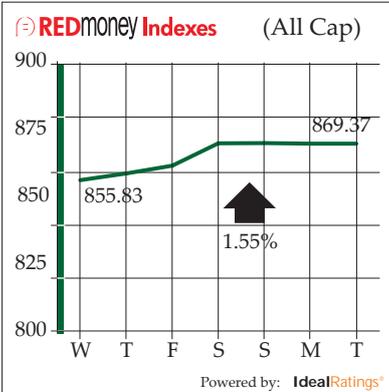


Islamic Finance *news*

The World's Global Islamic Finance News Provider

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Islamic wealth management: The rise of the rich investor

In a world exclusive, Islamic Finance news brings you the findings of the 2012 Wealth-X report: 'UHNW Islamic Banking Clients: A Growing Community', and explores the vast potential this segment holds for the Islamic finance industry.

The growth of an industry

Wealthy Islamic investors represent one of the most promising sectors in the industry. The two hotspots of the Middle East and Asia are seeing consistent growth, with Islamic residents earning some of the highest per capita incomes in the world and the number of millionaires increasing year on year. There are around 450,000 millionaires in the GCC according to a recent study by CapGemini, up 2.7% from last year and with a total worth of US\$1.7 trillion. Asia Pacific in 2012 topped North America to become home to the highest number of high net worth individuals with 3.4 million people with over US\$1 million in investable assets. With only around 28% of this currently invested Islamically, this makes Islamic wealth management a vital segment of the nascent industry, as both Shariah compliant institutions and conventional fund centers alike seek to tap into this pool of wealth.

Ultra wealthy

Of these wealthy investors, the ultra high net worth (UHNW) segment is growing in importance. According to the Wealth-X report the Islamic UHNW segment accounts for US\$176 billion, or 13.5% of the total value of Islamic banking assets. Around US\$96 billion of this is held in the Middle East and North Africa, while Asia holds a combined total of US\$42.8 billion in Islamic assets.

Globally, around 2,120 UHNW individuals in total are believed to bank Islamically.

However, the UHNW segment is expected to adopt Islamic banking at an average rate of 7.7% per year over the next five years, reaching over 3,000 by 2017; with a collective wealth that is expected to grow by an annual 8.6% during the same period to reach US\$265 billion in Islamic UHNW assets.

Rapid growth

The report states that: "Countries with a strong Islamic banking presence, ranging from Saudi Arabia to the UAE, Malaysia and Indonesia, are expected to see a combined UHNW population of 18,380 with collective net worth of US\$2.7 trillion by 2017. At least 1,265 UHNW individuals, or 8.9% of the UHNW population within these countries, currently bank with Islamic institutions. That figure is expected to increase to 1,790, or 9.7% of the UHNW population, by 2017 as Islamic banking products become more widely available."

We can also expect to see growth outside of the strongholds of the Middle East and

continued on page 3

Getting creative

Editor's Note

Islamic Finance news this week unveils findings of the 2012 Wealth-X report in a world exclusive, with our cover story discussing both the potential and the pitfalls of the Islamic wealth management sector, highlighting that the market requires a wider range of products to help spur its further development. Closely tied to this is the need for a growth in the creativity of Islamic asset classes...

continued on page 5

A fine example of
Shariah inspired innovation.

CIMB ISLAMIC

DEALS

Dana Gas reportedly proposes part cash, part Sukuk repayment in US\$920 million Sukuk restructuring

Malaysia Airlines System secures US\$1.73 billion financing facility from government

Qatar Telecom secures US\$499.43 million revolving Murabahah financing facility from **Qatar Islamic Bank**

Bolton to issue US\$75.03 million Sukuk

Malaysian government issues US\$65.32 million-worth of Islamic T-bills

Malaysian government re-opens tender for US\$655.32 million profit-based notes

Saudi Hollandi Bank issues US\$373.26 million Sukuk

QInvest arranges oil and gas investment

National Bank of Abu Dhabi sells US\$161.11 million ringgit-denominated Sukuk

Bank Kerjasama Rakyat Malaysia issues US\$326.55 million Sukuk

Bahrain issues US\$47.76 million-worth of short-term Sukuk

NEWS

CIMB Islamic reports 4% growth in pre-tax profits

Alliance Financial Group reports US\$40.56 million in Islamic banking income

HSBC Amanah Malaysia's branch expansion ahead of schedule

RHB Capital reports lower third quarter profit at Islamic banking business

Puncak Niaga (Malaysia) extends maturity of notes under US\$334.22 million BaIDS program

Gatehouse Bank faces employment tribunal

GFH Capital adds football to its portfolio with purchase of **Leeds United Football Club**

Turkey's participation banks report 16% growth in total assets in the third quarter

Malaysian deputy prime minister urges D-8 countries to embrace Islamic finance

MENA Islamic and conventional bond sales outpace syndicated lending

ICIEC signs MoU with **National Commercial Bank** in aid of SMEs

Commercial Bank of Dubai launches new home financing product through Islamic banking arm

Saudi Arabian Monetary Agency issues rules for mortgage financing

Boubyan Bank to focus on home market as Islamic banking credit grows faster than conventional loans

Maldives government takes small steps towards growth of Islamic finance industry

Takaful Malaysia announces healthy third quarter results

Bank of London and The Middle East acquires new property for Light Industrial Building Fund

Secura India Real Estate Fund launches second venture capital real estate fund

CIMB-Principal Asset Management targets

US\$653.28 million in private retirement scheme funds under management by 2017

AREF Energy Holding Company invests up to US\$18.68 million in Shariah compliant **Al Taqa Fund**

Public Mutual launches three Shariah compliant private retirement scheme funds

RATINGS

MARC affirms ratings on **Kuwait Finance House (Malaysia)**

RAM downgrades ratings on **MRCB Southern Link's** US\$272.28 million and US\$64.12 million Sukuk

MOVES

Conyers Dill & Pearman appoints **David Lamb** and **Narinder Hargun** as co-chairs

QInvest appoints new CEO after resignation of **Shahzad Shahbaz**

Alizz Islamic Bank appoints chairman and board members

Yavar Moini to step down as executive director at **Morgan Stanley (DIFC)**

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Islamic wealth management: The rise of the rich investor

Continued from page 1

Table 1: Current UHNW Islamic banking population and Wealth

Select Middle Eastern Countries	Islamic Banking UHNW Population	Islamic Banking Total Wealth US\$ billion
Saudi Arabia	334	36.0
UAE	184	18.0
Kuwait	112	15.1
Iran	105	8.4
Qatar	64	6.3
Remaining MENA Countries	206	12.3
Region's Total	1,005	96.1
<hr/>		
Select South/South East Asian Countries	Islamic Banking UHNW Population	Islamic Banking Total Wealth US\$ billion
Malaysia	187	26.4
Indonesia	110	1.6
Pakistan	68	2.1
India	62	2.8
Singapore	39	2.5
Remaining South/Southeast Asian Countries	81	7.4
Region's Total	547	42.8
Global Total	2,122	176

Southeast Asia. In non-traditional Islamic banking markets such as Luxembourg, Switzerland, the UK, the US and certain offshore banking centers, the report predicts that the Islamic banking market will grow to US\$72 billion by 2017, up from the current US\$46 billion.

“ The Islamic UHNW segment accounts for US\$176 billion, or 13.5% of the total value of Islamic banking assets ”

Broad appeal

In addition, the potential in key Islamic markets is not necessarily restricted to the UHNW Muslim population. The Middle East, North Africa, South Asia and Southeast Asia currently account for 75% of the proportion of the world's

UHNW population who participate in Shariah compliant finance; but there is a significant opportunity to market Shariah investments as an attractive asset class for all UHNW individuals — not just Muslims — which will serve to boost the segment further.

Islamic finance benefits from inherent strengths including close links between financial transactions and productive capital flows, self-contained governance and risk management, as well as the moderate use of leverage and non-disruptive financial innovation. These key values are likely to attract potential clients who “value integrity and capital security alongside stable returns”.

The report also suggests that an emphasis on ethics and social responsibility could be a major draw for non-Muslim clients. “Professionals and Islamic banking institutions who engage with UHNW clients may consider emphasizing the ethical and moral appeal of Islamic finance, particularly in view of the controversy surrounding conventional banking practices.”

continued...

CLOSING BELL

Annual Global Finance and Investment Conference 2012

EGYPT: The first Annual Global Finance and Investment Conference Egypt 2012, for which Islamic Finance *news* is lead media partner, is set to take place on the 5-6th December in Cairo.

The event will see global industry practitioners discuss and debate the best practices for conventional and Islamic finance tools for micro, small and medium-sized enterprises. (f)

Islamic microfinance to enhance inclusiveness

MALAYSIA: The Islamic finance industry must improve the access of services to all segments of society by offering more Islamic microfinance products, said Dr Zeti Akhtar Aziz, the governor of the central bank, Bank Negara Malaysia. (f)

KFH to increase capital by 20%

KUWAIT: Kuwait Finance House plans to increase its capital by 20%, pending regulatory approval, to support its local and global expansion. (f)

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Islamic wealth management: The rise of the rich investor

Continued from page 3

Table 2: Statistical Profile of UHNW Islamic Banking Clients in MENA and Southeast Asia

Average Age	Gender	Wealth Source	Average Net Worth	Average Liquidity
52	89% Male 11% Female	16% Inheritance 67% Self-Made 17% Inheritance/Self-Made	US\$153 million	US\$18 million

Table 3: Profile of an Average UHNW Islamic Banking Client In Southeast Asia and the Middle East

	Southeast Asia	Middle East
<i>Position</i>	Founder	Chairman
<i>Net Worth</i>	US\$140 million	US\$890 million
<i>Liquidity</i>	US\$80 million	US\$290 million
<i>Primary Residence</i>	Jakarta, Indonesia	Abu Dhabi, UAE
<i>Education</i>	Bachelor's Degree	Bachelor's Degree
<i>Age</i>	62	40
<i>Marital Status</i>	Married	Married
<i>People in Influential Social Network</i>	25	31
<i>UHNWIs in Influential Social Network</i>	9	12
<i>Hobbies</i>	Philanthropy, Politics, Architecture, Religion	Philanthropy, Music, Politics, Sports
<i>Philanthropy</i>	Actively involved in charitable organizations that support education and poverty relief	Makes philanthropic contributions to foundations that support sports, cultural and social courses

A typical investor

According to a statistical profile (see Table 2), the average UHNW Islamic banking client is in his fifties, male and likely to have created his own wealth (67% are self-made while only 16% inherit their wealth). He is also highly liquid, with around US\$18 million in liquid assets out of a total net worth of US\$153 million. This liquidity makes the Islamic UHNW investor uniquely attractive to wealth managers, and the vast and largely untapped pool of cash and liquid assets is driving the rapid development of the Islamic wealth management industry.

Middle East win on wealth

However, based on an average investor profile from each region (see Table 3), the Middle East region poses a greater opportunity in terms of asset management. The report profiles an average UHNW Islamic banking client in both Southeast Asia and the Middle East, and suggests that while the Southeast Asian UHNW individual is worth around US\$140 million with US\$80 million in liquid assets, the average Middle Eastern client is worth almost six

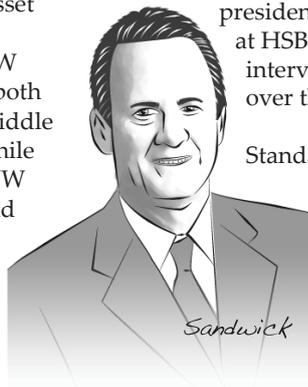
times that at US\$890 million with US\$290 million in liquid assets.

Private banking boom

Unsurprisingly, as a result of this vast and under-served market the Islamic wealth management sector is undergoing rapid growth. According to John Sandwick, the manager of recently launched independent Islamic wealth management firm Safa Investment Services: "Professionally managed assets worldwide are now around US\$80 trillion, of which Muslims own at least US\$3 trillion. What is striking is that almost none of that is invested with any respect for Shariah."

However, this is starting to change. "The wealth management business is going to grow faster than overall Islamic finance growth," said Shahzad Wairach, the vice president of global wealth management at HSBC Amanah, in a recent interview. "We could see 20% growth over the next three to five years."

Standard Chartered recently launched Islamic private banking services in Asia, tailored for clients with over US\$2 million in investable assets. The group will provide Shariah compliant structured products,



“ Just because there are wealthy Muslim investors does not necessarily mean that these clients will invest Islamically ”

mutual funds, property investment and retirement services across Malaysia, Indonesia, Brunei, India and Pakistan through its offices in Singapore and Hong Kong, and also plan to launch Shariah compliant wealth management services in Dubai, London, Geneva and Jersey. Wasim Saifi, the global head of Islamic consumer banking for Standard Chartered, explained in a statement that the bank launched the offering in an attempt to meet the needs of a group that was currently under-served in terms of the availability of Islamic options. "The wealthier the customer is, his requirements tend to be far more sophisticated when it comes to risk-

continued...

Islamic wealth management: The rise of the rich investor

Continued from page 4

management, diversification and yield-enhancement. Today, you can't really say that an Islamic high net worth individual would have the same options on the Shariah side as he would have on the conventional side."

Slow start

Malaysia-based CIMB Group have also entered the market, launching Islamic private banking for clients with a minimum of RM1 million (US\$327,302) in the fourth quarter of 2012. However, the group has warned that Islamic wealth management has hitherto seen a slow start due to the difficulty in creating a wide enough range of investments that are Shariah compliant.

This is a key issue for the market. Just because there are wealthy Muslim investors does not necessarily mean that these clients will invest Islamically. Despite the promising growth in Islamic finance, evidence repeatedly

demonstrates that only a small proportion of Muslims will invest Islamically for religious reasons alone. If the products are less favorable or more expensive than conventional products, the industry cannot expect UHNW clients to participate.

“The only way for Islamic private banking to entice conventional investors is to produce better returns over a period of time”

Performance counts

The Islamic industry needs to show it can perform. Standard Chartered currently estimates that seven out of eight Muslims globally bank according to non-Islamic principles. A Dubai-based industry expert agrees, commenting that: "If a private bank or wealth management offering has a good menu of Shariah compliant products, then the industry will grow. But the only way for Islamic private banking to entice conventional investors — or Islamic clients that currently invest with conventional institutions — is to produce better returns over a period of time, and thus to demonstrate a better track record than the conventional sector."

Unless the industry can offer a range of products that is wide enough, sophisticated enough and cheap enough to compete with the conventional market and attract Islamic funds, it doesn't matter how many wealthy clients are out there. ☺ — LM

Getting creative

Editor's Note

Islamic Finance news this week unveils findings of the 2012 Wealth-X report in a world exclusive, with our cover story discussing both the potential and the pitfalls of the Islamic wealth management sector, highlighting that the market requires a wider range of products to help spur its further development.

Closely tied to this is the need for a growth in the creativity of Islamic asset classes, as written in a feature by Ayman H A Khaleq and Barry Cosgrave of Vinson & Elkins in Dubai, who note

that software and intellectual property rights could play a key role in the take-up of Sukuk in western and emerging markets.

In Saudi Arabia Dr Ahmed T Al Ajlouni, a scholar and faculty member at Qassim University, looks at measures the kingdom has taken to position itself as a leading global Islamic finance hub; while Daniel Eriksson of Advent Software EMEA highlights growing technology trends for asset and wealth managers.

Our IFN Reports cover Islamic banking in India, the call for uniformity in

Islamic financial reporting and new banking regulations in Indonesia; and our IFN Correspondents write on developments in Bahrain, France and the UAE.

Meet the Head talks to Muhammaad Abdullah Malik Dewaya, the head of Shariah compliance and audit and general secretary to the Shariah Supervisory Board at Oman's Bank Maisarah; and our Case Study highlights Golden Agri-Resources' US\$490.95 million Sukuk issuance from its US\$1.64 billion program. ☺



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Islamic Finance news

DEALS

Dana Gas proposes restructuring plan

UAE: Dana Gas is said to have proposed a part cash, part Sukuk repayment for its US\$920 million in Islamic bonds outstanding which matured on the 30th October 2012.

Under its restructuring deal, the company is reportedly planning to repay its Sukukholders US\$100 million in cash, while its outstanding Sukuk will be replaced with two new, five-year Sukuk paying an average coupon of 8%.

The new notes will comprise an ordinary tranche and a convertible Sukuk tranche. (2)

MAS gets airplane funding

MALAYSIA: Malaysia Airlines System (MAS) has secured RM5.31 billion (US\$1.73 billion)-worth of financing from Turus Pesawat, a finance ministry special purpose vehicle.

The 20-year facility is secured against the eight aircraft MAS is planning to purchase from the financing. (2)

Qtel in Murabahah deal

QATAR: Qatar Telecom (Qtel) has secured an 18-month revolving Murabahah financing facility from Qatar Islamic Bank worth QAR1.82 billion (US\$499.43 million). (2)

Sukuk in the pipeline

MALAYSIA: Bolton has hired Affin Investment Bank to arrange a RM230 million (US\$75.03 million) Islamic medium-term notes program guaranteed by financial guarantee insurer, Danajamin Nasional.

The local property developer also raised RM140 million (US\$45.67 million) through a revolving credit facility from Affin Bank. Its total RM370 million

(US\$120.71 million)-worth of funds is RM10 million (US\$3.26 million) less than originally planned. (2)

Malaysia sells Islamic T-bills

MALAYSIA: The government issued RM200 million (US\$65.32 million)-worth of one-year Islamic treasury bills on the 23rd November 2012, receiving RM615 million (US\$200.87 million) in bids at an average yield of 3.14%. (2)

GII tender re-opened

MALAYSIA: The government has re-opened a tender for its RM2 billion (US\$655.32 million) profit-based government investment issues (GII), first offered on the 8th June 2012 and maturing on the 15th June 2027.

The closing date for the tender is the 3rd December 2012. (2)

Sukuk from Saudi Hollandi

SAUDI ARABIA: Saudi Hollandi Bank issued a SAR1.4 billion (US\$373.26 million) Sukuk on the 26th November 2012.

The seven-year Sukuk will pay a coupon of 1.5% over the six-month Saudi interbank offered rate. The bank also has an option to redeem the notes after its fifth year. (2)

QInvest arranges Egypt investment

EGYPT: QInvest has arranged a joint venture between private equity firm Citadel Capital and a group of Qatari investors for the construction and ownership of a floating liquefied natural gas storage and regasification unit in the country. (2)

NBAD issues Sukuk

GLOBAL: The National Bank of Abu Dhabi (NBAD) issued a 15-year, ringgit-denominated RM500 million *continued...*

Bank Rakyat issues US\$326.55 million Sukuk

MALAYSIA: Bank Kerjasama Rakyat Malaysia (Bank Rakyat), a cooperative, launched a RM1 billion (US\$326.55 million) Islamic medium-term notes program on the 20th November 2012. The issuance is its maiden debt offering as it looks to raise capital in line with Basel III requirements.

The offering comprises two tranches worth RM300 million (US\$97.97 million) and RM700 million (US\$228.59 million) with maturities of three and five years, respectively.

The RM300 million notes were priced at a coupon of 3.88% and the remainder will pay 4.08%, after the bank received oversubscription of 2.05 times from investors made up of banks including CIMB, Maybank and RHB Bank.

Charon Wardini Mokhzani, CEO of CIMB Investment Bank, which together with Maybank Investment Bank was joint lead arranger of the issuance, added that the offering also garnered interest from a wide investor base

Tengku Zafrul Tengku Abdul Aziz, CEO of Maybank Investment Bank, also noted that the offering is the first completed by a co-operative on a standalone basis in the Malaysian capital market.

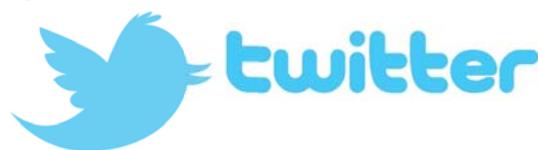
The notes are rated 'AA2' by RAM. (2)

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continued...

(US\$161.11 million) Sukuk on the 23rd November 2012, which will pay a coupon of 4.75%.

HSBC Amanah Malaysia, Maybank Investment Bank, NBAD Malaysia and Standard Chartered Saadiq were the joint lead managers for the transaction. (2)

DEAL TRACKER

Full Deal Tracker on page 23

ISSUER	ISSUING CURRENCY	SIZE (US\$)	DATE ANNOUNCED
Albaraka Türk Katılım Bankası	US\$	200 million	19 th November 2012
Dialog Axiata	LKR	391.85 million	2 nd November 2012
Malaysia sovereign	RM	1.73 billion	6 th November 2012
Almarai Company	SAR	613.29 million	6 th November 2012
Sumberdaya Sewatama	IDR	103.6 million	24 th October 2012

ASIA

CIMB Islamic reports growth

MALAYSIA: CIMB Islamic reported a 4% year-on-year growth in pre-tax profit to RM373 million (US\$121.81 million) for the nine months ended the 30th September 2012.

Its gross financing assets rose 24.8% during the period, accounting for 15.7% of the total portfolio of CIMB Group, which recorded a record net profit of RM3.26 billion (US\$1.06 billion) in the nine-month period. (2)

Lower income at Islamic business

MALAYSIA: Alliance Financial Group reported a net income of RM124.41 million (US\$40.56 million) for its Islamic banking business in its first half ended the 30th September 2012, against RM127.55 million (US\$41.59 million) a year earlier. (2)

HSBC Amanah grows Malaysia business

MALAYSIA: HSBC Amanah Malaysia will achieve its target of opening 26 branches in the country a year earlier than expected, after it launches three more branches next month.

Rafe Haneef, its CEO, said that plans are now underway for the second stage of the bank's development, without disclosing further details. (2)

Short-term Sukuk oversubscribed

BAHRAIN: The government's monthly issuance of short-term Sukuk Al-Salam was oversubscribed 278%.

The expected return on the BHD18 million (US\$47.76 million) sale, which matures on the 27th February 2013, is 1%. (2)

Lower profit at RHB's Islamic arm

MALAYSIA: RHB Capital's net profit for the third quarter of 2012 rose 14.37% to RM487.48 million (US\$159.24 million) from a year earlier, partly attributed to income contributions from its Islamic banking business.

The Islamic business however reported a lower profit of 1.3% to RM77.3 million (US\$25.25 million), due to increased impairment allowances and overhead costs; partially offset by higher income. (2)

Sukuk maturity extended

MALAYSIA: Waterworks and supply firm Puncak Niaga (Malaysia) has received approval from its Sukukholder to extend the maturity of two tranches under its RM1.02 billion (US\$334.22 million) Bithaman Ajil Islamic debt securities (BaIDS) program from the 27th November 2012 to the 27th February 2013. (2)

EUROPE

Dismissals at Gatehouse

UK: Gatehouse Bank has been brought to the country's employment tribunal by former chief operating officer, James Bagshawe, who claims he was dismissed on grounds of racial and religious discrimination.

Bagshawe, who was fired in August 2011, alleges that he was dismissed as

continued...

GFH Capital adds football to its portfolio with purchase of Leeds United

GLOBAL: GFH Capital has signed a deal to fully acquire Leeds United Football Club (LUFC) following a closely-watched courtship that lasted for six months.

In a statement on the 21st November, the club said that the transaction will see GFH Capital, which has provided it financial support since entering into an exclusivity period earlier this year, injecting further working capital funds into the team. The Dubai-based private equity firm has also paid the first part of its undisclosed consideration for the acquisition.

Its takeover of the club will see David Haigh, the deputy CEO and chief operating officer of GFH Capital, joining LUFC's board with immediate effect; while Hisham Alrayes and Salem Patel, both directors at GFH Capital, will join as directors at LUFC in December.

In a post on his account at social networking site Twitter Haigh, who is known to be a fan of LUFC since childhood, announced: "Time to pick up keys to Elland Road [LUFC's home ground] with @salempatel. We're so excited about the future of LUFC and want to thank the fans for your patience."

UK law firm Thomas Eggar represented GFH Capital in the deal.

The club will undergo a transition period with Ken Bates, the controversial owner and chairman of LUFC, remaining in his position until the end of the current football season. GFH Capital will then appoint a new chairman and appoint Bates as president. (2)



continued...

he is a non-Muslim. He also claims that his replacement, Twalha Dhunnoo, was hired because he is Muslim despite possessing less experience.

Gatehouse has categorically denied the claims of religious discrimination. It also said that during Bagshawe's four-year tenor, he earned over GBP1 million (US\$1.6 million) while the bank was losing the same amount in its working capital on a monthly basis.

The bank also disclosed that it had halved its headcount to 25 in June 2011 from 40 in November 2009. ⁽²⁾

Strong growth

TURKEY: Participation, or Shariah compliant, banks in the country collectively reported total assets of TRY65 billion (US\$36.1 billion) for the third quarter of 2012, 16% higher from the end of 2011.

According to the Participation Banks Association of Turkey, the country's Islamic banks also opened 96 new branches during the period. ⁽²⁾

GLOBAL

Islamic finance for D-8

GLOBAL: Muhyiddin Yassin, the Malaysian deputy prime minister, has called on Developing Eight (D-8) member countries to embrace Islamic banking and finance as an alternative to conventional finance.

He also highlighted that Malaysia is willing to share its experience in implementing Islamic finance infrastructure and regulatory framework with the D-8 countries, as the Malaysian central bank has in the past assisted other countries to do so.

The D-8 is an economic development alliance of developing countries with large Muslim populations. Its members are Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. ⁽²⁾

Debt deals on the rise

GLOBAL: Sales of Sukuk and conventional bonds in the MENA region have surged between 2009 and the year-to-date, rising to US\$36 billion and outpacing syndicated lending deals which contracted 5% to US\$28.5 billion.

Sukuk offerings by governments and government-linked companies in the GCC also accounted for more than 80% of the US\$20 billion-worth of Islamic bonds issued so far this year, according to Bloomberg data. ⁽²⁾

MIDDLE EAST

ICIEC signs MoU with NCB

SAUDI ARABIA: The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) has signed an MoU with National Commercial Bank (NCB) to support the kingdom's small and medium-sized enterprises to export. ⁽²⁾

New offerings from Attijari Al Islami

UAE: Attijari Al Islami, the Shariah compliant arm of the Commercial Bank of Dubai and among the less active players in the Islamic banking market, has launched new Ijarah home financing products for properties in Abu Dhabi and Dubai. ⁽²⁾

Saudi mortgage law released

SAUDI ARABIA: The Saudi Arabian Monetary Agency has issued new rules governing property financing, leasing and financial companies, in a move that will see the establishment of a state-owned refinancing firm and allow licensed private mortgage providers as the authority seeks to spur growth in the kingdom's mortgage market.

The regulations, released on the central bank's website on the 20th November 2012, stipulated that the state-owned Saudi Real Estate Refinancing Corporation, which will have a minimum capital of SAR2 billion (US\$533 million), will issue Sukuk or mortgage and property-backed securities. ⁽²⁾

Kuwait's Islamic banks standing strong

KUWAIT: Boubyan Bank has no plans to expand abroad and will focus on its lucrative home market as a 13.2% growth in credit at Islamic banks in the first nine months of 2012 outpaced the 5.6% loan growth recorded by the kingdom's conventional banks; showing strong domestic demand for Shariah finance, said Adel Abdul Wahab Al Majed, its chairman and managing director. ⁽²⁾

Maldives government takes small steps towards growth of Islamic finance industry

MALDIVES: The government will receive US\$7 million in funds from the IDB in aid of the development of the country's Islamic finance industry, as part of a wider project to spur the growth of small and medium-sized enterprises.

The US\$20 million project is spearheaded by the government and the IDB together with the Asian Development Bank; and will also see the launch of a credit guarantee scheme which will utilize the US\$7 million-worth of IDB funds.

The Maldives, with a population of about 350,000 of which a large number are Muslim, has long been an ardent supporter of Islamic finance, but with most countries, has seen a lack of progress within the sector due to inadequate legislation and financial infrastructure.

Additionally, while its capital market authority signed a memorandum of understanding with the ministry for Islamic affairs at the beginning of this month to develop an Islamic market in the country, further measures in other areas of Islamic finance has lagged. Currently, the Maldives only has one fully-fledged Islamic bank, Maldives Islamic Bank.

It remains to be seen whether the government's tie-up with the IDB will provide the much needed boost to further progress its Islamic finance industry, but if its current financial infrastructure is anything to go by, then the Maldives appears set for a long road ahead in growing its Shariah compliant financial landscape. ⁽²⁾

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TAKAFUL

Robust results for Takaful Malaysia

MALAYSIA: Takaful Malaysia announced an increase of 55% year-on-year in its profit after tax and Zakat to RM67.4 million (US\$22.01 million) for the three months period ended the 30th September 2012.

Total operating revenue advanced by 24% to RM1.29 billion (US\$421.26 million). (f)

FUNDS

Fund acquires new asset

UK: Bank of London and The Middle East has acquired another property for its Light Industrial Building Fund, bringing the fund's gross asset value to more than GBP21 million (US\$33.44 million) and keeping it on track to distribute an annualized yield of more than 8%.

The property, the sixth injected into the fund, is valued at GBP1.8 million (US\$2.87 million) and is expected to yield 13% over the next six-and-a-half years. (f)

New fund from Secura

INDIA: Secura India Real Estate Fund, managed by Secura Investment Management (India), launched its second Shariah compliant, venture capital real estate fund with a fund size of INR503.25 million (US\$9.06 million) and offering an expected annual return of between 18-25%. (f)

Strong growth projected

MALAYSIA: CIMB-Principal Asset Management, which recently launched its conventional and Islamic private retirement schemes (PRS) under new rules introduced by the government in July 2012, is targeting PRS funds under management of RM2 billion (US\$653.28 million) in the next five years, said J Campbell Tupling, its chief executive. (f)

AREF Energy invests in Al-Taqa Fund

KUWAIT: AREF Energy Holding Company has invested up to US\$18.68 million in the Shariah compliant Al-Taqa Fund, which specializes in the development of small to medium-sized oil and gas companies. (f)

New offering from Public Mutual

MALAYSIA: Public Mutual has launched six new private retirement scheme (PRS) funds, of which three are Shariah compliant.

The Public Mutual PRS Islamic Growth Fund will invest up to 70% of its net asset value (NAV) in Shariah compliant equities, while the Public Mutual PRS Islamic Moderate Fund will invest up to 60% of NAV in Shariah compliant equities and the remainder in Sukuk and Shariah-based liquid assets.

Public Mutual PRS Islamic Conservative Fund will invest 60-80% of its NAV in Sukuk, 20% in Shariah compliant equities and the remainder in Islamic money market instruments and investments accounts. (f)



Coming up...

Volume 9 Issue 48 — 5th December 2012

Meet the Head

Shehu Usman Rano Aliyu, professor of Economics, deputy dean, School of Postgraduate Studies, Bayero University, Nigeria

Features

Leasing industry trends in Sri Lanka; By Shiraz Refai, chief manager — Al-Falaah, Islamic Business Unit, Lanka ORIX Finance.

An eventful year for the IBF Industry in Sri Lanka; By Athif Shukri, research analyst at Adl Capital.

Islamic stock broking in Malaysia: Prognosticating the future; By Mohammad Mahbubi Ali and Shabana M Hasan, researchers at the International Shari'ah Research Academy for Islamic Finance.

RATINGS

Stable ratings

MALAYSIA: MARC has affirmed its 'AA+/MARC-1' long and short-term financial institution ratings on Kuwait Finance House (Malaysia), based on its affirmation of its 'AAA/MARC-1' ratings on Kuwait Finance House. The outlook on the ratings of both institutions is stable. (f)

Double downgrade

MALAYSIA: RAM has downgraded MRCB Southern Link's RM845 million (US\$272.28 million) and RM199 million (US\$64.12 million) Sukuk to 'C3' from 'BB2' and 'C1', respectively; maintaining the ratings on Rating Watch negative. (f)

MOVES

Conyers Dill & Pearman

GLOBAL: Conyers Dill & Pearman has appointed David Lamb and Narinder Hargun as the firm's co-chairs, succeeding John Collis. (f)

QInvest

QATAR: QInvest has appointed Tamim Hamad al-Kawari as its new CEO following the resignation of Shahzad Shahbaz. Tamim was previously the deputy CEO of QInvest. (f)

Alizz Islamic Bank

OMAN: Alizz Islamic Bank has appointed its first board of directors, electing SayyidTaimurAs'adTarik Al Said, a member of the royal family, as its chairman.

It also appointed Mohamed Badawy Al Hussein as its deputy chairman and Ahmed Al Khonji, Shabib Mohamed Al Darmaki, Mohamed Al Fahim, Mohamed Ghanem and Khalifa Al Mehairi as board members. (f)

Morgan Stanley (DIFC)

UAE: Islamic Finance news has learnt that Yavar Moini will step down from his position as an executive director at Morgan Stanley's Dubai International Financial Center (DIFC) branch on the 30th November 2012.

He has held the position for the last six years, heading the bank's Islamic finance division. (f)

Dim outlook for Islamic banking in India

The Reserve Bank of India (RBI), the central bank, has repeatedly made clear its reluctance to absorb Islamic banking into its financial landscape. Dr D Subbarao, its governor, recently reiterated that due to existing banking regulations, it is just not possible for Islamic banking to find a foothold in India.

However H Abdur Raqeeb, the general secretary of the Indian Center for Islamic Finance (ICIF), a center dedicated to the application of Islamic finance in India, has suggested that there could be a loophole to the existing banking regulations which could allow for Islamic banking.

"A delegation of the ICIF [to the central bank] has tried to convince RBI that the implementation of Islamic finance here can be made with an executive order so that it can be accommodated within the same banking act. Then it is just a case of a slight amendment of the taxation law and stamp duty," he told Islamic Finance news.

"This has been done in the UK and Singapore; therefore it is feasible that it could be done here too," he said.

However, Dr Shariq Nisar, the director of research and operations at local firm Taqwaa Advisory and Shariah Investment Solutions (TASIS), disagrees.

“ If the Indian government sees a lost opportunity, then it would “definitely implement Islamic banking” ”

"It is not correct to say that no change in law is required. RBI has highlighted the legal issues in its report on Islamic banking in which [it has] mentioned even the respective clauses of the Banking Regulation Act and others that directly contravene Islamic banking principles," he said.

He also noted that the inability to implement Islamic banking is not, in fact, due to the government's reluctance to embrace faith-based banking within its secular but predominantly Hindu population.

Non-Muslim majority countries which have allowed Islamic banking did so because they saw an opportunity to enable the industry in their respective countries, he said, adding that if the Indian government sees a lost opportunity, then it would "definitely implement Islamic banking."

"There are two other regulators of the country's financial market - the Securities and Exchange Board of India (SEBI) and the Insurance Regulatory and Development Authority (IRDA). There are Shariah compliant schemes under these two regulators; if these schemes have not been highly successful then the government would catch wind of this and know that the general market is not ready for it.

"If it was successful, then definitely the regulators would unanimously allow it," said Shariq. ☺ — LR

Indonesian central bank to roll out new regulations by early next year

Bank Indonesia (BI), the central bank, has announced a plan to introduce a series of legislative changes by the start of next year, centered on its framework of safeguarding the macro economy and financial system stability, bolstering resiliency and competitiveness of banks and strengthening intermediation.

The moves will affect both Islamic and conventional banks in the country, but could possibly add further confusion to existing rules.

According to Dr Darmin Nasution, its governor, the new measures include an amendment to the central bank's single presence policy, allowing investors the option of establishing a holding company. "With this option, strategic investors currently holding positions as controlling shareholders in a particular bank will be permitted to become controlling shareholders in other banks without obligations to exercise merger

and consolidation of banks under their control," he said.

The central bank will also revise its the minimum capital adequacy requirement of commercial banks to between 8-14%, from 8% currently.

New regulations on bank operational activities and network expansion will also be introduced, under which commercial banks will be categorized into four "buckets" depending on the level of their Tier 1 capital. These buckets will be used to determine the scope of a bank's activities and the size of its network.

"This regulation provides incentive and disincentive mechanisms for banks to expand their activities and branch office networks depending upon their allocation of Tier 1, regionalization and level of efficiency. Under this regime, core capital required for banks opening

office networks in zones with a high bank density will be higher than those with lower density," he said.

Another rule to be introduced is a minimum lending and financing target of 20% for micro, small and medium-sized enterprises. ☺ — LR

Islamic Finance news
RESEARCH REPORT

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ACCA and KPMG call for uniformity in Islamic financial reporting

The Association of Chartered Certified Accountants (ACCA) and KPMG have called for greater co-operation between the International Accounting Standards Board (IASB) and Islamic finance regulators such as AAOIFI to ensure uniformity in financial reporting of Islamic financial institutions.

In a jointly published report, ACCA and KPMG also urged the global accounting authority and the Islamic finance industry to collaborate to develop guidance, standards and educate the investor community on key issues within the industry.

Samer Hijazi, a director at KPMG's financial services practice, said that: "The Islamic finance industry has reached a new stage of maturity. As the IASB seeks to establish IFRS (International Financial Reporting Standards) as a single high quality set of global financial reporting standards, now is the right time to consider how Islamic finance fits into this global framework."

Aziz Tayyebi, the head of international development at ACCA and its expert in Islamic finance, also said that among key

challenges facing Islamic finance and global standard setters is the difference in reporting by Islamic financial institutions in different countries.

He noted that this creates uncertainty not only among the Shariah compliant institutions, but also with their conventional counterparts. "If they are to remain competitive with conventional counterparts, their financial reports need to be comparable," he said.

The ACCA-KPMG report also suggests that IASB consider issuing guidance on the application of IFRS when accounting for certain Islamic financial products offered by Islamic and conventional banks; and on additional disclosures that could be made for stakeholders seeking information on an entity's Shariah compliant operations.

It also urged the IASB to work with AAOIFI and other Islamic finance standard-setting bodies to assess the gaps between IFRS and Islamic accounting standards; and suggested a review of terminology used in IFRS, such as interest, for possible amendment. ☺ — LR

UAE dominates Middle Eastern banking sector despite challenges

Despite a recent negative outlook by Moody's on the UAE banking sector, it has been revealed that the emirates currently hold the largest banking assets in the Middle East, at AED1.6 trillion (US\$435.59 billion), or 160% of its GDP.

Abdul Aziz Al Ghurair, the chairman of the DIFC Authority and CEO of Mashreq Bank, said that: "The UAE's banking sector is doing well. Banks have ample liquidity. The government-related entities have stabilized and they are strengthening their balance sheets," he said.

Moving forward, UAE banks are expected to increase their lending capacities, boosting economic growth in the region. However, many challenges still face the UAE banking sector, including asset quality changes and low provisioning coverage levels - particularly for Dubai-based banks, according to Moody's. Structural weaknesses, limited

transparency and high loan and deposit concentrations are also expected to compromise the UAE banking system within the next 12-18 months.

A research report by Global Investment House also noted that while provisioning at UAE banks decreased in the third quarter of this year, the current level of provisions remains higher than those of other GCC countries and continue to be "a cause for concern."

"We expect UAE banks' provisioning for bad loans to hold ground in 2013, which in turn, is likely to keep pressure on their profitability," cautioned Global.

It added however, that in terms of exposure to the Eurozone, GCC and UAE banks have been relatively protected, enjoying the benefits of a robust regional economy and high oil prices, as well as high levels of government spending. ☺ — NH

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Bahrain in search of professional excellence in Islamic finance

BAHRAIN

By Dr Hatim El-Tahir, IFN Correspondent

The commonly desired theme to create and adapt a culture of professional excellence in Islamic finance is a perennial and much-debated challenge. Little has been done to develop a coherent methodology of practical training and Islamic finance education. This is not to underestimate the isolated attempts that have emerged recently - in the Gulf region and in Malaysia - which addressed the importance of people as a catalyst in sustaining quality service and product offerings in Islamic finance. Investing in people has become a 'stress test' and hence a key driver for business continuity planning in the industry.

While helping to promote a knowledge-sharing culture and improve professional services in the sector, Bahrain has led and hosted key capacity initiatives and a number of industry-supporting institutions (ISIs), all aimed at strengthening leading practices and capabilities in Islamic finance practice. The ISIs in practice and policy standard-setting include AAOIFI, the IIFM, the IIRA, and the Waqf Fund established by the Central Bank of Bahrain (CBB). In addition to these core industry watchdogs, the Bahrain Institute of Banking and Finance (BIBF) plays an important role in nurturing capacity-building in training and Islamic finance education.

Being a fundamental 'business enabler', professional development programs will help IFIs:

- Provide quality and informed services in a highly 'knowledge-sensitive' industry.
- Increase efficiency and productivity in the workplace.
- Inspire innovation and thinking minds.
- Develop intellectual capital and talent management process.
- Enhance effective knowledge-sharing approach across industry.
- Improve employees' satisfaction and loyalty.

Some of the key initiatives and efforts made by Bahrain are worth mentioning in brief to highlight the aim game they

serve. These programs, all of which are targeted to bankers and the business community, provided excellent set of practical and integrated 'Continued Professional Education' in Islamic finance.

For instance and in its efforts to address the specific leadership development challenges, the Government of Bahrain has introduced a number of programs to harness competencies, skills and knowledge in the different industry constituents – for example, retail and investment banking, accounting and auditing, Shariah supervisory and Islamic jurisprudence. In this context, the CBB has been an instrumental driver for building the necessary business support and infrastructure required to spearhead professionalism in Islamic finance practice.

- **Qualifications offered by the AAOIFI:**

- The Certified Islamic Professional Accountants (CIPA) – designed to equip candidates with the requisite technical understanding and professional skills on accountancy for international Islamic banks and financial institution.
- The Certified Shariah Adviser and Auditor (CSAA) – designed to equip candidates with the requisite technical understanding and professional skills on Shariah compliance and review processes for the international Islamic banking and finance industry.

- **The Waqf Fund**

The Waqf Fund was established in 2006 by the CBB in partnership with IFIs operating in Bahrain. A fund was created to finance training, education and research initiatives in the sector. Some of the current initiatives include the Graduate Sponsorship Program, the Shariah Reviewer Development Program, the Advance Diploma in Islamic Commercial Jurisprudence, roundtable discussions and corporate governance workshops.

- **Bahrain Institute for Banking and Finance (BIBF)**

BIBF has established a specialized

Center of Islamic Finance which offers a number of academic and professional programs and advisory services. The center is regionally recognized for its quality and professional programs and talent development solutions in Islamic finance. The programs were developed and enriched with international training and academic affiliations such as CIMA and University of Wales of the UK.

- **Awareness Programs and Workshops**

In addition to the structured educational programs discussed above, the industry watchdogs based in Bahrain have similarly organized a series of awareness and industry briefing workshops about their standardization and standard setting process. This includes efforts from the International Islamic Financial Market (IIFM) and the Islamic International Rating Agency (IIRA).

Harnessing and leveraging professional development and knowledge-sharing is no longer a luxury for IFIs; it is a key differentiator to excel in services and retain talent.

One final thought about the efforts of Bahrain to adapt and nurture a culture of professional excellence in Islamic finance, is that the government has made the most of its resources to build local capacity and share knowledge and expertise, both regionally and internationally, through effective engagement with industry stakeholders and regulatory bodies worldwide.

It also strives to build strategic practice synergies with international regulatory and standard-setting bodies. In so doing, Bahrain has generously invested in hosting the international industry, gathering events and bringing together global industry leaders and market participants to share knowledge, skills and expertise. ☺

Dr Hatim El-Tahir is the director of the Islamic finance group, Islamic Finance Knowledge Center Leader, Deloitte & Touche - Bahrain. He can be contacted at heltahir@deloitte.com.

The future of Islamic finance in France and Morocco

FRANCE

By Kader Merbouh, IFN Correspondent

Islamic finance continues to make its way in the French market. After the successful launch of several products last summer, such as Sukuk, Life Takaful and Murabahah, French customers are now expecting new products that may fulfill their needs.

On the back of this momentum, a conference on 'The future of Islamic finance in France and Morocco' took place on the 15th November at Paris-Dauphine University. This conference was marked by the presence of the major actors of the French Islamic finance market.

During the first part, one of the directors of Chaabi Bank discussed the success of the first Shariah compliant account in France (launched by Chaabi Bank in June 2011), saying that: "These accounts are really interesting, with an average

deposit of EUR5,000 (US\$6,488) per account." Then he went on to talk about the Murabahah launched by Chaabi Bank last summer, commenting that: "This product is very popular, it created a big craze within the French Muslim community," and giving some figures: "Chaabi Bank received more than 100 Murabahah financing demands, [and] we hope we can help all these people become home owners."

The second part of the conference was about the Moroccan Islamic finance market.

Anas Jaffal, a consultant in Islamic finance, took the stage and gave a clear picture of the Moroccan regulation and banking supply regarding Islamic finance. He then presented the results of a market study he led on the Islamic financial sector in Morocco.

Anas said that: "The main goal of this study wasn't to see if Moroccans are

interested by Islamic finance or not. But it was to assess the market and give a clear idea of the numbers involved."

Anas then gave some figures. "Ninety four percent of people in Morocco are interested in Islamic finance, 88% are interested in Islamic financing products and 94% are interested in Islamic saving products. This should be a great sign to every stakeholder in the Moroccan banking space."

He finally concluded saying that: "A draft law setting the regulation for Islamic banks in Morocco is being discussed and we may see the first participative banks (as they are called in the draft law) openings in September 2013".

Kader Merbouh is the co-head of the executive master of the Islamic finance, Paris-Dauphine University. He can be contacted at kader.merbouh@dauphine.fr.



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Steps needed for domestic debt capital market?

UAE

By Moinuddin Malim, IFN Correspondent

In a bold move, Abu Dhabi Islamic Bank became the first regional issuer from the Middle East to bring a hybrid Islamic Sukuk this month and raised US\$1 billion to shore up its core capital, to comply with tighter Basel III global standards for Tier 1 capital. Investor appetite for bank capital issuance from emerging market lenders shows no signs of abating; with the innovative perpetual note offering raising US\$1 billion at 6.375% on the back of an incredible US\$15 billion book.

There were 330 orders from private bank accounts, predominantly in Asia as well as in other regions. European fund managers and even the odd Sukuk investor scrambled to get their hands on the paper. Private banks anchored the trade, taking 60% of the allocation, followed by fund managers at 26% and banks at 11%. By geography, Asia was the biggest recipient with 38%, followed by the Middle East at 32%, Europe at 26% and US offshore at 4%.

This innovation structure paves the way for other banks in the region to follow suit. The logical question for other issues to contemplate when tapping this type of Sukuk is that of the jurisdiction. Within the Gulf, can all banks issue Tier 1 capital or it is feasible for only those banks that have directly support from their government who may inject capital in them through various means? Will we see such an instrument in local currency

to tap into the local private banking customers?

Coincidentally, at the same time Central Bank of UAE had organized a seminar focusing on developing debt markets in the UAE along with IMF. Addressing the seminar, the governor of the central bank highlighted the need and the importance of having an active bond market to encounter financial crises and alleviate the pressures on banks' liquidity through creation of a higher degree of liquidity in the economy. The seminar was also addressed by an IMF representative who focused on establishing a sound and efficient infrastructure for debt market development. The seminar addressed six key subjects:

- (1) The importance of government issuance of treasury bills, bonds and Sukuk, to create a yield curve for the dirham;
- (2) Encouragement of main corporations in the UAE including government-related entities to finance projects through issuance of bonds and Sukuk instead of borrowing from banks;
- (3) Encouragement of the establishment of long-term investment funds, like venture capital funds and other specialized funds;
- (4) Enhancement of governance in the operation of issuance of bonds and Sukuk and enhancement of governance within debt market institutions;

(5) Discussion on the best alternative for the classification of bonds and Sukuk based on eligibility for discounting these instruments at the central bank with emphasis on transparency in the financial reports of corporations issuing these instruments is an important part of this process; and

(6) Necessity of establishing an independent company for netting, settlement and safe custody, and to connect this company to central bank payment systems.

The most important recommendations of all were that there is a need to expedite the issuance of public debt law that will pave way for the issuances of government bonds and building yield curve to be used as a reference for nominal risk-free interest rates. This will provide an alternative for bank financing and push for long-term investment funds necessary for completing the infrastructure for the market.

It was recommended the formation of a joint committee between the central bank and the Securities and Commodities Authority for approving the issuance, and thereafter, rate bonds and determining the size of the issuance, to promote financial stability in the UAE and reduce dependence on rating companies, as recommended by the Financial Stability Board in Paris. ☺

Moinuddin Malim is the CEO of Mashreq Al Islami. He can be contacted at MoinuddinM@mashreqislami.com.



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Golden Agri-Resources’ US\$490.95 million Sukuk Murabahah

Golden Agri-Resources (GAR), a Singapore-listed palm oil plantation company, issued a RM1.5 billion (US\$490.95 million) Sukuk Murabahah on the 19th November 2012, as part of a 15-year ringgit-denominated Islamic medium-term notes program of up to RM5 billion (US\$1.64 billion).

The issuance is the company’s first ringgit-denominated Sukuk offering, with its proceeds to be used for its Shariah compliant general corporate purposes.

The company, touted as the world’s second-largest palm oil plantation company, operates 459,500 hectares of plantations in Indonesia, where its primary activities range from cultivating and harvesting oil palm trees, processing fresh fruit bunches into crude palm oil (CPO) and palm kernel; and refining CPO into industrial and consumer products.

It is also present in China, where it operates a deep sea port, oilseed crushing plants; and production capabilities for refined edible oils and food products.

The five-year notes offer a coupon of 4.35%. Additionally, the company said that due to its US dollar-denominated revenues, it has also entered into a cross-currency swap transaction to convert its Sukuk into US dollars.

Franky O Widjaja, its chairman and CEO, said that: “We believe that the Sukuk will support GAR’s strategy by strengthening its balance sheet, extending the overall debt maturity profile, maximizing financial flexibility and enhancing GAR’s position to executive internal and external growth plans.”

The issuance also reflects the confidence of the financial market towards GAR’s credit profile.”. (2) – EB

Golden Agri-Resources’ US\$1.64 billion Islamic medium-term notes program



19th November 2012

Issuer	Golden Assets International Finance
Obligor	Golden Agri-Resources
Issuance amount	RM1.5 billion (US\$490.95 million)
Tenor	Five years
Coupon rate / return	4.35%
Payment	Semi-annual
Currency	Ringgit
Maturity date	19 th November 2017
Joint principal advisors, joint lead arrangers, joint lead managers and joint bookrunners	OSK Investment Bank and RHB Investment Bank
Legal advisors	Adnan Sundra & Low, Conyers Dill & Pearman; and Uteem Chambers
Shariah advisor	Dr Mohd Daud Bakar
Trustee	OSK Trustees
Rating	‘AA2(s)’ by RAM
Structure / instrument	Murabahah
Listing	Unlisted

Not just acronyms

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Saudi Arabia: Boosting Islamic finance by adopting a fully-fledged Islamic financial system

The recent global crisis showed how countries like Saudi Arabia can play an important role in healing the global economy. DR AHMED T AL AJLOUNI explores what steps the country is taking to develop its position as a new leader of the global Islamic financial industry.

The Kingdom of Saudi Arabia is a spiritual Qiblah (destination) for more than a billion Muslims, since it is graced for holding the two holy mosques (Al Harmain Al Shariefaien). Moreover, it is an economic 'Qiblah' for the whole world, since it is the biggest oil exporter globally. These factors — along with others — call for a strategic repositioning of the kingdom in the international economic scene as a key player in the global economic scene.

“ The proposed system can play a core role in transferring the whole financial sector to be committed totally to the Islamic Shariah ”

In spite of the economic and spiritual stature of Saudi Arabia and its important participation in the area of Islamic economics through establishing the Islamic Development Bank, the International Islamic Fiqh Academy, and the pioneer Islamic economic Institute in King Abdul Aziz University, other countries have taken the lead in Islamic finance and banking industry by adopting Islamic finance and investment modes, financial markets and institutions, and played the primary role in regulating this industry. This means that potential capabilities in this regard were not used efficiently and there is still great potential for this giant to take its natural role as a leader and primary

contemporary base of the Islamic financial industry.

The perception of the importance of Saudi Arabia in the Islamic financial industry is embodied in establishing some Islamic banks, issuing Shariah-compatible securities (Sukuk) in the Saudi bourse, and not ending with adopting Islamic modes of finance and investment in giant corporations like the Saudi Basic Industries Corporation (SABIC). This set the economic policymakers in Saudi Arabia a big challenge to organize this industry and regulate it by establishing a solid structure to set up the proper environment to help in developing the current members and organize integrating new players of this industry and its products.

The above mentioned ideas open the door to discuss the possibility of developing an Islamic financial system structure that can be responsible for organizing the financial industry and banking sector in the kingdom, to work, first, in conjunction with the current traditional capitalistic system. The proposed system can play a core role in transferring the whole financial sector to be committed totally to the Islamic Shariah.

The strategic importance of the Islamic financial structure stems from the fact that it is considered a platform for a new start-up benefiting from the experiences of other countries and building upon that. Planning is also important to leverage efficiently from the spiritual status and economic power of Saudi Arabia.

The availability of an Islamic financial system in Saudi Arabia will motivate the whole financial system by achieving a higher degree of utilizing financial resources and opening channels to move surplus funds toward economic projects and meeting financial needs of individuals, rather than hoarding cash in the banks that often prevent lending in

times of crisis. Above all, the proposed Islamic system is in conformity with the culture of Saudi people, who are mostly committed to Islamic Shariah.

In short, following are some of the advantages that can be achieved by the existence of such an Islamic financial system in Saudi Arabia:

- Develop the financial market by broadening it with a new instrument and deepening it by additional sums of cash flows.
- Settle down the surplus funds that are looking for Halal investment in the country instead of taking it abroad.
- Participate in establishing an Islamic money market to deal with the liquidity dilemma for Islamic banks and other Islamic financial institutions.
- Solve the issue of different Fatwas that are issued by different committees and organize it, as its current status affects the industry negatively, since it seems in conflict according to the industry and public.

The above advantages of the Islamic financial system can be achieved through the following functions:

- Regulating the work of the Islamic banks and financial institutions in the KSA, beside its control and supervision.
- Regulating the issuance of Islamic securities in the kingdom, beside its control and supervision.
- Ensure the compatibility of the products and procedures of Islamic banks and financial institutions with Islamic Shariah.
- Confirm the commitment of Islamic banks and financial institutions to the Islamic accounting standards that were developed by The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

continued...

Continued

The way towards a fully-fledged Islamic financial system in a country like Saudi Arabia is not easily passed. The country has for decades been used to following a capitalistic economic system; has complicated connections with the global economy as the world first oil producer; and is open to hundreds of currencies through capital and current cash flow movements. The adoption of a different financial system needs structural changes in the economy and legislative amendments (legal and Shariah-related) that regulate the work of monitoring agencies and subsequently the financial industry in the country.

“ The adoption of a different financial system needs structural changes in the economy and legislative amendments ”

The political support behind this trend toward adopting an Islamic financial system in Saudi Arabia is a key element, as the political regime in the kingdom calls for the application of the Islamic Shariah in all aspects of life. It is expected that political support for this strategic movement will be strong, based on a clear strategic view to be presented by the economists and lawmakers in order to put this decision in the hands of politicians.

A practical step toward the prospective system can be embodied by conducting a symposium by a specialized institution (like the Islamic Development Bank) and by asking economic and Shariah scholars, professionals, and policymakers to outline the initial blueprint for this step.⁽³⁾

Dr Ahmed Al Ajlouni is a scholar with a PhD in Islamic finance and banking. He is a finance faculty member at Qassim University. He can be contacted at ajlouni69@hotmail.com.

Islamic Finance *news* Awards Deals of the Year 2012

We are pleased to announce the launch of the 8th Islamic Finance *news* Deals of the Year Awards.

Islamic Finance *news*, the global Islamic finance news provider, is categorically recognized as the industry's leading publication and authority on the Islamic

banking and finance industry. With a world-wide readership in excess of 21,000 industry practitioners and regulators, the Islamic Finance *news* Deals of the Year Awards offer its winners a truly global audience and a phenomenal vehicle in which to reach ones clients, potential clients and peers.

There are 17 global categories at stake this year, in addition to the individual country awards.

Below is the full list of categories for which accolades will be awarded. Individual deals may be nominated for more than one category. However, only one deal per category. Submission guidelines and a list of criteria are also provided.

Awards will be presented to the Issuers, Lead Arrangers and Counsels in February 2013.

The Categories

- Deal of the Year
- Best Country Deals*
- Cross Border
- Best Corporate Finance
- Most Innovative
- Equity
- Ijarah
- Initial Public Offering
- Mudharabah
- Murabahah / Trade Finance
- Musharakah
- Project Finance
- Real Estate
- Sovereign
- Structured Finance
- Sukuk
- Syndicated Finance
- Tawarruq

* Country accolades will be awarded to those countries which have witnessed a minimum of three non-private placements during the calendar year. Verification may be required of these transactions.

IFN Awards Deals of the Year 2012 Submissions OPEN NOW!

Submission Guidelines

- Submissions must be no more than two pages in length, in bullet format
- State clearly at the top of the deal page, which categories that particular deal is being nominated for. If it is not clearly stated it will not be considered.
- Please mark 'Confidential' if certain information should not be published
- Only one submission per category (Individual deals may be nominated for more than one category)
- Only those deals which were closed after the 1st January 2012 will be considered
- Only those deals which have been completed may be submitted
- Submissions to be provided in soft format in either excel, word or PDF format
- Closing date for submissions: Friday 21st December 2012
- Deals which close between the 21st December and the 31st December 2012 may be submitted up to and including Monday the 31st December 2012
- All submissions should be emailed exclusively to: Andrew.Morgan@REDmoneyGroup.com
- Results will be announced in the Wednesday 9th January 2013 issue of Islamic Finance *news*

Submissions criteria to include the following (where applicable): Instrument, Issuer, Issuer principal activities, Issue size & Pricing, Date, Issuances, Bookrunner, Arrangers, Legal counsel for issuer, Legal counsel for arrangers, Guarantor, Financial Advisor, Trustee, Shariah advisor, Method of issue, Purpose of issue, Rating, Road-shows, Subscription, Investors, Time, and a short brief on why this deal is being nominated

The decision of the "Awards Committee" is final. A short brief will be published for each award providing the committee's reasoning. All criteria of the submitted deals will be considered.

Awards Dinners

Dubai and Kuala Lumpur will again provide the backdrop for the award ceremonies. Over 700 key industry participants and regulators attended these events in 2012. Further details will be available following the announcement of the winners in January 2013.

- Kuala Lumpur: 19th February 2013
- Dubai: 25th February 2013

Closing date: Friday 21st December 2012

Technology's growing trends: Cloud, connectivity and mobility

Over the past year, three key technology trends have taken a front seat for asset and wealth managers: the cloud, mobility and connectivity. While these have been emerging for some time, in the last few months they have become a central concern for many managers. DANIEL ERIKSSON discusses their relevance to Shariah compliant finance.

The appeal of moving to the cloud is obvious: ease of use and lower cost, as well as a high degree of scalability. The advantages of cloud computing and outsourcing are perhaps most dramatic for small or young businesses who are still estimating their computing needs and are less able to make the large upfront capital spending that big firms do on servers, bespoke software, and IT staff, but for firms of all sizes, having a trusted third-party looking after their IT and interfaces brings the benefits of increased time and resources freed up to focus on their core business.

Being able to tap into services 'on demand' is the main rationale behind cloud computing. In a post-financial crisis world in which economic growth is likely to remain uncertain and budgets tight for some time to come, saving money on IT has only grown in importance. The increased reporting and compliance burden on financial services companies from post-crisis regulation (as for example increased shareholder record-keeping and reporting requirements for all types of assets) will also put additional pressures on operating budgets that cloud solutions can help ease, as discussed above.

And while security is still a concern for many, the reality is that the right cloud provider will have several layers of defense and ultra-secure infrastructure facilities that mean a firm's data is likely to be more secure on the cloud. Moreover, the recent Hurricane Sandy has reminded many of the vital importance of disaster recovery systems. On the cloud, disaster recovery becomes the provider's responsibility, and any serious provider will offer complete data replication in at least two secure data centers and will meet the highest international standards in terms of disaster recovery systems and processes.

Finally, like clouds themselves, the term 'cloud computing' is inherently

intangible and changeable. It can be used to describe a large number of possible network arrangements and an almost unlimited number of custom set-ups. While this does create some confusion around what cloud services entail, it also means that in reality firms can outsource as little or as much as they are comfortable doing, to get the benefits-to-security balance that works for them.

“ The increased reporting and compliance burden on financial services companies from post-crisis regulation will put additional pressures on operating budgets that cloud solutions can help ease ”

Managers' heightened focus on connectivity meanwhile derives from their desire to improve efficiencies and data accuracy. More than ever, asset and wealth managers need to work on portfolio management and accounting platforms with an open architecture, systems that can seamlessly integrate with third-party applications to improve workflows. They also need solutions that integrate with data sources to get their market and custodial data to feed directly into their portfolios and reports. This need has been made more salient because of increased regulation and

reporting requirements, but also because since the crisis managers have been dealing with more counterparties than ever before.

Almost all over the world compliance remains a key issue, including increasingly stringent requirements around Know your Client (KYC) and Anti-Money Laundering (AML), as well as risk management. Firms are currently investing heavily into technology solutions to help them comply with these, and it's crucial for technology providers like Advent to ensure ongoing investment into tools managers need to harvest information required for regulatory compliance. Investors are more and more focused on how well equipped asset managers are to deal with the regulatory challenges and compliance itself has become increasingly complicated and a much bigger part of a firm's everyday activity, demanding more resources and attention. It affects virtually everyone in the firm – more people's jobs include responsibility for some aspect of compliance, and in some markets compliance officers are now required.

There is also a similar trend in Shariah compliance, with the Islamic finance industry becoming more structured under the AAOIFI's increasingly comprehensive guidelines, taken on board by more and more countries. For example, the Securities and Commodities Authority (SCA)'s new regulation on mutual funds in the UAE states that Shariah compliant funds must follow AAOIFI's accounting standards, and includes the bulk of the organization's risk management guidelines.

The SCA's regulations also spell out key obligations of the fund's investment manager that include: "To exert due diligence in managing the fund assets as expected from a professional person."

continued...

Continued

While this is essentially codifying investment best practices into law, in case of an audit fund managers will need to be able to demonstrate that they are indeed “doing their best” in terms of due diligence. That means following a consistent process, documenting the rationale for decisions and retaining the supporting data to defend their decisions if necessary.

Pressure from both investors and regulators has been growing for firms to set up such due diligence processes, and this is an area where technology can help firms save time and ensure compliance. In recent years, many fund and asset managers have begun to employ research management systems to handle and organize the voluminous data that goes into due diligence and decision making — third-party research, meeting notes, email correspondence, articles from the internet, earnings reports and more. It streamlines the investment process and enables managers to make better-informed decisions that are thoroughly documented. It therefore also demonstrates to regulators that the manager has a consistent, disciplined due diligence process.

Technology can moreover help firms ensure compliance with regulatory and Shariah requirements by developing solutions that can support compliant workflows and reports. Technology alone will not make a firm compliant, but it can provide the tools that will enable it to be. For example, the right systems will be able to track investors as needed for AML and KYC, automate workflows, monitor investments’ suitability against investor mandates on a regular basis, and of course provide the appropriate regulatory reports.

However, to perform all of these functions with accuracy, portfolio management and reporting systems need to be appropriately connected to the manager’s other platforms and databases, as well as to custodial and market data, thus enabling managers to have all the information they need to be certain to comply and to deliver the right reports within deadlines.

Reporting is in fact another recurring theme, and one of the main reasons for the interest in mobile solutions. More

and more firms are currently looking to their technology supplier to provide richer data presentation and reporting, to make reporting tools easier to use, and to make them accessible anywhere, for both regulatory and client reporting.

“Technology alone will not make a firm compliant, but it can provide the tools that will enable it to be”

There is a growing need for new formats of reporting that are easier to consume for portfolio managers and end investors alike, but also for new delivery methods, so these reports can be accessible by managers on their laptop or tablet while

visiting a client, and so clients themselves can access reports online as and when they want to. In response to this trend, Advent is developing software that will not only offer improved design of its portfolio management interfaces and reports, but that will also be available across mobile platforms.

Advent’s asset and wealth manager clients in the Middle East have in fact been talking to us a lot recently about the fact that client service levels are more important than ever. For them, it has become crucial to offer a highly professional service, as this is essential to investors in their choice of a manager.

This means having the right systems in place to enable that level of service, but also investing in new capabilities which include connectivity and mobile delivery of data. ☺

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New Sukuk asset classes: Opportunities presented by intellectual property rights

Despite the growth of the Sukuk market, **AYMAN H A KHALEQ** and **BARRY COSGRAVE** believe that more creativity around asset classes in terms of software and intellectual property rights is needed to encourage the introduction of Sukuk instruments as a viable option in western and emerging markets.

To many Islamic finance practitioners, the growth in the size of the Sukuk market has not necessarily been accompanied by a deeper level of geographical or asset class diversification. The over-reliance on real estate assets or, for that matter, governmental or quasi-governmental credit enhancements is as prevalent today as it was during the pre-credit crunch era.

This phenomenon can be attributed to a number of factors some of which are driven by the dearth of Islamic finance human resources at top investment banks, investment companies and multinational corporations. In addition, the ease and straightforwardness of seeking to deploy conventional lines of credit or, in some instances, bonds, rendered Islamic finance instruments less relevant in the context of funding projects and businesses in non-Islamic jurisdictions.

However, there have been a number of efforts, successful and otherwise, to deploy Sukuk in the context of investment in or funding of global businesses. Such efforts include the East Cameron Sukuk in 2006 which were backed overriding royalty interests in two Gulf of Mexico offshore oil concessions, and the sovereign Sukuk issuance by the state of Saxony-Anhalt in 2005 which, whilst utilizing federal land and buildings as the asset under an Ijarah-based Sukuk, was nonetheless a pioneering issuance by a non-Islamic sovereign state. Other notable efforts include the issuance of Sukuk by GE

Capital, the International Finance Corporation and, more recently, Goldman Sachs.

“ Recent issuances strike the right chord in that they are Shariah compliant, but address the type of structural issues that a conventional bond issuance by a European corporate would be expected to tackle ”

Needless to say, the jury is still out as to whether such efforts have been truly successful or not. One reason behind such uncertainty stems from contrasting views adopted by practitioners in connection with setting the criteria for measuring success. Some take the view that success should be measured by the extent to which the underlying structure

complies with Shariah; although such approach is hindered by the fact that Shariah is interpreted differently by scholars.

Another is the ability of a structure to withstand default and other types of risks. Yet another approach is to assess whether the structure achieved a high level of acceptance from non-Islamic investors. Of course, many of us adopt the view that success should factor in all of the above criteria, and that ultimately the end result should be our ability, as practitioners, to bring into play a suite of Shariah compliant funding instruments that can be utilized by Islamic and non-Islamic investors regardless of the locale of the relevant asset.

One such example of a Sukuk offering that catered for Islamic and non-Islamic investor while capitalizing on an asset base that has not been utilized in the past to back Sukuk offerings, is the issuance by a German financial services company of Sukuk, through a special purpose issuer vehicle incorporated in Luxembourg using a Dutch Stichting (foundation) structure — a structure first used in the Saxony-Anhalt Sukuk mentioned above. The Stichting structure enabled the issuer to put in place a limited recourse ‘orphan’ structure which replicates the English law trust concept that is more commonly used with Cayman Islands-based issuers.

The Sukuk were issued in the amount of US\$55 million under an Ijarah-

continued...

Next Forum Question:

As the Islamic finance industry continues to strive to become global, conquering the crucial western markets remains slow and difficult. What can be done to expedite entry?

If you would like to air your views on the next Forum Question, please email your response of between 50 and 300 words to Christina Morgan, forum editor, at: Christina.Morgan@REDmoneygroup.com before the 30th November 2012.

Continued

based structure involving proprietary software and associated intellectual property rights, developed by the financial services company for use by its institutional Takaful and banking clients. The proceeds of the offering will be utilized to fund commissions factoring — a financing tool used by financial services companies in order to manage income streams — and such financing will be aimed at Shariah compliant factoring wherever possible.

What was interesting about the choice of asset in this particular case is that it is an asset that has not been considered before. Through transparency on the part of the financial services company and flexibility on the part of the Shariah scholars underpinned by independent valuation reports from highly reputable firms to support the issue size of the Sukuk, a successful and ground-breaking transaction was concluded.

More importantly, and as we have seen in the various Sukuk restructurings that the industry witnessed in recent years, the issue of transferring legal title over the underlying assets is of utmost significance. This has led to a certain amount of scepticism from investors who are understandably concerned that where land was the underlying asset of an Ijarah-based structure, the transfer of

that land was invalid owing to the fact that such transfer was never registered. The software and associated intellectual property rights used for the Sukuk referenced above was easily transferrable by way of contract and delivery in accordance with industry practice. This is an example of a growth in creativity around asset classes as software falls within the description of so-called 'intangible assets'.

However, such assets are nevertheless certain and income-generating and as such are assets that may be used to underpin other Sukuk structures going forward. The Sukuk industry is still Ijarah-focused but Ijarah has usually only been used for land, buildings and machinery. This new asset class may also help to breathe life into the industry and inspire new entrants to the market.

The Islamic banking industry still has a long way before it achieves the type of global acceptance that better established means of financing have achieved. That said, we have come a long way and recent events, including the Arab Spring, are likely to give more impetus to efforts by governments and the private sector alike to introduce a new funding stream.

Whilst we are likely to witness most of such efforts in Islamic markets that have

not traditionally been active in Islamic banking, such as Egypt, Turkey, Tunisia, Libya and Oman (and the growth in the Sukuk market in Indonesia is testament to the potential that such markets present), more needs to be done to introduce Sukuk instruments as a viable options in western markets (including the US and the European Union) as well as some emerging markets like Brazil, India and Russia.

Recent issuances, including the one by the German financial services company, strike the right chord in that they are Shariah compliant, but address the type of structural issues that a conventional bond issuance by a European corporate would be expected to tackle including as they relate to title, security, tax, accounting and regulatory matters.

What such a transaction also proves, is that the Shariah is flexible and can adapt to a complex proprietary software system as it would to real estate, commodities or other asset classes. (2)

Ayman HA Khaleq is a partner and Barry Cosgrave is an associate focusing on Islamic finance and capital markets transactions in the Dubai office of Vinson & Elkins. They can be contacted at akhaleq@velaw.com and bcosgrave@velaw.com respectively.

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The WIBC Competitiveness Report 2012/13

The WIBC Competitiveness Report is a groundbreaking initiative designed to not only identify but also to raise the bar of competitive excellence, strategic leadership and performance improvement in the industry. Now in its 9th year, the Competitiveness Report has rapidly evolved into an indispensable reference resource for the key decision-makers in the global Islamic banking & finance industry.

The Ernst & Young World Islamic Banking Competitiveness Report 2012/13 will explore the key trends and success strategies deployed by leading Islamic banks. The Report will examine Islamic banks' efforts to penetrate the mainstream retail customers. The groundbreaking report will also explore the road map being adopted by Islamic banks to make a transition to a double-compliant model, i.e., excellence in banking operations topped up by exceptional Shari'ah proposition.

The eagerly anticipated report will be exclusively launched on-site at the 19th Annual World Islamic Banking Conference (WIBC 2012) in an exclusive session on the 10th of December 2012.

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Muhammaad Abdullah Malik Dewaya, head of Shariah compliance and audit, general secretary to the Shariah Supervisory Board, Bank Maisarah, Muscat

Muhammaad is an AAOIFI-certified Shariah advisor and auditor at the newly-established Bank Maisarah in Oman. He holds a Bachelors in Islamic studies from the Islamic Madrasa of Quran and Sunnah in Dubai, and an MBA in finance and accounting.

Could you provide a brief journey of how you arrived where you are today?

I joined Dubai Islamic Bank's Shariah coordination department. In 2007, I was involved in the establishment of Dar Al Sharia, where I was exposed to almost every aspect of Islamic finance including Shariah compliant product development, Shariah audit, structuring and such.

With all the knowledge and experience I gained, I aim to contribute for the betterment of the Islamic finance industry worldwide. Throughout my career, I travelled from Dubai to Muscat to contribute as the head of Shariah compliance and audit in establishing a new Islamic window.

What does your role involve?

My role as the head of Shariah compliance and audit is also known as the internal Shariah reviewer of the bank. I am also the general secretary of the Shariah Supervisory Board.

Under the supervision of the Shariah Supervisory Board, my role is to inform the shareholders, staff and clients that all dealings and transactions are according to the Quran and Sunnah. Another important aspect is to increase the Shariah awareness not among the staff and executives of the Islamic banks



but also the clients and public. Similarly, the Shariah audit aim is to point out any breach to the Shariah principles in order to minimize the non-compliance occurrence in the bank's transactions.

What are your achievements for Islamic finance?

I attribute the achievement of Islamic finance to the team work. Islamic finance can only keep its pace of growth if the Shariah scholars work as a team to come up with unanimous Fatwas and standards for Islamic finance and products.

Islamic bankers contribute towards innovating new products based on client feedback and their realization of market needs. Nevertheless, there is always room for new achievements.

Which of Islamic products/services deliver the best results?

The retail and corporate products are equally profitable for the Islamic banks. However, it is suitable to emphasize here that the core idea of Islamic finance is contribution in their development.

What are the strengths of Islamic finance?

The transparency. By transparency I mean the level of Shariah compliance. The increasing client awareness about Islamic finance makes it compulsory for these Islamic banks to practice the highest level of Shariah compliance in their contractual relationship with clients. The Shariah reputation has become an

important element due to the fact there is competition among Islamic banks.

What are the factors contributing to the success of Islamic finance?

Its purity, for Muslims it is a Halal way of doing the things. In the earlier years many clients were ready to deposit their funds with Islamic bank even if they do not get any return. Islamic banks should give more care to Shariah compliance, products, quality of service and customer care to reward those loyal clients who wish to deal in Halal only.

What are the obstacles faced by Islamic finance today?

I would like to call them challenges instead of obstacles. Getting trained human resources is a challenge: the universities needs to provide more specializations for finance, legal and Shariah; especially for Islamic finance.

The second challenge is the lack of pure Islamic benchmarks, for interbank dealings. We need Islamic capital and money markets. We need secondary markets for Sukuk. However, these and other challenges should be taken as an opportunity towards more innovation in Islamic finance.

Where do you see the Islamic finance industry in, say, the next five years or so?

The Islamic finance industry has a promising future. Oman has entered into Islamic banking and it is predicted that it will enrich the cumulative experience, knowledge and process of Islamic finance. Many other countries are opting to use Islamic finance as a solution for their financial needs such as Egypt which I predict will take the lead in the issuance of Sukuk in the coming couple of years. The next five years have the potential for Islamic finance to double its growth in the MENA region.

Name one thing you would like to see changes in the world of Islamic finance?

I would like to see the Islamic finance option more feasible to retail and corporate clients and especially for small and medium sized enterprises. Its cost should be less, its services standard should be high and solutions should be simplified comparing to conventional banks. (3)

ISSUER	SIZE	DATE ANNOUNCED
Albaraka Türk Katılım Bankası	US\$200 million	19 th November 2012
Dialog Axiata	LKR51 billion	2 nd November 2012
Malaysia sovereign	RM5.3 billion	6 th November 2012
Almarai Company	SAR2.3 billion	6 th November 2012
Sumberdaya Sewatama	IDR1 trillion	24 th October 2012
MNRB Holding	RM150 million	16 th October 2012
Banque Saudi Fransi	SAR2.5 billion	15 th October 2012
Edaran SWM	RM1 billion	5 th October 2012
International Islamic Liquidity Management Corporation	US\$200 to 500 million	4 th October 2012
Turkish Airlines	TBA	4 th October 2012
Danainfra Nasional	RM1.5 billion	4 th October 2012
Weststar Capital	RM900 million	4 th October 2012
Dubai Electricity and Water Authority	AED4.5 billion	3 rd October 2012
Tunisia sovereign	TBA	30 th September 2012
Bank Asya	TRY150 million	25 th September 2012
Qatar Islamic Bank	US\$1.5 billion	16 th September 2012
Bolton	RM380 million	6 th September 2012
HSBC Amanah	RM3 billion	4 th September 2012
Sime Darby	US\$1.5 billion	3 rd September 2012
Malakoff Corporation	RM1.8 billion	17 th August 2012
Putrajaya Holdings	RM3 billion	13 th August 2012
Indonesia sovereign	US\$1 billion	10 th August 2012
Indonesia sovereign	US\$750 million	10 th August 2012
Tanjung Bin Power	RM4.5 billion	7 th August 2012
Kuala Lumpur Kepong	RM1 billion	1 st August 2012
Kimanis Power	RM1.16 billion	16 th July 2012
Syarikat Prasarana Negara	RM4 billion	12 th July 2012
Türkiye Finans Katılım Bankası	US\$300 million	9 th July 2012
Sudan sovereign	US\$758 million	5 th July 2012
South Africa sovereign	TBA	4 th July 2012
Indonesia sovereign	IDR500 billion	3 rd July 2012
National Treasury South Africa	US\$500 - 700 million	3 rd July 2012
Qatar sovereign	US\$4 billion	2 nd July 2012
Indosat	IDR300 billion	20 th June 2012
Sadara	SAR1.4 billion	13 th June 2012
UEM Group	RM2.2 billion	13 th June 2012
General Authority of Civil Aviation	TBA	24 th May 2012
Morocco sovereign	TBA	23 rd May 2012
Amer Group Holding	EGP2.7 billion	14 th May 2012
Emirates NBD	US\$500 million	7 th May 2012
Epmex	RM1.35 billion	25 th April 2012
Noor Islamic Bank	US\$1 billion	19 th April 2012
Encorp	RM1.58 billion	18 th April 2012
Johor Corp Group	RM3 billion	13 th April 2012
Citra Marga	IDR1.2 trillion	12 th April 2012
Nakheel	AED240 million	11 th April 2012
Development Bank of Kazakhstan	US\$500 million	30 th March 2012
Ethical Asset Management	TBA	30 th March 2012

IFN Correspondents

AFGHANISTAN: Zulfikar Ali Khan
head of Islamic banking division, financial supervision department, Da Afghanistan Bank

AUSTRALIA: Gerhard Bakker
director, Madina Village

BAHRAIN: Dr Hatim El-Tahir
director, Islamic Finance Knowledge Centre, Deloitte & Touche

BANGLADESH: Md Shamsuzzaman
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BERMUDA: Belaid A Jheengoor
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BRUNEI: James Chiew Siew Hua
senior partner, Abrahams Davidson & Co

CANADA: Jeffrey S Graham
partner, Borden Ladner Gervais

CZECH REPUBLIC: JUDr Ivana Hrdlickova,
judge, Judiciary, Appellate Court Pardubice

EGYPT: Dr Walid Hegazy
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co head of the Executive Master of the Islamic Finance, Paris-Dauphine University

HONG KONG & CHINA: Anthony Chan
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INDIA: Kevur Shah
partner, KPMG

INDONESIA: Farouk A Alwyni
chairman, Center for Islamic Studies in Finance, Economics, and Development

IRAN: Majid Pireh
Islamic finance expert, SEO

IRAQ: Khaled Saqqaf
partner and head of Jordan & Iraq offices, Al Tamimi & Co

IRELAND: Ken Owens
Shariah funds assurance partner, PwC Ireland

JAPAN: Serdar A. Basara
president, Japan Islamic Finance

JORDAN: Khaled Saqqaf
partner and head of Jordan & Iraq offices, Al Tamimi & Co

KOREA: Yong-Jae Chang
partner, Lee & Ko

KUWAIT: Alex Saleh
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LUXEMBOURG: Marc Theisen
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MALAYSIA: Nik Norishky Thani
head special projects (Islamic), PNB

MALDIVES: Aishath Muneeza
head of Islamic finance, Capital Market Development Authority

MALTA: Reuben Buttigieg
president, Malta Institute of Management

MAURITIUS: Sameer K Tegally
associate, Conyers Dill & Pearman

NEW ZEALAND: Dr Mustafa Farouk
counsel member for Islamic financial institutions, FIANZ

NIGERIA: Hajara Adeola
managing director, Lotus Capital Limited

OMAN: Anthony Watson
senior associate, Al Busaidy Mansoor Jamal & Co

PAKISTAN: Bilal Rasul
director (enforcement), SEC of Pakistan

PHILIPPINES: Rafael A Morales
managing partner, SyCip Salazar Hernandez & Gatmaitan

QATAR: Amjad Hussain
partner, K&L Gates

SAUDI ARABIA: Nabil Issa
partner, King & Spalding

SENEGAL: Abdoulaye Mbow
Islamic finance advisor, Africa Islamic Finance Corporation

SOUTH AFRICA: Amman Muhammad
managing director, Absa Islamic Bank

SINGAPORE: Yeo Wico,
partner, Allen & Gledhill

SRI LANKA: Roshan Madewala
director/CEO, Research Intelligence Unit

SWITZERLAND: Khadra Abdullahi
associate of investment banking, Faisal Private Bank

TANZANIA: Khalfan Abdallah
head of product development and Sharia compliance, Amana Bank

TURKEY: Ali Ceylan
partner, Baspinar & Partners

UAE: Moinuddin Malim
CEO, Mashreq Al Islami

UK: Siraj Ibrahim
associate, Credit Agricole CIB

US: Saeid Hamedanchi
CEO, ShariahShares

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head of Islamic banking, CAC Bank

IFN Correspondents are experts in their respective fields and are selected by Islamic Finance news to contribute designated short country reports. For more information about becoming an IFN Correspondent please contact sasikala@redmoneygroup.com

FUNDS TABLES

Eurekahedge North America Islamic Fund Index



Top 10 Monthly Returns for ALL Islamic Funds

Fund	Fund Manager	Performance Measure	Fund Domicile
1 TA Dana Fokus	TA Investment Management	4.32	Malaysia
2 Meezan Islamic Income	Al Meezan Investment Management	3.57	Pakistan
3 NBAD UAE Islamic (Al Nae'em)	National Bank of Abu Dhabi	3.26	UAE
4 STANLIB Shari'ah Equity A	STANLIB	3.19	South Africa
5 Al Naqaa Asia Growth	Banque Saudi Fransi	2.97	Saudi Arabia
6 Am-Namaa' Asia-Pacific Equity Growth	AmInvestment Management	2.77	Malaysia
7 Al Rajhi India & China Equity	Al Rajhi Bank	2.62	Saudi Arabia
8 Public Islamic Opportunitites	Public Mutual	2.58	Malaysia
9 Meezan Tahaffuz Pension - Equity Sub	Al Meezan Investment Management	2.55	Pakistan
10 Oasis Crescent Balanced High Equity Fund of Funds	Oasis Crescent Management	2.55	South Africa
Eurekahedge Islamic Fund Index		(0.02)	

Based on 65.41% of funds which have reported October 2012 returns as at 27th November 2012

Top 10 Monthly Returns for Global Funds

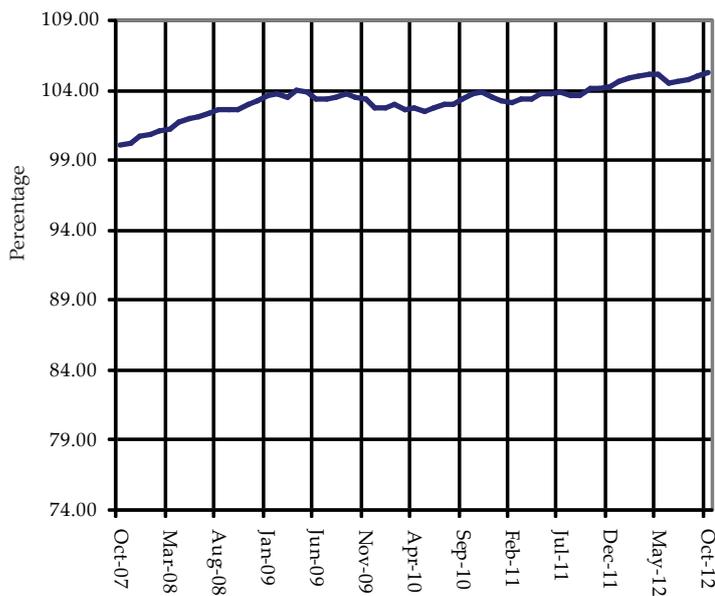
Fund	Fund Manager	Performance Measure	Fund Domicile
1 Oasis Crescent Balanced High Equity Fund of Funds	Oasis Crescent Management Company	2.55	South Africa
2 Oasis Crescent Balanced Stable Fund of Funds	Oasis Crescent Management Company	1.83	South Africa
3 CIMB Islamic Greater China Equity	CIMB-Principal Asset Management	1.57	Malaysia
4 Oasis Crescent Global Property Equity	Oasis Global Management Company (Ireland)	1.49	Ireland
5 BLME Umbrella Fund Sicav - SIF - USD High Yield - Class A	Bank of London and The Middle East	1.26	Luxembourg
6 Jadwa Global Sukuk	Jadwa Investment	0.98	Saudi Arabia
7 Global Sukuk Plus	QIB (UK)	0.81	Luxembourg
8 BLME Sterling Liquid	Bank of London and The Middle East	0.29	Luxembourg
9 BLME Umbrella Fund Sicav - SIF - USD Income - Class B	Bank of London and The Middle East	0.28	Luxembourg
10 CIMB Islamic Commodities Structured 2	CIMB-Principal Asset Management	0.24	Malaysia
Eurekahedge Global Islamic Fund Index		(0.61)	

Based on 76.67% of funds which have reported October 2012 returns as at 27th November 2012

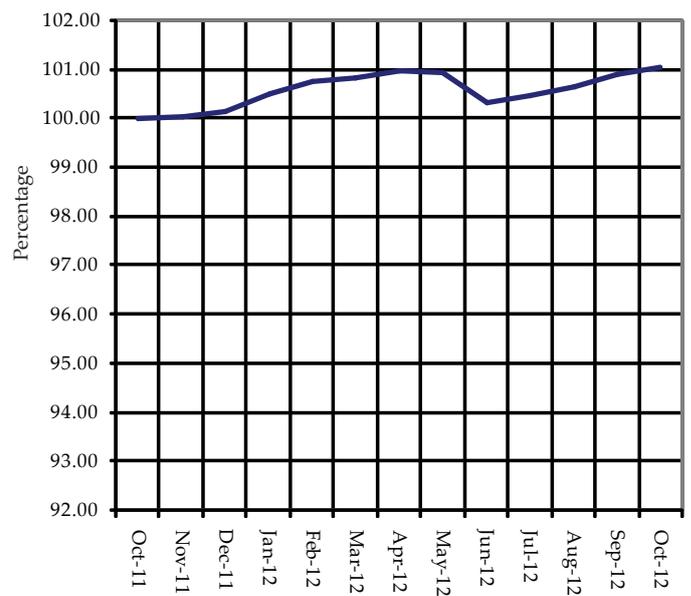
Comprehensive data from Eurekahedge will now feature the overall top 10 global and regional funds based on a specific duration (yield to date, annualized returns, monthly returns), Sharpe ratio as well as delve into specific asset classes in the global arena – equity, fixed income, money market, commodity, global investing (which would focus on funds investing with global mandate instead of a specific country or geographical region), fund of funds, real estate as well as the Sortino ratio. Each table covering the duration, region, asset class and ratio will be featured on a five week rotational basis.

FUNDS TABLES

Eurekahedge Islamic Fund Money Market Index over the last 5 years



Eurekahedge Islamic Fund Money Market Index over the last 1 year



Top 10 Islamic Money Markets Funds by 3 Months Returns

Fund	Fund Manager	Performance Measure	Fund Domicile
1 Meezan Tahaffuz Pension - Money Market Sub	Al Meezan Investment Management	2.24	Pakistan
2 Atlas Pension Islamic - Money Market Sub	Atlas Asset Management	2.21	Pakistan
3 Al Dar Money Market	ADAM	1.92	Kuwait
4 TA Dana Optimix	TA Investment Management	1.46	Malaysia
5 Public Islamic Money Market	Public Mutual	0.67	Malaysia
6 PB Islamic Cash Plus	Public Mutual	0.67	Malaysia
7 TA Islamic CashPlus	TA Investment Management	0.67	Malaysia
8 OSK-UOB Institutional Islamic Money Market	OSK-UOB Unit Trust Management	0.65	Malaysia
9 PB Islamic Cash Management	Public Mutual	0.65	Malaysia
10 CIMB Islamic Money Market	CIMB-Principal Asset Management	0.50	Malaysia
Eurekahedge Islamic Money Markets Fund Index		0.51	

Based on 74.36% of funds which have reported October 2012 returns as at 27th November 2012

Top 3 Islamic Commodity Funds by 3 Months Returns

Fund	Fund Manager	Performance Measure	Fund Domicile
1 DWS Noor Precious Metals Securities - Class A	DWS Noor Islamic Funds	15.87	Ireland
2 AmPrecious Metals	AmInvestment Management	10.40	Malaysia
3 CIMB Islamic Commodities Structured 2	CIMB-Principal Asset Management	0.59	Malaysia
Eurekahedge Islamic Commodity Fund Index		8.95	

Based on 37.5% of funds which have reported October 2012 returns as at 27th November 2012

Contact Eurekahedge

To list your fund or update your fund information: islamicfunds@eurekahedge.com
For further details on Eurekahedge: information@eurekahedge.com Tel: +65 6212 0900

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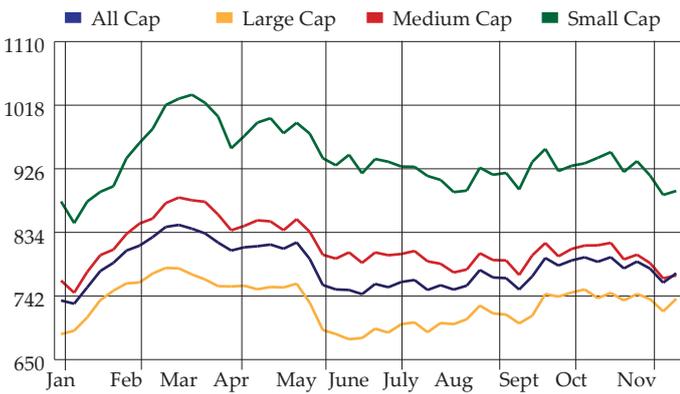
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SHARIAH INDEXES

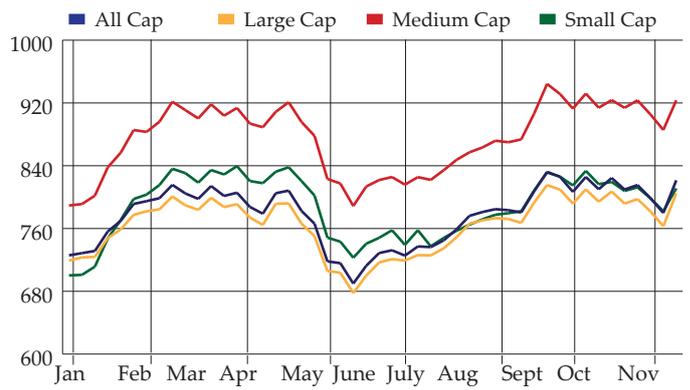
REDmoney Asia ex. Japan

6 Months



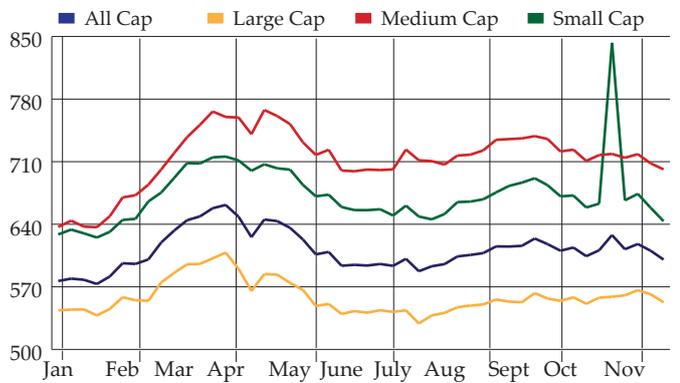
REDmoney Europe

6 Months



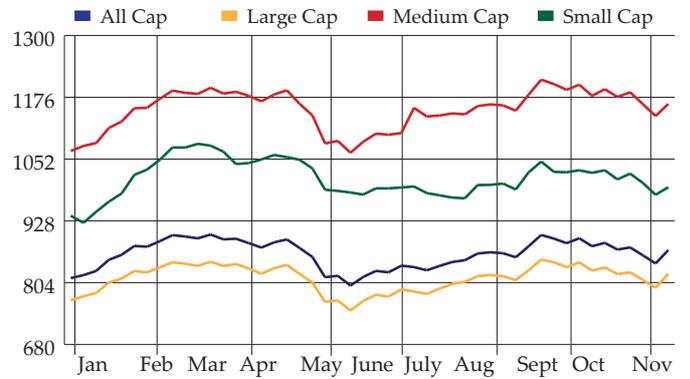
REDmoney GCC

6 Months



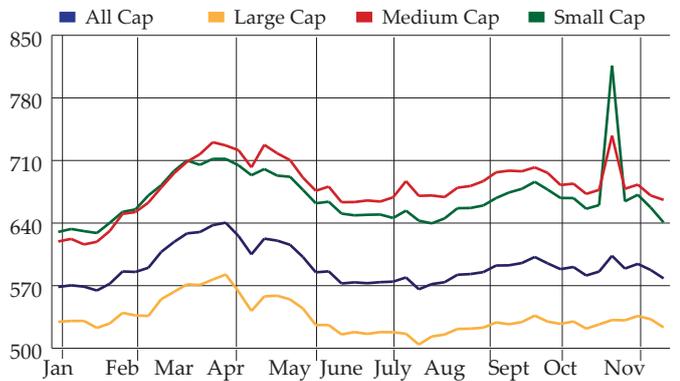
REDmoney Global

6 Months



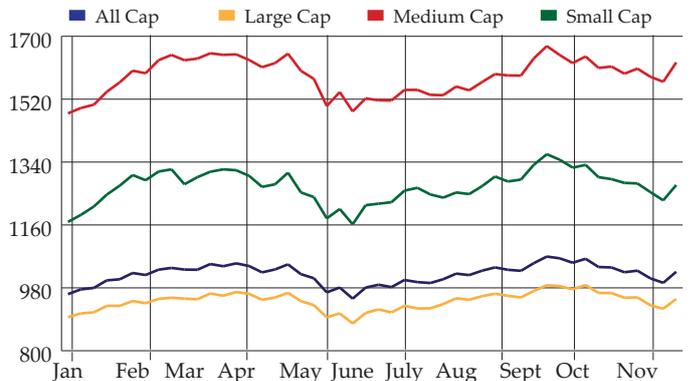
REDmoney MENA

6 Months



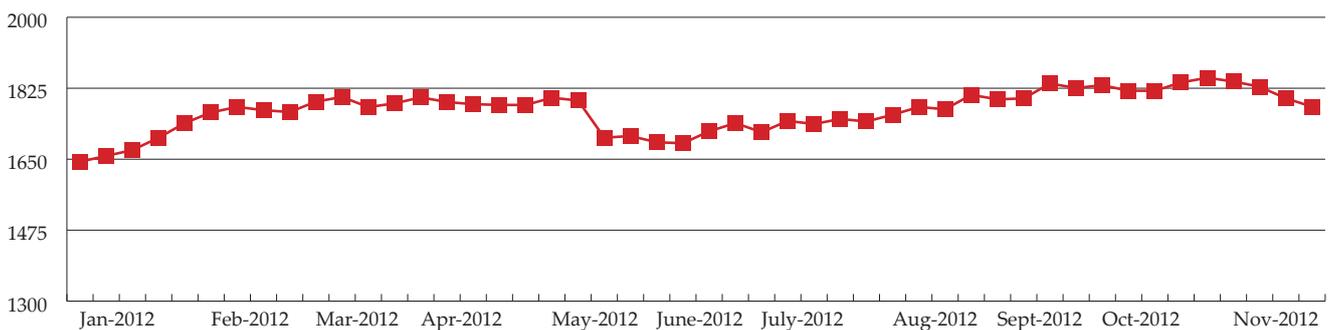
REDmoney US

6 Months



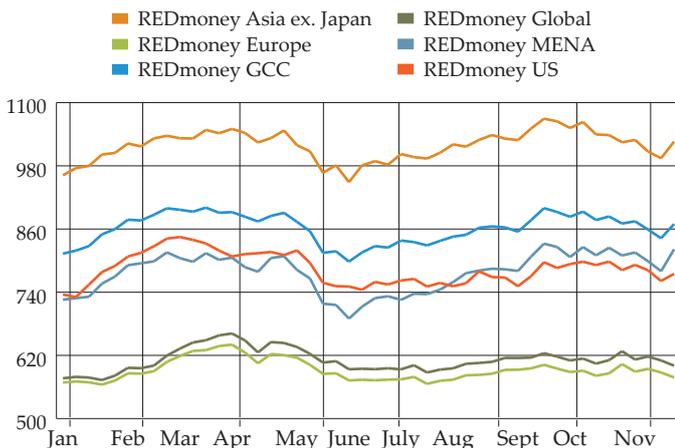
SAMI Halal Food Participation (All Cap)

6 months

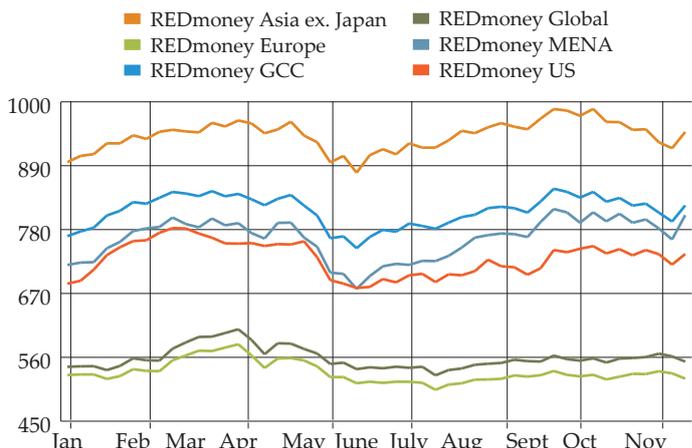


SHARIAH INDEXES

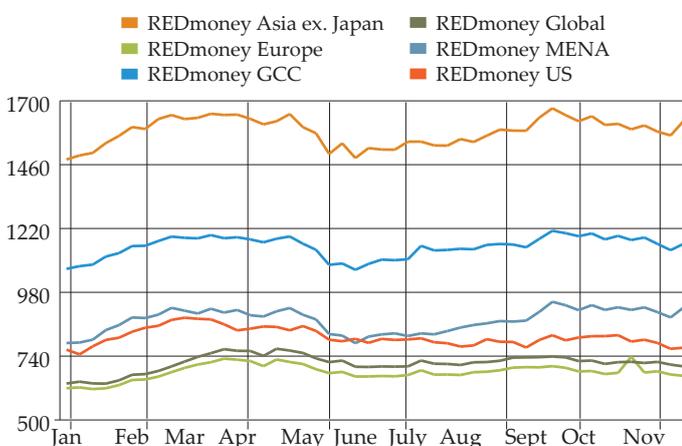
REDmoney Global Shariah Index Series (All Cap) 6 Months



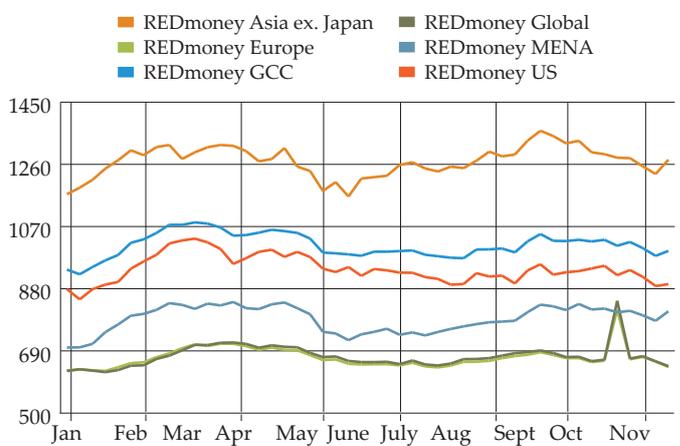
REDmoney Global Shariah Index Series (Large Cap) 6 Months



REDmoney Global Shariah Index Series (Medium Cap) 6 Months



REDmoney Global Shariah Index Series (Small Cap) 6 Months



REDmoney Global Shariah

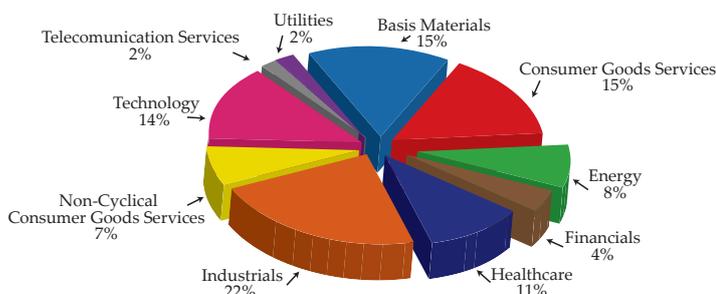
Equities are considered eligible for inclusion into the REDmoney Global Shariah Index Series only if they pass a series of market related guidelines related to minimum market capitalization and liquidity as well as country restrictions.

Once the index eligible universe is determined the underlying constituents are screened using a set of business and financial Shariah guidelines.

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The REDmoney Shariah Indexes provides Islamic investors with an accurate and Shariah-specific equity performance benchmark with optimized compliance credibility due to the intensive research conducted to ensure that index constituents do not conflict with the defined Shariah requirements.

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REDmoney Global Shariah Index Series

REDmoney Indexes **IdealRatings®**

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LEAGUE TABLES

Most Recent Global Sukuk

Priced	Issuer	Nationality	Instrument	Market	US\$ (mln)	Managers
15 th Nov 2012	Perusahaan Penerbit SBSN Indonesia III	Indonesia	Ijarah Sukuk	Euro market public issue	1,000	Standard Chartered Bank, Deutsche Bank, HSBC
8 th Nov 2012	Abu Dhabi Islamic Bank	UAE	Sukuk	Euro market public issue	1,000	Standard Chartered Bank, Morgan Stanley, HSBC, National Bank of Abu Dhabi, Abu Dhabi Islamic Bank
7 th Nov 2012	Turus Pesawat	Malaysia	Sukuk Murabahah	Domestic market public issue	1,110	Lembaga Tabung Haji, RHB Capital, CIMB Group, AmInvestment Bank, Maybank Investment Bank
6 th Nov 2012	Golden Assets International Finance	Singapore	Sukuk	Domestic market public issue	490	RHB Capital
5 th Nov 2012	Imtiaz Sukuk	Malaysia	Sukuk Musharakah	Domestic market public issue	327	CIMB Group, Maybank Investment Bank
22 nd Oct 2012	Putrajaya Holdings	Malaysia	Sukuk	Domestic market private placement	262	CIMB Group, AmInvestment Bank, Maybank Investment Bank
11 th Oct 2012	Qatar International Islamic Bank	Qatar	Sukuk	Euro market public issue	700	Standard Chartered Bank, HSBC, Qatar National Bank
4 th Oct 2012	Edaran SWM	Malaysia	Sukuk	Domestic market public issue	245	Hong Leong Bank, CIMB Group
3 rd Oct 2012	Qatar Islamic Bank	Qatar	Sukuk	Euro market public issue	750	Standard Chartered Bank, Deutsche Bank, HSBC, QInvest
1 st Oct 2012	Khazanah Nasional	Malaysia	Sukuk Musharakah	Domestic market private placement	651	CIMB Group, AmInvestment Bank
20 th Sep 2012	Republic of Turkey	Turkey	Sukuk	Euro market public issue	1,500	HSBC, Kuwait Finance House, Citigroup
20 th Sep 2012	MISC	Malaysia	Sukuk	Domestic market public issue	163	HSBC, CIMB Group, AmInvestment Bank
20 th Sep 2012	HSBC Amanah Malaysia	United Kingdom	Sukuk	Domestic market public issue	163	HSBC, AmInvestment Bank, Hong Leong Islamic Bank, Maybank Investment Bank
18 th Sep 2012	Malaysian Airline System	Malaysia	Sukuk	Domestic market private placement	165	Maybank Investment Bank
7 th Sep 2012	National Higher Education Fund	Malaysia	Sukuk	Domestic market public issue	321	CIMB Group, Maybank Investment Bank
3 rd Sep 2012	Cagamas	Malaysia	Sukuk	Domestic market public issue	160	RHB Capital
29 th Aug 2012	Malakoff Corporation	Malaysia	Sukuk	Domestic market private placement	577	Maybank Investment Bank
28 th Aug 2012	Syarikat Prasarana Negara	Malaysia	Sukuk Murabahah	Domestic market public issue	644	RHB Capital, Kenanga Investment Bank, CIMB Group
15 th Aug 2012	Tanjung Bin Power	Malaysia	Sukuk	Domestic market private placement	1,346	CIMB Group, Maybank Investment Bank
14 th Aug 2012	Celcom Transmission (M)	Malaysia	Sukuk Murabahah	Domestic market public issue	1,605	HSBC, CIMB Group, Maybank Investment Bank

Global Sukuk Volume by Month



Global Sukuk Volume by Quarter

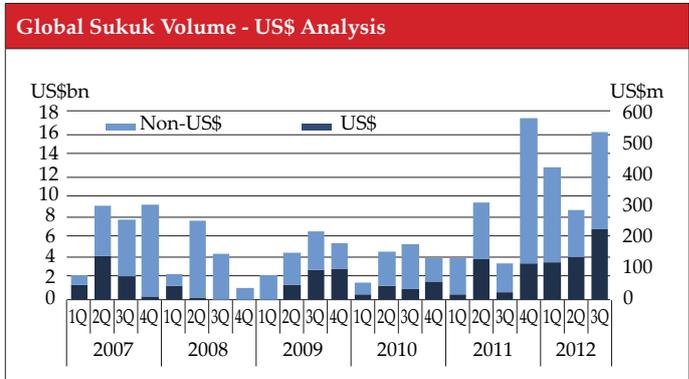
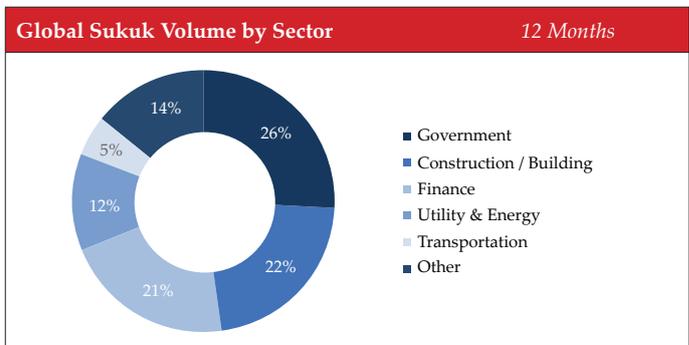
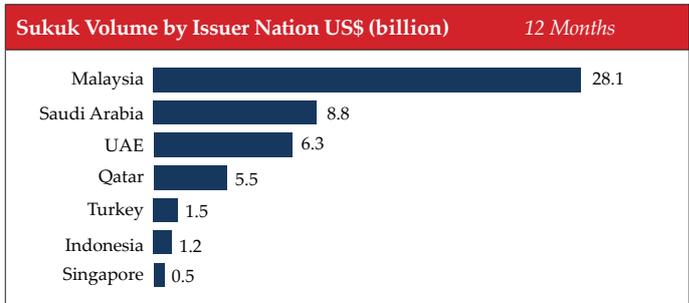
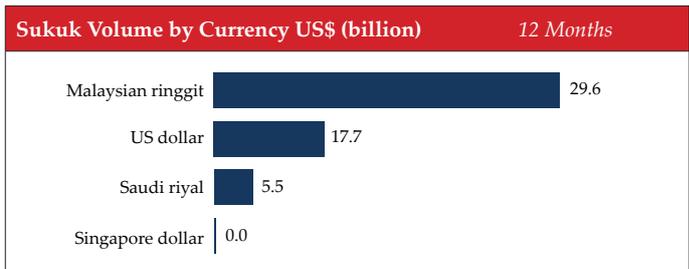


LEAGUE TABLES

Top 30 Issuers of Global Sukuk							12 Months
Issuer	Nationality	Instrument	Market	US\$ (mln)	Iss	Managers	
1 Projek Lebuhraya Usahasama	Malaysia	Sukuk	Domestic market private placement	9,610	18.2	RHB Capital, CIMB Group, AmInvestment Bank, Maybank Investment Bank	
2 State of Qatar	Qatar	Sukuk	Euro market public issue	4,000	7.6	Standard Chartered Bank, Deutsche Bank, HSBC, QInvest, Barwa Bank	
3 General Authority for Civil Aviation	Saudi Arabia	Sukuk	Domestic market private placement	4,000	7.6	HSBC	
4 Saudi Electricity Company	Saudi Arabia	Sukuk	Euro market public issue	1,750	3.3	Deutsche Bank, HSBC	
5 Celcom Transmission (M)	Malaysia	Sukuk Murabahah	Domestic market public issue	1,590	3.0	HSBC, CIMB Group, Maybank Investment Bank	
6 Republic of Turkey	Turkey	Sukuk	Euro market public issue	1,500	2.8	HSBC, Kuwait Finance House, Citigroup	
7 Tanjung Bin Power	Malaysia	Sukuk	Domestic market private placement	1,298	2.5	CIMB Group, Maybank Investment Bank	
8 Dubai DOF Sukuk	UAE	Sukuk	Euro market public issue	1,250	2.4	HSBC, National Bank of Abu Dhabi, Dubai Islamic Bank, Citigroup	
9 Turus Pesawat	Malaysia	Sukuk Murabahah	Domestic market public issue	1,110	2.1	Lembaga Tabung Haji, RHB Capital, CIMB Group, AmInvestment Bank, Maybank Investment Bank	
10 National Higher Education Fund	Malaysia	Sukuk	Domestic market public issue	1,110	2.1	CIMB Group, Maybank Investment Bank	
11 Tanjung Bin Energy Issuer	Malaysia	Sukuk Tawaruq	Domestic market private placement	1,089	2.1	HSBC, OCBC, RHB Capital, DRB-HICOM, CIMB Group, Affin Investment Bank, Maybank Investment Bank	
12 Perusahaan Penerbit SBSN Indonesia III	Indonesia	Sukuk Ijarah	Euro market public issue	1,000	1.9	Standard Chartered Bank, Deutsche Bank, HSBC	
12 EIB Sukuk	UAE	Sukuk	Euro market public issue	1,000	1.9	Standard Chartered Bank, HSBC, RBS, National Bank of Abu Dhabi, Citigroup, Investment Corporation of Dubai	
12 Abu Dhabi Islamic Bank	UAE	Sukuk	Euro market public issue	1,000	1.9	Standard Chartered Bank, Morgan Stanley, HSBC, National Bank of Abu Dhabi, Abu Dhabi Islamic Bank	
15 Johor Corporation	Malaysia	Sukuk	Domestic market public issue	939	1.8	CIMB Group, Affin Investment Bank, AmInvestment Bank, Maybank Investment Bank	
16 Malaysia	Malaysia	Sukuk Murabahah	Domestic market public issue	817	1.6	Maybank Investment Bank	
17 Maxis	Malaysia	Sukuk Musharakah	Domestic market public issue	805	1.5	CIMB Group, Maybank Investment Bank	
18 IDB Trust Services	Saudi Arabia	Sukuk	Euro market public issue	800	1.5	Saudi National Commercial Bank, Standard Chartered Bank, BNP Paribas, HSBC, CIMB Group	
19 Sarawak Energy	Malaysia	Sukuk	Domestic market public issue	796	1.5	RHB Capital, Kenanga Investment Bank, AmInvestment Bank	
20 DanaInfra Nasional	Malaysia	Sukuk	Domestic market public issue	752	1.4	Lembaga Tabung Haji, RHB Capital, CIMB Group, AmInvestment Bank, Maybank Investment Bank	
21 Qatar Islamic Bank	Qatar	Sukuk	Euro market public issue	750	1.4	Standard Chartered Bank, Deutsche Bank, HSBC, QInvest	
21 BSF Sukuk	Saudi Arabia	Sukuk	Euro market public issue	750	1.4	Deutsche Bank, Citigroup, Credit Agricole	
23 Qatar International Islamic Bank	Qatar	Sukuk	Euro market public issue	700	1.3	Standard Chartered Bank, HSBC, Qatar National Bank	
24 Aman Sukuk	Malaysia	Sukuk	Domestic market public issue	700	1.3	Lembaga Tabung Haji, RHB Capital, CIMB Group, AmInvestment Bank, Maybank Investment Bank	
25 Khazanah Nasional	Malaysia	Sukuk	Domestic market private placement	652	1.2	Kenanga Investment Bank, DRB-HICOM, CIMB Group, AmInvestment Bank	
26 Jafz Sukuk	UAE	Sukuk	Euro market public issue	650	1.2	Standard Chartered Bank, Abu Dhabi Commercial Bank, National Bank of Abu Dhabi, Dubai Islamic Bank, Abu Dhabi Islamic Bank, Citigroup, Investment Corporation of Dubai	
27 Syarikat Prasarana Negara	Malaysia	Sukuk Murabahah	Domestic market public issue	644	1.2	RHB Capital, Kenanga Investment Bank, CIMB Group	
28 Malakoff Corporation	Malaysia	Sukuk	Domestic market private placement	577	1.1	Maybank Investment Bank	
29 DRB-HICOM	Malaysia	Sukuk	Domestic market private placement	561	1.1	Maybank Investment Bank	
30 TASNEE	Saudi Arabia	Sukuk	Domestic market private placement	533	1.0	HSBC	
Total				52,824	100		

LEAGUE TABLES

Top Managers of Sukuk		12 Months		
Manager	US\$ (mln)	Iss	%	
1	HSBC	10,413	28	19.7
2	Maybank Investment Bank	8,960	41	17.0
3	CIMB Group	8,475	35	16.0
4	AmInvestment Bank	4,679	26	8.9
5	RHB Capital	3,817	35	7.2
6	Standard Chartered Bank	2,789	17	5.3
7	Deutsche Bank	2,546	6	4.8
8	Citigroup	1,464	7	2.8
9	QInvest	988	2	1.9
10	National Bank of Abu Dhabi	914	6	1.7
11	Dubai Islamic Bank	868	7	1.6
12	Barwa Bank	863	2	1.6
13	Kenanga Investment Bank	666	4	1.3
14	Kuwait Finance House	568	3	1.1
15	Affin Investment Bank	468	4	0.9
16	Abu Dhabi Islamic Bank	455	4	0.9
17	Investment Corporation of Dubai	439	5	0.8
18	Lembaga Tabung Haji	431	4	0.8
19	Hong Leong Bank	374	3	0.7
20	DRB-HICOM	353	9	0.7
21	Credit Agricole	350	2	0.7
22	JPMorgan	300	1	0.6
23	Qatar National Bank	233	1	0.4
24	OCBC	219	4	0.4
25	Morgan Stanley	200	1	0.4
26	Saudi National Commercial Bank	160	1	0.3
26	BNP Paribas	160	1	0.3
28	Riyad Bank	153	2	0.3
29	RBS	99	2	0.2
30	Abu Dhabi Commercial Bank	93	1	0.2
Total		52,824	129	100.0



Top Islamic Finance Related Project Finance Mandated Lead Arrangers		12 Months		
Mandated Lead Arranger	US\$ (million)	No	%	
1	Public Investment Fund	873	3	8.5
2	SABB	873	3	8.5
3	Arab National Bank	722	2	7.0
4	Samba Financial Group	614	3	6.0
5	Banque Saudi Fransi	475	2	4.6
6	Sumitomo Mitsui Financial Group	404	2	3.9
7	HSBC Holdings	385	2	3.7
8	KfW Bankengruppe	369	2	3.6
9	Mitsubishi UFJ Financial Group	360	1	3.5
10	Standard Chartered	317	3	3.1

Top Islamic Finance Related Project Financing Legal Advisors Ranking		12 Months		
Legal Advisor	US\$ (million)	No	%	
1	Allen & Overy	4,198	2	25.9
2	White & Case	3,579	2	22.1
3	Skadden Arps Slate Meagher & Flom	3,281	1	20.2
4	Baker Botts	917	1	5.7
4	Chadbourne & Parke	917	1	5.7
6	Linklaters	684	2	4.2
7	Baker & McKenzie	417	2	2.6
8	Al-Jadaan & Partners Law Firm	386	1	2.4
8	Clifford Chance	386	1	2.4
8	Saudilegal	386	1	2.4

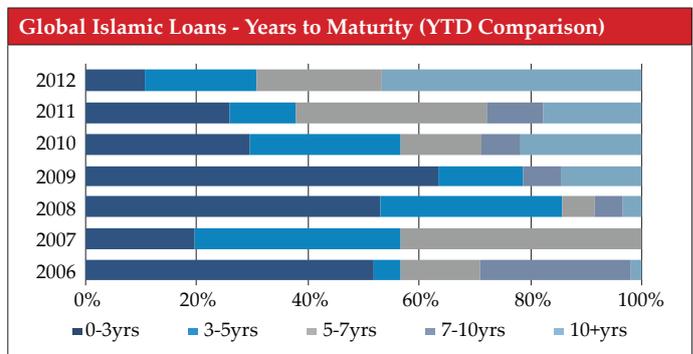
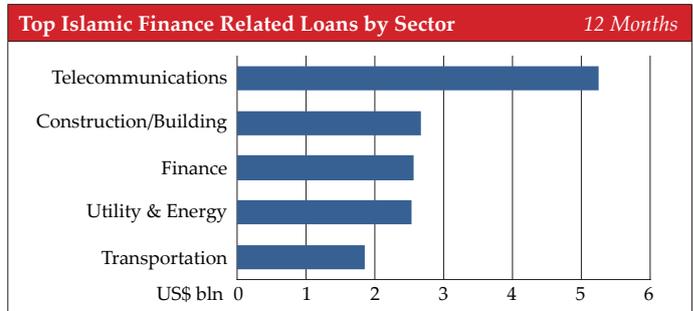
LEAGUE TABLES

Top Islamic Finance Related Loans Mandated Lead Arrangers Ranking				
12 Months				
	Mandated Lead Arranger	US\$ (mln)	No	%
1	SABB	1,684	6	8.3
2	Banque Saudi Fransi	1,232	5	6.1
3	Samba Capital	1,093	5	5.4
4	Al-Rajhi Banking & Investment	1,007	4	5.0
5	Saudi National Commercial Bank	991	5	4.9
6	Maybank Investment Bank	983	6	4.8
7	Arab National Bank	906	3	4.5
8	AmInvestment Bank	868	4	4.3
9	CIMB Group	842	3	4.1
10	RHB Capital	794	2	3.9
11	Standard Chartered Bank	636	9	3.1
12	ICD	621	6	3.1
13	HSBC	584	6	2.9
14	Saudi Hollandi Bank	569	3	2.8
15	Noor Islamic Bank	566	7	2.8
16	Riyad Bank	538	2	2.7
17	Abu Dhabi Islamic Bank	495	8	2.4
18	Dubai Islamic Bank	487	3	2.4
19	Citigroup	460	5	2.3
20	Barwa Bank	378	3	1.9
21	Standard Bank	289	1	1.4
21	National Bank of Kuwait	289	1	1.4
21	Gulf Bank	289	1	1.4
21	DBS	289	1	1.4
21	Credit Agricole	289	1	1.4
26	Mashreqbank	226	4	1.1
27	Al Hilal Bank	224	6	1.1
28	Qatar Islamic Bank	223	2	1.1
29	Qatar International Islamic Bank	213	1	1.0
29	Masraf Al Rayan	213	1	1.0

Top Islamic Finance Related Loans Mandated Lead Arrangers				
12 Months				
	Bookrunner	US\$ (mln)	No	%
1	Credit Agricole	867	1	11.4
1	Banque Saudi Fransi	867	1	11.4
1	Al-Rajhi Banking & Investment	867	1	11.4
4	QInvest	517	2	6.8
5	HSBC	500	4	6.6
6	Abu Dhabi Islamic Bank	470	5	6.2
7	ICD	408	4	5.4
8	Standard Chartered Bank	399	6	5.2
9	Citigroup	390	4	5.1
10	Noor Islamic Bank	330	3	4.3

Top Islamic Finance Related Loans Deal List				
12 Months				
Credit Date	Borrower	Nationality	US\$ (mln)	
13 th Dec 2011	Barzan Gas	Qatar	5,442	
12 th Feb 2012	Mobily	Saudi Arabia	2,667	
25 th Jul 2012	Zain Saudi	Saudi Arabia	2,600	
11 th Jun 2012	DanaInfra Nasional	Malaysia	2,525	
2 nd Dec 2011	Hajr for Electricity Production	Saudi Arabia	1,981	
4 th Jul 2012	Dubai Duty Free	UAE	1,749	
14 th Feb 2012	Power & Water Utility for Jubail & Yanbu	Saudi Arabia	1,200	
13 th Jun 2012	JAFZA	UAE	1,198	
30 th Jun 2012	TIBAH	Saudi Arabia	1,193	
25 th Jun 2012	Bawabat Al Shamal Real Estate Company	Qatar	1,154	

Top Islamic Finance Related Loans by Country				
12 Months				
	Nationality	US\$ (mln)	No	%
1	Saudi Arabia	9,322	8	45.8
2	Malaysia	3,851	6	18.9
3	UAE	3,461	8	17.0
4	Qatar	1,317	2	6.5
5	Turkey	1,256	5	6.2
6	Sri Lanka	350	2	1.7
7	Pakistan	233	6	1.1
8	Singapore	207	1	1.0
9	Indonesia	183	4	0.9
10	Brunei Darussalam	170	1	0.8



Are your deals listed here?

If you feel that the information within these tables is inaccurate, you may contact

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20th – 21st November 2012
International Islamic Accounting and Finance Conference 2012
 Kuala Lumpur, Malaysia
 (Accounting Research Institute)

23rd November 2012
IFN Roadshow Thailand
 Bangkok, Thailand (REDmoney Events)

3rd December 2012
IFN Roadshow Brunei
 Brunei (REDmoney events)

3rd December 2012
Alpha Asia 2012
 Singapore (All Events Group)

3rd – 4th December 2012
AAOIFI World Bank Annual Conference on Islamic Banking and Finance
 Manama, Bahrain (AAOIFI)

4th – 6th December 2012
8th World Islamic Economic Forum
 Johor Bahru, Malaysia (WIEF Foundation)

5th – 6th December 2012
1st Annual Global Finance & Investment Conference Egypt 2012 Cairo, Egypt
 (Metropolitan Egypt)

6th December 2012
IFN Roadshow Turkey
 Istanbul, Turkey (REDmoney events)

8th – 10th December 2012
Global Islamic Microfinance Forum
 Dubai, UAE (Al Huda CIBE)

9th – 11th December 2012
The 19th Annual World Islamic Banking Conference
 Manama, Bahrain (MEGA Events)

19th December 2012
2012 International Real Estate Finance (IREF) Summit, Dubai, UAE (ICG Events)

5th February 2013
IFN Bangladesh Roadshow
 Dhaka, Bangladesh (REDmoney Events)

22nd March 2013
IFN Singapore Roadshow
 Singapore (REDmoney Events)

15th – 16th April 2013
IFN Indonesia Forum
 Jakarta, Indonesia (REDmoney Events)

29th April 2013
IFN Morocco Roadshow
 Fez, Morocco (REDmoney Events)

7th May 2013
IFN Australia Roadshow
 Melbourne, Australia (REDmoney Events)

21st – 22nd May 2013
IFN Europe Forum
 London, UK (REDmoney Events)

12th June 2013
IFN Japan Roadshow
 Tokyo, Japan (REDmoney Events) 25th June 2013

IFN Hong Kong Roadshow
 Hong Kong (REDmoney Events)

27th – 28th June 2013
IFN Africa Forum
 Dubai, UAE (REDmoney Events)

27th August 2013
IFN Pakistan Roadshow
 Karachi, Pakistan (REDmoney Events)

29th August 2013
IFN Sri Lanka Roadshow
 Colombo, Sri Lanka (REDmoney Events)

3rd September 2013
IFN Turkey Roadshow
 Istanbul, Turkey (REDmoney Events)

5th September 2013
IFN Egypt Roadshow
 Cairo, Egypt (REDmoney Events)

11th September 2013
IFN Thailand Roadshow
 Bangkok, Thailand (REDmoney Events)

21st – 22nd October 2013
IFN Asia Forum
 Kuala Lumpur, Malaysia (REDmoney Events)

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