 record as confidence in the economic recovery improves, Malaysian central bank governor Zeti Akhtar Aziz said in Kuala Lumpur on Monday.

"Every problem creates an opportunity and Malaysia should be able to attract more investors since they are shunning Middle Eastern papers," Rafe Haneef, chief executive officer of HSBC Amanah Malaysia, the Islamic unit of Europe's largest bank, said in an interview in Kuala Lumpur on Monday. "More Malaysian companies should take advantage of this and come out and issue dollar-denominated sukuk."

Bahrain's long-term credit rating was reduced Monday by one level to A-, the fourth-lowest investment grade, and the short-term rating lowered to A-2 at Standard & Poor's. Libya's long-term foreign and local currency issuer default ratings were cut to BBB on Monday, two levels above junk, from BBB+ at Fitch Ratings.

Malaysia's government plans to spend \$444bn over the next decade to build power plants and expand the country's rail network, including an underground system. The private-sector projects may help revive sales of ringgit-denominated Islamic bonds, which fell 11% to 28.5bn ringgit (\$9.4bn) last year, according to data compiled by Bloomberg.

The Bloomberg-AIBIM-Bursa Malaysia Sovereign Shariah Index, which tracks the performance for nine of the government's most-traded ringgit-denominated Islamic securities, was little changed at 101.424 on Monday. The index has climbed 0.3% this year.

Money will flow out of the Middle East into Asian countries such as Malaysia, Singapore and Hong Kong in the next few months as investors can't afford to leave funds idle in the banking system, Mohd Daud Bakar, the Dubai-based Shariah scholar who has approved more sukuk deals than any other, said in Kuala Lumpur on Monday.

"It will take months if not years for the Middle East to stabilise," Bakar said at an event marking the introduction of the ringgit sukuk index. "Moving forward, activities in that part of

the world will be reduced significantly. It's a good opportunity for the Far East to take this opportunity to prepare itself to receive the money coming all the way from that part of the world."

Malaysia, the world's biggest market for sukuk, has 337.6bn ringgit of Islamic banking assets, or 20% of the nation's total, according to the Finance Ministry's 2010-2011 economic report. More than 60% of the country's 28mn people are Muslims.

Shariah banking assets in Indonesia, home to the world's biggest Muslim population, increased to 100.3tn rupiah (\$11.3bn) last year from 67tn rupiah at the end of 2009, central bank data show. More than 86% of the country's 243mn people are Muslims, according to Central Intelligence Agency estimates.

Global sales of sukuk, which pay asset returns to comply with the religion's ban on interest, dropped 15% last year to \$17.1bn, according to data compiled by Bloomberg. Issuance stands at \$3bn so far this year.

Shariah-compliant bonds returned 12.8% in 2010, based on the HSBC/Nasdaq Dubai US Dollar Sukuk Index, while debt in developing markets gained 12.2%, JPMorgan Chase & Co's EMBI Global Diversified Index shows.

The extra yield investors demand to hold Dubai's government sukuk rather than Malaysia's narrowed seven basis points yesterday to 323, data compiled by Bloomberg show. The spread has shrunk 15 basis points since the end of last year.

The difference between the average yield for emerging-market sukuk and the London interbank offered rate widened nine basis points to 311 yesterday and is 22 basis points more than the end of last year, the HSBC/Nasdaq Dubai US Dollar Sukuk Index shows. Average yields climbed to 5.24% from 4.74%.

"It is cheaper to issue in Malaysia than the Middle East right now because yields are lower in Malaysia, so this is an advantage for companies to issue in Malaysia," Ahmad Najib Nazlan, executive director at Muamalat Invest Sdn, a unit of Kuala Lumpur-based Bank Muamalat Malaysia, said in an interview on Monday.

Political unrest has spread from Tunisia and Egypt to Iran, Algeria, Yemen and Libya. In Libya, holder of the largest proven oil reserves in Africa, more than 300 people have been killed, the International Federation for Human Rights said. Saif al-Islam Gaddafi, son of Libyan leader Muammar Gaddafi, said on state television that protesters must engage in dialogue or face a civil war and "rivers of blood."

In Bahrain, the protesters are demanding democracy and the ouster of Prime Minister Sheikh Khalifa bin Salman al-Khalifa. A member of the Saudi royal family, Prince Talal bin Abdul Aziz, said in an interview with BBC Arabic TV that unless King Abdullah allows more political participation, the nation may also see protests.

Sales from the six-nation GCC dropped 32% in 2010 to \$4.5bn and reached \$500mn this year.

The yield on Bahrain's 6.247% five-year sukuk raised 18 basis points to 4.28% yesterday, the highest level since March, according to Bloomberg composite prices.

Dubai may sell bonds this year and an offering in Malaysia is possible, Abdulrahman al-Saleh, the director general of the emirate's Department of Finance, said on December 14.

http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=417821&version=1&template_id=48&parent_id=28

4. TAKAFUL (ISLAMIC INSURANCE)

Dow Jones to Launch Comprehensive Takaful Indexes

Friday, February 25, 2011

As the Islamic financial industry is expanding so is the demand for Shariah compliant indexes to cater for the needs of customers around the world who want to tap into the lucrative industry.

Dow Jones Indexes is expanding its Dow Jones Islamic Market Indexes series by launching the Dow Jones Islamic Market Global Finance & Takaful Index, which measures the performance of financial services stocks that pass rules-based screens for Shari'ah compliance

The new index, designed to provide broader coverage of the Shari'ah-compliant financial services sector, will serve as a benchmark and an underlying instrument for investment products such as mutual funds and exchange-traded funds (ETFs).

“The Dow Jones Islamic Market Indexes is a unique series that combines faith-based principles and benchmarking,” said Michael A. Petronella, president, Dow Jones Indexes. “Our index family was the first to market and has clearly set the standards of Islamic indexing around the world. And, once again, with the launch of the Dow Jones Islamic Market Global Finance & Takaful Index, we are providing the market with the first benchmark of its kind for these combined sectors.”

Eligible companies are banks, insurance and financial services companies. Included in the index are those stocks that pass financial ratio screens that are less than 33 per cent in total debt, divided by trailing 24-month average market capitalization; cash plus interest-bearing securities, divided by trailing 24-month average market capitalization; and accounts receivables, divided by trailing 24-month average market capitalization.

The dollar-denominated Dow Jones Islamic Market Global Finance & Takaful Index is weighted based on float-adjusted market capitalization, with the weight of individual stocks restricted to 15 per cent. The index composition is reviewed quarterly in March, June, September and December; it is also regularly reviewed to account for corporate actions such as mergers, de-listings or bankruptcies.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1420

5. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

Islamic income funds record 158% growth

Saturday, February 26, 2011

KARACHI: Islamic income funds have recorded an increase of 158 per cent in their asset size during the first seven months of the current fiscal 2010-11 and this segment of the mutual fund industry is now worth more than Rs15 billion, said a research analyst.

Talking to The Express Tribune, InvestCap analyst Mazhar Sabir said that Meezan Sovereign Fund has been the fastest growing fund in the category as the fund has increased its share from 10 per cent to over 60 per cent since September 2010.

A monthly review of the mutual fund industry released by InvestCap also highlighted that most of the investors have been opting for money market funds in recent weeks. Money market funds have grown by 95 per cent from July to January to hit Rs62 billion.

“Interest rates are expected to continue rising in the coming months and for this reason, investors are mainly opting for money market funds,” said Sabir. The analyst explained that these funds are viewed as viable short-term investments under prevailing market conditions because they typically offer an investment horizon for just three to six months with guaranteed returns.

During January, money market funds gave average annualised returns of 11.9 per cent, while the maximum return in this category was reported by Askari Sovereign Cash Fund at 12.5 per cent.

The mutual fund industry has recorded a growth of 19 per cent so far in fiscal year 2011 to reach Rs238 billion. The size of open-end funds, which contribute more than 87 per cent to the industry, appreciated by 24 per cent during the seven months to reach Rs209 billion.

After a decline of one per cent in December, the overall industry witnessed a healthy growth of six per cent in January. From July to January, the benchmark KSE-100 index surged 27 per cent and equity funds too recorded a growth in assets of 27 per cent, according to the report. Equity funds fell by 0.5 per cent in terms of assets in January.

Income funds have declined six per cent to Rs44 billion in the seven months. However in January, the size of the funds rose three per cent. Most of the income funds posted negative returns amid downward price movement in term finance certificates, with average earnings of just 1.1 per cent.

<http://tribune.com.pk/story/124059/islamic-income-funds-record-158-growth/>

6. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

Extraordinary GM meeting approves transforming Aafaq to public shareholding company

Tuesday, February 22, 2011

The Islamic Finance Company PJSC (Aafaq) recently held its extraordinary General Assembly meeting at the Jumeirah Beach Hotel, Dubai, under the chairmanship of H.E. Abduljaleel Alblouki, Member of the Board of Directors. Attendees included representatives from the UAE Ministry of Economy (MoE), share registrars at the National Bank of Abu Dhabi (NBAD), and the Aafaq auditor.

The meeting unanimously approved the board of directors' suggestion to transform the company into a Public Shareholding Company. The General Assembly has thus officially commissioned the Aafaq Board of Directors to carry out procedures as it sees fit to complete the transformation.

Alwaleed bin Hamad Al Mubarak, Managing Director of Islamic Finance Company PJSC (Aafaq), said, "This marks the next step after the company's successful conformation to the requirements stipulated by the UAE Federal Companies Law for becoming a public shareholding

company. Due steps will now be successfully completed as per standard regulatory procedures. This move is in the best interest of shareholders and stakeholders."

The Islamic Finance Company PJSC (Aafaq) was established in 2006 with capital of Dhs600m. For the financial year 2008, Aafaq distributed 10% profits in cash dividends and 2.2% in share grants. This represented an increase over 2009, where the company distributed 7% of profit as cash dividends.

<http://www.ameinfo.com/257261.html>

ADIB wins the \"Best Emiratisation CEO\" at The National Career Exhibition 2011

Thursday, February 24, 2011

It has been reported that Abu Dhabi Islamic Bank (ADIB) a top-tier Islamic financial services group and an industry leader in Emiratisation initiatives, increased its Emiratisation rate to 44% in 2010 compared to 40% in 2009 after recruiting 174 of UAE Nationals in 2010.

The bank has been recognized for its continued commitment to Emiratisation, as ADIB's Chief Executive Officer, Tirad Mahmoud, was conferred the "Best Emiratisation CEO" award, presented from the Human Resources Development Committee at the Emirates Institute for Banking and Financial Studies (EIBFS).

H.H. Dr. Sheikh Sultan Bin Mohammed Al Qassimi, Ruler of Sharjah and Member of the Supreme Council, presented the award to Wahib Al-Khazraji, ADIB's Head of HR, on behalf of Tirad Mahmoud, on the sidelines of the National Career Exhibition 2011 at Sharjah Expo Centre on February 23rd.

Initiated by the Emirates Institute for Banking and Financial Studies (EIBFS), the Award aims at encouraging CEOs to develop effective and ambitious Emiratisation strategies and human resources development policies. It recognizes individuals who demonstrated leadership and foresight in creating optimum opportunities for integration, growth and recognition for an Emirati employee base.

This prestigious award comes as recognition and acknowledgment for ADIB's commitment to attract, and develop talented UAE national workforce. Therefore, number of UAE national working at ADIB reached 744 employees.

Commenting on this award, Wahib Al-Khazraji, ADIB's Head of HR said: "We, at ADIB, feel singularly honored at receiving this prestigious award. It comes to acknowledge ADIB's dedication and efforts in attracting, nurturing and developing the UAE national workforce. I am proud to say that we currently boast one of the most talented Emirati banking professionals in the country. We are committed towards providing a motivating and growth focused environment for our Emirati talents. We will continue to invest in their training and development in line with our long-term recruitment plans."

"During past years, we have launched a large number of initiatives to enhance our Emiratisation initiatives which included training and development programs in the Banking sector. We have also signed a number of partnership agreements with key Emiratisation institutions, to provide training programs and to attract a large number of UAE Nationals". He added.

ADIB will receive recruitment applications from UAE nationals interested in taking a banking and finance career path at its stand during the exhibition. It has been an active participant at various career fairs, aiming to attract, train and retain UAE national talent.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1418

Al Hilal Bank to outline regional and global status of Islamic banking at 2011 Global Financial Markets Islamic Forum

Saturday, February 26, 2011

Al Hilal Bank, one of the UAE's Islamic banks, will discuss the current state of Arab and global Islamic banking during the 3rd Annual Global Financial Markets Islamic Forum taking place from February 27 to 28, 2011 at the Yas Hotel in Abu Dhabi.

Organised by the National Bank of Abu Dhabi (NBAD), the forum complements efforts to further grow Abu Dhabi as a regional financial services centre in line with the emirate's long-term Vision 2030 development plan. Al Hilal Bank, a sponsor of the event, will partner with NBAD to explain multiple aspects of Islamic Banking and will host an executive lunch slated for the first day of the forum.

"The upcoming forum will enable us to assess the status of our region's banks and compare their development with their global counterparts. It will be a good venue for our industry to formulate effective strategies for bolstering Abu Dhabi's status as a rapidly-growing hub for regional finance and for highlighting the special role of Islamic banking in this regard. It will also be an opportunity for Al Hilal Bank to highlight its key Shari'ah-compliant banking services," said Mohamed Jamil Berro, CEO, Al Hilal Bank.

Dr Nassim Nicholas Taleb, Distinguished Professor at New York University's Polytechnic Institute, will deliver the forum's keynote speech. H.E. Nasser Ahmed Khalifa Al Sowaidi, the Chairman of Economic Development Department and member of Abu Dhabi Executive Council, will also address the audience. Advisors from Al Hilal Bank will be present during the event to inform attendees of the bank's various services such as wealth management and corporate banking. More details on the 3rd Annual Global Financial Markets Islamic Forum can be viewed at gfmif-nbad.com.

"Organising annual Global Financial Markets Forums reflects NBAD's commitment to increase information-sharing and raise knowledge for our valued investors and clients," says Sameh Abdulla Al Qubaisi, the General Manager of Institutional and Corporate Coverage Group at NBAD's Financial Markets Division.

"We are proud that Al Hilal Bank is NBAD's partner in Global Financial Markets Islamic Forum (GFMIF) and thankful to all our partners for their support and contribution which will lead to a more successful forum," Mr. Al Qubaisi said.

Al Hilal Bank is fully owned by the Abu Dhabi Investment Council and operates 19 branches strategically located across the UAE. It is focusing on new technologies and special services to set new growth directions for Islamic banking in the UAE and the greater GCC area. The bank won as 'Best Retail Bank' at the 5th Annual Islamic Business and Finance Awards held in December 2010 and just recently launched its new Al Hilal GCC Equity Fund.

<http://www.ameinfo.com/257563.html>
