

IslamicFinance.de

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Michael Gassner
Consultancy Ltd.

Editorial

Dear Readers,

As salamu alaikum,

Substantial Sukuk activity is said to prevent bankers from holiday.

Beyond Sukuk a variety of wealth management products went live.

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Best regards wa salaams,

Michael Saleh Gassner

Islamic Finance in Minority Areas

British Islamic Insurance Holding, Qatar Islamic Bank, European Finance House, Dubai Investments, Islamic Bank of Asia, Canada mortgage preferences, Absa Islamic Bank, First Community Bank

Islamic Banking

Global Banking Corporation, Masrafy, Investment Dar, Dubai Bank, Sakana, Amlak, Dar Al Istithmar, BMB, Bosna Bank, Venture Capital Bank, IDB, ABN Amro, Qatar Islamic Bank, Al Salam Bank, Kuwait Finance House (Bahrain), International Investment Bank, Ewaan Capital, Gulf Finance House, Albaraka Türk, Standard Chartered, Dubai Islamic Bank, Kuwait Finance House, Central Bank Iran, Habib Bank, General Electric, Airbus, Dubai Financial Market, Indonesia, Eoncap, Kuwait Finance House (Malaysia)

Fixed Income (Sukuk, Syndication)

DP World, DIFC Investments, Saudi Electricity, Dana Gas, Dubai Aerospace, Egyptian Fertilisers, Dar Al Arkan, Thani Investments, Emirates Islamic Bank, Sokouk Exchange Centre, Adeem Investment Co., Qatar Real Estate Co., Salam Bounian Development Co., International Investment Group, Tamweel, Amlak, Dubai Islamic Pakistan, Emirates Global Islamic Bank, Wapda, Khazanah, Plus

Syndication: Commodity Murabaha Program, Amlak Finance, Aldar, Saudi Water, Sipchem

Wealth Management

BNP Paribas, Merrill Lynch, Ernst & Young, Bear Stearns, S&P, Diapson, GFH, EIB, DIB, Witter, Nur Advisors, Forsyth Partners, Corecap, Capital Management House, Ekttabtab, Shamil Bank, Parsoli, Khaleej Finance and Investment, Bank Melli Iran, UK Property, India Property, Naeem Holding, Siraj Capital, Ascendas, Atlas Partners, HDG Mansur, International Investment Bank, Abu Dhabi Investment House, Dubai Islamic Bank, Bursa Malaysia

Takaful

National Bank of Dubai, Salama, Doha Takaful, Prudential, Ta'awuni, Takaful Malaysia

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Dear Reader,British Islamic
Insurance Holdings

British Islamic Insurance Holdings (BIIH) via its general insurance subsidiary has submitted a formal application and business plan to the UK Financial Services Authority (FSA) for authorisation and hopes to start business next year. Gulf Venture Corporation, Bahrain has worked for the creation of the company with a number of consulting firms, like Ernst & Young, KPMG in UK and Mercer Management Consultants provided Takaful advisory services. Norton Rose provided legal advice and GVC worked with EMB Consultancy for the actuarial advice. Following the formation of the company GBP 19 mn was raised from institutional and private investors in the Gulf who subscribed for shares in a Private Placement in summer 2006. BIIH targets the UK Muslim market as first takaful provider. A UK survey conducted by BIIH indicated a strong preference for Islamic solutions, while 50 % of UK Muslims responded that they are “extremely likely” or “very likely” to buy Motor takaful under comparable terms, and a further 26 % said they would “fairly likely” buy Motor takaful. The corresponding figures for household takaful were 46 % and 28 % respectively, reported Gulf Daily News on 11 June. The board announced on 18 June that Bradley Brandon-Cross has been appointed as its CEO. Mr Brandon-Cross co-founded Rubicon, an insurance service provider and worked before for GE Insurance.

European Finance
House

Qatar Islamic Bank will set up European Finance House in London with authorised capital of GBP 50 mn and applied to the regulator FSA. European Finance House will be an investment boutique targeting Islamic financial institutions, reported Gulf Times on 16 May.

Islamic Bank of Asia

Dubai Investments acquired 5 % stake in the newly established Islamic Bank of Asia in Singapore. The deal shall be worth more than USD 25 mn, was released via Ameinfo on 19 May.

Canada Mortgages

Carrie Tait at Financial Post on 23 May cites estimations that in Canada at least one third of Muslims are willing to pay more for their mortgages if they comply with their religious beliefs. Currently an Islamic mortgage is priced 100 to 300 basis points more expensive than a conventional one, while in the US the pricing is about 40 to 100 basis points higher, cites the paper Rehan Huda from Amana Canada Holdings. Amana is in the process of applying for a Canadian bank license.

Africa

Managing Director Ahmed Moola of Absa Islamic Bank, considers to tap the 400 mn Muslims living on the African continent. Currently it operates in South-Africa and is launching its corporate and business bank offering in July, reported Sunday Times South Africa on 21 May.

Kenya

The First Community Bank Limited in Kenya secured approval from the Ministry of Finance and the Central Bank of Kenya. Other banks offering Islamic financial services include Kenya Commercial Bank and Barclays Bank of Kenya, reported Timesnews on 4 June.

Islamic Banking in GCC

GBCORP

Global Banking Corporation (GBCORP) with a paid up capital of USD 250 mn and an authorised share capital of USD 500 mn will be set up in Bahrain. The investment bank shall focus on real estate and infrastructure, reported Digby Lidstone in Gulf Daily News on 27 June.

Masrafy

The CEO of Abu Dhabi Investment House, Rashad Janahi said that the first women bank, Masrafy, will be set up soon in the light of preliminary approval by the central bank. The bank will be run by women experts for women, reported Bahrain Tribune on 17 June.

Jinvestment Dar

Investment Dar is selling its stake in Al Madar Finance and Investment Co to Stehwaz Holding Co for 99.1 mn dinars. The company aims to raise its stake in Boubyan Bank to 20 % after receiving central bank approval, reported Arabianbusiness on 21 June.

Dubai Bank	Dubai Bank is planning to buy a financial institution in a Gulf Arab country during the next 12 months, Khaleej Times cites MEED on 11 June. This may either be an Islamic institution or a conventional to be converted.
Sakana	Sakana Holistic Housing Solutions in Bahrain the board of directors decided to double the authorised capital from BD 10 mn to BD 20 mn as well as increasing the paid up capital from BD 5 mn to BD 12.5 mn to provide support to the increasing market demand for mortgage products, reported Bahrain Tribune on 29 May.
Amlak	Amlak Finance is considering entering the mortgage market in Morocco and held talks with the Central Bank there, reported Khaleej Times on 22 May; it also looks towards Syria, Pakistan and Turkey.
Dar Al Istithmar BMB	The consulting and product design team of Dar Al Istithmar, a majority held subsidiary of Deutsche Bank, left for a new entity of BMB Group, BMB Islamic. The BMB Group is an offshore company in Brunei doing Islamic asset management and financial advisory was released on 25 June. BMB intends to established a significant local presence in Saudi-Arabia, UAE and Malaysia.
Bosnia	Amer Bukvic, CEO of Bosna Bank International invited Malaysian banks to venture into his country, reported The Star Malaysia on 23 June.
VC Bank, Morocco	Venture Capital Bank and its partners in Kuwait (Real Estate Commercial Company, Al Burooj Real Estate Investments, Al Khaleeji Investment House and Ayaan Leasing and Investment) have completed the establishment of Mozon Investment Holding Company in Morocco with a paid up capital of USD 20 mn, reported Gulf Daily News on 20 June.
IDB	The Islamic Development Bank (IDB) is going to launch a USD 1.4 bn Poverty Reduction Fund targeting 20 Muslim nations, reported Gulf Times on 26 May, receiving initial donations of USD 1 bn from Saudi-Arabia, USD 300 mn from Kuwait and USD 100 mn from Iran.
ABN	ABN Amro plans to align its business in Asia with the Middle East, because of the increasing trade volume between the two regions, reported Gulf News on 7 May.
QIB	Qatar Islamic Bank and Qatar Islamic Insurance are planning to enter the Pakistani market, reported Gulf Times on 2 June.
KFH (Bahrain)	Kuwait Finance House (Bahrain) has announced plans to set up a USD 50 mn investment bank in Jordan. The entity shall target the tourism sector and hotel investments in particular, reported Gulf Daily News on 21 May.
Al Salam Bank	Al Salam Bank has announced the establishment of a new real estate development company, NS Holding. The new company will focus on the management and development of a real estate project in north of the Seef district, reported Gulf Daily news on 21 May.
IIB - Ewaan	International Investment Bank announced to launch an asset management company in Saudi-Arabia in partnership with the Islamic Corporation for the Development of the Private Sector and other strategic partners. The firm is named Ewaan Capital with an authorised capital of SAR 50 mn, offering capital market activities, fund management, investment banking and advisory services. The shareholder base includes the Saudi Company for Economic and Development (SEDCO), Aseambankers Malaysia Berhad, the investment bank of the Maybank Group and Ewaan International Housing Company, reported Gulf Daily News.
GFH	Gulf Finance House is going to list 100 mn shares at the London Stock Exchange, reported Reuters on 1 June.
Albaraka Türk	Albaraka Türk expects to raise USD 150 to 170 mn from its Initial Public Offering of just over 20 % of the bank, cites Gulf Daily News on 20 June the General Manager Adnan Büyükdenez. The IPO will strengthen the bank's capital structure.
Standard Chartered	Standard Chartered's Islamic finance business grows double the speed than their conventional business, said the regional CEO for Mena, Shayne Nelson. The bank has Islamic operations in UAE, Pakistan, Bangladesh, Indonesia and Malaysia and seeks to expand to more countries, reported The Star Malaysia on 29 May.

Dubai Islamic	Fitch Ratings affirmed its Support rating at '1' of Dubai Islamic Bank, which reflects the satisfactory profitability and the extremely high probability that it would be supported by the UAE authorities should the need arise, was released on 19 June via Ameinfo.
KFH	Kuwait Finance House considers expansion into the GCC, and considers to apply for licenses in Saudi-Arabia and Qatar. Priority is organic growth according to Mohammad Al-Omar, the General Manager, reported Arabianbusiness on 19 June.
Iran	The Iranian central bank said that twelve applications of European, Asian and Gulf banks exist to open a branch in Teheran, Karina Robinson cited the Vice-Gouverneur Mohammad Jafar Mojarrad. The institutions can also participate in the privatisation of 4 state owned banks to receive a minority stake. The transactions would have a volume of USD 30 bn. A number of banks cancelled relationships to Iran because of US pressure, said the Financial Times, German edition on 23 June.
Habib Bank	Habib Bank Limited, Pakistan is going to establish an Islamic subsidiary, reported The News Pakistan on 12 June.
GE	General Electric expects high growth in the Middle East. The US company is in talks with potential partners about entering the Islamic finance business, reported Reuters on 20 June.
Airbus	Airbus, the European plane maker, is in talks with Investment Dar to create a joint venture to finance aircrafts Islamically, reported Reuters on 23 June.
DFM	The Dubai Financial Market's (DFM) Sharia Board is working on setting standards to classify listed companies in terms of Sharia compliance and accounting practices, reported Lynne Roberts on 25 June in Arabianbusiness.

Asia

Indonesia	The House of Representatives in Indonesia is currently finalising its Sharia banking bill, which will provide a legal basis for the industry. A Sharia banking commission will be responsible to handing fatwa on Sharia products and services. The National Sharia Council, which was established by the Indonesian Ulema Council to oversee the activities of Sharia banks, opposed that concept as being overlapping with their work. The central bank as regulator, however, claims that fatwas of the National Sharia Council have no basis in civil law, reported Jakarta Post on 29 June.
EonCap	EONCap Islamic Bank, a wholly owned subsidiary of EON Bank Bhd, grew 5 % up to April this year and expects to grow faster. It donated to the Fisabilillah Trust Fund of the International Centre for Education. The bank is focused on retail and consumer banking, wrote Hamisah Hamid in Business Times Malaysia on 31 May.
KFH (Malaysia)	Kuwait Finance House (Malaysia) is no longer looking at acquisition, specifically at RHB Capital Bhd and will concentrate on its organic expansion strategy in Malaysia with a higher number of branches. For 2007 there are at least five new branches planned for the next four years about 40 to 50. These branches shall provide financing facilities for the small and medium enterprises (SMEs) by this year, reported Business Times Malaysia on 30 May.

Fixed Income

Sukuk climate	Arabianbusiness reported on 27 June that deal closures of Sukuk prevents summer holidays of many bankers. The volume increased significantly and deals shall be closed before Ramadan starting mid September.
DP World	DP World has narrowed its price guidance on its 10 year Sukuk to 115 basis points over US Treasuries maturing in May 2017. The Sukuk will raise a total of USD 3 bn and bookrunners are Barclays Capital, Citigroup, Deutsche Bank, Dubai Islamic Bank and Lehman Brothers reported Arabianbusiness on 21 June.
DIFC Investments	DIFC Investments LLC listed their USD 1.25 bn Sukuk on the DIFC. The Sukuk was subscribed by 47 % from European investors, 33 % to the Middle East investors and 20 % to Asian investors. DIFC Investments 5 year Al Mudaraba Sukuk received ratings of "A1" from Moody's and "A+" from Standard & Poor's. DIFC Investments is the investment arm of the Dubai International Financial Centre and also the sole shareholder of the DIFX Exchange, reported Khaleej Times on 19 June.

Saudi Electricity	Saudi Electricity starts presentations to raise SAR 2 bn via a 5 year Sukuk. Lead manager is HSBC and sole bookrunner. The Saudi Capital Market Authority gave the firm permission to raise up to SAR 5 bn in bonds, reported Gulf Daily News
Dana Gas	Dana Gas aims to sell at least Dh 3.67 bn (USD 1 bn) convertible Sukuk to put n place a more efficient capital structure. Dana Gas received approval from the UAE Securities and Commodities Authority. The issue shall have a 5 year maturity. The lead manager is not yet appointed, reported Khaleej Times on 6 June.
Dubai Aerospace	Dubai Aerospace Enterprise Ltd plans to sell Sukuk to finance expansion Arabianbusiness cites MEED on 11 June.
Egyptian Fertilisers	Egyptian Fertiliser Co. (EFC) will raise USD 1.25 bn in total and considers a USD 400 mn five to ten year Sukuk and borrow the remaining sum from banks, reported Khaleej Times on 4 June.
Dar Al Arkan	Dar Al Arkan listed its USD 600 mn Sukuk on the DIFX. The Sukuk is a 3-year Ijara issue and sold to investors in Europe, SE Asia and the Middle East. Financial Advisers were ABC Islamic Bank, Standard Bank, Arab National Bank, Unicorn Investment Bank and WestLB, reported Arabianbusiness on 28 May.
Thani Investments	According to Gulf Daily News on 30 May, Dubai-based Thani Investments plans to sell USD 100 mn Sukuk in June. Emirates Islamic Bank and Liquidity Management Centre have been mandated to arrange the 5-year issue. It will be priced at 2.5 % over 6-month Libor. Moody's rated the Sukuk A1, while S&P assigned an A/A-1 rating. EIB and Standard Chartered Bank are co-managing the USD Sukuk, reported Reuters on 12 June.
EIB	Emirates Islamic Bank priced its USD 350 mn Sukuki 30 basis points above LIBOR. The issue raised more than USD 500 mn, with 34 % from European investors 38 % from Asia Pacific region.
DIFC Sukuk	S&P assigned an A+ a preliminary A+ rating for the Sukuk of the DIFC. Although there is no explicit guarantee on DIFC debt by the Government, the strategic and symbolic importance lead S&P to conclude that the Government could and would intervene if DIFC Investments LLC were to face financial difficulties., published S&P in a press release on 29 May. Khaleejtimes reported on 27 May, that Deutsche Bank and Goldman Sachs are hired to arrange the issue. DIFC Investments, a unit of the DIFC bought 2.2 % of Deutsche Bank in May.
Sokouk Exchange Centre	The Sokouk Exchange Centre (Tadawul) has been licensed in Bahrain with an authorised capital USD 500 mn and a paid up capital of USD 300 mn. Main shareholder is the International Islamic Company in Kuwait with 35 %. Other investors comprise the Kuwait Investment Company, Qatar Islamic Bank and ICB, a subsidiary of the Islamic Development Bank, reported Gulf Daily News on 28 May.
Adeem	Kuwait's Adeem Investment Co. aims to raise USD 210 mn convertible Sukuk, into fund units for hotels and resorts. Also USD 140 mn will be raised via ordinary fund units. The 10-year Sukuk will pay a 5 % annual return, and can be converted after 2 years, reported Arabianbusiness on 28 May
Qatar Real Estate	Qatar Real Estate Investment Co. sold USD 70 mn Sukuk, 1.2 % above 3-month Libor. QNB, Dubai Islamic Bank, Gulf International Bank and Standard Chartered
Salam Bounian	Qatar property developer Salam Bounian Development Co., a unit of Salam International, will sell a 10 year Sukuk this year to raise USD 150 mn. Initial price guidance on the Sukuk is 190 basis points over the 6 month LIBOR for the first five years and 310 for the next five years, Selim Chami, head of structuring at Qatar Islamic Bank told Reuters. Qatar Islamic Bank is managing the sale with Qatar National Bank and Commercial Bank of Qatar. The issue will be sold by September and may be listed in Bahrain or on the DIFX, reported Arabianbusiness on 21 June.
Etihad	
Kuwait - Legal	Kuwait considers a legal framework for the issuance of Sukuk to enable Islamic financial institutions to use them, reported Dylan Bowman on Arabianbusiness on 21 May.

- IIG International Investment Group (IIG, Kuwait) is planning to sell a 5-year convertible Sukuk sized USD 150 mn, reported Khaleej Times on 11 May. The Sukuk was increased to USD 200 mn and listed on the DIFX reported Khaleej Times on 15 June. Barclays Capital was the sole lead manager and sole bookrunner of the issue.
- Tamweel Tamweel, the Islamic mortgage company, announced it would enter into a USD 220 mn asset-backed issuance of notes with a tiered, multi-class structure, the senior notes are expected to reach ratings like Aa2 by Moody's and AA by Fitch. Structuring finance house will be the Emirates National Securitisation Corporation in Dubai, Morgan Stanley will be the joint manager, joint book runner and provider of hedging solutions and Standard Chartered Bank will be a joint manager, joint book runner and provider of a liquidity facility for this transaction, reported Gulf News on 19 June.
- Amlak Amlak plans to sell Sukuk of about USD 272 mn to finance expansion and long term finance. Emirates National Bonds and Finance is advising Amlak on the sale, which is still to receive regulatory approval, reported Ameinfo on 9 June.

Syndication

- CMP Bank Negara Malaysia, together with the Securities Commission Malaysia and Bursa Malaysia and industry players launched the Commodity Murabaha Program (CMP), which will act as a liquidity management scheme for Islamic bank overnight and short-term deposits, using crude palm oil as the underlying commodity traded for investment. Bank Negara has executed CMP master agreement with 8 Islamic banking institutions to promote the use of the instruments for liquidity management. The instrument shall not avoid the leakage of Murabaha funds to conventional activities like US treasuries and non-Sharia compliant investment products.
- Amlak/EIB Emirates Islamic Bank provides Amlak Finance with a one year, USD 218 mn Wakala Facility (Dh 800 mn) reported Arabianbusiness on 21 June.
- Aldar Aldar received a mixed syndicated facility, comprised of a conventional secured term loan and Islamic Ijara facilities with a total of USD 2.1 bn from bookrunners Morgan Stanley and Dubai Islamic Bank. The facility will be used to finance the infrastructure of Al Raha Beach to be developed by Aldar along 8.5 km of natural beachfront within the emirate of Abu Dhabi. Morgan Stanley, Abu Dhabi Commercial Bank, Dubai Islamic Bank, National Bank of Abu Dhabi and First Gulf Bank are Mandated Lead Arrangers and have fully underwritten the facilities, reported Khaleej Times on 7 June.
- Saudi Water Saudi water and power plant secured USD 3.44 bn project finance via a syndicate of 29 international, regional and Saudi banks. The Marafiq IWPP is a 23 year build, own, operate, transfer contract for a power station and large water desalination facility. The combined conventional and Islamic financing provided 80 % of the funds for the project, and constitutes the largest ever project finance in the power sector. The financing is in five tranches, including an Islamic Ijara facility of USD 600 mn, provided by 3 Saudi banks: Riyad Bank, Al Rajhi Banking and Investment Corporation and National Commercial Bank, reported Gulf News on 22 June.
- Sipchem Saudi International Petrochemical Company (Sipchem) has signed a SR 2 bn Ijara facility with 5 regional banks for supporting Sipchem's new project developments, reported Plastemart on 12 June.
- Kuwait Airways Kuwait Airways plans to buy 12 Boeing and 7 Airbus planes from Kuwait's Aviation and Lease and Finance Co. (Alafco) for about USD 3 bn, reported Gulf News on 5 June.
- Awal Bank Abu Dhabi Islamic Bank (ADIB), Fortis and Gulf International Bank arranged a USD 300 mn Syndicated Wakala restricted with Commodity Murabaha Financing Facility for Awal Bank. ADIB, Calyon and Fortis are the bookrunners, Calyon will act as agent in connection with the facility. Proceeds of the Facility will be used to finance the Purchaser's Islamic trade finance activities. The Initial Mandated Lead Arrangers were joined ahead of general syndication by Natixis, Hypobank and Doha Bank. The maturity of the Facility is 3 years, profit margin of 6 month LIBOR + 0.95 %; tickets for Mandated Lead Arranger – USD 20 mn, Arranger USD 10 mn and Senior Lead Manager – USD 5 mn. Awal Bank is a strategic element of the Saad Group of Companies, was released via Ameinfo on 18 June.
- Bahrain Islamic Bahrain Islamic Bank signed a BD 6.13 mn Ijara wa Iqtina agreement with Falcon Cement Company in Bahrain. Khaleej Finance and Investment (KFI) is the arranger and promoter of the project, reported Gulf Daily News on 28 May.

Asia

DIB Pakistan

Dubai Islamic Bank Pakistan Ltd will extend USD 35 mn to Orient Petroleum International Inc. as Syndicated Musharaka Facility. Other Musharaka partners include Dubai Islamic Bank, Dubai, United Bank Limited (Co-Arrangers), Habib Bank Limited and Muslim Commercial Bank Limited. The Bank of Punjab was also involved in the deal, reported app.com.pk on 25 May. It is the first private sector oil deal on proven reserves using a Salam facility in a Musharaka syndication.

EGIBL

Emirates Global Islamic Bank Limited (EGIBL) will act as financial advisor to arrange the Rs 2 bn Sukuk for National Industrial Parks (NIP) Development and Management Company (NIP) EGIBL arranges a 2-tier finance, a bridge Murabaha facility with subsequent issue of Sukuk guaranteed by the Government of Pakistan, which will be eligible for Statutory Liquidity Reserve (SLR) for Islamic financial institutions, reported Khaleej Times 24 May.

Wapda

The Water and Power Development Authority (Wapda) aims to issue a 10-year domestic Sukuk about Rs 8 bn. Arrangers shall be Dubai Islamic Bank, National Bank of Pakistan and Standard Chartered Bank (Pakistan). The Sukuk will be priced at 25 basis points below the 6-month Kibor (Karachi Interbank Offered Rate). Proceeds shall be used to fund development projects and other financing needs of the power utility, reported Gulf Times on 11 May.

Khazanah

Khazanah Nasional, Malaysia may use shares of toll-road operator PLUS Expressways as the underlying stock for a planned exchangeable Sukuk, also shares of other government linked companies are taken into consideration. The issue shall be likely above USD 500 mn. The government plans to overhaul state linked firms and orderly sell down of government holdings to attract foreign investors, wrote Daily Times Pakistan on 26 May.

PLUS

PLUS aims to raise RM 3 bn via long-term papers and Islamic bonds in the coming months to fund its Indonesia venture and pay for two recently acquired highways. RM 866 mn would be via Sukuk, reported The Star on 18 June.

Islamic Wealth Management

BNP

BNP Paribas Asset Management seeks to launch Sharia compliant fixed income products, told Vincent Camerlynck Thomson Investment Management News on 13 June.

Statistics

Merrill Lynch

Merrill Lynch gave figures about the number of high net worth individuals owning at least USD 1 mn: In the UAE the figure rose by 12 % to almost 60,000 in 2005, while the number in Saudi increased by 13.5 % to just over 80,000. The combined assets of the region shall stay USD 1.23 trillion, an increase of 20 % on the previous year reported Arabianbusiness on 21 June.

Ernst & Young	<p>Ernst & Young issued the Islamic Funds & Investments Report; saying that though the number of Islamic funds available is on the rise, a half of them were relatively small with less than USD 50 mn in assets under management. There is a lack of fixed income instruments and alternative investment will raise. The investment portfolios in the region will more resemble Western portfolio allocations in the future. Middle East institutional investments are said to increase by a CAGR of 28 % to USD 101 bn by 2010 from USD 29 bn in 2005. In the case of the rest of the world the growth rate will be lower at 19 %, leading to USD 871 bn compared to 361 bn in 2005, reported Santosh V Perumal in Gulf Times on 18 June.</p> <p><i>New Player</i></p>
Bear Stearns	<p>Bear Stearns partnered with Zad Investment, which is managing the family investments of Prince Mishaal Bin Abdullah Bin Turki Al-Saud. Bear Stearns Arabia Asset Management will target wealth clients and institutions with conventional and Islamic offerings, reported Aaron Siegel in Investment News on 5 June.</p>
S&P BRIC	<p>S&P starts new BRIC, Brazil, Russia, India and China Index, the S&P BRIC Shariah Index, reported livemint on 24 May.</p> <p><i>Alternative Investments</i></p>
Diapson	<p>Diapason Commodities Management aims to raise USD 400 mn for its London listed Sharia compliant fund to invest in gemstones, buying only large polished diamonds worth more than USD 1 mn. The fund will have an annual fee of 2 % and is chaired by Rupert Cottrell, Chairman of the property fund Dawnay Day Carpathian. UBS is bookrunner for the offer, as well as providing security for the investments, reported Financial Times on 18 June.</p>
GFH / ADIH Oil	<p>Gulf Finance House (lead manager) & Abu Dhabi Investment House (co-manager) launch two Crude Oil Investment Funds. GFH and ADIH will act as investment managers and placement agents. HETCO Advisory Services UK has advised on the structuring and will provide market research. Enhanced Oil Fund I should realised a total return of 20 % in 24 months with 90 % capital preservation and Enhanced Oil Fund II 40 % without capital preservation.</p>
EIB – Hedge Fund	<p>Emirates Islamic Bank launched an Alternative Strategies Fund open to institutional and retail investors, which will seek absolute returns. The Sharia compliant hedge fund is registered in Jersey, was released via Ameinfo on 23 June.</p>
DIB Hedge note	<p>Dubai Islamic Bank offers a 5-year capital protected note, benchmarked against the performance of a hedge fund index, tracking the performance of funds managed by Goldman Sachs Asset Management without investing directly in the funds. The note is offered in partnership with Deutsche Bank and Goldman Sachs Asset Management, reported Dylan Bowman in Arabianbusiness on 12 June.</p>
Witter Hedge Fund	<p>Witter Family Office prepares in a joint venture with Shariah Capital a Sharia compliant long/short fund utilizing Shariah Capital's screens and "short-selling" strategies. Witter plans to launch an Islamic version of its Penfield Partners Fund, a long/short strategy equity hedge fund, and Witter Small Cap Growth Fund, a long only mutual fund. Further a Sharia compliant real estate fund is planned focused on residential and commercial properties located in high growth cities in the Western US.</p>
BNP Hedge Fund	<p>BNP Paribas aims to launch an Islamic hedge fund, told the regional head Tariq Al Samahiji Mark Summers of Gulf Daily News on 16 June. The exact asset class and strategy was not yet revealed.</p> <p><i>Equity</i></p>
Nur	<p>Nur Advisors, USA is working on a micro Islamic venture fund, which intends to direct investment initially to up-and-coming businesses in Pakistan and Egypt. The two funds shall initially be created with USD 500,000 to USD 1 mn each, the company will place about USD 200.000 to USD 300.000 into the Pakistan fund and has also received expressions of interest from around 15 Muslim and non-Muslim high net worth individuals in the US to contribute, reported Gulf Times on 28 June.</p>

Forsyth	Forsyth Partners adds Islamic fund category for their rating services, was released on 27 May.
Corecap	Corecap announced the launch of the USD 150 mn Corecap Islamic Private Equity Fund. The fund will acquire majority stakes in stable and mature businesses through funding growth capital, MBOs, MBIs, LBOs and recapitalisations even with mezzanine capital. Board members include the former minister of economy and commerce in Qatar, Shaikh Mohamed bin Jassem Al Thani, Vice-Chairman Rohit Walia, CEO and Managing Director of Bank Sarasin-Alpen (ME) and Alpen Capital (ME) and Khaled Hassan Rashed and Managing Director Omar Adel El Magharwry representing Core Patners and investment management firm, reported Khaleej Times on 22 May.
CMH Enterprise	The law firm Dechert released via TheLawyer.com on 21 May their role as lead adviser for the CMH Enterprise Fund, for the Bahraini bank Capital Management House. The fund plans to invest in manufacturing, utility, energy, healthcare, services, and technology-related companies.
Ekttabtab	Ekttabtab aimed to raise KD 42.6 mn (USD 148 mn) in order to buy Initial Public Offerings or Private Equity deals in the Middle East, which are Sharia compliant. The company was formerly known as Kazma Holding and is selling 61.7 % of its capital in a Private Placement. Global Investment House sold Ekttabtab for around KD 9,5 mn in March to investment firm Al Madina for Finance and Investment, which is now lead manager of the offering, reported Khaleej Times on 11 June.
Shamil Bank	Shamil Bank launches a 100 % capital protected 3 year Islamic fund, called Shamil Navigator Modaraba, which invests into a basket of global equities and commodities. The investors receives at maturity the capital plus the better performance of the two profiles, reported Arabianbusiness on 30 May.
Parsoli	Parsoli starts its First India Islamic Fund with a corpus amount of USD 30 mn Euros funded by Germany based Baader Service Bank, reported Expressindia on 19 May.
KFI, KIC, KFH	Khaleej Finance and Investment, Bahrain, Kuwait Investment Company and Kuwait Finance House signed a partnership agreement to promote a Sharia compliant USD 200 mn Indian private equity fund, reported dpa on 17 June.
Bank Melli Iran	Bank Melli Iran plans to launch a fund of up to Euro 300 mn to invest in Teheran's Stock Exchange, providing the first chance for foreigners to invest. "The First Persian Equities Fund" should have already verbal commitments of Euro 100 mn. The Teheran Exchange has low valuations. The fund is registered in Cayman Island, reported Financial Times on 23 June.
	<i>Real Estate</i>
UK Property	Middle East investors have Dh 65 bn (GBP 8.9 bn) in UK properties invested, against GBP 3.34 bn in 2001, according to data of DTZ, the international property consultant. The average lot size is GBP 59 mn. Nick Edmones, from the law firm Trowers & Hamlins noticed a change in strategy away from passive investments to more risky development type of property investments. They prefer commercial and very high end residential property, with a good overall return rather than a focus on income. The number of Shariah compliant deals is increasing, reported Khaleej Times 20 June.
India Property	Realty investment by Mideat investors reached the USD 35 bn watermark in India. The yield for properties shall be between 15 % to 18 %. Among the players in the market are Emaar, reported Economic Times of India on 16 June.
Naeem/Siraj	Naeem Holding and Siraj Capital launched Rahala a USD 500 mn regional hospitality investment company. It will invest in 3-5 star hotels of international brands and develop a Sharia compliant 5 star brand with Kempinski. Rahala was supported by SAGIA, was released on 20 June.
Ascendas	Ascendas launched its USD 500 mn development fund for India regarding IT business parks. Current investors in the fund include Arcapita and ING Private Banking, reported Daryl Loo from Channel NewsAsia on 13 June.
Atlas Partners	Atlas Partners Japan works on Sharia compliant Japanese real estate investment project for a Middle East client, reported Daniel Stantion in Arabianbusiness on 7 June.

HDG Mansur	HDG Mansur plans to list the first Sharia compliant real estate company, "Al Umran Global Property Fund" on an international exchange in early July, raising at least USD 400 mn. The Fund was expected to have assets of between USD 1.2 bn and USD 2 bn, when it lists on the Dubai and London exchange, and it had set a target dividend of 5.75 to 6.00 % per year. Deutsche Bank has been appointed as global co-ordinator and bookrunner for the deal, reported Reuters on 4 June.
IIB Abu Abu Dhabi	International Investment Bank launched the USD 65 mn IIB-Abu Dhabi Properties 1 fund. The fund will be 66.67 % owned by IIB and the remaining 33.3 % owned by United Friends Company (UFC). It will purchase two plots of land at Danet Abu Dhabi, develop it into a mixed use 21 storey twin tower building, letting it and sell it off. Anticipated return shall be 24 %.
Porta Reef	Abu Dhabi Investment House (ADIH) launched the Porta Reef Investment Fund. Reef Island is man made island at the coast of the Bahraini capital Manama, reported Menareport on 17 June. The total cost of the project is USD 90 mn.
DIB	Dubai Islamic Bank launched a 5-year, USD 47 mn US Retail Real Estate Fund. Anticipated yield is 8.25 %, investment manager is Investcorp, reported Gulf News on 30 May.
Bursa Malaysia	Bursa Malaysia, the stock exchange, introduced a tradeable Islamic index, the FTSE Bursa Malaysia Hijrah Shariah Index, is the fourth tradeable index jointly created by Bursa and FTSE Group, reported Reuters on 21 May.
	Takaful
NBD	The National Bank of Dubai partnered with Dubai Islamic Insurance and Reinsurance Company (Aman) and FWU AG to launch the NBD Takaful and Savings Programme, which is a saving plan with takaful benefits to meet planning needs associated with children's education, retirement, life and accident protection, long-term capital appreciation and general savings, reported Gulf News on 6 June.
Salama	The Saudi IAIC for Cooperative Insurance (Salama) started trading on the Saudi Stock Exchange, and was instantly on the first day the top traded stock in volume and value, was released on 19 June via Ameinfo.
Doha Takaful	Doha Insurance plans takaful branch, reported Gulf Times on 12 June, named Doha Takaful.
Prudential	Britain's second largest insurer Prudential made its first step into Saudi-Arabia and signed a Memorandum of Understanding with Bank Al Jazira, whereby the UK insurer will take a 39 % in a new venture that will buy Bank Al Jazira's existing Takaful Ta'awuni life insurance business. The venture, in which Prudential will be the largest shareholder, and is going to be listed on the Saudi Stock Exchange, reported Gulf News on 7 June.
Takaful Malaysia	Syariat Takaful Malaysia Berhad (Takaful Malaysia) was assigned a Sharia Quality Rating of AA by the Bahrain based Islamic International Rating Agency (IIRA). The rating reflects IIRA's opinion that Takaful Malaysia conforms to a high level of standards of Sharia requirements, reported Gulf Daily News on 29 May.



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The advertisement graphic features a background of a blue sky with white clouds and a dark blue sea at the bottom. A large, white, curved shape, resembling a sail or a stylized 'S', is overlaid on the background. The text is arranged within and around this shape. At the top right, the website address "www.sanadfund.com" is displayed. Below it, five bullet points list the fund's features. At the bottom, the fund's name "SANAD SUKUK FUND" is written in large, bold, blue letters, with the tagline "The innovative approach to Islamic investment" in a smaller, italicized font below it.

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