

Report # 162
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Weekly Report on Global Islamic Finance and Business in the Muslim World
Period: March 06 – March 12
Presentation Date: March 16, 2011
Submitted By: Zain Arshad

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- Moody's Holds 6th annual Middle East Credit Risk Conference in Dubai

Summary:

The Securities and Exchange Organization of Iran has put on agenda to add new Islamic instruments such as Derivative Securities, Istisna and Murabaha in Capital Market as of the next Iranian calendar year (March 21, 2010).

Head of Bourse Organization Ali Salehabadi said sukuk (Islamic bonds) for financing housing projects and Ijarah or rental-based bonds were also ratified during the current year, INN.ir wrote.

Highlighting that sukuk for housing projects are traded at 10 billion rials daily, he said Ijarah or rental-based sukuk would be published by the yearend (March 20, 2011).

Islamic trade finance has been slow to develop because it remains fragmented, according to Yakub Bobat, Dubai-based Global Head of HSBC Amanah Commercial Banking

Islamic trade finance may reach as much as \$800bn a year should Sharia-compliant banks strengthen cooperation with financial institutions in other countries, according to a Bahrain-based regulator.

“At this point, Islamic trade financing is very simple, it’s not focused and it isn’t competitive,” said Mohamad Nedal Alchaar, secretary-general of the Accounting & Auditing Organization for Islamic Financial Institutions, whose standards have been adopted in countries including the UAE and Qatar. “We could tap 20 percent of the total trade financing, that’s very reasonable.”

HSBC Securities Services and HSBC Amanah, the HSBC Group’s global Islamic financial services division, have launched a sharia-compliant securities service, HSBC Amanah Securities Services.

Available globally to Islamic investment managers and traditional investment managers managing Islamic funds, the service offers sharia-compliant fund accounting and administration,

global custody, transfer agency, banking and treasury services in 17 markets in the Middle East, Asia-Pacific, Europe and the Americas.

Almost unnoticed, the Turkish National Assembly in Ankara passed the Finance Bill 2011 in February 2011 which includes tax neutrality measures for Sukuk Al-Ijara (leasing certificates) thus paving the way for a spate of corporate Sukuk issuances in the country.

1. GLOBAL FINANCE & GLOBAL ISLAMIC FINANCE

The Business Year publishes 'The Business Year: Iran 2011'

Sunday, March 06, 2011

The Business Year (TBY) is pleased to announce the publication of The Business Year: Iran 2011, produced in partnership with the Organization for Investment Economic & Technical Assistance of Iran (OIETAI).

As TBY's official research partner, OIETAI, which has extensive local knowledge and experience in assisting foreign investors with their investments in Iran, facilitated TBY's research during project.

"OIETAI is very happy to be presenting this publication with TBY. The Islamic Republic of Iran is embracing the future with confidence and determination, and The Business Year Iran 2011 is a perfect compliment to the overhaul of Iran's foreign direct investment (FDI) framework and banking and insurance laws aimed at increasing the visibility of Iran in international business circles as an investment destination," said Dr. Behrouz Alishiri, President of OIETAI.

Ayşe Hazır, Regional Director of TBY, expressed her pleasure in announcing the publication of Iran 2011, stating, "The country is reaffirming its economic potential and strengthening its regional diplomatic ties. With a strong sense of its own destiny, Iran expects to attract an increasing volume of FDI and wants to play a part in the global concert of nations."

TBY publications are well known for providing first-hand information. During the production of The Business Year: Iran 2011, TBY's experts spoke directly to over 150 Iranian business leaders and government officials. In addition to specialist analysis of each sector, The Business Year Iran 2011 includes interviews and viewpoints from key people within each sector as well as guest speakers ranging from local and international political leaders and business personalities.

The Business Year: Iran 2011 is the most comprehensive English language review of the economy to date published internationally, and will be acclaimed by top executives, policy makers and international media all around the world.

The publication includes many exclusive interviews, including with Dr. Mahmoud Ahmadinejad, President of the Islamic Republic of Iran, Dr. Behrouz Alishiri, Vice-Minister of Economic Affairs and Finance and President of OIETAI, and Dr. Mahmoud Bahmani, Governor of the Central Bank of Iran. There is also a strong representation from the private sector, including interviews with Javad Najmeddin, President and CEO of IKCO, Dr. Ali Divandari, Chairman and Managing Director of Bank Mellat, Mohammad Sadr Hashemi Nejad, Chairman of Stratus Group Holding Iran, S.M. Alipour, Managing Director of Asia Insurance, Mohammad Reza Montazeri, Managing Director and Board Member of FKCC Cement, and Vali Zarrabieh, CEO of Saman Bank, just to name a few. TBY also presents the opinions of many heads of foreign companies in the country, including Ziya Domanic, Managing Director of Unilever Iran, and Irteza Ali Qureshi, COO of Kansai Paint Iranian.

The Business Year: Iran 2011 also includes a guest speaker article featuring Turkish Prime Minister Recep Tayyip Erdoğan elaborating on the importance of Iran as an economic partner in the region.

Interviews form the basis of TBY's research, and are structured around chapters covering the main sectors that make up the economy: diplomacy & politics, economy, finance, energy, industry & mining, ICT, transport, real estate & construction, agriculture, health & education, and tourism. Articles provide the reader with all the vital facts and figures, from GDP and inflation to individual sectoral growth, reform processes, development projects, and investment opportunities. The publication concludes with an executive guide, providing details for foreign companies on how to get started in business in Iran.

The initial demand for The Business Year: Iran 2011 reflects the call for investment information on a country attracting more attention from international investors than ever before. Even before its publication in February 2011, more than 80,000 copies had been preordered, with the total circulation of the publication initially targeted for 87,400 copies internationally.

The Organization For Investment, Economic & Technical Assistance of Iran OIETAI is mandated and legally empowered to be the central investment promotion authority of the government of the Islamic Republic of Iran. Its activities are concentrated in conducting all matters related to foreign finance relations and foreign economic relations. The organization performs its duties in accordance with its statutes and other such legislation governing foreign investments abroad, external loans, credits to other countries, and borrowings from international sources. OIETAI is charged with coordinating and expanding trade and investment networks with other countries and regions, and looks to improve relations at all levels with international financial institutions and agencies.

The Business Year TBY is a leading provider of business investment consultancy services and publisher of yearly information resources on national economies and business environments. TBY provides accurate, timely, and country-specific economic and business data, assessing the trends and developments of all the major economic sectors of the countries in which it conducts research. TBY presents the real opportunities and those creating them—policy makers, business people, civil servants, and key stakeholders—to introduce Iran and its many faces to the world of business.

<http://www.ameinfo.com/258284.html>

Islamic finance chiefs wait to see big picture

Sunday, March 06, 2011

There was something of a pall over the Yas Marina Hotel last week, where industry figures had assembled to discuss what had been expected to be a bumper year for the Islamic finance industry.

The outbreak of political unrest in parts of the Mena region left financiers at the Global Financial Markets Islamic Forum in a difficult position.

Maturing debts for Gulf companies could total as much as US\$70 billion (Dh257.11bn) this year, according to a recent research note from Standard Chartered.

Amid dampened demand from overseas, most companies would resort to cash drawdowns, bank syndications and private placements to service their debts, investors have said.

Samad Sirohey, the chief executive of Citi Islamic Investment Bank, the Sharia-compliant arm of Citigroup, said while no companies had cancelled issuances of debt or equity, many seemed reluctant to come to the market in the current trading conditions.

"The bigger theme is to see how things pan out in the next few weeks and months ... issuers will wait to see how things stabilise."

Although banks remain well capitalised, lending is on the decline as demand for Middle East debt starts to dry up. "Credit lines are scarce today for all of us, not just Islamic banks," said Simon Eedle, the global head of Islamic banking at Credit Agricole.

The HSBC Nasdaq Dubai Middle East Total Return Index, which tracks a portfolio of regional bonds and sukuk, fell to 138.2 points last Thursday, down from a high of 141.4 before the Egyptian unrest began, as investors sought to reduce exposure to the region.

Lim Say Cheong, the executive vice president at Al Hilal Bank, said addressing these problems would require an overhaul of financial markets to reduce dependence on "hot money" from overseas.

"Over-reliance on international capital markets is extremely dangerous during periods of stress," Mr Lim said. "The market completely disappears. In the global financial crisis, the UAE entities were scrambling to look for funds."

Unrest in the Middle East has left Islamic private equity companies in a tricky position because of a lack of appetite for deals throughout the region, but executives in the industry insist opportunities remain for buyout firms.

"There's a lot of uncertainty and change and turmoil in the marketplace ... that's an element of concern," said Aamir Rehman, a managing director of Fajr Capital, a Sharia-compliant firm that does not currently have exposure to the Middle East.

"If you're a global investor you think this is a good time to allocate outside of the Mena region. But if your mandate is Mena, you're in a bit of a fix."

Mr Rehman added private equity activity was limited last year, leaving a number of firms with unspent funds. "Capital is being accumulated and the pressure for a place to go is getting more acute."

But Raja Teh Maimunah, the global head of Islamic markets at Bursa Malaysia, formerly the Kuala Lumpur Stock Exchange, said the greatest difficulty facing Gulf companies seeking to raise money through Islamic finance remained the extra yield demanded by investors after major restructurings at companies that have used sukuk, such as Dubai World.

<http://www.thenational.ae/business/markets/islamic-finance-chiefs-wait-to-see-big-picture>

Islamic finance Role of Exchange Highlighted

Monday, March 07, 2011

The Bahrain Financial Exchange (BFX) sponsored the 10th Islamic Finance Summit as the strategic exchange partner.

The summit, which was held in London, provided a 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 \$2 trillion Islamic finance industry.

The event attracted more than 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 e-Tayseer platform offering Murabaha liquidity management solutions last month.

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 Sharia-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.

'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,' said BFX chief business officer Craig Hewett.

'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.'

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1443

Turkish Participation Banks Advices Central Bank Move for Islamic Banking

Monday, March 07, 2011

The Turkish banking sector will shrink this year if the Central Bank increases the required reserve ratio for banks in a bid to control the already-high credit expansion, said Fahrettin Yahsi, general manager of the Albaraka Türk Participation Bank, a Turkish lender operating on Islamic banking terms.

The credit expansion has one negative and one positive main effect, Yahsi said: contribution to growth and the risk of boosting the current account deficit. After a meeting to launch the lender's cooperation with Istanbul's Esenler district municipality for a banking card for residents.

"The banking sector grew by 20 percent in 2010 while the credit expansion was around 35 percent," he said, associating the around 8 percent growth with these elements.

"On the other hand," he said, "as Central Bank Gov. Durmus Yilmaz said earlier, credit expansion has a negative effect on the current deficit. According to the bank, if the credit expansion rate passes 25 percent of the banks reserves, it will cause an increase in the deficit," Yahsi said.

The Central Bank recently pulled 17 billion Turkish Liras from the market in a move to control the credits, he recalled, calling it a right move. "Still, this will have negative effect on the profits of banks. I foresee a very tight year for banks as the costs are increasing."

However, participation banks have some important advantages as there are in close interaction with real sectors, the general manager said. "It is a system where costs and profits are shared so there is not a risk that any costs deriving from a maturity mismatch would only be undertaken by the lender.

"The decisions by the Central Bank might only be observed in the long run, but if it decides to increase the required reserve ratio, this will harm banks in the short term," he said. "Thus, if such a move would be beneficial for banks in the future, we, as the country, should abide the difficulties." Albaraka plans a sukuk, or Islamic bond, sale in September or October 2011, Yahsi said.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1442

Gauging the future of Islamic Banking in the Maldives

Monday, March 07, 2011

Harith Harun, CEO of the Maldives' first ever Islamic Bank, Maldives Islamic Bank (MIB) spoke to Haveeru's Business Editor Ahmed Saeed, ahead of the bank's opening today, about the bank's policies and expectations for the future of Islamic Banking in the Maldives.

Ahmed Saeed: How much is the paid-up capital of MIB?

Harith Harun: The initial paid-up capital of MIB is Rf150.0 million which is the minimum capital requirement for banks under the Banking Law.

AS: What's the specific area of customers that the bank targets? Can the individuals seek the services of the bank?

HH: The bank's services are not limited to a certain area of customers. This is a bank of fishermen, farmers, businessmen, individuals as well as all those who want a banking service that is in compliant with the principles of Islam.

AS: At the beginning, what are the banking services you will provide?

HH: Like any other commercial bank, we will provide the usual deposit services such as Current Account, Savings Account and Term Deposit Account or what we call General Investment Account. The difference is that these accounts will be structured in accordance with the Islamic concepts with no pre-determined interest rates. Instead we will fix the Profit Sharing Ratio and that means profit earned from the utilization of these deposits by the bank (less the amount placed with the MMA as minimum reserve requirement) will be shared with the depositors based on the agreed ratio after deducting expenses.

The bank will also provide credit facilities, or what we term as 'Financing Facilities' to businesses and individuals for various productive purposes such as for purchase of goods, equipment and machinery, working capital, project financing, purchase and construction of houses and flats, vessels and others. The financing will be structured in the form of Murabahah or Sale, Ijarah(Lease) or Musharakah (Equity Participation) or a combination of two or more of these financing structures.

Apart from Deposit and Financing, we will also provide trade finance services for importers and exporters, remittances service both domestic and international, bank guarantee, and other ancillary services.

We plan to launch ATM service by the middle of the year.

AS: What is the minimum amount required to open a new account?

HH: The minimum initial deposit to open a Savings Account is Rf1,000 for a Rufiyaa account and US\$100 for a US\$ account. To open a Current Account the minimum initial deposit is Rf2,500 or US\$250 for individuals and Rf5,000 or US\$500 for companies. For General Investment Account the minimum deposit is Rf5,000 or US\$500.

AS: Can you give me some information about financing for the projects? According to the principle of Sharia, how do you manage the charges?

HH: Under the Islamic financing concepts, we do not lend money directly to customers but we structure the financing either in the form of a sale transaction with spot or deferred payment term; or a lease arrangement, or equity participation by the bank, or it can be a combination of the different structures as in the case of project financing. The profit to be derived by the bank from these financing transactions are built into the selling price, lease rentals or set at a pre-determined profit sharing ratio as in the case of Musharakah financing. Once the selling price or lease rental or profit sharing ratio is fixed, it cannot be changed and will remain the same until the settlement of the financing. This is one of the key differences as compared to lending by commercial banks.

AS: How many days will it take to approve a project and receive finance?

HH: At this stage, we are unable to give an indication as it depends to a great extent on the completeness of the information provided by applicants. For straightforward cases, it should take a matter of days for us to approve an application, but for complex applications, it may take longer as it would require a more detailed assessment by us. Having said this, I must stress that it is our policy to observe a fast turnaround time, as we do not think it is right to keep applicants waiting too long for a decision.

AS: What is your expectation about the market.

HH:Based on the feedback we have been getting from the public, we expect the response will be good. There is a strong underlying demand for financial services that are transacted in accordance with Islamic principles and we are here to fill the void.

AS: What are the legal difficulties to run the bank? Any solution for those issues?

HH:One of the issues we face is the existing law prohibiting ownership of land by foreigners. As we are majority-owned by a foreign institution (IDB) we are directly affected by this law. It has an impact on us since under the Islamic financing structures; the bank will have to take legal ownership of the land or flat for a certain period of time and then either sell or lease the property to the customer. Because of this legal restriction, unfortunately we cannot yet offer home-financing facilities to the public until the relevant provision in the Land Act is amended

Related to this issue is the 15 percent tax on transfer of property which is disadvantageous to us. This tax will be added to the selling price or lease rental and hence the financing package will not be attractive to home buyers.

We have brought up these two issues with the relevant authorities and we are hopeful that they would be resolved at the earliest time. I have to mention that these issues are not unique to Maldives. I am confident the government will support us as the amendments are essential to facilitate the operation of Islamic financial institutions in the country.

In this regard, I wish to advise our potential customers who intend to apply for home financing to be patient and to bear with us as we are taking all efforts to address these issues.

<http://www.haveeru.com.mv/english/details/35193>

Sharia trade finance may reach \$800bn as demand escalates

Monday, March 07, 2011

Islamic trade finance has been slow to develop because it remains fragmented, according to Yakub Bobat, Dubai-based Global Head of HSBC Amanah Commercial Banking

Islamic trade finance may reach as much as \$800bn a year should Sharia-compliant banks strengthen cooperation with financial institutions in other countries, according to a Bahrain-based regulator.

“At this point, Islamic trade financing is very simple, it’s not focused and it isn’t competitive,” said Mohamad Nedal Alchaar, secretary-general of the Accounting & Auditing Organization for Islamic Financial Institutions, whose standards have been adopted in countries including the UAE and Qatar. “We could tap 20 percent of the total trade financing, that’s very reasonable.”

Trade among the 57-member Organization of the Islamic Conference based in Jeddah is likely to reach \$4 trillion in 2012, Alchaar said in an interview in Abu Dhabi on February 27. Islamic trade finance has been slow to develop because it remains fragmented, according to Yakub Bobat, Dubai-based Global Head of HSBC Amanah Commercial Banking.

Sharia-compliant letters of credit are based on the principle of wakalah, where a bank acts as an agent and is paid fees and commissions in place of interest. Non-Islamic trade financing, which typically involves loans and the payment of interest, is forbidden under Islamic law.

Demand for services and products that comply with Sharia law is increasing by about 15 percent a year and assets will rise to \$1.6 trillion by 2012, according to the Kuala Lumpur-based Islamic Financial Services Board, a global standard-setting body.

Global sales of sukuk, which pay asset returns to comply with Islam’s ban on interest rates, are showing signs of a recovery this year after slumping in 2010. Issuance has reached \$3.9bn from \$676m in the same period last year, according to data compiled by Bloomberg. Offerings fell 15 percent to \$17.1bn last year.

The yield on Dubai’s 6.396 percent sukuk maturing in November 2014 fell 7 basis points last week to 6.4 percent on March 4, according to Bloomberg data. The extra yield investors demand to hold Dubai’s government debt rather than Malaysia’s narrowed 2 basis points to 344, the data show.

“The main reason why the industry has not been able to take off is that trade finance needs parties to connect across borders,” Bobat said in a telephone interview March 3. “The industry today is still pretty local, fragmented, at best regionalized, and is in need of consolidation.” HSBC Amanah is the Islamic banking unit of HSBC Holdings in London.

The OIC plans to boost trade among member nations to 20 percent of total trading volume in 2015, according to the group’s 10-year plan posted on its website, from 14 percent in 2004. Trade among OIC members reached 17 percent in 2009, Jeddah-based Hameed Opoloyeru, assistant secretary-general of economic affairs at the OIC, said in an e-mail response to questions yesterday.

The OIC, which includes the UAE, Indonesia and Pakistan, is in talks to establish a free-trade area for its more than 1.4 billion people, according to its website.

“Islamic banks don’t have the reach yet to go into discussion with corporates that need trade financing,” said Geert Bossuyt, the Dubai-based managing director and chief executive officer of Dar Al Istithmar, an Islamic finance advisory company established in the UK in 2004.

Sharia-compliant banks will “become more active” over time, Bossuyt said in a telephone interview March 3. “It’s an evolutionary issue.”

<http://www.arabianbusiness.com/sharia-trade-finance-may-reach-800bn-as-demand-escalates-385166.html>

Bourse to Add New Islamic Financial Instruments

Monday, March 07, 2011

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Highlighting that sukuk for housing projects are traded at 10 billion rials daily, he said Ijarah or rental-based sukuk would be published by the yearend (March 20, 2011).

Pointing to issuance of 30 million euros worth of sukuk for Mahan Airline, he said with the launch of brokerage firms, the other Islamic monetary means could also be used in bourse.

Also, Ali Saeedi, a senior official in Bourse Organization said the necessary grounds have been paved for the entrance of sukuk or Islamic bonds in Bourse Organization, adding brokerage firms are considered as the main infrastructures for entrance of new monetary means to bourse.

He gave news that Murabaha bonds would be issued next year. Murabaha is installment sale which is based on repayment in convenient monthly installments.

Referring to issuance of Istisna sukuk next year, Saeedi explained that the ministries, municipalities, state- and private-run companies could purchase their commodities via Istisna means in an effort to financially supply the development projects.

Istisna is a kind of sale where a commodity is transacted before it comes into existence. It means to order a manufacturer to manufacture a specific commodity for the purchaser.

Warning Over Illegal Institutes

Head of Security Department of Bourse Organization said some institutes have held training courses regarding capital market without obtaining the required permit from Technical-Vocational Training Organization.

<http://www.zawya.com/Story.cfm/sidZAWYA20110307045636/Iran%27s%20Bourse%20to%20Add%20New%20Islamic%20Financial%20Instruments>

Maldives’ first Islamic bank opens for business

Monday, March 07, 2011

The first Islamic bank in the Maldives opened today, promising Shariah-compliant banking services. President Mohamed Nasheed attended the opening ceremony this morning.

In an interview with Haveeru, CEO of Maldives Islamic Bank (MIB) Harith Harun said the bank entered the market with capital of Rf150 million (US\$12 million), and would operate current, savings and term deposit accounts structured so as to avoid the payment of interest.

Harun told Haveeru the bank would also provide credit facilities to businesses and individuals under Murabahah (sale), Ijarah (lease) or Musharakah (equity participation), as well as trade finance, remittance and ancillary services.

Minimum initial deposit for a savings account would be Rf1000 or US\$100, Harun said, Rf2500 or US\$250 for a current account, and Rf5000 or US\$500 for companies.

Harun told Haveeru that there was a strong demand for Islamic banking services in the Maldives. However he said the bank also faced issues with laws preventing foreign ownership of land, and would be unable to provide home-financing until the law was rectified. A 15 percent tax on the transfer of property was also "disadvantageous", he told Haveeru.

<http://minivannews.com/news-in-brief/maldives-first-islamic-bank-opens-for-business-16875>

Citi Wins Most Innovative Deal of the Year Award

The Islamic Finance News Deals of the Year 2010 have been announced with Citi winning in several categories. It won Deal of the Year; Sukuk Deal of the Year; Turkey Deal of the Year and Most Innovative Deal of the Year.

Winners were decided by a distinguished judging panel, organised by Islamic Finance News, the global Islamic finance news provider.

Citi was recognised for its work on a number of projects including the Ras Al Khaimah \$400 million sukuk liability management, and the Kuvayt Turk Participation Bank \$100m sukuk.

"For the second year in a row, Citi is recognised by the specialised Islamic Finance News for its leadership in creating innovative Islamic banking solutions that meet the needs of regional clients," said Citi Islamic Investment Bank chairman Atiq ur Rehman.

"We are delighted to share these awards with our clients and colleagues in the industry." Citi's Global Islamic banking operations were established in 1981 in London, and in 1996 Citi became the first international financial institution to set up a separately capitalised Sharia-compliant subsidiary in Bahrain - called Citi Islamic Investment Bank.

Since inception, Citi Islamic has played a pioneering and leading role in the development of Islamic Finance globally, having successfully arranged several billion dollars of Islamic transactions for issuers in the Middle East, Asia, Europe and Latin America. This includes the origination, structuring and distribution of numerous landmark sukuk, syndications, project financings, Islamic advisory and investment products.

Today, the bank is an innovator in this industry and one of the leading book runners of international Islamic finance transactions.

"With a dedicated team of Islamic finance professionals working with their colleagues across the global Citi network, we are proud to be able to deliver award-winning results for top clients, whether private sector corporates or sovereign entities," added Citi Islamic Investment Bank chief executive and head of global Islamic banking Samad Sirohey.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1441

Islamic Banks to Improve Services in Middle East

Tuesday, March 08, 2011

Specific Islamic banks in the Middle East will be under pressure to improve their services once the Islamic arms of conventional banks are closed by the year-end since a large number of the customers of the affected branches would be shifting to them, say banking experts. However due to the latest Qatar regulations many conventional banks will not be able to run Islamic subsidiaries within their branches.

Customers have for long been enjoying quality services provided by the Islamic arms of commercial banks so once they shift they would be looking for similar services from the Islamic banks.

Islamic banks have so far left a good impression on their customers but their real test would begin once the Islamic operations of conventional banks close and customers move to them rather en masse, banking expert, Abdullah Al Khater, told Al Sharq.

So improving their services is one of the most formidable challenges these banks face. "Islamic banks need to diversify their products and services and incorporate more transparency," he added.

If they do not expand their services they could face problems, he said. "Like commercial banks they would need to be innovative in providing services," Al Khater said of the Islamic banks.

Islamic banking industry sources, meanwhile, said that they were pressing ahead with their expansion plans regardless of the decision of the central bank to close the Islamic operations of conventional banks by the year-end. "We have expansion plans in place and these plans have not taken into account the central bank's decision," said industry sources. Islamic banks have been performing well and they would maintain their tempo, they added.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1444

ICD Offers Islamic Finance Study Tours to Russian, CIS Officials

Tuesday, March 08, 2011

The intellectual argument for and the demystification of Islamic finance has gained much ground in Russia and the CIS countries over the last two years, but the political decision makers and bureaucracy, especially the banking regulatory authorities, still need to be convinced about the role an alternative Islamic system of financial management can play, especially in the aftermath of the global financial crisis. As such, Islamic finance in the region is at best a work in progress but the task ahead remains huge.

This was the consensus at the pioneering inaugural Roundtable on "Islamic Finance in Russia and the CIS: Market and Regulation" which was held in Istanbul and organized by Bank Conference and largely sponsored by the Jeddah-based Islamic Corporation for the Development of the Private Sector (ICD), the private sector funding arm of the Islamic Development Bank (IDB Group).

The roundtable was important in many respects and attended by a range of officials from Russia, the CIS and the world of Islamic finance. They included Khaled Al-Aboodi, CEO of ICD; Mohammed Nedal Alchaar, secretary general of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain; Bakaruddin Ishak, assistant governor, Bank Negara Malaysia; Jochen Robert Elsen, deputy head of international affairs, Federal Financial

Supervisory Authority (BaFin) in Germany; Jean-Marc Goy, head of international affairs, Commission for Supervision of the Financial Sector (CSSF) in Luxembourg; Yerlan Baidaulet, chief economic adviser to the deputy prime minister of Kazakhstan; and Umed Davlatsod, deputy minister of Economic Development of Tajikistan.

From a Russian context the Roundtable assumed even greater importance for other reasons. For the first time two key members of the Duma, the Russian Parliament, participated in an international Islamic finance event. They included Arkadiy Svistunov, member of the Financial Market Committee of the Duma, and Aleksey Belov, head of the Administration Financial Market Committee of the Duma. Similarly, the participation of Vladimir Milenin, head of the Directorate, Analytical Centre for the Russian government, who reports directly to the Office of Russian Prime Minister Vladimir Putin, and Irina Yarygina, professor at the Finance University under the Russian government, who is in the process of drafting an Islamic finance law for Russia, was perhaps even more important.

Another important participant was Maxim Osintsev, managing director of the Oil and Gas Department of Sberbank, Russia's largest bank, and which is 50 percent owned by the Central Bank of Russia. Osintsev, who is a fluent Arabic speaker, sees huge potential for the use of sukuk in Russia, especially to raise finance in the transport, oil and gas and agricultural sectors to fund infrastructure and expansion. But he remains doubtful if there would be any meaningful developments in the next one to two years in sukuk issuance in Russia.

The participation of the above and many others from the region perhaps suggests that the intellectual argument for Islamic finance is progressing much faster than developments on the ground, although these vary from country to country.

However, Khaled Al-Aboodi of ICD raised expectations when he made an offer to the Russians and CIS that they possibly could not refuse. The ICD, he stressed, is prepared to organize study and familiarization tours on Islamic finance for Russian and CIS officials to successful markets such as Malaysia, which Bank Negara Assistant Manager Bakaruddin Ishak welcomed and promised to help facilitate.

Al-Aboodi stressed that the ICD is already active in many respects in Russia and the CIS. In the Russian state of Tatarstan, for instance, ICD is managing the Tatarstan International Investment Company, the first Islamic investment company in Russia and a joint venture between the Tatarstan government and the IDB. The ICD also operates Ijara companies in Azerbaijan, Kazakhstan and Tajikistan.

Bakaruddin Ishak of Bank Negara outlined the Malaysian model of Islamic banking which is now nearing its fourth decade and which is the most advanced and holistic Islamic banking system in the world.

Arkadiy Svistunov, a member of the Duma, stressed that Islamic finance could be very important for today. "The world is emerging from a serious financial crisis. The challenge is how we can avoid the mistakes that brought about the crisis. The key is transparency, something which the Islamic finance system emphasizes. In Russia it is a question of whether a new law needs to be adopted or whether amendments to the existin legislation would suffice. But each country must find its own solution, if it decides to facilitate Islamic financial products," he explained.

His co-parliamentarian, Aleksey Belov, explained that Russia is going through a unique moment in its contemporary history. The global crisis has alerted the entire decision-making

process in the government and there is great concern and desire to avoid the pitfalls of the excesses of market capitalism.

However, he warned that the level of financial literacy in the population in general is low. That is why it is important to articulate the values and essence of Islamic finance to the grassroots to allay misconceptions and demystify the phenomenon.

Milenin revealed that a Forum on Islamic Finance in Russia will be held soon in Moscow to sort out the problems Islamic finance is faced with in Russia today. He suggested that there should be no impediments given that Islamic finance corresponded to human values in financial and economic management.

However, he agreed that there is a lack of will and cooperation regarding Islamic finance in Russia, but warned that it would be premature to translate an Islamic financial system into the Russian reality. The future, he stressed, should be balanced cooperation. He added that he is confident that eventually "we shall overcome all the difficulties."

Leonid Syukiyaynen, professor at the State University Higher School of Economics, who is an Arabic speaker and a specialist in Islamic economics, warned that the Russian government is not yet ready to facilitate Islamic finance structures. But, while there is no serious objection to Islamic finance, there is also no support or encouragement to facilitate Islamic financial products in Russia, he added.

Of the CIS countries, Tajikistan and Kazakhstan seems to be the most proactive in facilitating Islamic finance, while others such as Azerbaijan remain ambivalent. Umed Davlatsod, deputy minister of economic development of Tajikistan, maintained that Islamic finance was very much needed in the CIS countries especially Tajikistan. The government set up a working group for the introduction of Islamic finance in the Tajik economy. A government decree has been introduced, he revealed, but the aim was also to learn from other countries' experiences and mistakes.

The key conclusion to emerge from the roundtable is that there is a huge demand for training and education in Islamic finance in Russia and the CIS; there is a need to make decision makers and lawmakers more aware of the principles of Islamic finance; there is no need to wait for an Islamic finance enabling system to be in place, instead Islamic financial products can be introduced on an ad hoc basis in a bottom up way rather than top down system; there was a call for the development of a wider Islamic economic model of which finance is a mere component and a greater articulation of the industry; and that the mindset at the top of the Central Bank of Russia needs to change especially on financial management in general and on the alternative Islamic finance system in particular.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1446

Sharia Trade Finance May Reach \$800bn as Demand Escalates

Wednesday, March 09, 2011

Islamic trade finance may reach as much as \$800bn a year should Sharia-compliant banks strengthen cooperation with financial institutions in other countries, according to a Bahrain-based regulator.

“At this point, Islamic trade financing is very simple, it’s not focused and it isn’t competitive,” said Mohamad Nedal Alchaar, secretary-general of the Accounting & Auditing Organization for Islamic Financial Institutions, whose standards have been adopted in countries including the UAE and Qatar. “We could tap 20 percent of the total trade financing, that’s very reasonable.”

Trade among the 57-member Organization of the Islamic Conference based in Jeddah is likely to reach \$4 trillion in 2012, Alchaar said. Islamic trade finance has been slow to develop because it remains fragmented, according to Yakub Bobat, Dubai-based Global Head of HSBC Amanah Commercial Banking.

Sharia-compliant letters of credit are based on the principle of wakalah, where a bank acts as an agent and is paid fees and commissions in place of interest. Non-Islamic trade financing, which typically involves loans and the payment of interest, is forbidden under Islamic law.

Demand for services and products that comply with Sharia law is increasing by about 15 percent a year and assets will rise to \$1.6 trillion by 2012, according to the Kuala Lumpur-based Islamic Financial Services Board, a global standard-setting body.

Global sales of sukuk, which pay asset returns to comply with Islam’s ban on interest rates, are showing signs of a recovery this year after slumping in 2010. Issuance has reached \$3.9bn from \$676m in the same period last year, according to data compiled by Bloomberg. Offerings fell 15 percent to \$17.1bn last year.

The yield on Dubai’s 6.396 percent sukuk maturing in November 2014 fell 7 basis points last week to 6.4 percent on March 4 2011 according to Bloomberg data. The extra yield investors demand to hold Dubai’s government debt rather than Malaysia’s narrowed 2 basis points to 344, the data show.

“The main reason why the industry has not been able to take off is that trade finance needs parties to connect across borders,” Bobat said in a telephone interview March 3. “The industry today is still pretty local, fragmented, at best regionalized, and is in need of consolidation.” HSBC Amanah is the Islamic banking unit of HSBC Holdings in London.

The OIC plans to boost trade among member nations to 20 percent of total trading volume in 2015, according to the group’s 10-year plan posted on its website, from 14 percent in 2004. Trade among OIC members reached 17 percent in 2009, Jeddah-based Hameed Opeleyeru, assistant secretary-general of economic affairs at the OIC, said in an e-mail response to questions yesterday.

The OIC, which includes the UAE, Indonesia and Pakistan, is in talks to establish a free-trade area for its more than 1.4 billion people, according to its website.

“Islamic banks don’t have the reach yet to go into discussion with corporates that need trade financing,” said Geert Bossuyt, the Dubai-based managing director and chief executive officer of Dar Al Istithmar, an Islamic finance advisory company established in the UK in 2004. Sharia-compliant banks will “become more active” over time, Bossuyt said “It’s an evolutionary issue.”

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1448

2. ISLAMIC BANKING & INSTITUTIONS

KFH-Bahrain Launches The First Mobile Application in Bahrain for iPhone and BlackBerry

Tuesday, March 08, 2011

Kuwait Finance House - Bahrain (KFH-Bahrain) announced the launch of its free iPhone and BlackBerry application, available for all users who will benefit from a range of useful services, including finance and Baytik Ijara calculators, news, locations of Baytik Ijara merchants, ATMs and branches, in addition to latest information about KFH-Bahrain's products and services.

Mr. Paul Mercer, Executive Manager at KFH-Bahrain, commented, "This new application is in-line with the Bank's vision of making the experience with KFH-Bahrain as simple and as convenient as possible and we are utilizing a wide range of communication channels using state of the art technologies to make this vision a reality. Users can easily obtain the download link for their iPhone or Blackberry by simply visiting iTunes or kfhhapps.com.

Through this new application we will publish the Bank's news and our latest banking, commercial and real estate offers ensuring that the application users are always the first to know." he added.

Furthermore he stated, "This is the first version of the application and we already have plans to add more services in the near future. The launch of this service on the iPhone and BlackBerry is the result of extensive behind-the-scenes work to ensure users can confidently enjoy a fast and reliable experience while on the move. In an age when mobility is essential and efficiency is paramount, the new application will serve users well as it is a functional tool that complements and supports the Bank's e-services". The KFH-Bahrain mobile applications will also work on other WAP-enabled mobile phones.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1445

Emaar receives \$58m loan repayment from Amlak

Tuesday, March 08, 2011

Dubai's Emaar Properties has received Dhs214.4m (\$58m) from Amlak Finance as part of loan repayments in 2010, Bloomberg has reported. Emaar's loans to the Islamic mortgage firm totalled Dhs712m at the end of last year, the company said in its reviewed earnings statement. The developer of the world's tallest tower in Dubai, which holds a 45% stake in Amlak, said it believes the loan due from Amlak is "fully recoverable."

<http://www.ameinfo.com/258527.html>

BSE launched TASI Shariah 50 Index draws global investors

Wednesday, March 09, 2011

The Islamic finance is getting roots into the world's largest democracy through TASI Shariah 50 launched by Bombay Stock Exchange. Taqwaa Advisory and Shariah Investment Solutions (TASIS) has introduced new index compliant with Islamic law targeting nearly 170 million Muslims in India.

The stocks based on Sharia laws are expected to draw the attention of non-Muslim investors in and out the country. As of now the traditional stock exchanges include only single percentage investors out of the second largest population of the world. And the Muslims account for a bleak 0.5 percentage of investors among the community.

However, the Stock 50 has already attracted the investment-favoring Muslims as well as big players in the industry. Bajaj Auto, Maruti Suzuki, Dr Reddy's Laboratories, Wipro and Reliance Industries are now part of the new index hoping a great window towards the largest minority in India.

The Sharia compliant Stock is regulated by Islamic code of law which restricts investments to only those firms and products offering interest free services.

Moreover, the Stock 50 lists those companies which hardly deal with goods and services prohibited by Islamic law. It includes alcohol, gambling, tobacco, weapons, pork products and all other products listed under 'Haram' for using or consuming.

Though it's mainly intended "to reach out to the Muslim community which has historically been less involved in India's equities," the promoters hope it can reach out to others also via mutual funds, insurance and microfinance. Mohammed Hussain Khatkhatay, a TESIS senior advisor expressed hope that the TESIS Index can outpace the traditional ones in near future.

Many secular countries including US, UK and Singapore have successfully experienced the Sharia compliant products opening Islamic financial windows across financial services. There are Sharia based indices under global players like Standard and Poor's and Dow Jones.

In India the call for setting up Islamic financial institutions has been getting louder in recent years. Prime Minister Manmohan Singh himself had asked the Reserve Bank of India to study the prospects of accommodating Islamic Finance in the country. RBI however, remained reluctant towards bringing changes to its present rules and regulations.

Despite of such hindrances the Kerala High Court has recently approved a government backed Islamic Financial institution named Al-Baraka. The company has started working to draw some 400 million dollars as investment and spend it in Sharia compliant projects.

The financial illiteracy and unimaginable scams have been the key factors keeping the Indian Muslims away from Stocks and investments. Once the 50 stocks came to existence many feel more confident about investing using the TESIS index.

However, there is a lot of area to be uncovered while the success and support of the TESIS index is taken for granted. Weather the government and central financial institutions have taken needed steps to accommodate such an alternative financial system?

Will the so-called Sharia compliant Index will offer cent percent financial purity for Muslims who? Whether it's an ideal model to hood wink Muslim investors? These are the questions should be addressed to know the well being of such great venture promoted by BSE the oldest Stock Exchange in Asia.

Meanwhile, the reports from Bajaj Allianz Life Insurance and Tata AIG Life Insurance the only two companies offer Sahria compliant products suggest that the venture has proved successful with better return rates.

According to the company reports Sharia complaint products brought a return of 109% compared to the CNX NSE Nifty Index, which registered a 70% growth during the last 3-4 years. So, the Islamic financing sector is expected to draw more players from Middle East, US and UK.

http://www.khabrein.info/news/BSE_launched_TESIS_Shariah_50_Index_draws_global_investors_1299700253/

HSBC launches sharia-compliant securities services in 17 markets

Wednesday, March 09, 2011

HSBC Securities Services and HSBC Amanah, the HSBC Group's global Islamic financial services division, have launched a sharia-compliant securities service, HSBC Amanah Securities Services.

Available globally to Islamic investment managers and traditional investment managers managing Islamic funds, the service offers sharia-compliant fund accounting and administration, global custody, transfer agency, banking and treasury services in 17 markets in the Middle East, Asia-Pacific, Europe and the Americas.

The services are offered in local timezones using the local language and currency. "While we have serviced our clients in a number of locations with locally implemented Islamic solutions, we now present a globally consistent offering," commented Germain Birgen, head of HSBC Amanah Securities Services.

Islamic banks are still mushrooming and the industry is heading to new markets as diverse as Germany, France and Algeria, according to the Ernst & Young Islamic Funds & Investment Report 2010. Higher oil prices and the stronger economic relations between the Gulf Co-operation Council (GCC) states and the Far East are also helping the Islamic finance centres in Dubai, Bahrain and Saudi Arabia to flourish.

Global Islamic fund assets stagnated at \$52.3 billion in 2009, remaining at almost the same level as the \$51.4 billion posted in 2008 compared with the global conventional mutual fund assets under management (AUM) which grew from \$19 trillion in 2008 to \$22 trillion in 2009.

The research revealed that only 29 new Islamic funds were launched in 2009, almost offsetting the 27 Islamic funds that were liquidated during the same period. New Islamic funds launched were at their highest number ever at 173 in 2007. Since then, this number has declined dramatically.

The overall Islamic asset management industry, which includes funds and Islamic investment accounts, rose to \$292 billion or 31.1% of the total industry assets in 2009.

There is continued strong growth in the overall sharia-sensitive investable assets, concluded the report. "Sharia-compliant investable wealth pool grew by 20% to reach \$480 billion in 2009. In 2008 this was \$400 billion. The GCC remains the single biggest contributor to this growing wealth pool. It clearly represents substantial untapped opportunities for local and international players who can understand and respond to their investors' evolving needs," said Ashar Nazim, director at Ernst & Young's Islamic financial services team in Bahrain.

In 2009 there was a shift away from fund investments in traditional asset classes, such as equities and real estate funds, as a number of new alternative asset classes, including sharia-compliant exchange traded funds (ETFs) and hedge funds, were launched.

No real estate-focused funds were launched in 2009 compared with 10 in 2008 and 18 in 2007. The lack of investor confidence led to placing higher proportion of deposits with banks, rather than investing in funds.

The report revealed that almost 70% of Islamic fund managers are struggling to build scale and have under \$75 million in AUM while 55% had less than \$50 million AUM.

Most leading Islamic fund managers are refocusing on understanding their investors' appetite post-crises. "Rebuilding investors' trust is of paramount importance and has moved up the priority list for fund managers," said Ashar.

Several investor segments are showing early signs of recovery, also reflected by choice of riskier asset classes. Allocation to cash and money market products decreased in 2009 and there is a clear preference for larger, more established brands in the market, said the report.

Fund managers are focusing on enhancing the quality of their offering, moving away from transaction-only approaches to comprehensive wealth management solutions. There has been substantial investment in enhancing risk infrastructure, adopting flexible business models, segmented approach to accessing new customers as well as dramatic changes in fee and cost structures including more transparency and incentive based remuneration. All this also feeds into building stronger brands.

"The fact that the sharia-sensitive wealth pool is still showing strong growth, the opportunity is really for the fund managers who can quickly adapt their strategies to address clients' requirements who are smarter and more demanding than what we saw earlier in the decade," concluded Ashar.

The Ernst & Young report was researched using insights from over 400 key players in all major financial markets.

HSBC Securities Services provides fund administration, custody and related securities services around the world with global assets under custody of \$5.6 trillion and global assets under administration are \$2.5 trillion (at December 31, 2010).

<http://www.hedgefundsreview.com/hedge-funds-review/news/2032365/hsbc-launches-sharia-compliant-securities-services-markets>

Islamic Mega Bank Permits Put on Hold

Thursday, March 10, 2011

Bank Negara Malaysia is in no hurry to issue the two licences for mega Islamic banks due to the large capital requirement and the need to find the right investors. The central bank was due to announce the winners last year but it has yet to do so.

Deputy governor Datuk Mohd Razif Abdul Kadir said although there are two groups keen on the licences, they are still looking for more partners.

"We are in no hurry as we have 17 Islamic banks. We're looking to mega banks to enrich the landscape and they can also underwrite big ticket items," he said after opening an Islamic finance conference in Kuala Lumpur. Our Islamic financial landscape is good but we need few mega players. Currently there are 17 foreign Islamic banks in Malaysia.

"We have to be realistic... it is a tough market and US\$1 billion (RM3.03 billion) is not easy." Razif said local banks can also invite foreign partners for the licence, and allow them to hold a maximum of 70 per cent. Local players can invite foreign partners. They can hold up to 70 per cent stake provided the size of the capital is US \$1 Billion".

"The mega bank can be from two sources - either through a new licence or transform a domestic licence to a mega bank."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1450

HSBC announces global Islamic Securities Services launch

Thursday, March 10, 2011

HSBC Securities Services (HSS), in conjunction with HSBC Amanah, the HSBC Group's global Islamic financial services division, today launches HSBC Amanah Securities Services.

Shariah compliant securities services are now available globally to Islamic investment managers and traditional investment managers managing Islamic funds. At launch, HSBC Amanah Securities Services has a superior footprint, offering Shariah compliant fund accounting and administration, global custody, transfer agency, banking and treasury services in 17 markets across the Middle East, Asia-Pacific, Europe and the Americas. With teams on the ground in each market, our clients receive the advice and assistance they need in their own time zone, language, and currency.

Germain Birgen, Head of HSBC Amanah Securities Services, says, "While we have serviced our clients in a number of locations with locally implemented Islamic solutions, we now present a globally consistent offering. Customers stand to benefit from our end-to-end Shariah compliant securities services proposition, including access to HSBC Amanah's liquidity, risk management and Shariah compliant investment solutions."

Razi Fakhri, Deputy CEO of Amanah, says, "Our team of Shariah scholars have ensured that HSBC Amanah Securities Services is certified by, and strictly aligned to, Shariah principles. The launch of HSBC Amanah Securities Services demonstrates our continuing commitment to offering best in class products and services that are designed to meet the needs of our customers."

HSBC was named Islamic Custodian of the Year by The Asset at the Triple A Islamic Finance Awards 2010, which recognises and honours leading players in the Islamic finance market. HSBC Amanah recently won 'Best International Islamic Bank' at Euromoney's Islamic Finance Awards 2011 for the second consecutive year.

<http://www.ameinfo.com/258826.html>

Dubai Islamic Bank announces 2010 net profit of Dhs806m

Saturday, March 12, 2011

Dubai Islamic Bank (DIB), the largest Islamic bank in the UAE, today announced its financial results for the year ending December 31, 2010, demonstrating the success of the bank's strategic focus on diversification and managed growth, including expansion of its branch network and growth in its overall customer base.

Following the strategy of consolidating its leadership position in the market, DIB's main focus for 2010 was to achieve healthy growth through a comprehensive suite of products and services that meet the needs of its institutional and consumer clientele, while simultaneously ensuring that the franchise remains robust and profitable, despite the global downturn.

The strategy of focusing on balance sheet management yielded strong dividends with the primary driver being the success of its growth plans in the Retail franchise. As a result, the bank's core business continued to grow with Net Operating Income (before provisions) reaching nearly Dhs1.9bn in 2010. At the same time, the bank enhanced its balance sheet strength by continuing to build provisions amounting to Dhs864m to ensure that the interest of all stakeholders is safeguarded.

For the 12 months ending December 31, 2010, DIB reported a net profit of Dhs806m. DIB's total assets as of December 31, 2010, stood at Dhs90.1bn compared to Dhs84.3bn at the end of the same period in 2009, a growth of nearly 7% while the total financing assets reached

Dhs57.1bn as of December 31, 2010, compared to Dhs49.9bn at the end of the same period in 2009, an increase of nearly 15%. The customer deposits being stable at Dhs63.4bn for the same period, and a healthy financing-to-deposit ratio of 90% as of December 31, 2010, are clear indications of the bank's healthy liquidity position and a stable, well diversified funding base despite challenging market conditions.

With a robust capital adequacy ratio of 17.8% under Basel II, as of December 31, 2010, the Bank's performance and strategy of optimally combining growth with risk management has been well received by the market. Key rating agencies, Moodys and Fitch upgraded the outlook on the bank, making DIB the only bank in Dubai with a "Stable" outlook. This is a clear testament to the success of the 2010 strategy of building a stronger and more robust franchise.

These results were announced today following a meeting of the Board of Directors of Dubai Islamic Bank, which has proposed a cash dividend of 10% for 2010. This proposal is subject to ratification at the bank's upcoming Annual General Meeting.

"The outlook for the financial services sector globally, as well as in the UAE, is increasingly positive," said His Excellency Mohammed Ibrahim Al Shaibani, Director-General of His Highness The Ruler's Court of Dubai and Chairman of Dubai Islamic Bank. "As global credit conditions improve and there is a continued return to financing growth, we will also see increased activity in the UAE, as the domestic economy continues to expand."

"Our results demonstrate that Dubai Islamic Bank remains at the forefront of this positive trend," he said. "As the UAE's largest Islamic bank, operating 68 branches across the country, serving 1.2 million customers, DIB is committed to contributing to the growth and diversification of the UAE."

Recently assigned an 'A' rating by Fitch Ratings, DIB opened six new branches and deployed 44 new ATMs, and increased its customer base by over 100,000 customers last year. In total, the bank's retail business accounted for 49% of all revenues in 2010.

"Dubai Islamic Bank has prudently managed its operations over the past 12 months, as reflected in the bank's positive financial results and continued expansion of its products and services," said Abdulla Al Hamli, CEO of the Bank. "We are very pleased to be able to share the sustained success with our shareholders, and look forward to their ongoing support as we embark upon the next three years strategy for growth," he added.

In 2010, DIB announced the increase of its stake in Tamweel, the UAE-based Islamic home finance provider, to approximately 58%, thus becoming the majority shareholder of the company. The bank also launched Emirates REIT, Dubai's first real estate investment trust. These moves are expected to provide much needed impetus to Dubai's real estate sector.

Expanding its offerings for the Consumer franchise, the bank launched Al Islami Salam Finance, a Shariah-compliant product that offers liquidity through personal financing, introduced a range of Takaful products designed to suit varying needs, as well as a range of new customer account options in 2010.

<http://www.ameinfo.com/258939.html>

3. SUKUK (ISLAMIC BONDS)

Iran to issue sukuk for oil industry

Sunday, March 06, 2011

The Iranian deputy oil minister said that the ministry plans to issue Islamic sukuk bonds made available for the first time for the littoral Persian Gulf states and Middle East countries.

The Mehr News Agency quoted Mohsen Khojasteh-Mehr as saying that the oil ministry plans to diversify its financial resources and one means of doing this during the Fifth Socio-Economic Development Plan (2010-2015) is to publish bonds.

Oil Minister Masoud Mirkazemi previously told MNA that Iran needs to invest \$210 billion for its oil and gas projects during the fifth development plan for building and upgrading refineries and oil and gas networks.

Sukuk is an Islamic financial certificate, similar to a bond in Western finance, which complies with Sharia, Islamic religious law.

Because the traditional Western interest paying bond structure is not permissible, the issuer of a sukuk sells an investor group the certificate, who then rents it back to the issuer for a predetermined rental fee. The issuer also makes a contractual promise to buy back the bonds at a future date at par value.

<http://www.zawya.com/story.cfm/sidZAWYA20110306042659/Iran-to-issue-sukuk-for-oil-industry>

Turkish Parliament passes tax neutrality law for Sukuk Al-Ijara

Monday, March 07, 2011

Almost unnoticed, the Turkish National Assembly in Ankara passed the Finance Bill 2011 in February 2011 which includes tax neutrality measures for Sukuk Al-Ijara (leasing certificates) thus paving the way for a spate of corporate Sukuk issuances in the country.

Murat Haholu, head of the Surveillance Group, Corporate Finance Department, Capital Markets Board of Turkey, confirmed that the tax neutrality measures for the Sukuk Al-Ijara were published in the Official Gazette at the end of February 2011, which he stressed is an important development in the participation banking sector in the country.

In January this year, the Istanbul Stock Exchange also launched the first Participation Bank Index paving the way for Islamic equity funds and products to be launched in the Turkish market.

However, developments on a debut sovereign Turkish sukuk, according to participation (Islamic) banking sources in Istanbul, remains uncertain, although the legislation and measures are all in place. It is a question of timing, pricing and politics.

“It is unlikely that there will be any progress towards a debut sovereign sukuk this side of the general election which will be held in January 2012. The ruling AK (Justice) Party of Prime Minister Recep Tayyip Erdogan, according to the latest polls are well ahead of the opposition parties which are weak,” explained one banker.

Last year, Kuveyt Turk Participation Bank (KTPB) became the first Turkish Islamic bank to issue a sukuk, raising \$100 million of which the proceeds are being used to finance the trade of Turkish clients and for other balance sheet purposes. Ufuk Uyan, chief executive officer of KTPB, confirmed to Arab News in Istanbul that the bank plans to go to the market either at the end of this year or early next year to raise further funds, most likely a \$500 million issuance, but on a longer tenor, maybe through a five-year issuance.

“There is a major problem for participation banks in terms of long-term borrowing requirements. The conventional banks can borrow through bond issues on a three-year or five-

year basis and the taxation side was cleared a long time ago. The same is needed for the participation banks and there is only one way this can be done which is the sukuk route. Recently, the government covered the tax neutrality issues for Sukuk Al-Ijara, but for other sukuk products there is a need for legislation development,” maintained Uyan.

Another major problem for participation banks is the complete absence of participation instruments for central banking funding requirements, especially reserves. There are no participation-based instruments such as government certificates, sukuk, MTNs and private debt securities issued by the Turkish government. The governor of the Central Bank of Turkey (CBT), Durmus Yilmaz, in an earlier interview ruled out the issuance of any such instruments by the government.

Instead, the CBT seems to be relying on the recently-established International Islamic Liquidity Management Corporation (IILM) in Kuala Lumpur to provide liquidity for Islamic financial institutions including participation banks in Turkey. The CBT in fact is a founding member and equity subscriber of the IILM, which started operations on Feb. 1.

The nearest the CBT came to issue such instruments is through its income-sharing certificates, although they are not purchased by all the participation banks. “There is still a need to develop a mechanism that is acceptable to all. The Central Bank of Turkey is working on this through the IILM, whereby all central banks will buy and provide the liquidity and sell to Islamic banks. But I don’t know how it will develop,” stressed Uyan.

He agrees that the amendments to the law in terms of tax neutrality for Sukuk Al-Ijara “will enable Turkish corporates to issue sukuk. Corporates need financing and a good way could be to raise funds through project and other sukuk. The change in the law is a good step forward. But the market should be in a position to absorb any corporate sukuk issuances. There are many companies with a lot of good assets. The new law would allow Turkish participation banks to borrow for longer tenors instead of the current short-term three years. In this way sukuk origination can help finance the growth of the Turkish economy, especially investment in industry.”

There are four participation banks in Turkey including KTPB, in which Kuwait Finance House has a majority equity stake; Asya Bank, which is wholly Turkish-owned; Turkiye Finans, in which the National Commercial Bank of Saudi Arabia has a controlling stake; and Albaraka Türk Participation Bank, a member of the Albaraka Banking Group, headed by Saleh Kamel of Saudi Arabia.

Albaraka Turk Participation Bank also plans a debut sukuk, most likely to be a \$100 issuance during this year.

<http://arabnews.com/economy/islamicfinance/article304430.ece>

KFH plans issuing \$500 million in Sukuk by end of year

Wednesday, March 09, 2011

New laws in Turkey pave the way for issuing Sukuk on a large scale, after the issuing was limited to Sukuk Ijarah.

Kuwait Finance House (KFH) CEO and Chairman of KFH-Turkey Mohammed Al-Omar said that this will provide Turkish companies with new instruments required by Turkish companies

to finance their internal and external expansion. He explained that KFH-Turkey plans to issue Sukuk worth \$500 million by the end of the year. He noted that the law is a significant step forward that reveals a great desire by many Turkish companies that have good assets but lack the suitable financing to expand locally and overseas to benefit from this new financing instrument; especially after those companies realised the numerous benefits of Sukuk, which include providing financing through Sukuk while neither hindering projects nor exhausting their budgets. Sukuk are mainly rated by rating agencies, and can be enlisted in any of the major global bourses.

Moreover, Al-Omar noted that applying the law will be a promising start and will lead to wide scale issuance, where Turkish companies are trusted by financial institutions and banks in the gulf and the world. He went on to say that the latest Sukuk deal was covered by 150 per cent with the contribution of 19 banks and financial institutions in the Middle East, the Gulf, Europe, and Asia, not to mention that it is considered to be the first financing deal made through Sukuk for Turkish banks. This revealed that the Turkish Sukuk market has broad horizons for growth in light of the initiative made by many Turkish companies to learn more about Sukuk and to seek assistance in the issuing process.

Liquidity Management House Bags Awards

Chairman of Liquidity Management House, which is a Kuwait Finance House subsidiary Abdul Nasser Al Subeih said that sukuk can play a major role in solving the crisis of the debts of local companies in Kuwait, but explained that the lack of any legislation that organizes the issuing of sukuk deprived the Kuwaiti market from the benefits of this effective shariah compliant product; in addition to limiting the options of companies that have debts and assets that they do not wish to sell as a result of their current low prices or lack of buyers.

He noted that the government is currently working on issuing a law concerning sukuk, since Kuwait has the suitable environment and financial resources to issue sukuk. Those statements were made by Al-Subeih in Dubai while he was receiving the awards that his company had won by Islamic Finance News magazine in 2010. The awards are Best Restructuring Deal, Best Deal in Kuwait for its role in rescheduling the debts of Aref Group, Best Sukuk deal in the world, and Best Deal in Turkey in 2010 for arranging sukuk deal worth \$100 million for KFH Turkey.

He stressed that despite economic challenges that the company had faced since its foundation and the recent global economic crisis, the company was determined to create for itself a foothold as a successful Kuwaiti company on the map of regional and global companies.

He mentioned that the company took advantage of its relationships with major players in the arena of global economy in using shariah compliant investment and financing instruments in various economic sectors, whether in the private or government sector; in addition to establishing strategic relations with many banks and local, regional, and global financial institutions.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1449

KFH Turkish Unit Plans \$500m Bond

Friday, March 11, 2011

Kuwait Finance House (KFH), a leader in Islamic finance, said its Turkish subsidiary will launch a \$500 million Islamic bond by the end of the year.

KFH chairman Mohammed Al Omar said the Islamic lender will issue the benchmark sukuk following the success of Turkey's first Islamic bond offering, from lender Kuveyt Turk in August.

The Kuveyt Turk sukuk fetched a yield of 5.25 per cent and was oversubscribed by investors from the Middle East, Asia and Europe.

Al Omar said he expects more wide scale issuance from Turkish companies as the government made moves to accommodate Islamic instruments.

Last year, the Capital Markets Board of Turkey (SPK), the regulatory and supervisory authority in charge of the securities markets, published a statement setting the legal ground for sukuk issues by Turkish companies.

Turkey, which is careful to preserve its secular stance on politics and finance, refers to sukuk as participation certificates and Islamic banks are called participation bank.

The country is increasingly being seen as a growth market for Islamic finance, bolstering its ties to the Middle East.

In January, Turkey's Istanbul Stock Exchange launched an index comprising 30 listed companies that comply with sharia banking principles.

In August, the Turkish subsidiary of Bahraini Islamic lender Al Baraka mandated banks for a \$250mn sharia-compliant facility.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1454

4. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

Soon, a school to teach Islamic investments

Sunday, March 06, 2011

An academy will soon be set up to educate Muslims about investments in various financial sectors, including stock exchange, capital market and banking in accordance to the principals of Sharia (Islamic law).

Pragmatic Wealth Management Pvt . Ltd, a Mumbai Central-based firm which gives guidance on how to manage wealth according to Islamic laws is coming up with an academy where educated youth will be encouraged to seek employment and do business in the financial sector where participation of Muslims at present is shockingly low.

"Our experts and faculty will educate youth on the Sharia-compliant companies where investment can be done. We are in the process of finalizing the feasibility of such a project," said Intiaz Merchant , managing director of Pragmatic Wealth Management.

"The need for trained professionals on Islamic finance is dire because globally, it is becoming an acceptable mode of investment. And there are enough opportunities for individuals trained in Islamic finance and banking," said Dr M Y Khan, chairman, Pragmatic Wealth Management, and a visiting professor to several reputed organizations, including International Monetary Fund (IMF).

Recently, Merchant called a meeting of noted Muslim clerics and set up Islamic Investment and Finance Board (IIFB) which has members like All India Muslim Personal Law Board's Maulana Wali Rahmani and Hyderabad-based scholar Maulana Khalid Saifullah Rahmani , among others. The IIFB allowed Muslims to invest in stock market, an area most Muslims keep themselves away from.

The clerics said that share trading was closer to Sharia than banking and insurance system. Sharia prohibits Muslims to invest in any venture which deals with non-Halal items like liquor, usury and interest. Sharia-compliant companies can be avenues for not just investment, but even seeking employment for Muslims.

Khan, who has been crusading for Muslims' participation in education and financial investments, slammed many Muslim-managed banks like Memon Cooperative Bank which have allegedly lost the trust of depositors.

"I remember people coming to me crying because they had lost their savings in such Muslim-managed banks as the directors pocketed money and the banks went bankrupt. They claim to be followers of Islam, but don't follow the principles of transparency and accountability laid down in the holy Quran," said Khan who has taken up cudgels on behalf of educated unemployed, especially coming from the weaker sections.

<http://economictimes.indiatimes.com/news/news-by-industry/et-cetera/soon-a-school-to-teach-islamic-investments/articleshow/7637526.cms>

Al Baraka to enter mutual fund industry in June

Tuesday, March 08, 2011

Al Baraka Pakistan Limited (ABPL) will enter the mutual fund industry by June this year and funds will be established in collaboration with a well-established fund manager, ABPL President Shafqaat Ahmed revealed while talking exclusively to The Express Tribune.

"We will gradually introduce some innovative products through a joint venture after launching the first fund in June this year," he said.

He expressed optimism about the new venture, saying, "We have a widespread network of bank branches and a customer base that has exceeded 115,000, which can be used as stepping stones for expanding into the mutual fund industry."

Ahmed highlighted that the growth of Islamic income funds has outpaced the growth of the overall mutual fund industry in recent months.

He also revealed that ABPL will launch its Takaful business before the end of the current calendar year.

ABPL emerged as a scheduled bank in the country on November 1, 2010, after Emirates Global Islamic Bank Pakistan merged with Al Baraka Islamic Bank Bahrain. Prior to this union, the bank had operated in the country for the Bahrain-based entity.

Highlighting the bank's plans for future growth, Ahmed asserted, "we will focus heavily on the agricultural sector and rural societies because we believe there is immense potential for bringing the unbanked population into the fold."

He asserted that bigger banks have primarily catered to landowners with large estates, but added that due to political influences, the same recipients have often defaulted on loans with immunity. “Smaller growers have the capability of utilising funds well if they receive terms that meet their needs,” said Ahmed.

Acknowledging that economic growth had dwindled in the past 24 months, he pointed out, “recovery in the agriculture sector typically takes lesser time than industries and the agriculture sector has often supported the economy when the formalised sectors were suffering.”

Ahmed said that the Al Baraka Group (ABG) has shown strong commitment to Pakistan in previous years and would continue to invest in the country as opportunities arise. The small and medium enterprises (SME) sector holds attractive opportunities and ABPL is considering strategies to extend services to SMEs.

“Energy crisis and deteriorating law and order have limited the otherwise immense growth potential of the economy,” Ahmed said and urged the government to prioritise these issues and seek sustainable solutions to encourage business activity.

“Improving the country’s perception abroad is crucial for attracting investments,” he said while urging the media to play a positive role on this front.

Responding to a question regarding recent changes in liquidity requirements for Islamic banks, Ahmed said, “higher statutory liquidity requirements (SLR) for Islamic banks will be easily met by most existing entities.” He pointed out that Islamic banks are already maintaining large reserves in cash and Sukuk investments because they do not deal in bonds, adding, “Ijara Sukuk is counted in SLR criteria so it is not an issue for most Islamic banks, including ABPL.”

Regarding successively increasing minimum capital requirements, he said, some of the smaller banks may face problems, but the regulations would improve the quality of banking in the country and force smaller and weaker players to merge with more established entities.

<http://tribune.com.pk/story/129204/al-baraka-to-enter-mutual-fund-industry-in-june/>

Islamic Forum Wants Investment Map for Africa

Wednesday, March 09, 2011

Participants of the three-day meeting of the first West African Islamic Investment Forum have sought for a comprehensive investment map for Africa to be designed and a West African Islamic fund be established.

This was contained in a communiqué issued at the end of forum's meeting which took place in Kano. The communiqué was signed by secretary of the communiqué committee Abdullahi Abubakar Lamido.

The participants also called on the forum and other stakeholders to initiate sponsorship for continued research, publication and capacity building on how to explore and harness investment opportunities in West Africa.

It equally urged that Islamic financial institutions like Zakkat and other Islamic financial instruments should be effectively utilized to alleviate poverty and facilitate economic growth and development.

They however lamented that while the sub-region is endowed with a concentration of diverse human and natural resources, the region lacks venture capital to exploit and utilize those resources. The participants also frowned at the absence of micro-finance institutions in the sub-region in spite of the fact that they are flourishing in other countries.

The event was jointly organized by the Muslim Centre for Research and Planning and Ghana's Islamic Chamber of Commerce and Industries.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1447

5. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

Moody's holds 6th annual Middle East Credit Risk Conference in Dubai

Monday, March 07, 2011

Moody's Investors Service today held its sixth annual GCC Credit Risk Conference at the Ritz-Carlton Hotel in the Dubai International Financial Centre (DIFC). Moody's top Middle-East-focused analysts from its regional office in Dubai as well as from its offices in London and Paris today gave in-depth presentations at this one-day conference aimed at regional investors.

"Since our last annual conference, general economic conditions have improved in most Middle Eastern countries, especially among GCC countries, although political instability is a concern." said Mr Jehad El-Nakla, General Manager of Moody's Middle East, who opened the conference.

"Q4 2010 saw a surge in debt issuances largely for the purpose of refinancing maturing debt and partly for business expansion. Moody's has rated most of these bonds and sukuk. According to public announcements, this trend is likely to continue during H1 2011 despite the political instability in some Middle Eastern countries," says Mr El-Nakla.

Today's conference allowed Moody's to once again share its views and opinions with investors and other market participants, generating lively and stimulating discussions.

The topics of the presentations by senior members of Moody's rating groups were as follows:

"Middle East Sovereign Outlook", Tristan Cooper, Moody's Head Analyst for Middle East Sovereigns.

- "GCC Banking Overview: Mixed Credit Revival Amidst Pockets of Local Distress", by Khalid Howladar, Vice President - Senior Credit Officer in Moody's Financial Institutions Group.

- "Shari'ah-Compliant Investment Banks: The Weak Link of Islamic Finance", by Anouar Hassoune, Vice President -- Senior Credit Officer in Moody's Financial Institutions Group.

- "GCC Corporates: Calmer Seas Amidst Pockets of Turbulence and a Wave of Refinancing", by David Staples, Moody's Managing Director for GCC Corporates, and Martin Kohlhasse, AVP -- Analyst in Moody's EMEA Corporate Finance Group.

- "Matching Funding for the Retail Loan Book -- ENBD Auto Case Study", by Khalid Howladar, Vice President - Senior Credit Officer in Moody's Financial Institutions Group.

- "Project Finance -- Round-up of Recent Development", by Andrew Davison, Senior Vice President in Moody's Infrastructure Finance Group.

These presentations will be followed by two workshops: the first one will focus on "How does Moody's Assign Corporate Ratings?", chaired by David Staples; the second entitled "Rating Insurers in the GCC Key Factors Relevant to the GCC and General Methodology", moderated by Paul Oates, Vice President -- Senior Credit Officer in Moody's Insurance group.

<http://www.ameinfo.com/258483.html>

Celcom Axiata Bags Two Islamic Finance Awards

Thursday, March 10, 2011

Celcom Axiata Bhd bagged two awards at the recent Islamic Finance News (IFN) Awards for its RM4.2 billion sukuk issuance.

The sukuk, issued by its unit Celcom Transmission (M) Sdn Bhd (CTX) in August last year, clinched the Ijarah Deal of the Year Award and the Mergers and Acquisitions Deal of the Year Award.

In a statement on Monday, Celcom Axiata CEO Datuk Seri Shazalli Ramly said CTX was part of an internal exercise to streamline the company's business functions and to establish a network-centric entity.

Its chief financial officer Chari TVT said the internal restructuring will enable Celcom to establish a platform for a separate infrastructure service provider under CTX, which would drive efficiencies, enhance cost savings and create value through the strategic development of its network operations.

"In addition to the benefits to Celcom, if deemed appropriate and relevant in the future, CTX may also act n as an infrastructure specialist for the Axiata Group and expand such business outside of the group, including the possibility of servicing other mobile operators in Malaysia.

"It is also expected that the restructuring will lead to better employment opportunities within Celcom and the Axiata group of companies, with enhanced local skill development through specialised, quality training and development that will ultimately provide an avenue for higher average wages/salaries for local employees," said Chari.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1452

NBAD Global Financial Markets Forum draws record delegates

Thursday, March 10, 2011

The National Bank of Abu Dhabi's (NBAD) Third Annual Global Financial Markets Forum (GFMF) and Global Financial Markets Islamic Forum (GFMIF) concluded with record number of attendees.

More than 700 delegates attended the four-day conference which provided for constructive discussions about the future of markets, regional developments, and Abu Dhabi's increasing role in the global economy. During the conference, NBAD facilitated productive workshops and investor presentations, which has never been offered in the region.

"I am proud and pleased that NBAD, the Number One Bank in the UAE, provided our valued clients, investors, partners, stakeholders, and other attendees a suitable platform to share information and discuss on the important topics of the day," says Michael H. Tomalin, the Group Chief Executive at NBAD. "NBAD facilitates forums such as the Global Financial Markets

Forum to provide to serve our commitment to supporting Abu Dhabi's ambitious development plans."

"NBAD is an inseparable part of Abu Dhabi's fabric and the Emirate's partner in the progress and development envisioned in Vision 2030. We believe information sharing and facilitating global forums is one way to support Abu Dhabi Vision 2030," Mr. Tomalin continues.

He adds, "NBAD would continue to organise and support world class conferences in Abu Dhabi to cement Abu Dhabi as a global destination and to achieve NBAD's vision to be recognised as The World's Best Arab Bank."

This year, NBAD segmented the global financial forum. The Global Financial Markets Islamic Forum (GFMIF), which took place February 27th and 28th, provided a forum for financiers and scholars to discuss challenges and opportunities of the \$1 trillion Shariah-compliant banking system. On March 2nd and 3rd, GFMF continued with a focus on conventional banking and general market conditions.

On the daily average, about 150 delegates attended GFMIF and the conventional GFMF drew 450 delegates each day.

NBAD's Financial Markets Division (FMD) organised the GFMF in cooperation with several partners.

"The Third GFMF opened on the heels of very critical developments in the region and I believe the event succeeded in providing our esteemed clients and investors the essential information needed to succeed in today's evolving environment," said Mahmood Al Aradi, the Senior Executive Vice President of NBAD's Financial Markets Division. "Our team effectively organised very informative sessions with world class speakers and thought-provoking panel discussions as well as valuable workshops and investors presentations."

Among the notable speakers was Dr. Nassim Nicholas Taleb, the author of "The Black Swan," who spoke on February 27th and March 2nd. Other speakers were author, academic and economic commentator Jim Rogers, Jamil Baz, chief investment strategist of Man- GLG, and Richard Perry, founder and partner of Perry Capital.

GFMF also focused on Abu Dhabi's Vision 2030. H.E. Fahad Al Raqbani, the Director General of Abu Dhabi Council for Economic Development, addressed the crowd about the Emirates plans and progress toward Abu Dhabi Vision 2030 and a panel discussion comprising of the "who is who" of Abu Dhabi discussed and deciphered the plan.

"The highly intellectual and influential thinkers and decision-makers provided engaging discussions and perspectives, particularly on the recent global economic and regional political developments," says Sameh Abdulla Al Qubaisi, the General Manager of Institutional and Corporate Coverage Group at NBAD's Financial Markets Division.

"The annual Global Financial Markets Forum aims to serve our investors and partners with the most informative information. Moreover, our workshops provide them with the latest tools in the financial industry. This year we also introduced Investors' Presentations to the forum for the first time in the region. I'm proud to report that the Investors' Presentation was highly welcomed by the delegates," Sameh added.

NBAD's valuable partners made the third GFMIF and GFMF possible. Al Hilal Bank and Abu Dhabi National Islamic Finance Company (ADNIF), the Islamic banking unit of NBAD, served as NBAD's partner in GFMIF; and GFI and Bursa Malaysia as sponsors of the event. Thomson Reuters, Bloomberg, Murex, ICMA, and NBAD Academy are NBAD's workshop partners; and CNBC Arabia is the official Broadcaster of GFMF. Other partners are Etihad

Airways, Official Airline, YAS Hotel, Official Hospitality Partner; Blaze Event Solutions, YAS Marina Circuit, and YAS LINKS official Entertainment Partners; and Etisalat, Official ICT Partner.

Sponsors of GFMF are Abu Dhabi Department of Finance, Abu Dhabi Council for Economic Development, Finance House, General Holding Cooperation, Al Habtoor Group, Al Waha Capital, 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.

<http://www.ameinfo.com/258785.html>

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