

## MALAYSIA

### Al-Aqar's Sukuk program

Aminvestment Bank has been appointed lead arranger and principal adviser for the issuance of RM300 million (US\$88.9 million) in nominal value for the Al-Aqar KPJ REIT's Sukuk Ijarah program. Al-Aqar KPJ REIT is a Malaysian-based unit trust owning and investing in Shariah compliant real estate and assets used for commercial purposes.

The program will finance the acquisition of the five new hospitals, and others in prime areas, and aims to enhance the overall profile of Al-Aqar's portfolio and lower its overall funding costs to improve its distribution yield to unit holders.

The Sukuk Ijarah program has a tenure of seven years and provides flexibility to the funding vehicle of Al-Aqar KPJ REIT, Al-Aqar Capital, to issue up to RM285 million (US\$84.45 million) in Islamic medium-term notes and up to RM15 million (US\$4.44 million) in Islamic commercial papers. ☺

## UAE

### Noor's acquisition targets

Dubai's Noor Islamic Bank, which is 50%-owned by the Dubai government, is planning to acquire banks in Europe and Asia next year. The bank has a capital of US\$1.1 billion, and will become the UAE's fifth Shariah compliant lender when it commences operations on the 2<sup>nd</sup> January 2008.

CEO Hussain al-Qemzi said Noor will use the capital for its initial investments, before mulling an IPO in the next three years. ☺

## JAPAN/SAUDI ARABIA

### Aramco and Sumitomo seek growth

Saudi Aramco and Japan's Sumitomo Chemical are in talks to expand their US\$10 billion joint venture (JV) in the development of a large, integrated refining and petrochemical complex in the Red Sea town of Rabigh, Saudi Arabia. The 50:50 JV was inked in early 2005. Sources say both firms are in "serious discussions" to expand the petrochemical complex, which is expected to start commercial operations in 4Q 2008.

The companies, which are planning to sell shares in the JV to the public next year, are also looking to add new product lines to the complex. ☺

## UAE

### National Bonds, DIB link up

National Bonds, the Shariah compliant national savings scheme of the UAE, will be available from across all 45 branches of Dubai Islamic Bank (DIB), bringing the total number of outlets for purchasing bonds to 265 in the UAE.

Through its partnership with DIB, National Bonds seeks to extend its offerings to a wider audience by increasing the number of distribution outlets in the country. In due course, National Bonds will roll out other products specific to DIB's customer segments. ☺

## BAHRAIN

### BIsB on the defense

Bahrain Islamic Bank (BIsB) is planning a US\$1 billion acquisition in 2008, and expects to raise the capital via Islamic bonds.

"I'm looking for a US\$1 billion acquisition and it will be financed mainly through Islamic bonds," said Mohammed Ebrahim Mohammed, CEO of BIsB. "A big reason we're trying to grow is to not be acquired ourselves. We haven't had approaches to our knowledge, but small banks are always a target." ☺

## GLOBAL

### Factors limiting growth of Islamic finance

Speaking at the start of the second day of DIFCweek, Nasser Al Shaali, CEO of the DIFC Authority, said that the Islamic finance industry has to face up to several challenges, despite growth of 15% a year. He also noted that this is "a drop in the global financial ocean", as the industry's potential is enormous.

Issues that need to be addressed include transparency, underdeveloped infrastructure, insufficient human capital and a lack of globally accepted standards. People need to understand that Islamic finance "is a way to conduct business that is Shariah compliant. It has nothing to do with politics. If we do not demystify the industry, it won't develop into a major alternative".

Nasser noted that while qualified personnel in the regional finance industry are in short supply, this was even more evident in Islamic finance. He noted that DIFC is looking to address this by launching the world's first executive MBA in Islamic finance. ☺

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