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Michael Gassner
Consultancy Ltd.

Editorial

Dear Readers,

As salamu alaikum

Welcome back to the our newsletter, the first edition after moving the office to London and starting a time of extensive travel.

Welcome especially to the new readers: This information are free of charge and encouraged to share and distribute!

Best regards wa salaams,

Michael Saleh Gassner

Islamic Finance in Minority Areas

Free Conference in London 6th July 2006
EIIB, Baader, Parsoli, IBB, Absa, Al-Amanah Islamic, Badre Forte Bank, Asya Bank

Islamic Banking

DIFC, Dow Jones Indexes, Al Masraf, United International Bank, GFH, Qatar Islamic Bank, Al Rayyan, National Bank of Dubai, Syria, Albaraka, Emirates Banking Group, Unicorn, StanChart, UBS, Noriba, Injazat, SABB, Dubai Bank, Daruma Corporate Finance, Dubai Islamic Bank, MNG Bank, Jaiz Bank, IFC, Al Salam Bank, Rasameel

First Dawood Islamic Bank, Bank Islam Malaysia, IDB, KFH (Malaysia), ADIB, Citigroup, Eon Bank, BSN, Affin Islamic, OCBC, CIMB, Commerce Tijari

Fixed Income (Sukuk, Murabaha)

Dubai Dept Civil Aviation, SABIC, Aabar, EIB, LMC, Clifford Chance, Qatar Real Estate Investment Co, Dow Jones Indexes/Citigroup, MTC, Esfahan Steel, GFH, BMA, Alafco, Dubai Islamic Bank

PLN, WAPDA, Bank Negara, Indonesia

Wealth Management

Dow Jones Indexes, Volaw, Gabelli, CIMB, DIFX, FTSE, Unicorn, Tabarak, Fortis, EIB, PIDF, NCB, SAGIA, VC Bank, Boubyan, Ryada Capital, Alpha Investment, Emerging Market Partnership, Abraaj Capital, Deutsche Bank, Ithmaar Bank, Siraj Capital, Johor Corp., GFH Commercial Bank, ADIH, ADIB, Aareal Bank, Al Dereah, Dana Gas, Emaar

Takaful

Salama, MunichRe, MedNet Group, Allianz Group, FWU AG, Aman, VHV, Al Ahli Takaful, Solidarity, Doha Insurance Company, MAA Holdings Bhd, Emirates Insurance Company, AMAN, HSBC Insurance

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Phone: +44 207 868 1717 Fax: +44 207 868 1817

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Dear Reader,

London – free
conference

London hosts an Islamic Banking Conference on 6th July with *free entry after registration* to dinar@islamexpo.com to be held in the Cabot Hall, Canary Wharf. The event is part of the wider Islam Expo during 6-9 July www.islam-expo.info.

Islamic Wealth
Management Event
Geneva

We held end of March the 2nd Islamic Wealth Management Event, which achieved tremendous interest and encouragement from the industry. Due to the success the 3rd event will be held again in April 2007. Sponsor and speaker requests are welcome.

Frankfurt: Islamic
Banking Conference 16
November scheduled

The 2nd Islamic Banking Conference in Frankfurt Germany has been announced for 16th November. The editor advises the organiser in regard to the program. Also speaker and sponsor requests are welcome.

EIIB

European Islamic Investment Bank planned to set up an office in Bahrain, reported Ameinfo on 19 March and announced in a press release on 17th May also the completion of its IPO. The shares are listed with AIM segment of the London Stock Exchange.

Lloyd's TSB

Lloyd's TSB were on "Islamic banking roadshow" in April to promote its new line of products, reported Fairinvestment on 5th April. The services are provided throughout 30 branches.

Islamic Banking Conference



FRANKFURT
9. EURO FINANCE WEEK
13.-17. NOVEMBER 2006

Thursday, 16 November
Frankfurt am Main

Parsoli
Baader Bank

Baader Wertpapierhandelsbank AG (Baader) of Germany acquired a 9.99 % stake in Parsoli Corporation Ltd., a leading Indian financial services company. Parsoli will initiate marketing of its mutual fund "Parsoli Global Islamic Equity" inside Germany. Baader will assist Parsoli with know how of IT solutions, technical support, in product development, reported India Infoline. On 13rd February. Economic Times cited Zafar Sureshwala about the capital infusion of Baader, figured at Rs 3.7 crore.

Islamic Bank of Britain

Islamic Bank of Britain launched a saving's account dedicated for children. Also it announced a child trust fund later this year, after the market has seen the first offer from the Children's Mutual friendly society, reported the Guardian on 24 February.

ABSA in South Africa

ABSA in South Africa plans to provide full Islamic banking services for the country's Muslim community; the product range shall consist of saving accounts, finance facilities for assets and motor vehicles and Islamic wills, reported fin24 on 6th March.

Philippine

Philippine's sole Islamic bank, Al-Amanah Islamic Investment Bank, established 1990, is aimed for sale by the Government till August 2006. Negotiations with investors from Malaysia, Saudi-Arabia, Kuwait and Qatar are in process, reported Turkish Weekly on 6th March. The visit of the Philippine prime minister confirmed interest of Saudi businessmen in the bank, reported Sun Star Network on 12th May.

Badr-Forte Bank, Russia	<p>Adalet Djabiev, chairman of Moscow based Badr-Forte Bank asking for an improved legislative framework for Islamic banking in Russia. Badr-Forte turned operations 6 years ago Islamic and offers Islamic trade finance. Expansion into retail services is desired, however discouraged by the tax system. In March the Chairman said, a committee was formed including members of the Russian central bank, finance ministry and the parliament to study the subject matter, reported Gulf Times on 30th May.</p>
IPO Asya, Turkey	<p>The Turkish Islamic special finance house, Bank Asya went IPO. The bank raised USD 160 mn for 20 % of the shares. Ugur Pembecioglu, vice-president of corporate finance at Deniz Investment, the consortium leader said, that the majority of shares were taken up by international institutional investors, with particular strong interest from US and UK beside strong demand from Turkish retail investors. Altogether bids totalled about USD 7.5 bn, reported Financial Times on 8th May.</p>
Japan	<p>Le Temps Switzerland reported on 18th June that Japan is looking to Islamic finance. The Japanese Development Bank, a governmental organisation, created a committee of four Shariah scholars from Saudi Arabia, Malaysia and Pakistan the business daily Nihon Keizai is cited. Tokyo aims to enter the financial markets of the oil producing countries with their commercial banks like Sumitomo Mitsui, Mizuho and Tokyo-Mitsubishi UFJ.</p>
Islamic Banking in the Middle East and North Africa Region	
IDB Poverty Alleviation Fund	<p>The Islamic Development Bank sets up a Poverty Alleviation fund, and Saudi Arabia contributes USD 1 bn to it. The fund should help the least developed Muslim countries to achieve the Millenium Development Goals. Initial target size of the fund is supposed to be USD 5 bn, reported Arab News on 1st June.</p>
DIFC Rushdi Siddiqui	<p>The Dubai International Financial Centre appointed Rushdi Siddiqui to their Islamic Finance Advisory Council, reported Ameinfo on 7th June. Rushdi Siddiqui joins a 7 member council led by Aref A. Al Kooheji and Saad Abdul Razak, Dubai Islamic Bank, Hussein Mohammed Al Meeza, Aman, Mohsin A Nathani, Citi Islamic Investment Bank, Iqbal Khan, HSBC Amanah Finance and Abdul Walhid Al Ulama, Al Tamimi & Co.</p>
Al Masraf Bank USD 5 bn capital	<p>According to Arab News on 6 March Al Masraf Bank was licensed as a commercial and investment bank in Bahrain with a capital of USD 5 bn to start and the plan to increase to USD 10 bn. The Chairman of the banks founding committee is Khaled Al Sweidi.</p>
United International Bank USD 1 bn capital	<p>Another "giant" new bank headquartered in Bahrain reported Gulf Daily News on 26 March named "United International Bank", chaired by HRH Prince Khaled bin Al Waleed bin Talal Al Saud. The paid up capital is reported with USD 1 bn, which will be raised through a private placement. The bank's founding company, Global House, acquires the 17 storey Al Rashood Tower in Seef District for BD 8 mn, where the bank with its 350 planned staff (during 2 years) shall be housed. Other founders are Shaikh Hamad bin Qassim bin Ali Al Abdulla Al Thani, Shaikh Rashed bin Humaid Al Noaimi, Abdul Aziz bin Saleh bin Sulaiman Al Omari, National Investment Compy of Kuwait, Palm Capital and Athar Al Majd.</p>
Qatari Investment bank with USD 1 bn capital	<p>Gulf Finance House and Qatar Islamic Bank are planning to set up Qatar's first dedicated Islamic investment bank with USD 1 bn authorised capital in the new Qatar Financial Centre, reported Daily Express on 16th March.</p>
Al Rayyan IPO	<p>Al Rayyan's IPO was oversubscribed by over six times raising in excess of Qatari Riyal 14.2 bn., reported Gulf Times on 5th February.</p>
NBAD Islamic Subsidiary	<p>National Bank of Abu Dhabi is setting up an Islamic subsidiary with an authorized capital of Dh 500 mn (USD 136 mn), reported TradeArabia on 13 April. Beyond the Islamic activity a Swiss subsidiary for Private Banking in Geneva and a Property company were likewise announced.</p>

Syria new private banks	Syria approved three new private banks, which are supported by the Saudi Dallah Al Baraka group, the Qatar National Bank and the Commercial Bank of Kuwait. Minimum capital of an Islamic bank is 5 bn Syrian Pound (USD 95 mn). Foreign ownership is restricted to 49 %. The total deposits of private banks in Syria is estimated to an amount of up to USD 3 bn after two years of existence in the country, reported Gulf Daily News on 8 April. Al Shall Consulting and Investment Company, a Kuwaiti Investment firm announced to set up a USD 100 mn Islamic bank, including 50 mn paid up capital to be named "Al Sham Bank", the other non Syrian investors are supposed to be The Investment Dar, and the Islamic Development Bank, reported Ameinfo on 25 March.
IPO Albaraka	Emirates Banking Group invested USD 100 mn in the <i>private placement</i> of Albaraka Banking Group, which represents 25 % of the placement itself, reported tradearabia on 29 th May. Further an IPO is underway of about USD 580 mn, offering 120 mn new shares and 68.9 mn existing shares for public subscription, reported Bahrain Tribune on 27 th May.
Unicorn raises new capital	Unicorn Investment Bank (UIB) aims to raise USD 248.2 mn in new capital as part of its global growth strategy via a private placement., targeting high net worth investors and institutions, reported Bahrain Tribune on 31 st May.
StanChart new products	Standard Chartered launched in the UAE the Islamic Saving Account and the Islamic Term Account, reported Ameinfo on 22 March.
UBS integrates Noriba	UBS announced to fully integrate their daughter company Noriba Bank by end of 2006, reported marketwatch on 14 March.
Injazat / DIFC	Injazat Capital has been granted a license by the Dubai Financial Services Authority to operate as an authorised firm in the Dubai International Financial Centre. Injazat manages two funds, the USD 50 mn VC Technology Fund targeting technology, media and communications and the USD 100 mn Shefa Healthcare Fund, reported Khaleej Times on 6 April.
SABB SME finance	Arab News reported on 19 th March about the Shariah compliant finance scheme of SABB in Saudi Arabia targeting small- and medium sized companies. The financing scheme obtained the guarantee of the Ministry of Finance, to encourage financing of this sector.
Dubai Bank Daruma, Turkey	Dubai Bank PJSC and Daruma Corporate Finance (Turkey) in strategic alliance, reported Ameinfo on 14 th March. The two parties will cooperate in origination, structuring, execution and distribution of Shariah compliant corporate finance and merchant banking services.
DIB – MNG Bank, Turkey	Dubai Islamic Bank bought MNG Bank in Turkey for USD 160 mn reported Turkish Daily News on 1 st February.
Jaiz Bank, Nigeria	Jaiz Bank, Nigeria, is going to come out with a private placment of 10.5 billion ordinary shares of N 1.00 each, according to Vanguard on 2 nd February. FCMB Capital Markets Limited and Finmal Finance Services Limited have been appointed as the Joint Issuing Houses to the issue. Other parties are First Registrars Limited as the Registrar, while First Bank of Nigeria Plc is the receiving bank. Mojeed Jamiu, Indepentng, added that the balance is planned according to the Managing Director of Jaiz, Mohammad Mustapha Bintube, to be raised via public offer in the second quarter of the year. Bintube resigned from FSB International Bank in 2004 as general manager in charge for investment and corporate banking. Technical partnership shall be provided by the Islamic Development Bank.

Hong Kong Trade Mission – DIFC	Emirates News Agency reported on 2 nd March that a Hong Kong trade mission including seven senior representatives of the financial sector visited the Dubai Financial Services Authority. The Hong Kong Trade Development Council recently declared that the Middle East is its number one priority in emerging markets.
IFC in UAE	The International Finance Corporation (IFC), works with financial institutions and mortgage financiers in the UAE to create an active secondary market for real estate assets, cited Babu Das Augustine in Khaleej Times on 3 rd March the senior regional manager Azmat Taufique. There is not a liquidity need but a huge asset-liability mismatch on the longer term finance.
Al Salam Bank	The IPO of Al Salam Bank raised BD 2.7 bn in two weeks. The bank offered 35 % of its paid up capital. 65 % of the bank, estimated at BD 78 mn is held by its founders, Emaar Properties, Amlak Finance, Dubai Investment Group, Dubai Holding, Global Investment House, Lebanese Canadian Bank, Al Salam Bank in Sudan and Aman Insurance and Re-Insurance Company. Al Salam Bank has a paid up capital of BD 120 mn and is licensed as Islamic commercial bank by the Bahrain Monetary Agency, reported Gulf Daily News on 23 rd February.
DIB	Dubai Islamic Bank is committed to invest USD 100 mn in its Pakistan operations, with a plan to substantially increase its branch network over the next 18 months.
Rasameel	Rasameel Structured Finance was established with a paid-up capital of KD 30 mn as an Islamic investment company, which is subject to the supervision of Central Bank of Kuwait. Chairman of the company is Mansour Al Mubarak and Vice Chairman and CEO, Issam Al Tawari, reported Kuwait Times.
Islamic Banking in SE Asia	
First Dawood Islamic Bank	First Dawood Islamic Bank Limited is licensed as sixth Islamic bank in Pakistan. The institution is sponsored by the First Dawood Group, Bank Islam Malaysia Berhad, Unicorn Investment Bank and Islamic Corporation of the Private Sector (ICD) an arm of the Islamic Development Bank, reported Daily Times on 23 rd May. According to The Asian Banker (22 nd May) Bank Islam Malaysia has taken 25 % in the joint venture, which is going to have a paid up capital of Rs 2 bn (USD 33 mn) and 5 branches by the end of the first year of operation.
IDB Currency Swap	The Islamic Development Bank plans to create an Islamic currency swap raising USD 263 mn in Malaysian Ringgit bonds and swapping the proceeds into another currency, reported Daily Times Pakistan on 30 th May. The treasurer Mohammad Tariq disclosed it, and stated that one way to obtain the result is in using a salam contract type.
KFH Promissory FX Contract	Kuwait Finance House (Malaysia) Bhd has introduced the KFH Promissory FX Contract-I, which protects their clients against foreign exchange fluctuations. It is based on the Wa`d concept (promise), whereby the bank enters into a foreign exchange contract for delivery on a specific date as determined by the customer, reported The Edge Daily on 5 th June.
ADIB investing in Indonesia?	Abu Dhabi Islamic Bank is looking to buy an Indonesian bank to convert it into a Shariah compliant entity, reported Antara Indonesia on 4 th April citing its CEO K Darwish.
Unicorn invests in Bank Islam	Unicorn Investment Bank (UIB) is about acquiring a 20 % stake in Bank Islam, Malaysia, and would accept to sign up to 49 % depending on Bank Islam's capital needs, reported Bernama on 10 th March.
Citigroup retailing in Malaysia	Citigroup is to launch Consumer Islamic products this year in Malaysia, reported Bernama on 17 March. Citigroup strength lies in the investment products but not yet in retail banking.

Eon Bank	EON Bank Bhd subsidiary EONCAP Islamic Bank Bhd business start was scheduled to 1 April according to The Edge Daily 31 March. Focus of the bank are small and medium scale enterprises.
Affin Islamic	Affin Islamic, according to Business Times 3 rd April, will cater the complete range of Islamic banking products and services, enterprise and consumer banking. The new Affin Islamic has an authorised capital of RM 1 bn and will have an initial paid up capital of RM 160 mn.
BSN	BANK Simpanan Nasional (BSN) strengthens its Islamic financial product offering to consumers, reported Business Times Malaysia on 3 rd April. It plans also to enter into a joint-venture for Takaful.
KFH	Ashwin Raman wrote about Kuwait Finance House in Malaysia on 16 th February, that their main focus will be investment banking, with priority on the oil and gas, aviation, agriculture, real estate, IT and healthcare sectors according to the executive director Salman Younis.
OCBC	OCBC Bank (Malaysia) Bhd net profit rose to RM 415 mn for the year ended 31 st December. Income from Islamic Banking rose 52 % to RM 45 mn, reported The Edge Daily on 28 th February.
CIMB	Commerce Tijari, the Islamic banking subsidiary of the CIMB group, has appointed Badlisyah Abdul Ghani executive director/chief executive officer; he was previously head of the Islamic banking division and a member of the management committee, reported The Star Malaysia on 3 rd March.
Asian markets	Mark Bendeich discussed on 22 nd February on Reuters the Asian Islamic financial markets, claiming that it is highly driven by non Muslims. He cites Badlisyah Abdul Ghani, that non Muslims do have a degree more wealth than Muslims. In the relatively poor Indonesia only about 1 % of the assets in total about USD 1.7 bn are yet in Islamic banking. By contrast, in Singapore with its dominantly Chinese population, there are about USD 2 bn Shariah compliant funds already under management. Another factor is said to be, that Muslims are not fully convinced about the Shariah compliance yet and hesitate therefore.
	Fixed Income in the GCC
Dubai Civil Aviation	Dubai's Department of Civil Aviation plans to sell an AED 6 bn (Euro 1.3 bn) worth of Islamic bonds to finance the first phase of a new international airport, reported The International Herald Tribune on 6 th June.
SABIC	Saudi Basic Industries Corp (SABIC) plans to launch later the year (3 rd quarter) a Sukuk worth SR 1 to 3 bn, reported Trade Arabia on 12 March.
Aabar	Aabar Petroleum announced to launch a USD 350 mn convertible sukuk subject to shareholders approval, reported Gulf News on 3 rd June.
EIB / LMC	Emirates Islamic Bank and Liquidity Management Centre have launched the USD 50 mn, Sukuk Al Wakala bil Istithmar, in support of the ongoing investment activities of Bukhatir Group. The 5 year tenor Sukuk offers a return of 175 basis points over 6-month USD Libor, payable semi annually.
Clifford	Clifford Chance announced in a press release on 3 rd March, that they advised on Saudi-Arabia's largest ever project financing of USD 5.84 bn, including a USD 600 mn Islamic tranche. It was the first time that a shariah compliant leasing structure has been integrated in to a limited recourse project.

Qatari
Corporate Sukuk

The Qatar Real Estate Investment Company announced the first Qatari corporate Sukuk about USD 375 mn, reported Ameinfo on 13rd February. The Islamic financing will involve a Sukuk issue and a syndicated Islamic facility. Qatar National Bank and Qatar National Bank Al Islami are the lead managers, and the facilities will be jointly arranged by Dubai Islamic Bank, Gulf International Bank and Standard Chartered Bank. Clifford Chance is the legal adviser for the banks.

Dow Jones Indexes and Citigroup launched the first Islamic Bond Index, was announced in a press release on 6th March. The included certificates need to comply with the Shariah standards of the AAOIFI. Currently 7 issues are included: Islamic Development Bank, Solidarity Trust Services Ltd, BMA International Sukuk, Qatar Global Sukk, Malaysia Global Sukuk, Sarawak Sukuk and Dubai Global Sukuk. The end of day Index value will be available at <http://www.djindexes.com>.

MTC Murabaha

The USD 750 mn MTC Murabaha facility is successfully syndicated by the joint bookrunners ABC Islamic Bank, Calyon, Gulf International Bank and Kuwait Finance House, reported Ameinfo on 12th March. NBK Capital, the investment banking arm of the National Bank of Kuwait acted as financial advisor to MTC. Pricings were not mentioned.

Esfahan Steel

Emirates Islamic Bank and ABC Islamic Bank as Arrangers have successfully closed syndication for a 3 year amortizing syndicated Murabaha financing facility with a total of USD 70 mn for Esfahan Steel Company, Iran. The facility is said to be oversubscribed by its 11 strong syndicate comprised of Emirates Islamic Bank, ABC Islamic Bank, Commercial Bank of Qatar, Dubai Islamic Bank, Melli Bank plc, Bahrain Islamic Bank Amlak Finance, British Arab Commercial Bank Limited, Jordan International Bank, Banque Intercontinentale Arabe and The Arab Investment Company, reported Khaleej Times on 14th March.

GFH

Gulf Finance House (GFH) signed a one-year renewable USD 90 mn syndicated Murabaha facility. The mandated lead arranger was the Gemrany based Bayerische Hypo- und Vereinsbank, and the participating banks comprised of BAWAG PSK Bank (Austria), Bumiputra – Commerce Bank Berhad, Malayan Banking Berhad (Malaysia), Melli Bank, Bank Sepah International, National Bank of Dubai, Burgan Bank and Mashreqbank., reported Ameinfo on 16th May.

Sukuk Al Salam

BMA announced their Sukuk Al Salam to be priced at 5.29 % with tenders received are USD 154 mn for the USD 40 mn issue No. 61, reported Gulf Daily News on 6th June.

ALAFCO

Ahmad Al Freij wrote on 19th February on ALAFCO's purchase of 18 new aircrafts for USD 3 bn on Kuwait News Agency. Kuwait Finance House bought 85 % of Alafco's shares in 2000. The company's biggest market is Asia, in which it leases already 5 planes to China, 5 to India and one to Malaysia. Turkish Daily News reported on 31st May that Alafco has bought and leased 5 new Boeing 737-800 for a total of about USD 250 mn to Turkish Airlines for 12 years.

Dubai Islamic Bank

Dubai Islamic Bank is planning to sell up to USD 11 bn of Islamic bonds in 2006, Ameinfo is citing Bloomberg on 8th June.

Fixed Income in SE Asia

Monorail

Dubai Islamic Bank agreed to fund Indonesian capital's first monorail project, reported AFP on 16th February. The financing facility will be about USD 500 mn.

WAPDA

In Pakistan the first Water and Power Development Authority (WAPDA) Sukuk is launched about Rs 8 bn, with a green shoe option of Rs 8 bn. The issue is mature on 22nd October 2012. The certificates have been approved by the State Bank of Pakistan (SBP) as well as eligible instrument for Islamic banks to fit the Statutory Liquidity reserve, reported Daily Times on 12th February.

PLN	PT Perusahaan Listrik Negara (PLN) is supposed to issue this year USD 2.5 bn in global sukuk, reported Financial Times on 4 th June.
Bank Negara issues Sukuk Al Ijarah as monetary instrument	Bernama reported on 9 th February that Bank Negara, the Malaysian Central Bank, scheduled an issue of Rm 400 mn Malaysia Sukuk Ijarah with a one year tenure. This new monetary instrument is supposed to be issued on a regular basis from 3 months to 3 years, ranging from Rm 100 mn to Rm 200 mn, said Bank Negara in a statement. The structure is approved by the National Syariah Advisory Council based on Ijarah, a concept widely used in West Asia (GCC).
Indonesia Sovereign Sukuk obstacles	Phelim Kyne of Dow Jones discussed in an article the regulatory constraints of Indonesia in issuing a sovereign Sukuk. Afaq Khan, from Standard Chartered, said that Indonesia needs to undertake some legal changes before issuing a Sukuk, as it requires an underlying asset for the transaction multiple departments of the government are to be involved. In 2006 the Islamic banking assets of Indonesia shall reach a market share of 1.7 % compared to 1.42 % in 2005, appeared in Yahoo Singapore on 24 March.
	Wealth Management
DJ Islamic China	Dow Jones Indexes launched the Dow Jones Islamic Market China Offshore Index, which represents companies that have been screened for compliance with Islamic principles and whose primary operations are in mainland China but trade at the Hong Kong Stock Exchange, New York Stock Exchange, Nasdaq or American Stock Exchange. Stocks included in the index are H shares, red chips, ADR/ADS and Chinese stocks listed in the U.S., Dow Jones Indexes announced in a press release on 31 st May.
Algo Al-Qayyim Hedge Fund	Trevor Norman wrote in their company's newsletter JerseyBrief Spring 2006, about the Algo Al-Qayyim Fund, which is approved by the Jersey authorities and the Shariah Board of Yasaar Ltd. Citibank acts as Prime Broker. The hedge fund follows a total return strategy, while using a long/short strategy achieved with Arboun contracts, referring that the Salam contracts are no longer deemed acceptable for shares by AAOIFI standards.
Gabelli Shariah Merger-Arbitrage Fund	New York based Gabelli Asset Management aims to launch a Shariah compliant hedge fund, the "Gabelli Shariah Merger-Arbitrage Fund". Screening software is to be used from Shariah Capital. The fund shall require a USD 1 mn investment minimum, management fee is 1 % and performance fee 20 % with underlying manager's fees. The prime broker is Barclay's. Shariah Capital will have its own layer of fees to be determined, reported Elana Margulies in the Institutional Investor end of February.
CIMB: Trust and Islamic succession	CIMB Private Banking is going to offer trust and Islamic succession services, offering estate planning tools available under the Islamic law of succession, called wassiyah, sadakah, hibah, waqf, nazar, iqrar and trusts, reported The Edge Daily on 15 th May.
DIFX and FTSE Index family	Dubai International Financial Exchange (DIFX) signed an agreement with FTSE Group to create a family of indices, both conventional and Shariah compliant, announced the DIFX in a press release on 27 February.
Unicorn acquires Al Tajamouat	Unicorn Investment Bank (UIB) acquires 16,800,000 shares of the Al Tajamouat for Touristic Projects Plc, traded on the Jordan Stock Exchange, through a private placement of the upcoming capital raising of the company. It is Unicorn's first private equity transaction in the Levant, reported Ameinfo on 6 th April. Since inception UIB has now advised, structured and successfully placed deals with a total value in excess of USD 1 bn.
Tabarak Private Equity Korea	Tabarak advises on USD 100 mn Korean buy out fund, reported Haseeb Haider on 21 st May in Khaleej Times.
Fortis „Arabia Fund“	Fortis launched a Shariah compliant fund of fund, focussing on the countries of the Gulf Cooperation Council (GCC). The "Arabia Fund" is managed by Fortis Multi Management, according to a press release on 3 rd April.

EIB Balanced Fund	Emirates Islamic Bank launched the Emirates Islamic Balanced Fund, according to Ameinfo on 26 March. The compliant fund shall achieve long-term capital growth through investing in a range of asset classes. This may include Murabaha, fixed deposits, Sukuk, equities, property, international trade and finance and other opportunities. The fund will be managed predominantly on a fund of funds basis. Minimum investment is USD 25.000, the management fee is 1.5 % against the net asset value of the fund.
PIDF Malaysia	Public Mutual Bhd in Malaysia launched the Public Islamic Dividend Fund (PIDF), reported Bernama on 13rd February. The local bourses dividen yield is regarded as favourable to 12 month domestic fixed deposit rate of 3.7 %. The equity exposure should be kept by 75 to 90 % of its Net Asset Value.
AIAIhli Secured Trading Equity Fund	National Commercial Bank launched according to Ameinfo on 9 th February, the AIAIhli Secured Saudi Trading Equity Fund, a medium term, closed-end, Saudi Riyal denominated fund. The fund shall offer up to 100 % upward potential, by limiting the downside to 10 %, while investing in Saudi exchange, cash, Murabaha and Murabaha funds.
Al Islami Protected Note	Dubai Islamic Bank lauchned the Al Islami Capital Protected Note, investing in US, European and Japanese equities, with a maturity of 5 years, and capital protection at maturity, reported Gulf Daily News on 26 th May.
SAGIA, KSA VC Bank, Bahrain	The Saudi Arabian General Investment Authority, the Bahrain based Venture Capital Bank and Global Emerging Markets have signed a Memorandum of Understanding to establish and independent USD 100 mn venture capital investment company. The objective of the new company is to provide growth capital and late stage financing to venture capital opportunities and small and medium sized enterprises in Saudi-Arabia. The bank will invest a significant stake in the company and raise the remaining sum from strategic Saudi investors, high net worth individuals and corporate investors from other GCC countries.
Boubyan Ryada	Boubyan Bank and Ryada Capital lauchned Islamic Private Equity Fund for Gulf and Middle East regions, reported Ameinfo on 7 th February. The fund will be seed financed by 10 % each from its founding partners.
Alpha Investment	Alpha Investment, the real estate fund management arm of Keppel Land', has closed its Alpha Core Plus Real Estate Fund with a total of USD 720 mn, well above its initial target of USD 412 mn. After gearing the total asset size may reach USD 1.8 bn. The total investor commitment raised by Alpha have reached USD 1.6 bn. Alpha has also secured a mandate from a Middle Eastern investor to asset manage an existing portfolio in Asia valued at USD 250 mn, to be expanded to USD 500 mn by end 2007 with a target to reach USD 1.6 bn eventually, reported Channelnewasia on 27 March.
Emerging Market Partnerships	Emerging Market Partnerships, a Washington based private equity firm, plans to start an Islamic infrastructure fund with a volume of USD 500 mn to invest in Indonesia. The Managing Director and Chairman, Mumtaz Khan, aims to list the fund at the Dubai International Financial Exchange., reported Bloomberg on 22 nd March.
Abraaj Capital Deutsche Bank Ithmaar	Abraaj Capital, Deutsche Bank and Ithmaar Bank forming jointly the Shariah compliant "Infrastructure and Growth Capital Fund" were announced on 22 nd May in a press release during the World Economic Forum. The target IRR is 15 % p.a with a life time of 10 years. The fund will be managed by Abraaj Capital and co-sponsored by Ithmaar Bank and Deutsche Bank.

Siraj Capital Johor Corp	Siraj Capital Ltd. And Johor Corp. of Malaysia planning Shariah compliant funds together. One Real Estate Investment Trust (REIT) and on regional private equity fund, each USD 250 mn, reported Bahrain Tribune on 13rd February.
GFH Commercial Bank and ADIH	Gulf Finance House Commercial Bank and Abu Dhabi Investment House launched a Euro 144 mn offering, which will invest in residential properties in Germany, reported Gulf Daily News on 7 th March.
ADIB Burooj Real Estate	Abu Dhabi Islamic Bank created a new real estate company "Burooj Real Estate", with a paid up capital of Dh 500 mn, reported Ameinfo on 11 th February.
Aareal	Aareal Bank, Germany, financed 12 logistical centres in Sweden for about SEK 2.72 bn (ca. Euro 292 mn) with a Shariah compliant structure for Kuwait Finance House.
Al Dereah	The Jeddah based Al Dereah is planning to build an Islamic hotel in Dubai with 120 rooms, basement and eight floors including the ground floor. The hotel shall cost AED 70 mn to build, reported Arab News on 24 th February.
Shariah Board for Emaar	Emaar, the leading real estate developer from Dubai, appoints a 4-member Sharia Board to monitor that the company operations to be in compliance with Islamic jurisprudence reported Ameinfo on 25 February. The reknown scholars are Dr Hussain Hamid-Hassan, Dr. Mohamed Abdulhakim Za'air, Dr. Ajeel Jasem Al Nashmei and Dr. Abdul Rahman Al Atram.
Dana Gas applying Islamic law in operations	Middle East Times reported on 24 th February that Dana Gas, a major UAE gas provider, announced to conduct business in accordance with Islamic law. The announcement shall answer queries of financial institutions and investors from the region. The company will make all its treasury management, fund investment, depository and accounting decision according to Islamic requirements.
Salama German MunichRe	Takaful Salama launched Health Takaful in the UAE reported Ameinfo on 26 th February. It follows a landmark agreement with MedNet Group, a wholly owned subsidiary of the <i>German Munich Re</i> , one of the largest reinsurance groups of the world. MedNet will process all Salama's Health Takaful claims.
German Allianz Life Takaful	<i>German Allianz Group</i> , is introducing takaful products in Indonesia via "PT Asuransi Allianz Life". The product were developed because of client demand the CEO, Jens Reisch said. In 5 years time takaful share of their life insurance product range shall be 10 %. Allianz expects that 15 mn people in Indonesia will soon be able to afford insurance.
German FWU	The <i>German FWU AG</i> started the distribution of their Islamic life insurance product "Meethaq" developed with their local partner Dubai Islamic Insurance and Reinsurance Company (AMAN). Abu Dhabi Commercial Bank (ADCB) will be the main distributor, according to a press release on 17 th February. Additional local partners became the Eastern Federal Union, Pakistan sowie der Al Safat Takaful, Kuwait.
FWU German VHV	Further announcements were made in the same release regarding a joint-venture for an Islamic life insurance company between <i>FWU AG, Germany</i> with Al Ahli Takaful Company, Jeddah, National Commercial Bank, the private sector arm of the worldbank, IFC and the <i>German insurer VHV, Hanover</i> . Solidarity appointed Sameer Al Wazzan as CEO heading up both Family Takaful and General Takaful., reported Ameinfo on 2 April.
Solidarity Doha Insurance	Solidarity signed a memorandum with the Doha Insurance Company to distribute their Takaful products to the Qatari market, reported Ameinfo on 12 th February. On 7 th February Solidarity announced its cooperation for their takaful business with MAAH, which jointly received a license by the authorities. In Malaysia.

MAA
Solidarity

Malaysian MAA Holdings Bhd intends to hold 75 % of the Malaysian Joint-Venture with Solidarity. The company shall have a paid up share capital of RM 100 mn. MAA is one out of four recently awarded licenses, according to Yahoo on 21st February. Emirates Insurance Company (EIC) offers GCC nationals up to 49 % shares in their new formation of a USD 20 mn paid up capital Islamic Insurance company in Bahrain, reported Khaleej Times on 23rd February.

Aman

Dubai Islamic Insurance and Reinsurance Company (AMAN) were granted approval to increase its capital to AED 200 mn without any subscription fee.

HSBC Insurance

HSBC Insurance (Asia Pacific) Holding Ltd expects its joint-venture with Jerneh Asia Bhd and the Employees Provident Fund as a takaful operator to be profitable in 3 to 5 years, wrote Leon Hung Yee on 9th February The Star. The new company will be capitalised at RM 100 mn and operation is to start in the third quarter.

Best regards,

Michael Saleh Gassner

Please note our new business address in your files:

Michael Gassner Consultancy Ltd.
68 Lombard Street
London, EC3V 9LJ, United Kingdom

Phone +44 207 868 1717
Fax +44 207 868 1817