

Report # 161
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

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Summary:

Today the Islamic finance industry is worth close to \$1trn and spans the globe. From Kuwait to Kuala Lumpur, the industry has attracted significant investor interest due to Islamic banks' tendency to avoid excessive leverage and risk-taking - principles which have allowed them to sidestep some of the traps, including off-balance-sheet loans or derivatives, which have laid low their conventional peers.

The UAE will not follow Qatar in banning conventional banks from operating Islamic services, as its financial system has a different legal framework, says the Central Bank Governor.

Conventional banks will remain free to offer Sharia-compliant banking products, said Sultan al Suwaidi. "They can offer products; if they want to offer Islamic or conventional, it's up to them," Mr al Suwaidi said. "We don't have the same system to undo as Qatar undid."

As the Islamic Finance industry is spurring ahead in many countries the Islamic banking sector in Pakistan is exhibiting achievements from Meezan Bank. Meezan Bank has achieved the 'Best Islamic Bank in Pakistan' in Malaysia.

A statement issued here on Tuesday states that Meezan Bank Limited has been awarded the 'Best Islamic Bank in Pakistan' for 2010 by Islamic Finance News of Red Money Group in a ceremony held in Kuala Lumpur.

The ruling Grand National Party has caved in to pressure from Protestant groups over a proposal on tax exemptions for Islamic bonds issued by companies to help domestic borrowers tap Mideast oil money.

The party reportedly reached a consensus Monday that putting to public debate the so-called sukuk bond bill is difficult after shunning deliberation of the proposal in this month's extraordinary parliamentary session amid strong Protestant opposition.

Pakistan raised 47.54 billion rupees (\$555 million) by selling Islamic bonds in the domestic market, the central bank said on Tuesday.

The cut-off margin will be the six-month treasury bill weighted average yield, which in the last auction on Feb. 23, was 13.6750 percent.

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

The Bahrain Financial Exchange (BFX), the first multi-asset exchange in the Middle East and North Africa (MENA), sponsored the 10th Islamic Finance Summit as the Strategic Exchange Partner.

1. GLOBAL FINANCE & GLOBAL ISLAMIC FINANCE

Combining wealth management with the principles of Islamic law is a relatively young sector in Islamic Banking.

Sunday, February 27, 2011

Worried about the civil unrest in the region and the effect on your money? Switzerland has always benefited from its reputation as a "safe haven", especially during times of political crisis such as the Middle East and North Africa is going through, Despite pressures from the US and Germany on the Swiss banking secrecy law (which dates back to 1934), banks in Zurich and Geneva have reported inflows from wealthy Arab clients who prefer to secure and diversify parts of their wealth. Lebanese high net worth individuals (HNWI) were the first in mid-2010 to transfer money from Beirut to Zurich, when their country faced political deadlock, according to a banker in Zurich who spoke to AMEinfo.com on the condition of not being named.

Nevertheless, local GCC banks have upgraded their private banking divisions in recent years. Gary Dugan, Chief Investment Officer & Acting General Manager, Private Banking, at Dubai-based bank Emirates NBD even says "there is no reason anymore for anyone to open an account in Switzerland". According to Dugan, "Emirates NBD offers all kinds of wealth management services, from customised funds, trusts, family offices and even art banking. On top that, Emirates NBD runs booking centres in Dubai, London and Singapore."

In 2009, the world's population of high net worth individuals surged 17.1% to 10 million, according to the Cap Gemini Merrill Lynch Wealth World Wealth Report 2010. Their wealth jumped 18.9% from the "annus horribilis" 2008 levels when Ultra-HNWIs lost 24.0%, to \$39 trillion. The latter group of the "happy few" saw their wealth growing by 21.5% in 2009.

Islamic Wealth Management opportunities

One area that is still underdeveloped among Swiss banks in comparison to their peers in London and the GCC is Islamic finance. Islamic Wealth Management is regarded as the "missing link" between Sharia-compliant retail banking and corporate finance. While Islamic bank accounts for "the man on the street" and Sukuk issuances for project financing in 2010 topped pre-crisis levels, amounting to almost \$50bn globally, the development of Islamic wealth management has been neglected by the financial industry.

According to Dr Omar Clark Fisher, Strategic advisor to the Board of Takaful operator Solidarity in Bahrain, the Islamic understanding of wealth consists of four dimensions:

- The correct attitude about wealth.
- A plan for accumulation and preservation of wealth.
- Donation of wealth, or Zakat, usually 2.5% of the total capital.
- Distribution of wealth in the sense of inheritance.

In the Holy Quran, the Surat al-Baqarah Verse 2:262 states that : "Those who spend their substance in the cause of Allah and follow not up their gifts with reminders of their generosity or with injury, for them their reward is with their Lord; in them shall be no fear, nor shall they grieve."

Based on the growing wealth in the GCC, all Islamic banks in the UAE and a number of conventional banks with "Islamic Windows", have established sections of managing wealth above \$1m in line with Sharia, meaning interest-rate free and on a risk-shared basis. These sections are called Royal Banking (at Islamic bank Dubai bank), Al Dana Wealth Management (at conventional Commercial Bank of Dubai, known as CBD) or Siraj (at Abu Dhabi's First Gulf Bank) to mention a few.

The GCC's largest bank Emirates NBD has its own Sharia-arm Emirates Islamic Bank. According to Swiss Bank Sarasin-Alpen in Dubai, some 52% of the Saudi Arabian bank assets and a quarter of bank assets in the UAE are invested in line with Sharia. Key drivers are the overall market growth and conversion of conventional banks in KSA and the expansion of Islamic banks in the UAE. Their advantage: lower costs. A Swiss banker who does not want to be identified told AMEinfo.com: "We are aware that our fees are higher than those at Emirati banks, but Swiss service has its price."

Increased competition

Tax avoidance is not a primary reason for a GCC customer, whose primary concern is diversification. Geneva remains a popular hub for Arab capital in Europe. These steps provide a good mix in order to drag Islamic Wealth Management out of its niche.

Competition will intensify. Sarasin and Clariden-Leu expanded their operations from Dubai to Abu Dhabi, where both banks almost simultaneously opened representative offices last December. While Sarasin runs an Islamic wealth management section, Clariden-Leu only customizes wealth solutions in line with Sharia on demand. "I never understood the demand-driven model, which comes only into play when an Arab HNWI asks for Islamic finance", says John Sandwick, an independent wealth manager in Geneva. "Of course you can create demand by offering ex ante Islamic wealth management. That Muslims in the Gulf region in particular pray five times a day and observe the Holy Month of Ramadan is a fact, and practicing the religion of Islam does not stop at a bank counter", he adds.

For Californian-born Sandwick, it was not surprising that Deutsche Bank and Swiss private bank Pictet closed down most of their Islamic funds in the vague of the financial crisis. "Islamic wealth management cannot succeed by offering a fund", Sandwick says, "but rather it must be based on the Islamic idea of Tauhid or unity. Only a full-fledged capital management which covers trust solutions, equity and Sukuk investments, real estate management and succession planning can survive the struggle to put faith into finance for wealthy clients."

<http://www.ameinfo.com/257689-more1.html>

Islamic income funds record 158% growth

Sunday, February 27, 2011

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/>

Islamic banks need to be competitive

Sunday, February 27, 2011

Conventional banks were allowed to have Islamic operations to help them have diversified sources of revenue and make the local banking industry more competitive, says a former governor of Qatar Central Bank (QCB).

Islamic banks in the country had small capital base then and that was another reason why their conventional counterparts were permitted to offer Islamic banking services, said Abdullah bin Khalid Al Attiyah.

It was during his tenure as QCB governor that commercial banks were allowed to set up Islamic windows and branches.

“The managements of Islamic banks need to improve their efficiency and competence,” Al Attiyah obliquely hinted in an extensive interview with *Al Sharq*.

He, however, did not comment on the recent decision of the banking regulator to close the Islamic operations of commercial banks by the year-end.

He said when he was at the Qatar National Bank years ago the percentage of bad loans had increased so much that he had to think of alternatives to diversify the bank’s income sources and Islamic banking emerged as one of the options.

A formal request was made to the Qatar Monetary Authority (the QCB’s predecessor) to allow the QNB to have Islamic arm but the application was turned down, said Al Attiyah.

About bad loans, Al Attiyah said the banks dispensing credit should rely more on their own judgment and risk managing abilities than on the directives of the QCB.

The banks should try and learn more about potential borrowers and assess how serious they are in seeking a loan as also judge their repayment capacity.

The CEOs of some banks draw double the salary of the QCB governor so they should be in a better position to assess risks, said Al Attiyah.

In a veiled criticism of the Qatar Financial Centre (QFC), the ex-QCB chief said responding to a question that he was of the firm opinion that there should be a single regulatory body for banks.

The QCB, he said, should be the licensing authority and the regulator of the banking sector since it has more regulatory experience.

But Al Attiyah raised doubts over the autonomy of the QCB itself by saying that the law which regulated it allowed the finance minister to become the chairman of its board while he is chairman of the board of a bank (a reference to the QNB).

Al Attiyah did not blame higher inflation on property rents alone and said a mix of factors was at play and that included the pegging of the riyal to dollar, rising imports and public spending on public projects.

It is wrong to lay the blame for galloping prices on the QCB, he said.

The regulator’s strategy to absorb surplus liquidity of the banking sector to rein in inflation has a limited impact because of the massive economic development taking place in the country. The Peninsula

<http://www.thepeninsulaqatar.com/qatar/144028-islamic-banks-need-to-be-competitive-ex-qcb-chief.html>

Islamic finance stays strong despite downturn

Monday, February 28, 2011

Today the Islamic finance industry is worth close to \$1trn and spans the globe. From Kuwait to Kuala Lumpur, the industry has attracted significant investor interest due to Islamic banks' tendency to avoid excessive leverage and risk-taking - principles which have allowed them to sidestep some of the traps, including off-balance-sheet loans or derivatives, which have laid low their conventional peers.

Islamic finance, which requires financial products from mortgages to savings accounts to be structured to comply with Sharia law under the Quran, is attracting sustained interest from non-Muslims as well. And it's no surprise when you consider that, according to the International

Monetary Fund, between 2007 and 2009 Islamic banks' assets grew an average of twice as fast as conventional banks' assets in major Muslim markets.

The Gulf region is a natural destination for sharia-compliant cash from all over the world: according to consultancy Deloitte & Touche, around 80% of Islamic financial institutions globally are based in the GCC. What's more, 60% of assets held by Islamic financial institutions globally are concentrated in the GCC.

"The potential for Islamic finance in the Gulf is extremely encouraging," says Dr Mohamad Nedal Alchaar, secretary general of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), the international standard-setting organisation for Islamic finance.

"This largely reflects the improving economic conditions in the region, and we believe that the supply and demand for credit in the Gulf will increase in the coming years."

Supply of credit is likely to expand

According to Dr Alchaar, supply of credit is likely to expand as liquidity rises. Meanwhile, demand for credit will grow in tandem with increased economic activity, including major investments in infrastructure across the region, as well as renewed efforts towards economic diversification.

"Islamic finance mechanisms generally require real economic activities as underlying transactions," Dr Alchaar notes. "So this rise in economic activity should create a perfect environment for Islamic finance."

Dr Alchaar points to takaful, or Islamic insurance, and trade financing as two areas with particular potential in the Gulf. Takaful is co-operative, whereby customers put money into a communal fund and take out what they need in the event of a claim. Insurance companies charge a fee for managing the operation, and any money left over at the end of the year is paid back to customers.

According to Ernst & Young's World Takaful Report 2010, global takaful contributions soared 28% in 2008 to reach \$5.3bn - and Saudi Arabia accounted for more than half of those contributions, totalling US\$2.9bn. The takaful industry in the region's biggest economy is expected to grow faster than non-oil GDP for the foreseeable future, while other Gulf countries including the UAE have been tipped as significant potential growth markets.

According to Datamonitor the UAE's insurance market value for 2009 amounted to \$5.1bn, which is expected to rise to \$11.61bn by 2014, a 128% increase since 2009. And the UAE Minister of Economy, Sultan Bin Saeed Al Mansouri, said in November that insurance premiums in the Emirates in 2010 were expected to hit \$6bn.

"Life insurance penetration on a country-by-country basis is generally linked to two things: tax incentives for saving, and mortgage-linked life insurance," says Raj Madha, banking analyst at Rasmala Investment Bank.

"Obviously in this region we don't have tax, so that link to the tax-efficient savings concept, doesn't really exist. And the second driver, the link to the property market, exists and has suffered hugely.

But as mortgages recover then life takaful, often known as family takaful, should recover as well."

Still room for deepening of takaful product

Madha contends that there is still significant room for deepening of the takaful product portfolio. In order to grow, Islamic financial institutions will have to work hard to offer a wider range of

products, so that they might take advantage of what is undoubtedly an underpenetrated market. They will also have to develop greater awareness of takaful products and services, among customers.

"Insurance in the most general sense covers all risk mitigation products, and there's a vast swathe of risk mitigation products in the Western world which haven't yet been replicated in the takaful world," he says.

"Part of that is that they haven't been replicated in the emerging markets, or even much outside the US, which tends to be the most advanced market," Madha continues. "It's all to do with familiarity: once customers are more aware of the idea of unemployment insurance or personal liability insurance, then those categories will become more popular."

Demand for trade financing, meanwhile, is expected to rise as the Gulf economies develop their non-oil exports. In the UAE, for example, a November 2010 survey of HSBC customers found that around half of small businesses said they expected their need for trade finance to increase from 2009 to 2010, as they rely more heavily on banks to finance their export and import activity and receivables. The bank said that its own trade financing activity on exports was up 75% in the country, adding that a \$100m fund established for small customers' trade finance needs, was more than 70% drawn.

At AAOIFI, Dr Alchaar argues that economic growth in both the Gulf and Asia is likely to be among the strongest in the world in the coming years. Trade between the two regions will increase as a consequence, and this should present a "compelling opportunity" for the rise of trade financing through Islamic finance, as well as the development of trade flows between the Gulf and Asia.

According to estimates from the Economist Intelligence Unit, there is likely to be \$100bn in outward investment from East to West over the next five years to 2016. Sharia-compliant financing is likely to lie at the heart of the capital raising that will take place between Asia and the Middle East, and Gulf markets are building strong ties with key Asian allies, in anticipation of the coming capital rush.

"Capital flows between the Gulf and Asia are likely to increase, and Islamic finance can play its role to facilitate them," insists Dr Alchaar. "Again, the rise in Islamic finance activity is to follow the rise in overall economic activities."

<http://www.ameinfo.com/257863-more1.html>

UAE Keeps Islamic Banking Options Open

Wednesday, March 02, 2011

The UAE will not follow Qatar in banning conventional banks from operating Islamic services, as its financial system has a different legal framework, says the Central Bank Governor.

Conventional banks will remain free to offer Sharia-compliant banking products, said Sultan al Suwaidi. "They can offer products; if they want to offer Islamic or conventional, it's up to them," Mr al Suwaidi said. "We don't have the same system to undo as Qatar undid."

Last month Qatar's central bank asked conventional lenders to close down their Islamic operations because of concerns about an overlap between the two. This caused concern among banks in the region that offer services abiding by Sharia law.

Interest in Islamic finance is growing globally. Assets held by Islamic finance companies are tipped by Moody's Investors Service to swell fivefold to more than US\$5 trillion (Dh18.36tn) in the near future. But the sector has little international standardisation, leaving individual countries to adopt their own rules.

Qatar has separate laws governing conventional banks and Islamic lenders but UAE banks are governed by the same legislation. Conventional banks operating in the UAE offer both products.

"Markets like the UAE and Saudi Arabia have a single banking act and there's no segregation between the two, said the head of Islamic finance for a UAE bank, who asked to remain anonymous.

In Saudi Arabia, the central bank treats conventional and Islamic banks equally. Bahrain's central bank was the first to impose the standard rules of accounting and auditing organisation for Islamic Financial Institutions (AAOIFI) across all Islamic banks.

Islamic finance banks based in the Dubai International Financial Centre are required to operate within AAOIFI guidelines.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1433

Upheaval can help to drive Islamic finance

Wednesday, March 02, 2011

When a nation has an upheaval such as Egypt has just had, it certainly changes the dynamics and growth prospects for many areas, including Islamic finance.

Despite being the birthplace of Islamic finance, having strong economic fundamentals and latent demand, Islamic finance has not gained traction in Egypt. Why? Perhaps a more appropriate question may be: is the removal of President Hosni Mubarak a renaissance for Islamic finance in Egypt?

There is a saying, "addition by subtraction," meaning that the removal of Mr Mubarak may be the necessary spark to ignite demand for real Islamic finance without the fear of "Islamists".

During a presentation in Cairo last year to lawyers, bankers and professionals, there was a cynicism and aggression against the commercial applications of Islam. It was as if teachings against those who partake in usury were not sufficient to convince these educated "Muslim" professionals that it is something they should avoid or at least be wary of, whatever form it comes in, whether it be bank interest or mortgage finance.

When the Egyptian Financial Services Authority decided to finally establish laws and regulations for sukuk, primarily to attract Gulf petro-liquidity, it even decided to avoid any terms that indicated any Islamic affiliation for the regulation.

Why is Egypt an example of the rapidly changing dynamics for the region and, more importantly, the dynamics of Islamic finance?

The growth of Islamic finance is attributable to primary drivers of surplus risk capital, doctrinal religiosity (as found in the Middle East and increasingly in minority communities in the West), comparative efficiencies with conventional finance, and enabling regulatory environment for both banking and Islamic finance.

With the upcoming independent elections, it is likely that Islamist-leaning voices such as the Muslim Brotherhood may regain their place in Egyptian politics. But the will of Tahrir

Square is not about turning Egypt from one hardline "secular" country into another hardline Islamist state. It is about openness to ideas, secular and spiritual.

The relevance for Islamic finance with this history-making event, is not so much the overt Islamist leanings of the Muslim Brotherhood, but, rather, that a key impediment for the take-off of Islamic finance in Egypt has been removed. And, much like a political party in democratic states, Islamic finance is largely a function of the "invisible hand" of demand from the voters, concurrently, acting as depositors and investors.

Anecdotally, a number of bankers have stated that demand for Islamic finance is so strong that their multinational bank has been receiving daily requests from the local office to open Islamic branches in Egypt.

Thus, for Islamic finance to prosper in Egypt, it is not an Islamist government, but rather an "open door and level playing field," the same door open to the conventional banking sector [the same door that has been closed for the past 30 years].

The Egyptian lessons for Islamic finance have application for Tunisia, and challenging situation in Yemen and Libya.

But, this is not to say that upheavals are always a good thing for Islamic finance. The events that took place over the past couple of weeks in Bahrain have done little to dampen investor sentiment for Bahrain as an economic destination, as demonstrated by the very minor dip in bond prices.

However, the growth prospects of Islamic finance and, in general, the financial services industry in Bahrain will largely rest on the upcoming decisions of the crown prince and the support of the royal family. If he provides the right concessions and moves the country towards representative government, Bahrain as an investment and financial hub, may survive with its reputation intact.

<http://www.thenational.ae/thenationalconversation/industry-insights/finance/upheaval-can-help-to-drive-islamic-finance>

Malaysia rejects ringgit-denominated loans to Korea

Thursday, March 03, 2011

Malaysia, the world's largest Islamic financial market, has rejected providing loans through ringgit bonds to Korean financial companies, the Korean Strategy and Finance Ministry said Wednesday.

Korean financial institutions have faced difficulty tapping Mideast oil money after a bill on Islamic bonds called sukuk failed to pass the Korean parliament.

The Malaysian government has asked the institutions to raise funds by issuing Islamic bonds called sukuk.

Ringgit bonds are frequently issued in the Malaysian currency ringgit within certain limits and periods to extend loans. Ringgit bonds are different from Islamic bonds devised under Islamic law, so Korean financial institutions have used ringgit bonds to attract Mideast oil money since 2008.

Kuala Lumpur had said it would temporarily provide funds through ringgit bonds and urged Seoul to raise funds by issuing susuk bonds if the law on Islamic bonds passed parliament.

The state-run Korea Development Bank is on alert after Korean lawmakers failed to introduce the bill on the Islamic bonds law. The bank recently borrowed 3.5 billion ringgits (1.02

million U.S. dollars) from Malaysia but must raise 2 billion ringgits through the issuance of sukuk bonds at Kuala Lumpur's request.

Without the passage of the law, the bank cannot use more than half of the borrowed money.

<http://english.donga.com/srv/service.php3?bicode=020000&biid=2011030329338>

Europe Islamic Index Stoxx Expands Shariah Compliant

Friday, March 04, 2011

Stoxx has launched three Islamic finance indices to help investors benefit from the nascent sharia market in the UK, according to the firm's chief executive.

The Stoxx Europe Islamic index and two blue-chip sub-indices, Stoxx Europe Islamic 50 and Euro Stoxx Islamic 50, will measure the performance of sharia-compliant companies selected from the Stoxx Europe 600 index.

Hartmut Graf, chief executive for Stoxx, said the indices were designed to act both as a benchmark for actively managed funds, and to underlie exchange-traded funds and other investable products that enable investors to participate in the performance of European companies that adhere to the principles of Islam.

Sharia finance is based around sharing profit and loss and forbids the use of interest of profit derived from industries such as alcohol or gambling.

Mr Graf said: "The number of market participants who wish to invest in accordance with their religious beliefs, or to participate in the performance of companies that act responsibly in terms of economic, environmental and social directives, is growing constantly. Therefore Stoxx will expand its index offering in this area to meet the demand."

Michael Brill, director of Essex-based Baronworth Investment Services, said: "Sharia finance is still a niche market in the UK so anything that helps enhance understanding has got to be a good thing.

"What the indices should do is provide a benchmark for IFAs and investors as to which companies are doing well, and that has got to help."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1438

Global Islamic Finance Awards of the Decade

Saturday, March 05, 2011

The need for the Islamic finance industry to innovate original and genuinely Sharia'a-compatible products is widely acknowledged. Not only is innovation necessary to compete with the conventional finance sector, but it could also help Islamic finance work together with its...

(Ahlul Bayt News Agency) - The need for the Islamic finance industry to innovate original and genuinely Sharia'a-compatible products is widely acknowledged. Not only is innovation necessary to compete with the conventional finance sector, but it could also help Islamic finance work together with its conventional counterpart in order to create a more sustainable, ethical financial system worldwide. Leaders in Islamic banks, Takaful firms and Sharia'a-compliant investment companies play a major part in the process of innovation,

inspiring everyone involved in their organisation. As such a leader it is paramount that you have access to resources that can in turn inspire you and inform your ideas.

Our primary aim is to reward institutions and individuals for demonstrable achievement in promoting and developing Islamic finance market regionally and internationally.

The Awards are open to everyone involved in Islamic finance and banking industry. Winning a Global Islamic Finance Awards demonstrates that your company is leading the world in its innovative thinking, ethical approach, and that your team is delivering effective, impactful solutions to Islamic finance market.

Entries are judged by senior industry leaders. As our panel of experts, they will determine the winners of the prestigious Global Islamic Finance Awards 2011. Entries are open on 20th of March and close on 31st of August 2011. Your work will be reviewed by judges from around the world on the following criteria; Insight, Strategy, Execution and Results. Through our online judging process, the shortlist will be decided. Final judging will then take place to select the winners.

<http://abna.ir/data.asp?lang=3&id=229658>

2. ISLAMIC BANKING & INSTITUTIONS

ABC Islamic Bank Hopes To Boost Trade in Islamic Finance

Monday, February 28, 2011

ABC Islamic Bank hopes to expand its customer base and develop new products this year as customers' appetite for borrowing returns.

The subsidiary of Bahrain-based Arab Banking Corporation on Thursday posted a net profit of \$2.1 million this year compared to \$10.1 million in 2010.

Total operating income was \$15.9 million compared to \$20.4 million last time due to lower rates and de-risking of balance sheet asset size. Staff and operating costs of \$4.9 million were also lower than the previous year at \$5 million.

Impairment provisions of \$8.6 million were taken for regional exposures during the year, \$3.6 million higher than the previous year.

Net profit for the fourth quarter was \$500,000, compared to \$200,00 in the third quarter. Total operating income was \$3.8 million compared to \$4.1 million for the previous quarter.

Staff and operating costs for the fourth quarter were at \$500,000 compared to \$1.5 million in the third quarter. Additional impairment provision of \$2.7 million was taken during the quarter.

Shareholders' equity at the year-end stood at \$187.3 million compared to \$176.5 million for the previous year, an increase of \$10.8 million coming from improvement in fair values of available-for-sale investments and net profit for the year.

The capital adequacy ratio at 2010 year-end was very strong at 24.5 per cent, predominantly Tier 1, which totalled 24.2 per cent, both up year on year.

ABC Islamic Bank's total assets declined to \$1.21 billion at the end of last year, from \$1.32 billion a year before, mainly due to decline in available-for-sale investments, murabaha receivables and ijarah assets as a result of further de-risking of the balance sheet.

'During 2010, ABC Islamic Bank has built new relationships with target customers across the Mena region, as well as raising its quality of service to differentiate it from other Islamic banks,' said managing director Naveed Khan.

'Having one of the broadest product ranges of any Islamic institution, the bank is providing selected target market customers with high-quality relationship banking incorporating more than one product.

'The bank has also led several new financings for customers. Notably, it was the sole arranger of a Japanese bank's international syndicated facility, which demonstrated how Islamic finance can give conventional borrowers access to a diversified source of finance.

'During the coming year, ABC Islamic Bank expects to grow its lending activity selectively, as a result of both its recent drive to win new clients, and a gradual recovery in the borrowing appetite of customers,' he said.

'The bank will also work closely with ABC Group's expanding regional retail business, designing and producing Islamic products for the retail market,' Khan said.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1425

BMI Bank signs \$80 million term-loan facility

Wednesday, March 02, 2011

Bahraini retail and commercial banking institution, BMI Bank, announced the successful signing of its three-year syndicated term-loan facility for USD 80 million.

The signing ceremony was held at the Capital Club in the Bahrain Financial Harbor and was attended by Jamal Al-Hazeem Chief Executive Officer (CEO) of BMI Bank, AbdulKarim Bucheery CEO of Bank of Bahrain and Kuwait (BBK), Jonathan Morris CEO of Standard Chartered Bank, AbdulRazak Ali Issa CEO of BankMuscat and Graham Scopes Senior Vice President, Global Head of Corporate and Structured Finance at Arab Banking Corporation along with senior representatives from participating banks as well as from BMI Bank. The credit facility was arranged by BankMuscat with Bank of Bahrain and Kuwait, Standard Chartered Bank and Arab Banking Corporation as participants.

Commenting on the successful closing of the syndication, Jamal Al-Hazeem said: "The syndication received strong support from the banking market with an oversubscription in the facility amount and as a result the total amount was increased from the initial US\$75 million to US\$80 million. This successful transaction further reiterates both our strong reputation as well as Bahrain's economic position within the financial community.

I would like to thank the lenders for their confidence in our bank and future outlook and look forward to strengthening our relationship with these banks. Such excellent support could not have come at a more opportune time than now as we are in the process of stepping up our domestic growth strategy in line with our vision."

BMI Bank recently unveiled its refreshed brand identity under a new tag line, 'better, together', strengthening its position as an entirely customer and customer-service driven bank.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1431

Meezan Bank Wins 'Best Islamic Bank in Pakistan'

Thursday, March 03, 2011

As the Islamic Finance industry is spurring ahead in many countries the Islamic banking sector in Pakistan is exhibiting achievements from Meezan Bank. Meezan Bank has achieved the 'Best Islamic Bank in Pakistan' in Malaysia.

A statement issued here on Tuesday states that Meezan Bank Limited has been awarded the 'Best Islamic Bank in Pakistan' for 2010 by Islamic Finance News of Red Money Group in a ceremony held in Kuala Lumpur.

It said that the Islamic Finance News (IFN) Awards honour the best in the Islamic financial industry. The statement pointed out that the award brings to light a highly successful and record-breaking year for Meezan Bank, the only AA-rated Islamic bank in Pakistan.

With a branch network of 222 branches in 63 cities across Pakistan, Meezan Bank continues to be the largest Islamic bank in Pakistan.

The bank demonstrated robust business growth in 2010, closing the year with a deposit figure of 131 billion rupees, import/export business of 143 billion rupees and a 61 percent growth in net income over the previous year.

The statement further pointed out that Meezan Bank offers a complete range of Islamic banking products and service, including free online banking for all Pak Rupee accounts at all its branches. Pakistan has exhibited a strong support for Islamic Finance as it has a predominant Muslim population wishing to tap into Shariah compliant investments and projects across the country and worldwide.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1434

Path Solutions Wins 'Best Islamic Technology Provider'

Thursday, March 03, 2011

Path Solutions, the world leader in the provision of Islamic banking software, is pleased to acknowledge receiving the IFN 'Best Islamic Technology Provider' in the Islamic Finance news (IFN) Awards Poll 2010.

The award was presented to Path Solutions' Group Chairman & CEO, Mr. Mohammed Kateeb, during the IFN Awards Ceremony held on 24th of February at the Shangri-La Hotel, Kuala Lumpur and February 28 2011, at Dusit Thani Hotel, Dubai.

Mr. Kateeb commented on this occasion: "We are delighted to be selected once again to receive the prestigious Award of Best Islamic Technology Provider. The Islamic finance industry becomes increasingly competitive every year and we are thrilled to remain leading this segment. This award is a testimonial of our customer loyalty and an endorsement of their trust in our industry expertise and technology know-how. We are proud that our Brand iMAL was elected consecutively by our customers and leading industry players which reflect our commitment to providing them with best in class solutions and our contribution for the Islamic banking industry as global".

Maintaining a distinct edge over the competitors was comprehended due to Path solutions' focus on customer needs and its major aptitude to constantly evolve its products and roadmap to meet and exceed the specific needs of a highly competitive market.

The IFN Best Service Providers Poll recognizes the best supporting providers to the Islamic financial services industry. The IFN Awards are a benchmark for performance in the Islamic finance industry and are considered to be the most accurate indicator of who is leading the market.

Alinma Bank May Expand Outside Saudi Arabia in Future, CEO Says

Friday, March 04, 2011

Alinma Bank, an Islamic lender based in Saudi Arabia, may expand in the future outside the Arab world's largest economy, according to its chief executive officer.

"We are looking at local expansion in the short term, but we are open for any opportunities in the future," Abdulmohsen Al Fares told reporters at the Saudi Economic Forum in Riyadh.

Alinma grows locally by focussing on both retail and corporate banking, he said. "Corporate will play a good role in the mid- and short-term, while retail will be for the mid- and long-term." Alinma's fourth-quarter profit rose to 67 million riyals (\$18 million) from 6 million riyals a year earlier.

Al Fares said Islamic financing has big potential, especially in the wake of the global financial crisis. Demand for Islamic banking instruments is growing worldwide, he added.

Alinma needs to start building provisions for bad loans gradually, he said. On Feb. 20, Alinma reported loan-loss provisions for the first time on record, setting aside 3 million riyals in provisions in the fourth quarter. "This does not necessarily indicate that provisions will increase this year," he said.

Alinma's shares dropped 3.8 percent to 8.85 riyals, the lowest level since they started trading in June 2008, close in Riyadh. The stock has fallen 16 percent since the beginning of the year.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1439

3. SUKUK (ISLAMIC BONDS)

Malaysian Mahathir Backs Islamic Bonds

Monday, February 28, 2011

Mahathir Mohamad, former Malaysian prime minister, yesterday defended Islamic financing in the wake of the controversy in Korea over the issuance of Islamic sukuk bonds by local companies.

Speaking at the Global Korea 2011 conference at the Lotte Hotel in central Seoul, Mahathir said that sukuk bonds "were not about religion, but doing business."

The Korean government has tried to make it easier for local companies to issue sukuk bonds by amending tax laws, but some lawmakers and organizations fiercely oppose the measure.

Mahathir also said tax exemption on sukuk bonds issuance were not a privilege benefiting one religion. "It is up to the banks to decide whether to offer Islamic banking or not. That privilege is not confined to any banks."

Mahathir was Malaysian prime minister between 1981 and 2003 and was instrumental in making the country a major hub for Islamic financing, including creating the world's biggest Islamic bond market.

Malaysia has been hoping for business from Korean companies if the sukuk bond law is passed by the National Assembly.

Mahathir also criticized the imposition of sanctions against North Korea, saying the country's people should be left to change their own government as is happening in the Middle East.

"We should not try to impose our ideas on them through sanctions and the like," Mahathir told reporters on the sidelines of the international conference.

"We don't believe in sanctions, because sanctions punish other people, not the leaders," said Mahathir. "It is not fair to make the people pay for something that is beyond them."

Instead, Mahathir said regime change could be brought about from within as in the cases of Tunisia and Egypt, where massive anti-government demonstrations recently forced the countries' leaders to step down.

"What we are seeing is that because of the new media, people are being exposed to what is happening in other countries," he said. "Very quickly, they feel that they should change to follow what is happening in the rest of the world, and they themselves will take action." In referring to North Korea, Mahathir predicted "they will slowly pick up the strength and the courage to oppose their own government and to change their system of government. Let's be a little bit more patient and try and persuade the North to give up these ideas that they could isolate themselves and still enjoy the good things of life."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1423

Protestant opposition dooms Islamic bond bill

Tuesday, March 01, 2011

The ruling Grand National Party has caved in to pressure from Protestant groups over a proposal on tax exemptions for Islamic bonds issued by companies to help domestic borrowers tap Mideast oil money.

The party reportedly reached a consensus Monday that putting to public debate the so-called sukuk bond bill is difficult after shunning deliberation of the proposal in this month's extraordinary parliamentary session amid strong Protestant opposition.

At a Sunday meeting with the administration and the presidential office, the party put the brakes on the plan for the bill, insisting that the party determine the bill's fate.

At a supreme council meeting Monday, party floor leader Kim Moo-sung is known to have said the situation does not allow the party to proceed with the bill without seeking the Protestant community's understanding.

On Saturday, a party lawmaker at the ruling party's request conveyed to Protestant groups a message that the party will not proceed with the sukuk bill. The party leadership also asked the lawmaker to say the party chairman's pledge to convey the Protestant position on the bill to the National Assembly meant the party intends to snub the bill.

The message suggests that the party urgently had to take on its uncomfortable relationship with Protestants ahead of next year's presidential and general elections.

The Rev. David Yonggi Cho, one of the country's most influential Protestant evangelists, is known to have taken a step back Saturday after declaring war on President Lee Myung-bak.

Conservative Protestant groups took a wait-and-see attitude on the matter because the church and the party had reached an understanding on the scrapping of the controversial bill.

The administration seems to be seeking a new opportunity to push ahead with the bill after the April 27 by-elections. An official at the Strategy and Finance Ministry said the government has no choice but to take its time in seeking a new momentum for the proposal because of Protestant opposition.

<http://english.donga.com/srv/service.php3?bicode=050000&biid=2011030195118>

Pakistan raises 47.54 bln rupees from Islamic bond sale

Tuesday, March 01, 2011

KARACHI: Pakistan raised 47.54 billion rupees (\$555 million) by selling Islamic bonds in the domestic market, the central bank said on Tuesday.

The cut-off margin will be the six-month treasury bill weighted average yield, which in the last auction on Feb. 23, was 13.6750 percent.

The issue, known as the Government of Pakistan Ijara Sukuk, is a three-year bond.

Settlement for the auction held on Tuesday will be on March 7.

<http://www.thenews.com.pk/NewsDetail.aspx?ID=11885>

4. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

Malaysia Reaches New Benchmark in Islamic Investments

Tuesday, March 01, 2011

Bloomberg LP has launched a new Malaysian ringgit sukuk index to provide a benchmark for ringgit sovereign sukuk investments.

Referred to as the Bursa Malaysia Sovereign Shariah Index (BMSSI), it was developed with the help of the Association of Islamic Banking Institutions Malaysia (Aibim) and will form part of Bloomberg's Islamic Finance Platform which seeks to leverage on the growing demand for information for syariah-compliant products and services.

Speaking at the index's launch central bank governor Zeti Akhtar Aziz described BMSSI as 'another significant milestone in the Malaysian Islamic financial environment' since it also measures the performance of ringgit-denominated syariah-compliant government securities.

Bank Negara and Bloomberg are looking to broaden the initiative by developing a foreign currency sukuk index, she revealed, adding that the liberalisation of Malaysia's financial markets would attract further such issuances by sovereign entities, multilateral institutions and multinational corporations.

A pioneer in Islamic finance, Malaysian is the biggest sukuk issuer with about 62 per cent of the global sukuk market. The government expects this year to see five new issues and the reopening of six others with an expected total issuance amount of RM90 billion (S\$38 billion).

The government sukuk outstanding amount as at mid-February was RM81.5 billion with RM45 billion due to mature this year. Malaysia is an successful Islamic financial hub and with

further support from key financial wires such as Bloomberg there will be scope to further advance and develop the industry into the \$2 trillion dollar global industry.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1430

Khalifa Fund for Enterprise Development signs MoU with ADIB to deploy financing for SMEs

Wednesday, March 02, 2011

Khalifa Fund for Enterprise Development and Abu Dhabi Islamic Bank (ADIB), a top-tier Islamic financial services group, have signed a memorandum of understanding (MoU), to provide financial services for the Fund's clients through ADIB's branch network.

Under this agreement, ADIB will provide Credit Administration Services and processing of finance applications for Khalifa Fund's customers. In addition, ADIB will designate a specialized center in Abu Dhabi to serve Khalifa Fund's customers.

The agreement was signed by Ibrahim Al Mansoori, Deputy CEO of Khalifa Fund for Enterprise Development, and Mr. Tirad Mahmoud, CEO of ADIB, at the signing ceremony took place at ADIB's premises.

Commenting on the MoU, Tirad Mahmoud, CEO of ADIB said, "We look forward to our partnership with the Khalifa Fund as its strategic programs are essential to the development and progress of Abu Dhabi. SMEs are a significant pillar of the economy and its growth. We are keen to support SME related projects to contribute to UAE's growth."

"This MoU reflects the ongoing efforts of ADIB's Business Banking Group, to support SMEs in the UAE and to offer top of the line solutions and specialized products and services for all SME related organizations through the bank's extensive branch network," he added.

Ibrahim Al Mansoori, Deputy CEO of Khalifa Fund for Enterprise Development, said, "This agreement enables Khalifa Fund to provide its financing programs within the purview of Islamic banking standards, enabling multiple options for all segments of the Fund's beneficiaries."

"The partnership is a result of the Fund's strategic direction to upgrade and develop its services, bringing about efficiency and shortened turn-around periods," he added.

He emphasized that the Fund's mission is to fuel the entrepreneurial culture among UAE National entrepreneurs in order to strengthen the SME sector, and sustain a diversified economic environment in the UAE.

Al Mansoori confirmed that the agreement will be activated from the date of signing, noting that the Fund will continue to provide financing services through other commercial banks approved by the Fund.

ADIB's Business Banking Division is a newly established vertical created to specifically cater to the needs of the untapped SME segment with a unique offering and comprehensive banking solutions. Through Business Banking, ADIB will provide bespoke financial solutions and advisory services. The division will also provide advisory services through dedicated SME relationship managers. Other offerings such as devoted call centres and alternative online channels will provide SMEs the best banking experience modeled specifically around their needs.

It is noteworthy that Khalifa Fund for Enterprise Development provides financial solutions through four programs: "Bedaya", which funds new projects with up to Dhs3m,

"Zeyada" aims at financing the expansion of existing projects with up to Dhs5m, "Khutwa" dedicated to fund micro-projects with financing up to Dhs250 thousand, in addition to "Tasnea", which funds industrial projects worth Dhs10m.

<http://www.ameinfo.com/258052.html>

5. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

Islamic Finance Awards To Award KPMG For The 4th Year Running

Monday, February 28, 2011

Euromoney's Islamic Finance Awards has acknowledged KPMG's role in promoting and aiding the development of the Islamic finance industry through its network of international member firms for the fourth year running.

There are many KPMG member firms which are active in the Islamic finance arena in countries such as the UK, France, Canada, South Africa, Qatar and India. In the UK, KPMG is currently working on three Shariah-compliant real estate funds. One has launched and is buying its first property while the other two are in the developmental stages of fund launch. KPMG also continues to act as auditor to the first standalone takaful company in Western Europe.

KPMG's French practice is still advising on the establishment of what are expected to be France's first standalone Islamic retail and commercial banks and the Canadian practice is advising a company hoping to be the country's first Islamic bank. The South African practice was included as part of the national treasury task team for recommending enabling legislation for Islamic finance by way of a new insertion in the Income Tax Act. KPMG in Qatar was commissioned to assess the feasibility of setting up a takaful company as well. Samer Hijazi, director in KPMG's financial services practice made some comments on the award.

"This award demonstrates our continued commitment to the Islamic finance industry, particularly during the recent challenging global market conditions. We are very proud of our achievements in this space and will continue to work closely with our clients to help the industry step up to the next level with regard to governance, asset management and product offering," he said.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1424

NBAD Hosts The Global Financial Markets Islamic Forum 2011

Tuesday, March 01, 2011

The National Bank of Abu Dhabi's (NBAD) annual Global Financial Markets Islamic Forum (GFMIF) will commence 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 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.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1426

Jeddah Economic Forum To Address Islamic Finance

Tuesday, March 01, 2011

The chairman of the 11th Jeddah Economic Forum (JEF) has said current unrest in a number of Middle East countries will not have any impact on the event.

Majid Al-Kassabi said at least 42 local, regional and international economic, political and public personalities would speak at the three-day event, which takes place March 19-22nd 2011 at the Jeddah Hilton Hotel with the theme of "A 21st Century Transformation: The Impact of Global Forces."

"The forum is primarily an economic event not a political one," he said. The chairman refuted accusations that most of the speakers might talk about issues not of concern to the Kingdom and focus on their own countries. He said the old concepts of local economies have changed with the advent of globalization.

Al-Kassabi was talking at a press conference held at the Jeddah Chamber of Commerce & Industry (JCCI). He said the forum would be held under the patronage of Makkah Gov. Prince Khaled Al-Faisal.

“The participants include a select group of local and international economists, social, and cultural thinkers along with elite politicians and world leaders, ministers and academics who will enrich the forum with their experiences.”

According to Al-Kassabi, keynote speakers will include, among others, Turkish Prime Minister Recep Tayyip Erdogan and Nelson Mattos, vice president of product management and engineering for Google in Europe, Middle East and Africa.

According to the chairman, the first session will focus on the phases of global transformation. He added that the panel would discuss how global forces are likely to shape the world in the next five to 10 years and explore how they will affect the region’s economy.

On the same day, the forum will also be looking at the world’s best economic transitions. The future of public private partnerships will be addressed during the third session the same day, followed by one on global leaders’ dialogue.

The latter discussion will emphasize that governments, domestically and internationally, need to become more sophisticated regulators of markets and be more innovative in partnering with private and nonprofit organizations to deliver productivity improvements or social outcomes. The panel will look into how government can work with the private sector to create positive change.

Day two will focus on shaping the Kingdom’s future and harnessing the potential of the Saudi economy. The first session for the day, focusing on prosperous citizenship, will debate on how to build a stable and prosperous middle class in the Kingdom.

The following session on the productivity imperative will stress on leveraging technology to meet the Kingdom’s productivity needs and explore the opportunities the country have to increase the productivity of its work force.

Beyond calamities is the focus of the third session of day and speakers will share insights in developing a world-class infrastructure to deal with natural disasters. A panel will explore the opportunities lying ahead of the Kingdom to increase its environmental preparedness.

The overall theme for the third and final day will be “Shaping the Kingdom’s Future Today.” The first session will focus on pioneering Islamic finance, with the Kingdom at the forefront of the global Islamic financial landscape. The global Islamic finance sector is now valued at over \$1 trillion, but still accounts for only 1 percent of the global financial landscape.

Stakeholder society synergy will be the focal point of discussions at the second session, discussing ways of stimulating collaboration between different segments of the society.

The last session of the forum, entitled “The Cusp of Creativity,” examines regional approaches to addressing regional challenges. JCCI Chairman Saleh Kamel, who attended the press conference, said: “This year, the forum will allocate part of its income to help support the victims from the recent and tragic Jeddah floods.” Kamel added that JEF has been a longstanding economic forum in the Kingdom and has been recognized for addressing several of the Kingdom’s challenges along with issues from the global arena.

“The preparations that are under way confirm the continuous success of this annual forum, which is known for its authenticity and innovation in Jeddah, also known as the economic capital of the Kingdom.”

Kassabi added: “The ambition and determination to maintain the superior quality of this forum will continue to shape the eleventh session in 2011. We continuously strive to maintain the forum’s outstanding quality and content, with the support and patronage of Prince Khalid.”

The organizing committee is headed by the likes of JCCI Vice Chairwoman Lama Al-Suleiman and fellow board member Fatin Bandagji.

The Jeddah Economic Forum was first launched in Jeddah in 2000. It came into being as an initiative of the JCCI. It has further promoted the city as a commercial capital of Saudi Arabia and highlighted its role as a major center for finance, trade and economy in the Middle East.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1428

Islamic Finance Firm Saadiq Awarded Top Honours

Wednesday, March 02, 2011

Standard Chartered Bank's Saadiq's leadership position in Islamic banking was celebrated at the Euromoney Islamic Finance Awards. The bank was presented with three awards - 'Best Islamic Project Finance House', 'Most Improved in Asia' and Standard Chartered Bank Saadiq chief executive officer Afaq Khan was honoured with a personal achievement award for his 'Outstanding Contribution to Islamic Finance'.

Standard Chartered's leadership in Islamic banking has continued to gain external recognition. Over the past four years, Standard Chartered Saadiq has received more than 66 industry awards.

"We are very pleased to win these awards which recognise our contributions in major Islamic markets," said Mr Khan, who is based in the UAE.

"Our close working relationships with regulatory and industry bodies have been imperative in the development of the Islamic banking sector. I am honoured to be presented the personal achievement award.

"This award is a tribute to the dedication, professionalism and combined effort of the Saadiq team and colleagues across the bank."

To date, Standard Chartered Saadiq has rolled out more than 150 Islamic financial products and solutions. These extend across the entire client spectrum including retail, corporates, financial institutions and government bodies for wholesale and consumer banking.

Offerings such as the Islamic commodity hedging product and Sharia-compliant US dollar Nostro account have earned the bank the reputation as a provider of innovative, cutting-edge Islamic solutions and gained recognition as a thought leader and innovator in the market.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1432

Bahrain Financial Exchange sponsors the 10th Islamic Finance Summit as the Strategic Exchange Partner

Wednesday, March 02, 2011

The Bahrain Financial Exchange (BFX), the first multi-asset exchange in the Middle East and North Africa (MENA), sponsored the 10th Islamic Finance Summit as the Strategic Exchange Partner.

The Summit, which was held at the Landmark Hotel from 21st to 23rd February in London, United Kingdom, provided an ideal platform for the BFX to highlight the significant role it plays in reinforcing and driving liquidity in the Islamic finance markets in the MENA region with Bahrain acting as the hub.

The Euromoney Islamic Finance Summit is an internationally renowned annual event with a prime focus on the emerging \$ 2trillion Islamic Finance industry. The three-day event

attracted over 400 industry leaders in Islamic finance. The theme for this year's event was 'The Globalisation of Islamic Finance' and was regarded as an opportunity for Islamic financial institutions from around the world to look ahead at future challenges and opportunities within the Islamic finance industry.

The BFX's Islamic division, Bait Al Bursa, began operations of its innovative e-Tayseer platform offering Murabaha liquidity management solutions on the 7th February 2011. As the first fully Islamic automated platform for transactions in the supply, purchase and sale of assets, e-Tayseer offers the next stage in Murabaha transactions. A unique characteristic of e-Tayseer is that it offers various Shariah-compliant assets located in the MENA region as well as globally. Furthermore, e-Tayseer is purposely developed to streamline the scheduling and execution of Murabaha transactions and afford its users the benefit of reduced trade cycles and manual paperwork procedures.

On the sidelines of the three-day summit, a number of panel discussions took place looking at the booming industry, and aiming to raise awareness of the unique market conditions that have developed as a result of the global financial crisis. Mr. Craig Hewett, Chief Business Officer represented the BFX on a panel discussion that debated the 'contemporary solutions and tools for liquidity management and the role of exchanges in Islamic finance'. During the panel discussion, Mr. Hewett introduced the audience to the BFX's Islamic Finance division, Bait Al Bursa, and explained how e-Tayseer can support the development of the Islamic finance industry as well as highlighting the unique benefits of exchange trading and how these can be utilised within Islamic finance.

Commenting on the BFX's partnership, Mr. Craig Hewett, Chief Business Officer of the BFX, said, "We see the 10th Islamic Finance summit as the optimal platform from which to augment the recent launch of e-Tayseer and the BFX's dedicated Islamic finance division, Bait Al Bursa. There exists a wealth of opportunities in the Islamic finance market that mostly remain untapped, especially in the MENA region. We participated at the Euromoney Summit with the aim of sharing our insights and learning from our peers, as well as looking at how to best develop the Islamic finance industry and to support its growth."

The BFX provides a unique opportunity for the MENA financial services sector to link-in with established markets and take a step forward on the global financial services stage.

<http://www.ameinfo.com/258085.html>

Qatar National Bank named host sponsor of 10th Banking Conference for GCC Countries *Thursday, March 03, 2011*

Qatar National Bank (QNB), the financial institution in Qatar, is demonstrating its commitment to the GCC banking sector as Host Sponsor of the 10th Banking Conference for GCC Countries which takes place in Doha on the 23rd and 24th March 2011.

Under the patronage of His Excellency Sheikh Hamad Bin Jassim Bin Jabr Al Thani, Prime Minister and Foreign Minister of the State of Qatar, the 10th Banking Conference for GCC Countries 2011 brings together banking experts, academics and representatives of major GCC banking institutions to debate and formulate policies to tackle the region's financial challenges during the 2-day Conference at The Ritz-Carlton Doha.

By far the leading financial institution in the country, with a market share approaching 40% of banking sector assets, QNB is also among the largest banks in the region. Offering a full range of Retail, Corporate, Investment, Treasury, Wealth Management, and Islamic Banking

products and services for individuals, corporate institutions and government entities in Qatar as well as internationally.

QNB has the largest distribution network in Qatar, comprising 44 branches and offices, in addition to 16 Islamic branches and offices operated by QNB Al Islami, and more than 175 ATMs.

QNB's host sponsorship is confirmation that Qatari banks view the 10th Banking Conference for GCC Countries as the opportunity to forge a spirit of partnership amongst the banking community to create long-term economic progress and stability across the region.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1436