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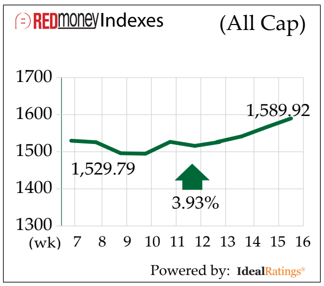

COVER STORY

21st April 2021 (*Volume 18 Issue 16)*

Islamic edtech: A new way of learning

The pandemic of the past year has changed all our lives, and many of its repercussions have been challenging, to say the least. But there are some areas in which the pressures of COVID-19 have forced us to adapt for the better — and nowhere is this more pertinent than in the field of education, where online learning exploded as home schooling replaced conventional classroom learning and the world started to realize that there could be another way to teach and learn — a way that could have benefits reaching far beyond the mere factor of convenience: to embrace inclusion, evolution and integration. And as the perfect investment vehicle for Shariah compliant finance due to its inherently compliant nature, educational technology or edtech in the Islamic world is exploding. LAUREN MCAUGHTRY goes back to school to learn more.

Everyone's heard of fintech — a sector that IFN has long supported, and one that has (rightly or wrongly) been heralded as the future of finance. But there is another revolution happening — more quietly perhaps, but it is making just as much impact, and could perhaps end up even more influential in its long-lasting effects. Yes, we are talking about edtech, the latest technology trend that is shaping the way the world will look in the future.

Huge potential

Growing at an estimated 16% per year (according to education research firm HolonIQ), the edtech sector holds enormous potential for growth, but so far has been chronically underfunded. Despite a global education sector estimated to reach US$7.3 trillion by 2025 (more than 6% of global GDP), education is starved of capital compared with other industries and is also comparatively behind in terms of technology, with less than 4% of overall expenditure allocated to digital spend (just US$227 billion in 2020). "The knowledge economy and future skills require massive digital transformation and, while accelerated through COVID-19, there is still far to go," says HolonIQ. "Governments are struggling to fund education at historic levels; meanwhile schools and institutions are cutting costs and embarking on digital transformation. Education is not drawing on enough private capital to fund the innovation that's needed. Public–private partnerships will be critical to supporting future growth, innovation and access to education."

The United Nations in its latest policy brief also urges the importance of education financing. "As fiscal pressures increase, and development assistance comes under strain, the financing of education could also face major challenges, exacerbating massive pre-COVID-19 education funding gaps. For low-income countries and lower-middle-income countries, for instance, that gap had reached a staggering US$148 billion annually and it could now increase by up to one-third," it warned.

"External financing is the key to support education opportunities of the world's poorest," added Stefania Giannini, the assistant director-general at UNESCO.

Islamic economies are already on board this train. Investment in education has massively stepped up in recent years, and Shariah compliant investment has kept pace. UAE-based schools operator GEMS Education is a classic example, issuing Sukuk way back in 2013 to fund its expansion across the Middle East. But the world is changing, and education is

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DEALS

LBS Bina Holdings to partially early redeem outstanding Sukuk Murabahah papers

Paramount Capital Resources to partially redeem Sukuk Murabahah paper early

Toyota Capital Malaysia sells RM45 million (US$10.9 million) Islamic medium-term note with a profit rate of 3.6%

Waskita Karya seeking shareholders' consent to raise IDR5.6 trillion (US$385.4 million) in funding via Sukuk or conventional bonds

Dubai Financial Services Authority admits **Dubai Islamic Bank**'s US$500 million additional Tier 1 capital certificates to official list of securities

Saudi Real Estate Refinance Company prepares to issue international Sukuk worth up to US$1 billion before end of 2021

NEWS

Bank of Abyssinia signs partnership agreement with **Path Solutions** to onboard iMAL Islamic banking solutions

Banque de l'Agriculture et du Developpement Rural SPA hosts open house to market Islamic financial products

Uganda discusses formation of Islamic bank in partnership with **Islamic Corporation for the Development of the Private Sector**

Inertia Egypt secures EGP1.1 billion (US$70.02 million) Mudarabah financing from **Banque Misr** to fund Jefaira project

Banque Misr to provide EGP4 billion (US$254.62 million) in Islamic financing facilities to several sectors

Gulf African Bank partners with **Toyotsu Auto Mart Kenya** to offer Islamic vehicle financing

International Islamic Trade Finance Corporation and Cameroonian government sign two agreements to support key sectors

National Hajj Commission of Nigeria and **Jaiz Bank** roll out Hajj Savings Scheme in Benue state

First Abu Dhabi Bank expects to complete **Bank Audi Egypt** acquisition by end of 2021; market share to hit up to 5% post-purchase

TAJBank rolls out **NQR** payment platform powered by Nigeria Inter-Bank Settlement System to offer fast and instant payments

RESULTS

Qatar Islamic Bank posts increase in net profit for first quarter of 2021

Bank Kerjasama Rakyat Malaysia declares 13% dividend for 2020 financial year

National Takaful Company approves 7.5% dividend payment to shareholders for 2020

ASSET MANAGEMENT

Saudi Real Estate Company to complete termination of **Alinma Alakaria RE Fund** in two months

Kenanga Investors debuts **Kenanga Waqf Al-Ihsan Fund**

Riyad Capital and **BNP Paribas Securities Services** to provide joint servicing proposition

TAKAFUL

Munich Re Syndicate Labuan launches re-Takaful window

Islamic Corporation for the Insurance of Investment and Export Credit planning to set up office in Singapore to serve regional demand and needs

RATINGS

Infracap Resources secures final 'AAA(s)/Stable' rating for RM15 billion (US$3.63 billion) Sukuk Murabahah program

MOVES

Kuwait Finance House confirms end of group chief information officer's service

Trust Bank names Humaira Azam as CEO and managing director

Saudi Enaya Cooperative Insurance Company receives regulatory approval on appointment of two new board members

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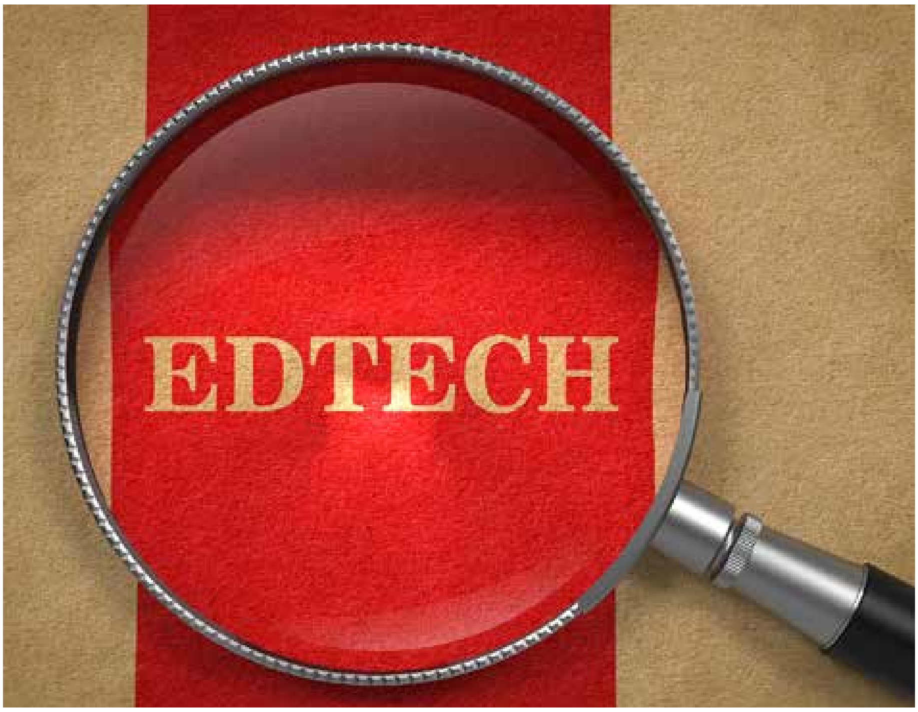
changing with it. Over the next decade, 75 million jobs will be displaced, and 133 million unique jobs will be created by digitization. University graduates are changing careers five times in their first 10 years of employment, while around 65% of today's primary school children will work in jobs that do not exist yet.

To meet this, digital spend in education is predicted to double to US$404 billion by 2025, and HolonIQ notes that: "Over the next few years, we expect an upswing of spending on digital infrastructure in education and greater spending over the long term in new digital models." And across the Middle East and Asia, Shariah compliant money is quietly financing this trend.

Islamic activity is certainly growing in the education sector. In January 2019, KDU University College issued a five-year Islamic medium-term note worth RM15 million (US$3.73 million), while more recently, Cairo for Investment and Real Estate Development, an integrated provider of educational services in the Egyptian private sector, issued a seven-year EGP600 million (US$37.95 million) Sukuk Ijarah facility, marking the first-ever Sukuk issuance in the Egyptian education sector. In January 2020, Saudi's Al-Maather REIT Fund acquired Al Nokhba Educational Schools from Creative Knowledge Company for Educational Purposes for SAR31 million (US$8.26 million) through a Shariah compliant credit facility agreement, while in December 2019, Al Rajhi Capital completed the public offering for Al Rajhi REIT in which the funds raised will be used to finance the acquisition of three educational properties from AlKhaleej Training and Education Company, and in the UAE, Noor Bank and Ajman University (AU) agreed to establish the Noor Fund for Educational Solidarity at the College of Business Administration of AU. The Waqf initiative was launched with a capital base of AED3.2 million (US$871,051).

Changing times

A new report released this week by emerging market venture capital firm Global.Ventures titled 'EdTech in the Middle East and Africa' finds that between now and 2050, the world will have two billion more learners, including 1.2 billion more secondary



students and 970 million more post-secondary students. To cope, 1.5 million new teachers will be needed annually — but the way that people learn is also changing, and technology is and must play an ever greater role.

"Tomorrow's workforce will have to be digital natives," said Noor Sweid, the general partner at Global.Ventures. "To some degree, they already are, only education is not adapting to its increasingly online audience. Today's generation of learners are different in their learning styles, interests, attention spans and engagement levels. Education, on the other hand, remains narrowly focused on what they learn, as opposed to how they learn. Solutions lie in the realm of edtech. In the age of ubiquitous information and rapid turnover, simply imparting knowledge is a counterintuitive process. As the focus shifts from 'education' to 'learning', providers would do better thinking of ways of building and instilling a learning mindset for an increasingly uncertain and constantly evolving tomorrow."

Pandemic pressure

Unlike many other industries, the edtech sector has received a boost from the pressures of the past year, with the COVID-19 driving a shift toward home schooling and, by necessity, the use of technology to facilitate access to education.

A 2020 poll from Wamda found that more than 70% of start-ups based in the Middle East and North Africa witnessed a negative impact on their business as a result of the COVID-19 pandemic, while 50% have had their latest funding round disrupted. However, in a notable contrast, almost half (47%) of edtech start-ups have seen a positive revenue impact, with 6.7% saying they were expanding to new markets, and another 6.7% struggling to meet new demand.

"While it is difficult to predict what education will look like 10 years from now, a number of signals and trends are pointing toward a deep reconceptualization. [There are several] global and regional trends propelling the industry into digitization and disruption, from the endless possibilities of AI [artificial intelligence], VR [virtual reality] and ML [machine learning] for education to the global shift in focus from knowledge to skills," said Noor.

Emerging market opportunity

Emerging markets, including Islamic economies, have the opportunity not only to benefit from this trend, but to take the lead. "The next decade will be critical for

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edtech businesses in emerging markets," said Noor. "Supportive governments and available technology may even mean emerging markets may meaningfully leapfrog the developed world."

But the pandemic also highlighted the challenges in the sector, and the inequality inherent within the global provision of education. But access to and quality of education remain immense challenges in certain geographies — impacting livelihoods, and with gaps only set to widen as the number of learners continues to grow.

> ***"Edtech has the potential to bridge access and affordability gaps, and update traditional models in ways that reflect, and are relevant to, the direction in which our world is moving"***

Half (50%) of the world's out-of-school children (150 million) live in the Middle East and Africa, while 29% of MENA's population is unemployed — the highest rate in the world, and opening up an enormous opportunity for adult training as well as early years education (86% of UAE companies plan to digitally retrain their employees, for example).

In sub-Saharan Africa, one in five six- to 11-year-olds are out of school, while in Nigeria, two million applicants a year compete for just 800,000 university places. In Egypt, 69% of schools rely on private tutoring.

"For those who can afford it, quality is still not meeting the requirements of our highly and increasingly digitized economy, nor with the capabilities of modern technology. Edtech has the potential to bridge access and affordability gaps, and update traditional models in ways that reflect, and are relevant to, the direction in which our world is moving," said Noor.

COVID-19 might have accelerated edtech adoption, but it has also highlighted its shortcomings. For edtech adoption, connectivity is required — but there is a notable divide between advanced and emerging economies.

Although 53% of global households are connected to the internet (and the rapid growth of smart phones has propelled both educational and financial inclusion), there are still vast disparities. In sub-Saharan Africa, 'disconnected' rates are upwards of 80%, compared with below 15% in North America and Western Europe.

And even in relatively well-connected countries, access to the kind of internet needed for learning can be far behind the widespread phone usage so often cited when praising connectivity levels. In Malaysia, for example, although there is a 123% mobile broadband penetration rate (as of 2019, according to a 2020 London School of Economics study), there is just a 9% fixed broadband penetration rate. In fact, back in March 2020 on Day 2 of its 'Movement Control Order', Malaysia's Higher Education Ministry took the decision to suspend all e-learning — a move that Professor Dr Faisal Rafiq Mahamd Adikan, the vice-chancellor of Universiti Sains Malaysia, suggested was due to unequal access to the internet. "We speculate that it has to do with the levels of accessibility (of the internet) of students across the nation," he told The Star newspaper at the time.

This does not mean Malaysia is behind in terms of digital education — in fact, the country has embarked on a targeted program to increase e-learning, which a 2019 report from Ken Research predicted could reach a value of US$2 billion by 2023 and grow by 16% annually over the next five years.

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Taking the lead

But there are other hotspots of activity too — and the GCC is at the forefront of the charge. The UAE and Saudi, in particular, have invested heavily in promoting the growth of edtech solutions, and new start-ups are already gaining significant traction, with strong government support for the adoption of new technologies in the education sector.

The UAE is already an acknowledged leader in the field of digital learning, and Dubai in particular rolled out an impressive e-learning schedule seamlessly during its pandemic lockdown, with over 1.2 million students joining virtual classrooms and over 30,000 teachers trained for distance learning and online tuition.

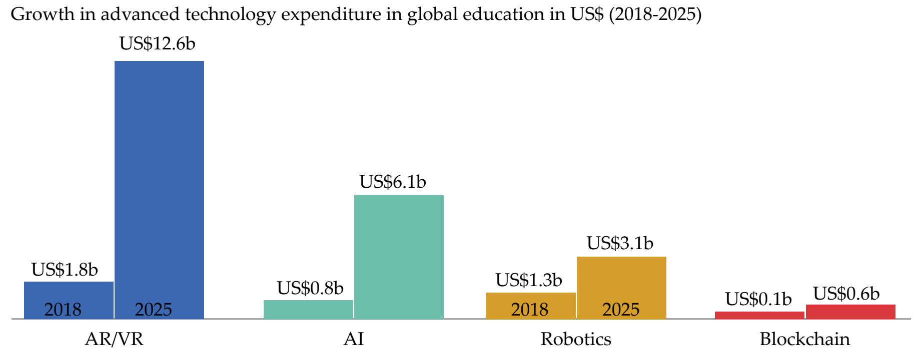
The Madrasa e-learning platform, launched in 2018 under the umbrella of the Mohammed bin Rashid Al Maktoum Global Initiatives, is the biggest of its kind in the Arab world, providing over 5,000 free educational videos in general science, math, biology, chemistry and physics, as well as Arabic language lessons, for around 50 million Arab students from kindergarten to Grade 12. UNESCO recently recommended Madrasa as one of the most powerful digital learning solutions available.

Saudi Arabia is another leader in the field. Its Ministry of Education is focused on digital transformation in education and has set the transformation as one of the main pillars of Saudi's 2030 Vision.

Education is the largest sector in Saudi Arabia's government budget, while in 2019, educational start-ups ranked third in total financing, accounting for a fifth (21%) of total funding that was invested during the period.

For example, Riyadh-based Noon Academy is one of the fastest-growing edtech start-ups in the Middle East with over eight million registered students across Saudi Arabia and Egypt, and big expansion plans to provide a "social learning platform" reaching more than 50 million students by 2023. In 2019, it raised SAR32 million (US$8.6 million) from a Saudi-based investor group including STV, Ra-Ed Ventures and Alsamiah Investment, all of whom have a track record of Shariah compliant investment, in the highest disclosed funding round of the year.

Chart 1: Advanced technology growth in education



Source: HolonIQ

In Kuwait, digital tutoring start-up Baims in 2020 scored a seed funding round from a group of angel investors led by the Shariah compliant AlWazzan Education in the first-ever edtech investment in the country, and is now looking to expand across the GCC and wider MENA region.

The platform offers a revenue-sharing model to participating instructors, who provide content tailored to each subject's curriculum by recorded courses, notes and quizzes. As of 2020, the start-up has created more than 1,000 recorded courses and 30,000 lectures, recording more than 450,000 course enrollments.

Interest in the GCC market is now growing from overseas as well. In 2020, Pakistan-based edtech firm Dot & Line in December 2020 received strategic investment from the UAE-based Falcon Network, an angel investment network targeting the growing entrepreneurial ecosystems emerging in key growth markets and cities such as Dubai, Istanbul, Kuala Lumpur, Lahore, and Jakarta, among others.

Launched on the sidelines of the 4th Global Islamic Economy Summit in Dubai back in 2018, the Falcon Network has a strong Shariah compliant focus, with co-founders including Rachid Ouaich, the founder of Islamic advisory Eethiq Advisors and head of the European operations of Shariah compliant Wafra Capital, and Dr Sayd Farook, the former head of global Islamic markets strategy at Reuters. Dot & Line, a female-led private tuition platform offering after-school education in maths, English, and Urdu, plans to use the funding to accelerate its growth in the UAE and other GCC markets.

And there is plenty of other activity across the world. In Indonesia, then-minister of communications Rudiantara tipped Indonesian edtech firm Ruangguru to grow into one of the country's first unicorns (worth over US$1 billion), as it rolls out its digital learning app across Southeast Asia following a US$150 million funding round in 2019 and a new partnership with leading mobile operator Telkomsel to offer students free internet to study online. With over 22 million students and 300,000 teachers already on board, founders Adamas Belva and Iman Usman have created the largest marketplace for private tutoring and the biggest edtech start-up in the country, employing over 4,000 people across Indonesia, Singapore, Vietnam and Thailand. Just this week, the company closed a new US$55 million investment led by Tiger Global Management.

While not all of these investments may be formally Shariah compliant, and there are few figures yet available on the volume of specifically Islamic funding of the fast-growing edtech sector, education is an obvious choice for Shariah compliant investors seeking to make a positive impact — especially on the private equity and venture capital side, which matches well with Shariah principles. As we move toward an increasingly digital future, one thing is certain: the edtech sector is a class that Islamic investors — and in fact, Islamic economies — cannot afford to cut.

Review of Singapore's Islamic banking guidelines timely as market needs evolve, say market practitioners

Islamic finance professionals have called for a review of Singapore's Islamic banking guidelines enacted over a decade ago to better cater to changing market needs. This, market practitioners say, will facilitate the diversification of instruments to attract Shariah dollars into the island city, which is already brimming with untapped Islamic finance opportunities. VINEETA TAN reports.

Shariah compliant banking activities in Singapore are regulated under the Guidelines on the Application of Banking Regulations to Islamic Banking issued by the Monetary Authority of Singapore in 2010.

"The regulator has been very supportive so far — they've given their support in terms of launching new products, approvals and so on and so forth," said Sazali Baharom, the Singapore country manager of CIMB Islamic, at IFN Singapore OnAir Roadshow 2021, adding: "I feel that because of the advancement of the industry and requirements of market players, it is probably timely to look at the guideline to introduce new structures."

One structure Sazali highlighted was Wakalah, a structure adopted widely in other jurisdictions.

"This is important for Singapore because there are clients who tap Singaporean liquidity or offshore funding — so if we don't have a variety of structures to cater to these new requirements, then potentially, we are not able to acquire these opportunities."

Concurring with Sazali is Zulkarnien Mohamad, the head of Islamic banking at Maybank Singapore.

"The regulator has been supportive, but we are still playing at the peripherals of the mainstream. Yes, we've seen progress from small to medium scale, but we've only seen a few landmark deals," Zulkarnien noted. "We require structural transformation on the industry level for us to move the needle."

Despite its relatively small Islamic finance market, Singapore's latent potential to spur and support Islamic financial and banking transactions is widely acknowledged due to its established position as a leading finance and wealth management hub.

"Singapore is sandwiched between leading Islamic finance countries such as Indonesia, Malaysia and Brunei. Together, there is a combined Muslim population of 300 million that Singapore can serve and I believe Singapore is well placed to do so," Shaiful Kamarul Mohammed, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)'s senior country manager for Indonesia, opined. In fact, Singapore's appeal is such that the ICIEC, which is part of the IsDB Group, is considering opening an office in the city to serve the needs and demands of its regional member countries such as Indonesia, Malaysia, Bangladesh, Pakistan and Brunei, Shaiful revealed.

There are nonetheless still gaps when it comes to Islamic finance.

"Singapore has got an interesting position as a hub — it is interesting that on the conventional side, Singapore is so innovative including in the areas of fintech, finance and asset management. But the lack of Wakalah does not help build on the strength of asset management to expand the capabilities within Singapore," commented Dr Scott Levy, CEO of London-based Bedford Row Capital, who also added that: "We are still at the beginning but there is a lot of talent and experience in Singapore. MAS [Monetary Authority of Singapore] not rushing to bring out specific Islamic finance legislation is actually good in my mind because it allows the industry to innovate."

"We have no doubt about the infrastructure and connectivity of Singapore, even the local Islamic religious council is supportive of the government's efforts for Islamic banking and finance," Roslan Ahmad, the chief representative of DDGI, the Malaysian arm of UK's DDCAP Group, echoed.

Roslan did however note that the real demand for Islamic finance in Singapore is from foreign players including from the Middle East, the US and Europe, instead of the domestic market. Only roughly 15% of Singapore's 2.7 million population are Muslims, according to latest statistics.

One such international player is Montreux Capital Management which domiciled its Montreux Healthcare Fund in Singapore as a conventional fund but pursued Shariah compliance for the fund on the advice of its local partner.

"Singapore is naturally a fantastically regulated and well-groomed market and is a superb hub for the region; a number of countries can feed off Singapore for banking and finance," Paul Bamber, Montreux Capital Management's head of sales for Asia, shared. "Once we've received Shariah compliance on the fund, the first place we marketed the fund is Malaysia and we've seen a lot of success from that." Bamber also confirmed that the firm is using Singapore as a springboard to get involved in Brunei and Indonesia.

Watch the full proceedings of IFN Singapore OnAir Roadshow 2021 ***here****.*

IsDB mobilizes funds to address climate change, food security and COVID-19 vaccine solutions for member countries

The IsDB has earmarked funds worth a total of US$1.13 billion to address issues faced by its member countries during the pandemic, particularly in terms of climate change, food and water security and COVID-19 vaccination drives. NESSREEN TAMANO has the story.

The multilateral bank signed a cooperation and co-financing agreement with the International Fund for Agricultural Development (IFAD) to contribute US$250 million each over the next five years (2021–25) in tackling climate change and food and water security among others, in both organizations' member countries.

Under the agreement, the IsDB and IFAD will be exploring initiatives in areas including agricultural and rural development, agribusiness, value chain development, improved access to markets and rural financial services, employment opportunities and South–South and triangular cooperation.

> *It is a program with an initial financing of US$875 million that allows us to leverage the IsDB Group entities' mandates and create a specific insurance product*

Other areas of interest include building resilience to natural disasters to achieve the sustainable development goals, science, technology and innovation and community-based approaches and policy dialogue. The initiatives will serve IFAD'S 177 member states, which include the IsDB's 57 member countries.

"Food and water security are strategic priorities for IsDB member countries, most of which are in arid and semi-arid areas. Demographic growth and climate change are increasing the pressure on these vital resources.

The partnership will allow us to co-create financing and investment programs that will address these challenges but also help our member countries tap into emerging global value chain opportunities to build resilience and create wealth in a post-COVID-19 world," Dr Bandar Hajjar, the president of the IsDB, said.

The IsDB has also announced its IVAC for COVID-19 Vaccine Access Facility, which covers vaccine development, manufacturing, procuring and delivery to end-beneficiaries.

"It is a program with an initial financing of US$875 million that allows us to leverage the IsDB Group entities' mandates and, for example, create a specific insurance product with the Islamic Corporation for the Insurance of Investment and Export Credit to reduce the price of vaccines for our member countries," Dr Bandar explained.

The bank had, at the start of the pandemic, launched a three-phase Strategic Preparedness and Response Program worth US$4.4 billion that extends emergency support to IsDB member countries to help them build resilience against the impact of COVID-19.

Fund Focus: Kenanga Waqf Al-Ihsan Fund

Leveraging on the Securities Commission Malaysia (SC)'s Waqf-featured fund framework, Kenanga Investors has expanded its offerings to include a Waqf fund targeting philanthropic investors. JEVITHA MUTHUSAMY has more.

Kenanga Investors, a wholly-owned subsidiary of Kenanga Investment Bank, which manages a total fund size of RM12.8 billion (US$3.1 billion) as at the 30th November 2020, has rolled out its first Waqf fund, the Kenanga Waqf Al-Ihsan Fund, a Shariah compliant mixed assets fund.

Launched on the 13th April 2021, Kenanga Investors is collaborating with Yayasan Waqaf Malaysia (YWM), a national Waqf entity, as the Waqf administrator of the fund.

"The potential of Waqf to positively impact the economic and social aspects of the disadvantaged will be immensely valuable.

The fund will serve as a launchpad for other similar ESG (environmental, social, and corporate governance)-linked products as part of Kenanga Investors's move towards sustainable and socially responsible investing," said Ismitz Matthew De Alwis, CEO and executive director of Kenanga Investors.

The fund aims to primarily provide income distribution as well as achieve capital growth by investing in a diversified portfolio in accordance with Shariah principles, and channel a portion of the income distribution of the fund for Waqf purposes.

In order to achieve its objective, the fund seeks to invest in a diversified portfolio of Shariah compliant equities, equity-related securities, Sukuk, Islamic money market instruments and/or Islamic deposits.

The launch of the fund is in line with the SC's Islamic Fund and Wealth Management Blueprint 2017 and the Waqf featured-fund framework introduced on the 12th November 2020 which aims to facilitate the growth of the Islamic social finance segment.

"We also served as the first strategic partner to actively collaborate with YWM in the development of Waqf since the 2021's national budget mandate last year which called for more engagements between YWM and government agencies, government-linked companies and the private sector, to drive the development of Waqf within the country," added De Alwis.

The disbursement of Waqf to projects within the identified sectors will be overseen by a joint committee comprising Kenanga Investors, YWM and Yayasan Pembangunan Ekonomi Islam Malaysia. The beneficiary projects will be in line with the United Nations Sustainable Development Goals 2030.

Targeting philanthropic investors who also seek steady capital growth and income distribution by means of broad diversification and risk minimization, the fund aims to invest up to 60% of its net asset value (NAV) in Shariah compliant equities and Shariah compliant equity-related securities while it also aims to invest up to 40% of its NAV in Sukuk (with up to 5% in unrated Sukuk).

The fund has appointed the Islamic Banking and Finance Institute Malaysia as its Shariah advisor.

Table 1: Fund fact sheet	
Name of the fund	Kenanga Waqf Al-Ihsan Fund
Launch date	13th April 2021
Fund manager	Kenanga Investors
Fund category	Mixed assets (Shariah compliant)
Fund domicile	Malaysia
Targeted size	N/A
Investment objective	The fund aims to primarily provide income distribution as well as achieve capital growth by investing in a diversified portfolio in accordance with Shariah principles, and channel a portion of the income distribution of the fund for Waqf purposes.
Asset allocation	• Up to 60% of the fund's net asset value (NAV) will be invested in Shariah compliant equities and Shariah compliant equity-related securities • Up to 40% of the fund's NAV will be invested in Sukuk (with up to 5% in unrated Sukuk), and • The remainder of the fund's NAV will be invested in Islamic money market instruments and placed in Islamic deposits.
Geographical exposure	Malaysia
Targeted yield	N/A
Investor type	N/A
Base currency	Ringgit Malaysia
Risk level	N/A
Benchmark	A composite of 60% FTSE Bursa Malaysia Emas Shariah Index and 40% Maybank 12-month Islamic Fixed Deposit-i rate.

Brunei welcomes first Islamic investment window by capital market participant

The Autoriti Monetari Brunei Darussalam (AMBD) has granted approval for the first Islamic investment window to operate in the country, in line with the government's economic reform programs and its promise of opening up new opportunities across its financial sector. NESSREEN TAMANO writes.

Conventional lender Standard Chartered Bank's subsidiary Standard Chartered Securities, formed in 2016, became the first capital market service license holder in Brunei to establish an Islamic window, as granted by the AMBD and the Syariah Financial Supervisory Board. For now, the company is offering one Islamic product: a Shariah compliant unit trust that consists of the RHB Global Sukuk Fund and the RHB Islamic Global Developed Markets Fund.

The milestone, while a long time coming, is consistent with the government's plans to develop its Islamic finance sector. "To encourage development in the Islamic capital markets, the legislation also allows for Islamic windows, allowing conventional financial institutions to offer Islamic investment products and services subject to certain Shariah and operational requirements," the AMBD's Financial Blueprint 2016–25, states.

> ***The company is offering one Islamic product: a Shariah compliant unit trust that consists of the RHB Global Sukuk Fund and the RHB Islamic Global Developed Markets Fund***

Minister of Home Affairs Abu Bakar Apong, who is also the deputy chairman of the AMBD, noted the rise in demand for Islamic products in the country during his speech at the Standard Chartered Securities launch ceremony. He said that between 2019 and 2020, there was a year-on-year increase of 61.6% in investor participation in investment funds, 20% of which was in Islamic funds.

Brunei's Islamic banking sector has strong potential, with total assets accounting for 37% of the total market share according to the central bank, and backing from the government, whose strategies place a special focus on elevating Islamic financial services in the country to attract international players.

The central bank also established a dedicated Centre for Islamic Banking, Finance and Management that oversees the Shariah sector.

However, there is only one fully-fledged Islamic bank (Bank Islam Brunei Darussalam) out of eight banks in the country. The central bank lists 31 licensed Islamic banking products.

Another contender joins the challenger bank race in the UAE with Islamic neobank ambition

Just as two entities made public their intentions to roll out digital banks in the UAE over the last week, the group behind the Emirates's first Islamic crypto exchange has also come forward with its plan to launch an Islamic digital bank, heating up the competition. VINEETA TAN has the story.

Zurich Capital Funds, through the local Arabic media, revealed that it is working on introducing a Shariah compliant digital bank in the UAE, with a view of expanding into the rest of the MENA region. Zurich Capital operates in the private corporate finance space and is no stranger to the Islamic fintech realm, albeit being a new entrant.

The company took its first plunge into the digital finance space in 2020 by launching Sustain Exchange, a digital asset trading platform compliant with Islamic law. It was part of its strategy to anchor itself in the space of fintech and blockchain.

The upcoming Islamic digital bank is also part of the bigger digital narrative of Zurich Capital. Neither a more concrete timeline nor the regulatory status of the proposed bank has been revealed; however, it is understood that the bank is likely to adopt blockchain technology and will be made available through the Apple App Store and Google Play Store.

The bank will offer, among others, Murabahah-based services, payment and remittance services as well as a virtual debit card service. Zurich Capital CEO Dr Fahd Al Marabi reportedly said that the group is also seeking to partner with incumbent Islamic banks and financial institutions to meet the needs of the domestic market. If launched, the bank could be the UAE's first fully-fledged Islamic digital bank, joining a niche vertical globally. According to the IFN Islamic Fintech Landscape, there are **12 start-ups operating** in the Shariah challenger banking space worldwide as at the 19th April 2021.

Zurich Capital's announcement comes hard on the heels of **two other similar developments** in the last week. Al Maryah Community Bank confirmed it has received regulatory approval to launch as a specialized digital bank, while Zand revealed it is to launch "soon", subject to final regulatory approvals, and will be chaired by Emaar Properties Founder Mohamed Alabbar.

This spur in challenger banks is against a backdrop of surging affinity with digital finance propositions among the nine million-strong UAE population, a majority of which are expatriates, triggered particularly during the COVID-19 pandemic.

Sovereign Securities: Turkey makes gold offering; announces new issuance

The Turkish Treasury taps the gold sector and plans an upcoming issuance while regular offerings keep up momentum. JEVITHA MUTHUSAMY rounds up Shariah sovereign securities developments over the week.

Malaysia

The government of Malaysia on the 15th April 2021 issued a RM2.5 billion (US$605.15 million) Government Investment Issue Murabahah facility with a profit rate of 3.45% which received 227 bids. Separately, Bank Negara Malaysia issued an array of Islamic liquidity management papers amounting to RM109.4 billion (US$26.5 billion).

Turkey

The Ministry of Treasury and Finance of Turkey is set **to issue** Turkish lira-denominated CPI-indexed lease certificates on the 21st April 2020 with a maturity date set on the 15th April 2026 and a rental rate of 1.43% payable every six months.

Separately, the Turkish Treasury **collected** 9,827 kilograms of gold (995/1000 purity) from institutional investors for lease certificates with a value date of the 16th April 2021 and a maturity date of the 12th April 2024.

Indonesia

The Indonesian government was due to conduct a Sukuk auction on the 20th April 2021 with an indicative target of IDR10 trillion (US$682.84 million). The auction featured six reopenings with maturity dates ranging from the 7th October 2021 to the 15th October 2046. The outcome of the auction has yet to be announced at the time of publication.

Brunei

Autoriti Monetari Brunei Darussalam (AMBD) priced the 23rd issuance of its AMBD Islamic-Bills at BN$20 million (US$14.98 million) with a profit rate of 0.11% and a maturity date set on the 29th April 2021.

Gambia

The Central Bank of Gambia's auction which concluded on the 13th April 2021 featured three Sukuk Salam facilities — a GMD5 million (US$97,345.3) three-month facility, a GMD10 million (US$194,691) six-month facility and a GMD30 million (US$584,072) one-year facility — all of which were oversubscribed.

Upcoming sovereign Sukuk

Country	Amount	Expected issuance date	Date of announcement
Pakistan	• TBA (international Sukuk) • US$500 million - US$1 billion Sukuk Ijarah • TBA (Ministry of Energy's Petroleum Division) • US$2.5 billion (comprising Sukuk, a eurobond and a Chinese panda bond) • PKR700 billion • PKR250 billion • At least US$1 billion • TBA (diaspora Sukuk or bond)	• TBA • March 2021 • TBA • TBA • TBA • TBA • TBA • TBA	• 30th March 2021 • 24th January 2021 • 4th November 2020 • 3rd October 2020 • 17th December 2019 • 10th December 2019 • 10th September 2019 • 19th August 2020
The Maldives	• US$300 million • MVR100 million	• TBA • TBA	• 24th June 2020 • 19th February 2018
South Africa	• US$3 billion • TBA (likely domestic Sukuk)	• 2021/22 • TBA	• 24th February 2021 • 11th July 2019
Tunisia	• TND300 million • US$500 million	• July 2021 • TBA	• 1st February 2021 • 27th November 2017

Bangladesh: A strong push for Islamic banking and finance

The past year has been a busy one for Bangladesh's Islamic banking and finance industry, as it sees greater demand for Islamic financial products and stronger governmental support. NESSREEN TAMANO writes an overview of the Republic's Shariah financial industry.

Regulatory landscape

While Bangladesh still does not have a dedicated Islamic finance and banking regulation, the Banking Companies Act and Companies Act have provisions for Shariah compliant activity. Bangladesh Bank (BB) also issued Islamic banking guidelines in 2009 covering licensing and conversion requirements, among others.

In 2019, the Bangladesh Securities and Exchange Commission (BSEC) issued regulations to facilitate the trading of Sukuk and derivatives in the capital market, as well as the entry of new items — including Sukuk — into the stock market.

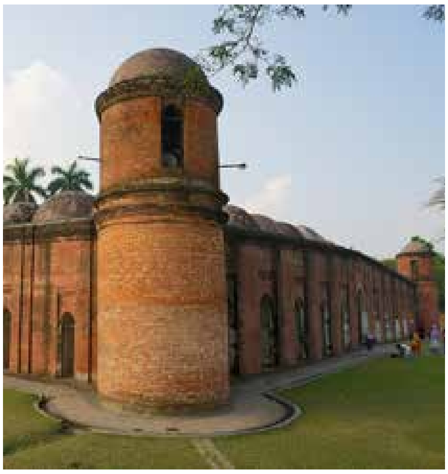
In 2020, BB started working on guidelines on green Sukuk for Shariah banks and financial institutions as well as a policy framework on Shariah-based green financing. The central bank also announced that it will be placing a yet unspecified quota limit on Sukuk allocated for Islamic banks to be implemented during BB's auction scheduled for June 2021.

Banking and finance

As at December 2020, the share of total deposits of Islamic banks accounted for 25.33% of the banking sector, while the share of total investment of Islamic banks was 25.69% of the total loans and advances of the sector, according to data from the central bank.

There are 11 fully-fledged Islamic banks, with Standard Bank, Jamuna Bank and Global Islami Bank (formerly NRB Global Bank) being the most recent ones to convert their operations to become fully Shariah compliant. Meanwhile, 20 conventional banks offer Shariah financial products through their Islamic banking branches or windows.

In September 2019, Abu Dhabi Commercial Bank closed a landmark blockchain-based trade finance deal involving Islami Bank Bangladesh (IBBL) to move goods worth US$6.5 million from Canada to the South Asian nation.



In 2020, City Bank executed an Islamic cross-border Murabahah-based letter of credit transaction on blockchain, the first in Bangladesh, in partnership with the International Islamic Trade Finance Corporation.

Capital markets

A few years ago, the central bank issued the Refinance Scheme for Investment in Green Products or Initiatives targeted at Islamic banks and financial institutions, in addition to the Inter Islamic Fund Market and the Islamic Refinance Fund Account. The government has also been consistent in issuing three- and six-month Bangladesh Government Islamic Investment Bonds.

The Sukuk market has seen a flurry of activity in the past two years, and notably at the end of 2020, Bangladesh issued its first-ever sovereign Sukuk worth a total of BDT80 billion (US$927.86 million). Proceeds from the issuance will be used to fund a safe water supply project across the country.

There has also been a rise in Sukuk issuances from financial institutions, with corporates announcing their intentions to follow suit. In the past few months alone, IBBL, Shahjalal Islami Bank and Export-Import Bank of Bangladesh have confirmed upcoming Sukuk issuances, while Bangladesh Export Import Company (Beximco) and Deshbandhu Group are vying to become the first corporate Sukuk issuers in the country.

There are two Islamic indices in Bangladesh, both launched in 2014: the Dhaka Stock Exchange and the Chittagong Stock Exchange.

Takaful

There are 11 Takaful operators in Bangladesh out of 77 insurance companies, all regulated by the Insurance Development and Regulatory Authority. About 12 conventional insurers offer Takaful products on a window basis.

According to the IFSB's latest data, over two-thirds of total Takaful contributions written in 2017 were attributed to Family Takaful which recorded a negative growth of -0.09%, whereas General Takaful showed a positive growth of 2.98% in the same period.

Islamic funds

IBBL has two Islamic funds: the SEMI IBBL Shariah Fund and the CAPM IBBL Islamic Mutual Fund, which started trading in March 2018. Conventional player Asian Tiger Capital Partners Investment launched a BDT100 million (US$1.2 million) Shariah fund in 2016.

IDLC Asset Management also rolled out its maiden Islamic fund, targeting a return per annum of 8–9% over a period of three to five years.

Outlook

Bangladesh's Islamic banking and finance industry has ample growth potential that would enable it to hold its own with its neighbors, Sri Lanka and Pakistan, and especially with strong support from a government that is pushing for more Islamic finance transactions in the country. A promising Sukuk pipeline and more banks offering Islamic products can only get better with a more comprehensive legal and regulatory infrastructure, which is considered by industry players as the biggest obstacle they face.

Asset Management — Institutional: Heightened volatility

The impact of the COVID-19 pandemic on global equities meant that many sovereign funds have had to reassess their previous strategies. JEVITHA MUTHUSAMY takes a look at the statistics and developments in this asset class.

Overview

The total assets under management (AuM) for Islamic investment funds saw a 30% increase to US$140 billion in 2019 compared with the US$108 billion recorded in 2018. According to the Islamic Finance Development Report 2020, 127 Islamic funds were launched in 2019 comprising mutual funds, pension funds, insurance funds and exchange-traded funds.

Mutual funds, holding the largest share of managed assets, recorded a 97% increase in 2019 to US$125.4 billion. Meanwhile, Sukuk funds have the highest value out of the types of mutual funds followed by money market funds.

Data from the report indicated that Southeast Asia dominated the Islamic fund industry in 2019 followed by the GCC. Country-wise, Saudi Arabia recorded the highest growth in Islamic funds, rising up to 43%, making it the world's largest investor in Shariah compliant assets.

Sovereign wealth funds

Asia and the Middle East continue to lead the spread of sovereign wealth funds (SWFs) globally.

According to data from the Sovereign Wealth Fund Institute (SWFI), 41.4% of SWFs are based in Asia, 34.7% in GCC countries and 17.4% in Europe.

Globally, the 12 largest individual SWFs are located in China, Norway, the UAE, Kuwait, Saudi Arabia and Singapore. China's SWF takes the lead in terms of AuM size, followed by the UAE and Norway, according to a report from the Seventh Annual Sovereign Wealth Funds Conference 2020.

Indonesia established its first SWF in February 2021 called the Indonesia Investment Authority (INA) which attracted US$10 billion in investments from the UAE in March 2021.

The Indonesian government reportedly set aside IDR15 trillion (US$1.03 billion) from the 2020 state budget for INA's activities.

The fund subsequently received another boost in 2021 worth IDR75 trillion (US$5.16 billion).

Meanwhile, countries such as Malaysia, Saudi Arabia and the UAE have long established their respective SWFs.

Malaysia's Khazanah Nasional reported a decrease in profit from operations to RM2.9 billion (US$702.54 million) in 2020 as compared with the RM7.4 billion (US$1.79 billion) recorded in 2019. The SWF also declared a dividend of RM2 billion (US$484.51 million) to the government of Malaysia for the 2020 financial year.

Over in Saudi Arabia, the Public Investment Fund saw an increase in its AuM from US$150 billion in 2015 to SAR1.5 trillion (US$399.64 billion) as at the end of 2020.

The SWF's performance indicated that it was on track to meet its goal of having more than SAR7.5 trillion (US$2 trillion) in AuM by 2030.

Abu Dhabi Investment Authority (ADIA), the UAE's biggest SWF, achieved 20-year and 30-year annualized rates of return of 4.8% and 6.6% respectively in 2019 compared with 5.4% and 6.5% in 2018, according to the ADIA 2019 Annual Review report. Meanwhile, data from SWFI indicated that ADIA's current assets stood at US$579.62 trillion.

Pension funds

The total assets of pension funds of the 37 OECD member countries in 2019 amounted to approximately US$32.2 trillion. As at the end of 2019, the US exhibited the largest amount of assets in pension funds at US$10.8 trillion, followed by the UK (US$3.6 trillion), Australia (US$1.8 trillion), the Netherlands (US$1.7 trillion), Canada (US$1.5 trillion), Japan (US$1.4 trillion) and Switzerland (US$1 trillion). These seven countries accounted for over 90% of the total pension fund assets in the OECD area, according to the Pension Markets in Focus 2020 report by the OECD.

Malaysia is one of the few countries that have pension funds investing in Islamic investments. One of which is the Employees Provident Fund (EPF) which recorded a 7.9% increase to RM998 billion (US$241.75 billion) in total investment assets for 2020, compared with RM924.75 billion (US$224.01 billion) recorded in 2018.

Hajj funds

Islamic pilgrimage funds such as Lembaga Tabung Haji (LTH) in Malaysia, Indonesia's Hajj Financial Management Board (BPKH) and the Maldives Hajj Corporation are some of the existing bodies regulating Hajj funds.

LTH's financial position remains stable with total assets exceeding total liabilities by RM3.68 billion (US$891.42 million) for the 2020 financial year while total assets stood at RM81.85 billion (US$19.83 billion) and total liabilities were recorded at RM78.17 billion (US$18.94 billion).

Indonesia's BPKH allocated IDR54.3 trillion (US$3.73 billion)-worth of Hajj funds in deposits for 2020, a decrease compared with Hajj funds worth IDR65.5 trillion (US$4.51 billion) placed in Islamic banks or Sharia business units in 2019.

Sukuk funds

Over the past 12 months, Sukuk funds have risen in popularity in countries such as Malaysia, Brunei, the UAE and Nigeria. Several Sukuk funds were approved by the regulators including the Public e-Sukuk Fund, the Franklin Global Sukuk Fund, the SHUAA High Yield Sukuk Fund and the Sukuk Fund in Nigeria.

Rawabi Holding Company's Sukuk: Propping up the Saudi industrial sector

Rawabi Holding Company (RHC), a service provider focusing on Saudi Arabia's major industries — the oilfield and industrial sectors — among others, has raised SAR500 million (US$133.13 million) in a Sukuk issuance completed in March 2021. NESSREEN TAMANO has the details.

The Islamic paper was oversubscribed 3.5 times, joint lead manager Riyad Capital told IFN, attracting an investor pool made up of fund managers (71.6%), individuals (15%), government agencies (9.4%), insurance companies (3%) and banks.

The facility carries a fixed profit rate and a tenor of two years, and a hybrid Mudarabah–Murabahah structure. "The issuance is the fourth in a series of Sukuk facilities issued under the updated SAR2.5 billion (US$665.67 million) Sukuk program established by RHC Sukuk 1 in February 2021," Riyad Capital noted.

Capital Intelligence (CI) Ratings has assigned the latest Sukuk a rating of 'saA-' on the Saudi Arabia National Scale with a stable outlook, driven by the agency's assessment of the fundamental credit strength and general repayment capacity of RHC.

The transaction consists of a Mudarabah agreement for at least 51% of the Sukuk proceeds to be invested in the Shariah compliant business activities of RHC and a commodity Murabahah agreement for up to 49% of the proceeds.

"The obligor's payment obligations include quarterly distributions from the income generated from the Mudarabah assets and meeting the principal payment due at maturity. As such, the issuer and Sukukholders are solely reliant on income from RHC to receive their contractual payments," CI Ratings said.

> ***"The issuer and Sukukholders are solely reliant on income from RHC to receive their contractual payments"***

RHC had last issued Sukuk — the third in the same series from the Sukuk program that was previously worth SAR1.5 billion (US$399.4 million) — in July 2020, raising SAR583 million (US$155.23 million). The Sukuk program was established to support RHC in diversifying its funding sources and execute its growth strategy within its focus sectors.

Through its fully-owned subsidiaries, the holding company's diversified business portfolio covers the oil and gas sector, engineering and construction, power, telecommunications and information technology, logistics, industrial services and consumer products.

Rawabi Holding Company's Sukuk

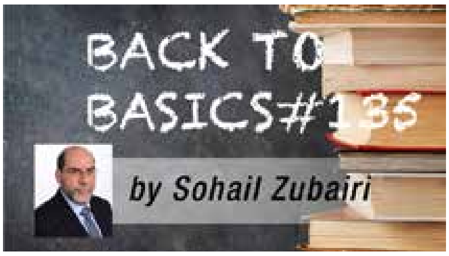
SAR500 million (US$133.13 million)

روابي القابضة
Rawabi Holding

15th March 2021

Issuer	RHC Sukuk 1
Obligor	Rawabi Holding Company
Purpose of issuance	General corporate purposes
Mode of issue	Private placement
Tenor	Two years
Profit rate	Fixed rate
Payment terms	Quarterly
Joint lead managers and bookrunners	Albilad Capital; Alinma Investment Company; Riyad Capital; Samba Capital & Investment Management Company
Legal advisor	Simmons & Simmons Middle East (also transaction advisor to arranger and dealers)
Governing law	Saudi law
Shariah advisor	Riyad Capital Shariah Committee; Shariah Board of Samba Financial Group
Minimum investment	SAR1 million (US$266,425)
Listing	Not listed
Tradability	Yes

Death, insanity or winding-up of principal or agent



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As humans or natural persons we are mortal. There is always a possibility (or rather certainty) that the principal or the agent, or both, may die in the middle of the validity of an agency contract. Another possibility is that either may lose the perfect capacity.

By perfect capacity, Shariah means that both contracting natural persons are above 15 years of age and possess sound mind. You may refer to **article 31** should you need to comprehend the definition in detail.

As per English law, perfect capacity is attained at the age of 18 (revised down from 21 in 1969) provided the person possesses normal mental health. I hope you will not expect me to also explain sound mind or normal mental health.

Also, if both are artificial persons (legally formed entities) and one of them or both face winding-up or insolvency, it will affect their ability to continue discharging their respective responsibilities in terms of an agency contract. The contract shall then cease to exist.

In the case of natural persons, the agency agreement gets terminated forthwith upon the death of the agent and the subject matter of the agency contract returns to the principal. For example, if the agent was engaged to sell wheat on behalf of the principal and had the wheat stock in his custody, the physical possession of such inventory shall be taken over by the principal.

If you recall, I had explained that agency is the extension or substitution of oneself by or with the agent. In other words, the principal can appoint an agent if he is legally in a position to carry out the assigned task himself. As such, in the case of an agent's death, such extension or substitution also immediately comes to an end, putting the principal in the same position which he had held prior to signing the agency agreement.

What if the principal passes away? Shall the agency be terminated or continue? Well, the right to make a decision in this regard lies with the heirs of the principal which means the agency may or may not continue.

The legally recognized heirs of the deceased principal may be happy with the agent's performance and may want him to continue with his good work. If that is the case, either an addendum to the original agency contract may be signed between the representative of the heirs and the agent, consenting to the continuation of the agency on the same terms and conditions, or a new agency contract is executed between them.

As for misplacing perfect capacity by either party, in addition to losing gray matter, it also includes serious accidents, paralysis or comas since such mishaps deny the ability by the afflicted party to discharge the routine tasks in a normal business environment. However, some jurists provide a certain recovery period ranging from one month to a year, depending on the nature of the disability, before considering the agency contract as void.

The same principle applies on the subagency contract which is defined as the agent acting as the subprincipal for appointing the subagent with the consent of the principal. Furthermore, if the agent (who is acting as the subprincipal) is removed by the main principal, the subagency also gets dismissed instantly. It is rather straightforward to discuss the termination of an agency between artificial persons. If the agent entity goes bankrupt, the agency agreement gets terminated immediately in order to safeguard the interests of the principal, and the principal is permitted by Shariah to repossess the subject matter of the agency agreement.

If the agent entity owed a certain amount of money in terms of the agency agreement to the principal, from the Shariah perspective it will be counted as senior debt on the agent, separate from the agent's other liabilities. Nevertheless, from a practical standpoint, it is more likely that it will be lumped with all the other liabilities of the agent on the basis of the pari passu principle.

There is another interesting element in Wakalah which is the unauthorized agent or Fuduli. Assume a person has collected the debt of a purported principal without the knowledge of that 'principal'. If that person then delivers the funds to the owner of the debt in full, although there has been no formal agency agreement between them, the transaction shall be considered as a valid agency act.

"There is another interesting element in Wakalah which is the unauthorized agent or Fuduli"

But then if the self-proclaimed agent does not pay the amount collected from the debtor to the creditor (ie owner of the debt/assumed principal) or pays it partially, leading to the denial by the 'principal' that any such agency existed, the debtor shall be required to pay the amount to the creditor in full all over again. Nonetheless, the creditor will have to take an oath before the Shariah court judge denying that he ever appointed the person who collected his receivables as the agent. Also, the debtor shall have established a valid claim against the Fuduli for the return of the amount paid by it.

The views and opinions expressed in this article are those of the author and do not necessarily reflect the opinions of the ***Dubai Islamic Economy Development Centre****, nor the official policy or position of the government of the UAE or any of its entities. The purpose of this article is not to hurt any religious sentiments either consciously or even unwittingly.*

Next week: Discussion on the subject of Wakalah shall continue.

Which came first, the chicken or the egg?

Dr Natalie Schoon is the principal consultant at Formabb. She can be contacted at mail@formabb.co.uk.

For the first time in over a year, I finally met up with one of my closest friends and her two young kids. The youngest asked me the chicken and egg question. In all fairness, I have no idea. With the infinite imagination of a five-year-old, he talked himself into knots and decided the only solution to this conundrum was that neither of them came first. Instead, they came together. Admittedly, a very imaginative answer.

Either way, it made me think about the development of financial markets and regulations. Which came first, the financial services or the regulations? We know the answer to that and it was not the regulations.

Regulations typically follow the innovations in financial services, and in some cases a product is being discarded well before the regulations are in place, mostly because it is no longer profitable.

In Islamic finance, however, this seems reversed. Lack of regulation is often used as an excuse to stick with commodity Murabahah and not spend too much time and effort thinking about innovative new Shariah compliant financial products.

In a similar vein, the comment "but country XYZ does not have an Islamic banking law" is often used as an explanation for the lack of development of Islamic financial services.

The differences are interesting. When working on a new piece of regulation for conventional financial institutions a couple of years ago, I had extensive discussions with a number of senior bankers as part of the consultation process.

They explained the impact on their business, how they already safeguarded their clients when offering this particular transaction type and even brought to the table regulations in other countries they preferred over the proposed regulations. Some further clarifications were added to the regulations, some changes were made and the final regulations were implemented.

Last I heard, the banks were actively looking into new products to be offered to the market. Around the same time, I also worked on some regulations in relation to Islamic financial services.

As part of the consultation process, I went to see a number of financial institutions, had some pleasant conversations but no pushback or queries whatsoever on the proposed regulations.

The consultation was quick and painless but in my view, regulations tend to be better when there is a bit of pushback from the industry. The whole purpose, after all, is to make sure the regulations are not too far removed from reality.

> *"The whole purpose, after all, is to make sure the regulations are not too far removed from reality"*

Without this endless dance between the banks and the regulators where the banks push the boundaries of products they bring to market and regulators push back to ensure financial stability, there will not be any innovation in financial services.

Therefore, to get away from the safe products like commodity Murabahah, Tawarruq and, to some extent, Sukuk, banks need to start pushing those boundaries and come up with innovative, creative new structures.

Do not wait for the regulations to be in place. Challenge the status quo. Who knows, someone may even find the solution for the excess liquidity in Islamic financial institutions.

Hong Kong becomes global Islamic SPAC hub

HONG KONG

By Wafee Yeung

A special purpose acquisition company (SPAC) is a way of doing an IPO. A SPAC is a shell company listed on the stock exchange with the purpose of acquiring a private company within a specific period of time (normally one to two years) and help it to be listed on the stock exchange.

If a SPAC cannot merge with a private company within this time period, then it usually needs to return the funds raised to those who invested in the SPAC.

The SPAC itself is created by individuals or teams called 'sponsors'. Sponsors are generally experts in their industry who promise to successfully identify, negotiate and merge with a private company.

When a private company merges with a publicly listed SPAC, it will be listed on the stock exchange.

This final process is called a 'de-SPAC' transaction. A SPAC essentially reverses the traditional IPO process.

Is a SPAC Halal? Whenever assessing a SPAC, three things are essential which every Muslim investor should pay special attention to:

1. If the underlying assets are 100% cash, then the unit must be bought at par value. It will not be allowable to buy or sell a unit when the price is not equivalent to the net asset value.

2. Any funds deposited or invested into treasuries or interest-bearing accounts should be lower than 30% of the market capitalization.

3. If a reliable Shariah stock-screening app regards a SPAC as Shariah compliant and that screening provider has a reputable Shariah board, then it shall be fine to follow the screening result of such a provider.

Hong Kong would very likely allow SPAC listings before the end of 2021, and Allalah.com, the world's first global conventional and Islamic SPAC platform, has already been newly launched this month and operates under Allalah Consulting in Hong Kong to tap into this opportunity.

During the life cycle of a SPAC, from pre-IPO to de-SPAC, the sponsors, target private companies, underwriters, professionals, investors and other SPAC stakeholders can get to know each other easily and collaborate effectively for their successful SPAC deals through this platform.

To be specific, Allalah.com aims to help in the following:

i) Sponsors can get professional support in to facilitate their listings, get to know worldwide high-quality target private companies to shorten their target search time and effectively secure SPAC deal approval from investors on a business combination.

ii) Target private companies can find more opportunities of being acquired by sponsors' SPACs with a view to getting access to public funds in the markets in an easier way and shorter time, and being well-prepared for public disclosures in an accelerated timeline.

iii) Underwriters and professionals are able to get more promising engagements on SPAC deals.

iv) Investors can have more opportunities in a shorter time frame to invest in more choices of different types of SPACs globally, and to approve business combinations with a more informed decision, thereby earning promising returns while controlling investment risks.

v) Other stakeholders like regulators and stock exchanges worldwide can achieve better governance from the context of healthier SPACs.

Wafee Yeung is the managing director of Allalah Consulting. He can be contacted at wafee@allalah.com.

UAE enjoys active capital markets

THE UAE

By Anita Yadav

There has been much activity in the Islamic finance world in the UAE recently. New Sukuk got listed on NASDAQ Dubai, new Shariah compliant capital was raised for projects, cash dividends were announced by the Islamic banks, there was a strengthening of the Takaful sector and further progress in fintech — all combined to push UAE further toward its goal of becoming the hub for Islamic finance.

NASDAQ Dubai this month listed the US$2.5 billion sustainability Sukuk issued by the IsDB, taking the total value of Islamic bond listings in Dubai to US$77.8 billion.

The five-year US$2.5 billion trust certificates were priced at par with a profit rate of 1.26%. Proceeds of the Sukuk will be allocated to finance and refinance green and social development projects that are eligible under the IsDB Sustainable Finance Framework.

Islamic fintechs are projected to grow to US$128 billion by 2025 at a 21% compound annual growth rate

Also, Pure Harvest Smart Farms, the world-leading, sustainable technology-enabled agribusiness based in the UAE, raised US$50 million via a structured Sukuk facility with embedded warrants. Simultaneously, Pure Harvest also raised US$10 million in growth equity.

The fact that such an early-stage business could raise such sizeable capital reflects on the strong investor demand for products such as Islamic investments and environmental, social and governance or green Sukuk.

Although impairment losses announced by some Islamic banks in the country were materially higher than expected, there were others that not only reported better than expected results but also dividends.

Sharjah Islamic Bank (SIB) agreed to distribute 8% in cash dividends to shareholders, after the bank achieved a net profit of AED405.8 million (US$110.46 million) for the year 2020.

SIB's rating was also upgraded by S&P Global Ratings from 'BBB+' to 'A-' with a stable outlook as the bank's assets grew by 15.5% to AED53.6 billion (US$14.59 billion) compared with AED46.4 billion (US$12.63 billion) in 2019.

Abu Dhabi Islamic Bank is also intending to give a cash dividend of 20.58 fils per share, representing 46.6% of its net profit of AED1.6 billion (US$435.54 million) achieved in the 2020 fiscal year.

In the Takaful sector, Dubai Islamic Insurance and Reinsurance Company (Aman), the pioneering UAE Takaful insurance company, proposed its first cash dividend distribution since 2011 of 6% of its net profit of AED19 million (US$5.17 million) for the year ended the 31st December 2020, up 118% compared with 2019's net profit of AED8.7 million (US$2.37 million).

The Global Islamic Fintech Report 2021 estimated that last year's volume of Islamic fintech transactions within OIC countries was at US$49 billion.

While that constitutes only 0.7% of global fintech transactions, Islamic fintechs are projected to grow to US$128 billion by 2025 at a 21% compound annual growth rate.

As per the report, the UAE is leading in terms of transaction volume, along with Saudi Arabia, Malaysia and Indonesia.

Anita Yadav is CEO of Global Credit Advisory. She can be contacted at anitay@globalcreditadvisory.com.

Qatar: A resilient banking sector

QATAR

By Amjad Hussain

QIIB has been presented with the Payment Card Industry Data Security Standard (PCI-DSS) Certification from SISA Company for the sixth consecutive year. The PCI-DSS is a high certification in information security and protection of customer information, and it is a testament to QIIB's investment in data protection and cybersecurity technology, and its efforts in training its personnel.

The seventh Doha Islamic Finance Conference was held at the end of March under the theme 'Digital Economy and Sustainable Development'. The conference was attended by Ali Ahmad Al Kuwari, the minister of commerce and industry of the State of Qatar; and Sheikh Mohamed Hamad Jassim Al Thani, the chairman and managing director of Dukhan Bank; among other participants. A few of the topics discussed during the conference included the strength of the Islamic banking sector in Qatar and Qatar's commitment to continue advancing its digital infrastructure, with a particular focus on the financial sector. Ali mentioned that Qatar is considering establishing an Artificial Intelligence Committee, which will be responsible for implementing Qatar's overall artificial intelligence (AI) strategy, managing programs and other AI initiatives, as well as supporting companies with their AI needs.

Ali added that the Islamic economic sector is "one of the most important solutions" to economic challenges caused by COVID-19, "considering that it is a safe haven for sustainable development and a safeguard against financial crises".

Qatar First Bank (QFB) has released its first quarter reports, showing a growth in net profits and stable income sources. QFB reported a net profit of QAR20.6 million (US$5.61 million) in the first quarter of 2021, compared with a loss of QAR191.6 million (US$52.15 million) during the same period in 2020. QFB's first quarter reports also indicate that the bank maintained stable income sources from its Sukuk investments, which reached QAR2.5 million (US$680,492) by the 31st March 2021.

Additionally, QFB announced its successful exit from Cambridge Medical Rehabilitation Centre, one of its private equity investments in the Middle East, worth US$31.5 million, achieving an internal return rate of 19% for its investors. QFB CEO Abdulrahman Totonji stated that: "QFB remains committed to strengthening its investment portfolio in Qatar, regionally and globally."

Earlier this month, the State of Qatar announced new COVID-19 restrictions due to an increased number of infections in the state. We expect that the upcoming month will see business activity slow down as a result of the public health restrictions, as well as the holy month of Ramadan.

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Global Halal supply chain

HALAL INDUSTRY

By Dr Sutan Emir Hidayat

The demand for Halal products has increased tremendously across the world, both from Muslim and non-Muslim countries. There are about 1.9 billion Muslims, and their estimated total consumption stood at US$2.02 trillion in 2019 and is projected to grow to US$3.2 trillion by 2024 across the Halal food, Halal lifestyle and pharmaceutical sectors while the Islamic finance sector had US$2.88 trillion in total assets in 2019.

The increasing demand for Halal products has prompted the need for Halal supply chain management. According to many scholars, the Halal supply chain starts from the point of origin to the point of consumption, including warehousing, sourcing, transportation, handling of products, inventory management, procurement and order management which must follow the Islamic requirements or Shariah. Thus, Halal supply chain management can be defined as the management of a Halal network with the objective to extend the Halal integrity from the source to the point of consumer purchase.

There are several critical success factors in implementing Halal supply chain management, including government support, dedicated assets, information technology, human resource management, collaborative relationship and Halal certification, as well as Halal traceability.

Currently, several Muslim and non-Muslim countries have already established Halal logistics as part of the Halal supply chain. There are about 51 Halal logistic companies in Malaysia while around eight logistic companies, including warehousing service providers and transporters, have been certified Halal in Indonesia.

Meanwhile, for non-Muslim countries, Japan has a Halal warehouse owned by Nippon Express and Singapore has Halal logistic companies such as Nissin Corp. Halal supply chain management is still in its infancy, but we can expect that in the future it will progressively become an important part of the development of the Halal industry and OIC member countries' economies.

In addition, a more integrated approach than the Halal supply chain to the development of the Halal industry is the Halal value chain. The latter includes the financing aspect where there should be convergence between the Halal industry and the Islamic finance industry. It also means that Halal industry players must only use Islamic financial products and services to fulfill their financing needs.

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Second wave of M&A in GCC banking sector due to profitability crisis

MERGERS & ACQUISITIONS

By Burak Gencoglu

The GCC banking system may face a second mergers and acquisitions (M&A) wave following the triple shocks on profitability. According to analysts, the second M&A wave may begin as a result of lower lending growth, lower-for-longer interest rates and higher cost of risk which all had substantial negative effects on profitability in 2020. The senior director and global head of Islamic finance at S&P Global Ratings, Dr Mohamed Damak, stated in a report that the new round of M&A might include consolidation between different GCC countries.

The first wave was driven by reasons such as shareholders' intention to reorganize their assets, an example being the upcoming merger between National Commercial Bank and Samba Financial Group.

> **"It is expected that the second M&A wave for GCC banks will contribute to the acceleration of M&A transactions in general once the full effect of the weaker operating environment on banks becomes visible"**

S&P Global Market Intelligence data indicates that when completed, the said deal will result in a combined entity with total assets of US$213.12 billion, and it will create the third-largest bank in the GCC by asset value.

There are also deals affected and paused due to the COVID-19 pandemic such as the proposed takeover of Bahrain-based Ahli United Bank by Kuwait Finance House, which could create the world's largest Islamic banking entity by assets.

However, this new round of M&A is expected to be more opportunistic and driven by economic reasons which would require more aggressive moves by management when compared with previous consolidations.

Although the main reasons for the two M&A waves are different, they eventually result in a favorable environment for bank consolidations.

However, the second consolidation move would also be a vital and required way out that GCC banks should follow to ease the negative consequences on their current profitability.

This also indicates that these transactions may not be easily paused halfway through the deal. Moody's Investors Service also shares the opinion that the pandemic and protracted low oil prices are two challenges having an impact on banks' profitability and will shift management's attention to cost discipline and consolidation opportunities. "This is prompting a new wave of mergers as banks seek ways to combat revenue pressure," said Badis Shubailat, an analyst at Moody's.

In parallel with global M&A activity, deals in the GCC countries nearly came to a standstill during the second quarter of 2020.

However, as the lockdowns were lifted, M&A activity steadily picked up by the last quarter of 2020. It is expected that the second M&A wave for GCC banks will contribute to the acceleration of M&A transactions in general once the full effect of the weaker operating environment on banks becomes visible.

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Insights on Islamic finance during Ramadan

In the holy month of Ramadan, Muslims worldwide observe a time for dawn-to-sunset fasting, prayer, reflection and community. Typically, it is a quieter period as they spend time with family and loved ones. However, Islamic banking does not come to a complete standstill; some clients remain very active. We witness an impact on client behavior as individuals' social empathy and positive moods increase. Investors are affected by psychological and social factors with respect to choosing particular financial products. Ramadan becomes an important occasion for charitable giving, and so we do note an outflow of money into such avenues. We see a greater preference for Shariah compliant products during this season. ALI HAMMAD writes.

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Unmet demand for Islamic finance in Europe and Africa presents opportunity

Islamic finance is experiencing global growth as its profile rises. In Malaysia, during 2020, Islamic finance increased by 8% vs. 1% for conventional banking. Similarly, in Pakistan, Islamic banking assets increased by 30% in 2020 (which again is higher than conventional banking). In other parts of the world, like the UAE and Europe, we see an increasing need and adoption of Islamic products. It is in Europe and Africa, where there are pockets of Muslims, that we perceive an unmet demand.

Islamic finance has become more mainstream and clients are expecting to have this option offered to them. It holds the potential to take a larger share of the market. Wealthy clients like to invest in products that offer the best value for money. Therefore, for faith-based clients, if the product benefits are similar to conventional ones and, on top of that, it happens to be Shariah compliant, then there would be a preference for such products. Equally, they expect there to be no additional costs or downside vs. conventionally comparable products and services, and relationship managers to be well versed in the detail. And, it does not matter the age nor gender, a cross-section of clients is interested in Islamic finance.

Islamic finance is for everyone — Muslim or non-Muslim

Islamic finance, despite its label, is not limited to Muslim countries. Yet, awareness about Islamic finance has always been an industry challenge, since conventional banking is still the dominant player. Mostly, Muslim clients know about Islamic finance and the advantages it can bring to their portfolios. Several Muslim clients benefit as a by-product of their religious views, where the main motivation was to be Shariah compliant before considering performance. Those who are less pious see Islamic products as something for more religious people. For non-Muslims, the name makes them feel like Islamic finance is not for them, so they do not want to know about it. The industry has a role to play in educating non-Muslim clients, that it is a question of diversification and investment opportunity in a growing sector of finance.

A clear link between Islamic finance and ESG

Environmental, social and governance (ESG) investing is on the rise and shares similar characteristics with Islamic finance. Islamic finance is founded on high moral standards and based on a belief that money should not have any value in itself. It is just a way to exchange products and services that do have a value. ESG is actually the DNA of Islamic finance, for example, Islamic financial services should not invest in things like alcohol, tobacco and gambling, which are considered to have a negative impact on society.

Overall, clients understand the link between the two. But alas, when it comes to choosing a moral way of investing, it is often down to the name — if non-Muslim clients want sustainable investing, they will go with ESG because of its title. Additionally, ESG is very popular.

Unaffected by the coronavirus pandemic

We believe the coronavirus pandemic has made little change to client Islamic

finance behavior. Some clients have used 'lockdown' to spend more time analyzing their portfolios to invest in areas for the greater good. But the same can be said for conventional clients too. Both groups have also viewed the pandemic as a game changer for Islamic finance providers to offer their products via digital platforms, thereby speeding the advance of technology within this sector.

Holding the Islamic finance sector back

There are three challenges: fewer product options under funds, bonds and exchange-traded funds in Islamic finance compared with conventional finance; it is a more restricted investment universe, with a limited number of issuers in the Sukuk space; and there is a perception it is only beneficial or suitable for Muslims.

The Islamic finance revolution

Islamic finance is evolving and revolutionizing the banking industry. It presents an alternate way of banking, giving clients a wider choice to select products that are aligned to their faith and beliefs. This results in greater financial inclusivity. It could even be said that Islamic finance was the precursor to ESG, although there is an argument that at times it does get to the point where the religious aspect is lost, and it becomes more about appeasing one's conscious rather than the Islamic aspect at heart.

The advantage of Islamic finance for SMEs

The economic contributions made by SMEs to improve a country's welfare are supported by the government. Nowadays, SMEs represent 96% of registered companies and approximately 50% of GDP and 65% of employment worldwide, therefore SMEs can be considered the main player of economic development. In developing countries, the government and Islamic finance institutions sign agreements to create different programs to support and promote SME production. As such, Islamic banks and Islamic financial institutions should play a significant role in financing these businesses. CENK KARACAOGLU examines the approaches and support of Islamic finance institutions toward SMEs globally and the factors affecting SMEs in choosing Islamic banking.

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Supporting SMEs is one of the objectives of religious and faith-based institutions, thus the most important goal of Islamic banks and Islamic financial institutions is to contribute to the economic and social development of society. However, most of the entrepreneurs in SMEs are still not benefiting from Islamic finance's environment despite the development and recent growth of new Islamic financing products.

In general, based on observations and monitoring for many years, the conventional banks are not that supportive of newly established SMEs without getting tight collateral. On the other hand, Islamic banks focus more on trade and movement of goods for SMEs and due to these reasons, Islamic banks look more supportive of SMEs and their financing needs.

However, a dedicated Islamic SME banking strategy and business model is critical — banks would need to adopt specific market segmentation approaches to be able to better understand the market dynamics, quantify the business opportunity, build appropriate propositions and deploy the optimal operating model.

Customers' lack of awareness of banks and institutions (especially Islamic banking products) that offer SME finance propositions create a huge supply-side gap. Islamic banks can benefit from this gap by effectively branding and marketing Islamic propositions for SMEs. Islamic finance, as an alternative and ethical financing method, directs funding to impact-oriented real economic activities.

The main foundations of Islamic financial products are their asset-based transaction nature, together with their equity-based nature of sharing risks and profits. Each of these financing categories has a fundamental role to play in increasing the financial inclusion of SMEs and innovative start-ups, as well as attracting potential capital from Islamic capital providers and sources (World Bank Group and IsDB, 2015).

The largest Islamic financing providers for SMEs are Islamic banks, entrepreneur development institutions and private trust bodies. The majority of Islamic banks use Murabahah-structured instruments to finance SMEs and make it possible for banks to directly communicate and share risks with suppliers.

Additionally, higher profitability is created by banks from the SME segment compared to corporate customers due to the higher price charging for SME clients if they can obtain the financing to complete their financial needs with quick procedures.

Almost all banks like to serve corporate clients which provide strong competition and thereby the corporate segment would prefer another bank if the pricing is better. Unlike the corporate segment, SMEs are more loyal as they might be aware of the higher pricing but still choose to work with the same bank if they receive support for their entrepreneurs in the first place.

The main factor for SMEs preferring Islamic banks instead of conventional banks is the quality of services and approaches in terms of relationship perspectives. The aspects of religion, a bank's reputation and cost benefits are the main factors that can influence customers to choose Islamic banking products and services. Therefore, these factors can be applied in the framework to attract SMEs in choosing Islamic banks to finance their business.

The participation of an SME business in Murabahah-structured financing is considered as a partnership with the Islamic bank. The contribution of Islamic financial institutions to stimulate the growth of SMEs and boost entrepreneurship is essential.

There is significant potential for Islamic banks and financial institutions to gain from SME financing; however, approaching SMEs, risk-sharing of business and providing clear advisory services and sophisticated banking will be key factors for Islamic banks to increase their share of SME financing.

The role of regional banks in advancing the Islamic banking industry in Indonesia

Indonesia's Islamic finance industry has grown very well in the past three years. The main driver of growth of the industry has been the increase in Islamic banking assets. From 2018 to 2020, total financing in Islamic banks grew by 20% to reach IDR383 trillion (US$26.36 billion). This was far faster than the growth of the overall Indonesian banking assets (conventional and Islamic) which only grew by less than 4% in the same period. Thus, the share of Islamic financing in the country also improved to 7% from the previous 6%. Islamic banks also saw a growing borrower base which stood at over five million at the end of last year. ZEIN ELHADY and FARASH FARICH explore.


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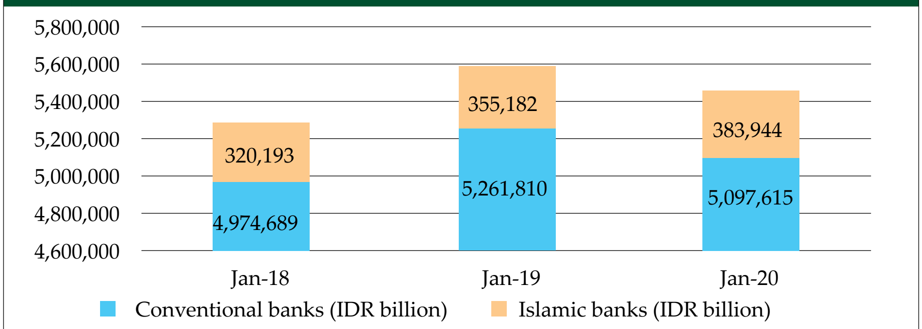
Diagram 1: Commercial banks' loan growth



Source: Indonesia's Financial Services Authority

The growth in the assets of Islamic banking was also supported by a strong growth in deposits. Islamic banks saw their deposits increase from around US$27 billion in 2018 to US$33 billion at the end of 2020, translating to a 25% growth. This was in line with a net addition of 6.2 million customers in Islamic banks corresponding to a 25% growth. At the end of 2020, Indonesian Islamic banks had over 30 million deposit customers.

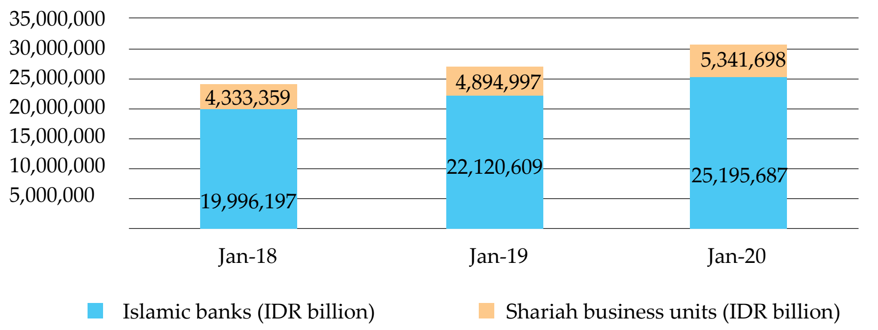
The robust growth was also supported by the conversion of an Islamic unit of a regional bank, Bank Nusa Tenggara Barat, to a fully-fledged Islamic bank in 2018. The bank saw increases in total assets and deposits of 23% and 39% respectively, within one year following the conversion. The conversion followed an alteration to a fully-fledged Islamic bank by Bank Aceh, another regional bank, in 2016.

In the Aceh province, in addition to owning an Islamic regional bank, the province also enacted a regional law in 2018 that requires all banks operating in the province to be based on Islamic principles at the latest by 2021. The law resulted in the conversion of some branches of conventional banks in Aceh to Islamic branches in 2020, which also contributed to the industry growth.

The industry trend indicates a significant improvement in the public's preference toward Islamic banking products and services. But it is still far from optimal considering the size of the Muslim population in Indonesia of around 240 million. This means the potential business for the industry's players is still huge, not only in terms of an untapped customer base but also in terms of untapped products and services. Both national and regional banks have the opportunities to take advantage of this to expand their business further which in turn will drive Islamic finance further.

Indonesia's landscape consists of over 17,000 islands in 32 provinces and approximately half of the population live in suburban areas. The country also has over 1,000 tribes with each having different customs. These factors place regional banks with a better advantage in growing Islamic banking compared with their national counterparts.
The regional banks have more direct interactions with people living in suburban areas who are far from the reach of national banks. Each regional bank also has the know-how in dealing with local customs and local needs which are different from one area to another.

Diagram 2: Growth of Shariah deposit accounts



Source: Indonesia's Financial Services Authority

The location advantage and local knowledge are important to transmit the financial literacy of Islamic finance and attract customers to Islamic banks' products and services at a faster pace and a wider scope altogether. The national banks have larger capital but they are still too centralized in big cities with mid- to high-net-worth individuals or corporations. The role of regional banks will become more and more important to grow the industry, especially for customers living in suburban areas, SMEs and MSMEs.

There are over 26 million of MSMEs in Indonesia which account for 98% of total companies and contribute around 43% to the GDP of Indonesia. Around 40% of the total MSMEs are located outside Java island. Similar to individuals living in suburban areas, regional Islamic banks have more direct interactions with MSMEs.

> ***"The function of treasury in regional Islamic banks can become more important in generating profits, and not only to manage the asset liability gap"***

Another advantage of regional banks is their shareholders consisting of provincial and regency governments. They have captive markets of customers which include the regional governments themselves as depositors, and the employees of governments and companies owned by regional governments, both as depositors and debtors of Islamic products. A regional government can also urge private companies operating in its region to collaborate with local government-owned Islamic banks. Growing its regional banks' Islamic portfolio is in the best interest of a regional government since it is populist policy considering a majority of their citizens are Muslims.

Collaboration with regional governments or regional state-owned enterprises is important 'bread and butter' for regional Islamic banks. However, to grow their business further and become more prominent agents in growing Islamic finance industry in Indonesia, the regional banks cannot depend on the existing captive markets. They will need to put more effort into the untapped markets. The individuals (non-government employees) and MSMEs in the region should be potential targets by offering not only basic products and services but for example services such as cash management, wealth management, syndication, etc.

Some of the banks have launched their digital platforms. This will also become a standard way for all regional Islamic banks to offer their products and create collaboration with other Islamic product providers such as Shariah compliant mutual funds, insurance companies and Islamic pension funds. This means that regional banks will not only become the promoters of Islamic banking products but also the promoters of other Islamic finance products. It is not a bad idea for regional Islamic banks to have subsidiaries comprising Takaful entities, Islamic fund managers, Islamic pension funds and Islamic multifinance entities.

Another avenue for growing profits can be through the treasury department. The function of treasury in regional Islamic banks can become more important in generating profits, and not only to manage the asset liability gap. Investment in Islamic instruments through Islamic mutual funds or Sukuk can generate more profits than through the Islamic interbank market.

Further, becoming a market maker or liquidity provider in the Sukuk market can be an interesting other source of income which has been done by foreign banks in Indonesia's government bond market.

A religious approach can also be beneficial commercially. Some regional banks have launched their Wakaf programs to act as a collector of Hajj funds. These efforts can also attract more 'new-to-banks' customers which in turn will translate to growth in a bank's assets and profits. This approach can be expanded to become a standard service for regional Islamic banks.

We believe that regional Islamic banks will play a more important role in driving not only the growth of the Islamic banking industry but also the overall Islamic finance industry in Indonesia. Thirteen regional banks will need to spin-off their Islamic units or do a full conversion of their bank into an Islamic bank which will drive growth inorganically.

But more importantly, Islamic regional banks can drive industry growth further by tapping both the captive and non-captive markets by offering new products and services that are currently the domain of the national Islamic banks or conventional banks or by transforming into integrated Islamic financial services.

Tawarruq risk exposure in Islamic banks in Malaysia

Islamic banking products in Malaysia have evolved and developed exponentially into more sophisticated structures. Most of the products are dominated by a few concepts, notably Tawarruq, commonly known as commodity Murabahah. Based on Bank Negara Malaysia' Financial Stability Review 2019, Tawarruq deposits constituted more than half (63%) of the total Islamic deposit and investment accounts, signifying higher demand for fixed return instruments. The use of Tawarruq has also expanded to Islamic current accounts and saving accounts (CASA-i) of Islamic banks in Malaysia. DR MOHAMMAD MAHBUBI ALI delves further.

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Specifically, Tawarruq-based deposits contributed to 93.52% of the total deposit composition in Hong Leong Islamic Bank, 88.35% of Bank Pembangunan Malaysia's deposit portfolio and 83.22% of CIMB Islamic Bank's deposit composition (Annual Report of the Respective Islamic Banks, 2019).

Apart from deposit products, Tawarruq also dominated the Shariah-based financing portfolio composition, standing at 46% of the Islamic banks' total financing portfolio, a drastic increase of more than 100% in just three years (22.4% in 2016).

In particular, Tawarruq financing represented 86.68% of the total financing portfolio composition of Bank Islam Malaysia, 69.98% of CIMB Islamic Bank's financing portfolio and 63.42% of Hong Leong Islamic Bank's financing portfolio (Annual Report of the Respective Islamic Banks, 2019).

While nothing is wrong with the use of Tawarruq for Islamic financial products from the Malaysian regulatory perspective, the overreliance on a particular concept is vulnerable to the exposure of complex risks such as concentration risk, commodity risk and Shariah non-compliance risk.

Firstly, let's look at concentration risk. This type of risk occurs due to the lack of diversification and uneven distribution of exposures to certain types of products. The Basel Committee on Banking Supervision defines risk concentration as "the exposure with the potential to produce losses large enough to threaten a financial institution's health or ability to maintain its core operation".

In simple words, risk concentration is the potential loss because the exposure is concentrated in one particular asset or a particular concept. For that reason, Harry Markowitz in 1952 introduced the Modern Portfolio Theory, which emphasized the importance of "a choice of the different means and variance of a portfolio of assets" with the famous axiom "do not put all your eggs in one basket".

Secondly, let's look at commodity risk. The overreliance on the Tawarruq concept would increase the demand for a large volume of the commodity underpinning the Tawarruq transaction, which could possibly lead to an insufficient commodity supply.

Therefore, some Islamic banks have to subscribe to multiple commodity Murabahah platforms so as to offer a wide array of choices and options in meeting the need for a high volume of the commodity and multiple transactions.

Thirdly, let's look at Shariah non-compliant risk. Tawarruq assumes a relatively high degree of Shariah non-compliant risk compared to other contracts mainly because it involves a series of sales contracts that are conducted in succession.

A survey by me suggested that an improper sequence of contracts, ie sale of an asset before the bank acquires it from the trader, recorded the most frequent Shariah non-compliant events (40%) in Islamic banks in Malaysia.

Therefore, Islamic banks should institute more prudent Shariah risk management and a clear standard operational procedure. A proper review and due diligence are also crucial before the execution of a contract so that the arrangement does not reflect a mere exchange of papers.

Other risk exposures facing the Tawarruq concept include legal risk, operational risk, structural risk, credit risk and information technology risk.

Realizing the various risk exposures in the application of Tawarruq in Islamic banks, this brief article advocates that the use of Tawarruq in Islamic banks in Malaysia should be applied within certain parameters and controls. Islamic banks should institute more prudent Shariah risk management strategies and more robust standard operational procedures for Tawarruq-based products. A proper review and due diligence are crucial before the execution of a contract to mitigate Shariah non-compliance risk. The Malaysian authorities and Shariah committees need to establish strict parameters and controls in the application of Tawarruq in Islamic financial institutions.

For example, the concept can only be allowed for liquidity management as a last resort — where no other alternative Shariah concepts are feasible. This will certainly encourage product innovation and reduce the concentration of risk.

> *"As an alternative to Tawarruq, the Islamic banking industry could explore other concepts such as Ijarah Khadamat and Salam"*

As an alternative to Tawarruq, the Islamic banking industry could explore other concepts such as Ijarah Khadamat (lease of future services) and Salam (forward sale). Ijarah Khadamat, for instance, can be employed to meet the need for personal financing which involves underlying services such as education and health. Salam, on the other hand, can meet cash-in-hand needs that are backed by underlying assets such as agricultural produce.

In the long run, there is a need to return to a 100% cash reserve ratio and shift the focus to genuine-investment-based liquidity management products, even if it is done gradually and in phases. This will, in turn, rule out the fractional banking system which creates an unnecessary liquidity mismatch. Nevertheless, such a move requires a total paradigm shift that challenges the very basis of the existing financial architecture and necessitates a strong political will to implement. But this would significantly restore and enhance the inherent credibility of Islamic banking and finance.

Apex Takaful seizes opportunity in Takaful market of Uzbekistan

In the last few years, Uzbekistan has witnessed the emergence of 'sprouts' of Islamic finance. All these are private initiatives that emerge in the absence of enabling legislation. Instead of simply waiting, businesses take the initiative to create Islamic finance modalities through versatile adaption of the existing legislation. One of the first such 'swallows' in the field of Islamic insurance was the emergence of Apex Takaful, the Islamic insurance arm of Apex Insurance Co. In this article, IFN Correspondent HONDAMIR NUSRATHUJAEV interviews Maqsud Sabirov, the director of the Islamic insurance development department of Apex Takaful.

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1. Uzbekistan does not yet have Islamic banks or windows, but it already has an Islamic mutual insurance window — how can you explain this phenomenon?

Demand for Islamic finance in Uzbekistan is significant which naturally drives the demand for Takaful. The good news is that the imminent introduction of Islamic banking in Uzbekistan spurs the demand for Takaful. Beyond that, Takaful can grow and develop even without Islamic banking. Therefore, we have decided to kick-start [a] Takaful window.

2. How adventurous is it to actually pioneer Takaful in a regulatory environment that is not tailored to it?

It is quite challenging to try to marry local legislation written for conventional insurance business with the Shariah requirements. We struggled to find loopholes in order to fit Takaful Shariah requirements into the current legislation. This also includes deploying Takaful premiums into permitted investments only, which is quite narrow given the Shariah requirements in Halal investments. It is always tough for the leaders but we believe it is worth it.

3. What are the products that you will be offering to your clients? How close are they to the conventional ones in terms of the price and risk?

We have started with voluntary Takaful products. These include voluntary vehicle insurance, property insurance, auto liability insurance, accident prevention insurance and other types of insurance services. In terms of similarity, they are close to traditional types of insurance, ie the current traditional insurance conditions are in line with Shariah requirements and norms, and the conclusions of the Fatwa Council of the Muslim Board of Uzbekistan on all types of insurance introduced. As for the amount of insurance premiums, it is slightly different.

4. Tell us a little about the Takaful operational model you have selected for Apex Insurance to run a Takaful business and the selection of a hybrid model.

The Apex Takaful window is separate from the conventional insurance arm and acts as an agent managing [a] Takaful business for a fee. It also acts as a manager (Mudarib) of the Takaful fund and investment returns are shared between the Takaful fund and the operator based on the agreed ratio.

5. There are a few major challenges for Takaful development in many markets and these are a shortage of professional actuaries, a lack of capital to insure significant risks and a lack of instruments eligible for investing Takaful premiums. How are you going to solve these issues?

Frankly, we have ample actuaries in the country and in our company, so it is not an issue for us. Capital adequacy is certainly an issue. At the same time, we are currently working on establishing re-Takaful arrangements with companies outside Uzbekistan. Investment options for insurance companies in Uzbekistan are limited by law, which means our Takaful arm has even fewer options than a conventional insurance arm. We are planning to invest our Takaful premiums into Ijarah companies, certain Halal equities, Islamic windows of a number of Uzbek banks and local Sukuk. As such, we are waiting for the regulatory changes to be introduced that will enable these arrangements in the near future, insha Allah.

6. Awareness is one of the major challenges especially as many are not aware that conventional insurance (unlike conventional lending) is not allowed. Further, even describing the differences between insurance and Takaful is a very complicated task, involving technicalities, which makes it exceptionally hard to explain the Takaful modality to the layman. How do you plan to tackle this issue?

We are and will be working on raising some basic awareness through the social network, with banks and the media. The idea is to create general awareness on Takaful especially in the light of the expected introduction of Islamic windows. Further, we plan to organize various seminars on the topic, [and] engage universities and other means to popularize Takaful among the masses.

7. What do you think about the potential competition? Do you think that local insurance companies will open insurance windows and how will this affect the activities of your company?

The presence of competition in the economy as a whole is one of the factors contributing to the development of this industry. We are currently aware that several insurance companies are planning to open Islamic insurance windows. The opening of insurance windows, in turn, will lead to the development of Islamic insurance in Uzbekistan and the growing demand for Islamic financial services and increase the literacy of Islamic finance among the population.

Any public opinion or media appearance is the author's independent personal opinion and should not be construed to represent any institution with whom the author is affiliated.

DEALS

LBS Bina to complete partial early redemption

MALAYSIA: LBS Bina Holdings intends to partially early redeem its outstanding Sukuk Murabahah facilities together with the accrued profit on the 26th April 2021, a statement confirmed. The stock codes involved in the partial redemption are VS180233 valued at RM276,064.62 (US$66,877.8), VS180244 valued at RM11,935.38 (US$2,891.39) and VS180243 valued at RM83,000 (US$20,107.1).

Paramount to partially redeem Sukuk early

MALAYSIA: Paramount Capital Resources will conduct a partial early redemption of its outstanding Sukuk Murabahah facility valued at RM5.4 million (US$1.31 million) under the stock code VN190037, together with the accrued profit on the 26th April 2021, a statement confirmed.

Toyota Capital sells IMTN

MALAYSIA: Toyota Capital Malaysia has on the 20th April 2021 issued a RM45 million (US$10.9 million) Islamic medium-term note (IMTN) with a profit rate of 3.6% structured under the Musharakah concept, according to a filing on the Bond and Sukuk Information Exchange.

The IMTN has a five-year tenor and is rated 'AAA (s)' by RAM Ratings.

Waskita Karya could issue Sukuk

INDONESIA: Waskita Karya is seeking shareholders' consent to obtain funding guaranteed by the Ministry of Finance amounting to IDR15.3 trillion (US$1.05 billion), comprising IDR9.8 trillion (US$674.45 million) in banking loans and IDR5.6 trillion (US$385.4 million) from the issuance of Sukuk or conventional bonds, a press release confirmed.
All funding raised will be used as working capital for the completion of infrastructure projects.

Waskita, as one of the state-owned enterprises development agents, was roped in to complete infrastructure projects that are under the National Economic Recovery program. The company received a downgrade in its credit rating due to a decrease in operational and financial performance due to the COVID-19 pandemic, which hampered its plans to obtain funding.

DFSA admits DIB's capital certificates

UAE: The Dubai Financial Services Authority (DFSA) has announced the admission of the US$500 million additional Tier 1 capital certificates issued by Dubai Islamic Bank (DIB) Tier 1 Sukuk (5) to its official list of securities, according to a statement on NASDAQ Dubai.

SRC to issue Sukuk before end of year

SAUDI ARABIA: Saudi Real Estate Refinance Company (SRC) is preparing to issue an international Sukuk facility worth between US$500 million and US$1 billion, depending on the company's needs, before the end of 2021, Alarabiya reported, citing Majeed Abduljabbar, the global head of treasury and capital markets at SRC.

Holstein plans Sukuk Wakalah program

MALAYSIA: Holstein Milk Company is looking to establish a RM1 billion (US$242.23 million) Sukuk Wakalah program. According to a statement, Malaysian Rating Corporation has assigned a preliminary 'AA-IS' rating with a stable outlook to the proposed Sukuk program.

The assigned rating is driven by Holstein's growing market share in the dairy industry and its improving profitability, characterized by strong operating profit margins and a moderate leverage position.

Imtiaz auctions IMTNs

MALAYSIA: Imtiaz Sukuk II, an SPV of Bank Rakyat, has on the 19th April 2021 issued two Islamic medium-term notes (IMTNs) — a five-year RM300 million (US$72.67 million) facility with a profit rate of 3.54% and a seven-year RM700 million (US$169.56 million) facility with a profit rate of 3.9% — structured under the Murabahah and Wakalah concepts, according to separate filings on the Bond and Sukuk Information Exchange.

The IMTNs arranged by Maybank Investment are rated 'AA2 (s)' by RAM Ratings.

The Sukuk facilities were issued under Imtiaz's Sukuk Wakalah program of up to RM10 billion (US$2.42 billion) in nominal value. Proceeds from the issuance will be utilized for Bank Rakyat's Shariah compliant business expansion program, general banking, working capital and general corporate purposes.

Moratelindo to conduct public offering

INDONESIA: Mora Telematika Indonesia (Moratelindo), a Jakarta-based provider of internet services, data centers and telecommunication interconnectivity, has announced the public offering of its Sukuk Ijarah Berkelanjutan I Moratelindo Tahap IV Tahun 2021 worth IDR500 billion (US$34.41 million) to be conducted from the 28th April to the 29th

DEAL TRACKER Full Deal Tracker on page 36

EXPECTED DATE	COMPANY / COUNTRY	SIZE	STRUCTURE	ANNOUNCEMENT DATE
2021	Saudi Real Estate Refinance Company (SRC)	US$1 billion	Sukuk	20th April 2021
29th April 2021	Mora Telematika Indonesia (Moratelindo)	IDR500 billion	Sukuk Ijarah	19th April 2021
TBA	Waskita Karya	IDR5.6 trillion	Sukuk	19th April 2021
TBA	Holstein Milk	RM1 billion	Sukuk Wakalah	19th April 2021

April 2021, according to a prospectus by the company as viewed by IFN.

The Sukuk facility will be offered in two series — Series A worth IDR469.1 billion (US$32.28 million) with a tenor of three years and Series B worth IDR30.9 billion (US$2.12 million) with a tenor of five years. The Sukuk facility will be listed on the Indonesia Stock Exchange on the 5th May 2021.

Albaraka Turk sells lease certificates

TURKEY: Albaraka Turk Katilim Bankasi has issued TRY800 million (US$99.14 million)-worth of 336-day lease certificates on the 15th April 2021 with a maturity date set on the 17th March 2022, a bourse filing confirmed.

Perwaja Steel could issue IMTNs

MALAYSIA: Perwaja Steel is seeking approval from its noteholders to issue Islamic medium-term notes (IMTNs) of up to RM400 million (US$96.9 million) structured under the Murabahah concept, a statement confirmed.

AMBD prices AMBD I-Bills

BRUNEI: Autoriti Monetari Brunei Darussalam (AMBD) has priced the 23rd issuance of its AMBD Islamic-Bills (AMBD I-Bills) at BN$20 million (US$14.98 million) with a profit rate of 0.11% and a maturity date set on the 29th April 2021, a press release confirmed.

Since the maiden offering on the 22nd October 2020, BN$572 million (US$428.37 million)-worth of AMBD I-Bills have been issued; total outstanding as at the 15th April 2021 stood at BN$20 million.

Turkiye Emlak auctions lease certificates

TURKEY: Turkiye Emlak Katilim Bankasi has issued TRY140 million (US$17.35 million)-worth of 47-day lease certificates to qualified investors on the 14th April 2021 with a maturity date set on the 1st June 2021, a bourse filing confirmed.

STSSB prints ICPs

MALAYSIA: Sunway Treasury Sukuk (STSSB) has on the 16th April 2021 issued two Islamic commercial papers (ICPs) totaling RM115 million (US$27.86 million) structured under the Mudarabah concept, according to separate filings on the Bond and Sukuk Information Exchange.

The ICPs have one-month and three-month tenors and are rated 'MARC-1 IS (cg)' by Malaysian Rating Corporation.

Bank Albilad completes Sukuk issuance

SAUDI ARABIA: Bank Albilad has completed the issuance of its SAR3 billion (US$799.52 million) Tier 2 Sukuk facility by way of private placement on the 15th April 2021, a bourse filing confirmed.

The Sukuk facility priced at 165bps over the three-month SAIBOR has a 10-year maturity callable in the fifth year subject to the terms and conditions of the Sukuk. The bank has mandated Albilad Capital as the sole arranger and dealer of the issuance.

Turkish Treasury collects gold for lease certificates

TURKEY: The Ministry of Treasury and Finance of Turkey has collected 9,827 kilograms of gold (995/1000 purity) from institutional investors for lease certificates with a value date of the 16th April 2021 and a maturity date of the 12th April 2024, a statement confirmed.

Separately, the Ministry of Treasury and Finance of Turkey announced that it will be issuing Turkish lira-denominated CPI-indexed lease certificates on the 21st April 2020.

The certificates have a maturity date set on the 15th April 2026 and a rental rate of 1.43% payable every six months.

Malaysia issues GII Murabahah paper

MALAYSIA: The government of Malaysia has on the 15th April 2021 issued a RM2.5 billion (US$605.15 million) Government Investment Issue (GII) Murabahah facility with a profit rate of 3.45% which received 227 bids, according to a tender result.

Separately, Bank Negara Malaysia has issued five Money Market Tender Murabahah Overnight Borrowing Acceptance Islamic facilities worth a total of RM92.95 billion (US$22.52 billion), three Money Market Tender Murabahah-Murabahah Acceptance Borrowing Acceptance Islamic facilities worth a total of RM750 million (US$181.69 million) and five Qard papers worth a total of RM15.7 billion (US$3.8 billion), according to separate tender results.

Gamuda prints ICP

MALAYSIA: Gamuda has on the 15th April 2021 issued an Islamic commercial paper (ICP) worth RM200 million (US$48.41 million) structured under the Murabahah concept, according to a filing on the Bond and Sukuk Information Exchange.

The ICP has a three-month tenor and is rated 'P1' by RAM Ratings.

Infracap Resources sells IMTNs

MALAYSIA: Infracap Resources has on the 15th April 2021 issued 11 Islamic medium-term notes (IMTNs) totaling RM5.75 billion (US$1.39 billion) structured under the Murabahah concept, according to separate filings on the Bond and Sukuk Information Exchange.

The IMTNs have tenors ranging from one year to 15 years and are rated 'AAA (s)' by RAM Ratings.

SCC auctions IMTN

MALAYSIA: Sabah Credit Corporation (SCC) has on the 15th April 2021 issued a RM150 million (US$36.31 million) Islamic medium-term note (IMTN) with a profit rate of 2.85%, according to a statement.

The ICP structured under the Musharakah concept has a one-year tenor and is rated 'AA1' by RAM Ratings.

Tropicana prints IMTNs

MALAYSIA: Tropicana Corporation has on the 15th April 2021 issued two Islamic medium-term notes (IMTNs) — a five-year RM133 million (US$32.19 million) facility with a profit rate of 5.65% and a seven-year RM50 million (US$12.1 million) facility with a profit rate of 5.8% — structured under the Istithmar, Murabahah and Wakalah concepts, according to separate filings on the Bond and Sukuk Information Exchange. The IMTNs are rated 'A+ IS' by Malaysian Rating Corporation.

Saba Tamin auctions Sukuk Ijarah

IRAN: Saba Tamin Investment Company has issued IRR10 trillion (US$236.91 million)-worth of Sukuk Ijarah with a rental rate of 18% and a tenor of four years, SENA reported.

Saba Tamin Brokerage acted as the sales agent while Amin Capital acted as the underwriter for the issuance.

Kuveyt Turk sells lease certificates

TURKEY: Kuveyt Turk Katilim Bankasi has issued TRY200 million (US$24.54 million)-worth of 93-day lease certificates on the 13th April 2021 with a maturity date set on the 16th July 2021, a bourse filing confirmed.

CBG's Sukuk Salam papers oversubscribed

GAMBIA: The Central Bank of Gambia (CBG) has concluded its auction featuring three Sukuk Salam facilities on the 13th April 2021. All three facilities were oversubscribed.

According to a statement, the GMD5 million (US$97,345.3) three-month facility received GMD10.7 million (US$208,319) in bids while the GMD10 million (US$194,691) six-month and GMD30 million (US$584,072) one-year facilities received GMD20.35 million (US$396,195) and GMD76.84 million (US$1.5 million) in bids respectively.

Ziraat makes return payments

TURKEY: Ziraat Participation Bank in a bourse filing has confirmed the return payments to holders of its TRY350 million (US$43.21 million) 98-day lease certificates on the 14th April 2021 following their maturity.

DIB prices Sukuk

UAE: Dubai Islamic Bank (DIB) has priced its 5.5-year non-callable perpetual additional Tier 1 Sukuk facility at US$500 million with a profit rate of 3.38% per annum, a press release confirmed. The facility is listed on Euronext Dublin and NASDAQ Dubai.

The paper issued under DIB Tier 1 Sukuk (5) was 5.6 times oversubscribed, receiving an orderbook of US$2.8 billion from local, regional and international investors.

Integra Indocabinet lists Sukuk Mudarabah

INDONESIA: Integra Indocabinet has listed its Sukuk Mudarabah Berkelanjutan I Integra Indocabinet Tahap I Tahun 2021 Seri A worth IDR52.5 billion (US$3.59 million) and Seri B worth IDR97.5 billion (US$6.66 million) on the Indonesia Stock Exchange effective the 15th April 2021, a statement confirmed.

The Sukuk facilities rated 'idA-(sy)' by PEFINDO have maturity dates set on the 24th April 2022 and 14th April 2024 respectively.

IILM reissues short-term Sukuk

GLOBAL: The International Islamic Liquidity Management Corporation (IILM) has reissued a combined total of US$1.1 billion in short-term Sukuk, a press release confirmed.

The Sukuk, rated 'A-1' by S&P Global Ratings, comprised three tranches: a US$400 million tranche with a tenor of one month and a profit rate of 0.33%, a US$450 million tranche with a tenor of three months and a profit rate of 0.36% and a US$250 million tranche with a tenor of six months and a profit rate of 0.4%.

The tender received strong demand from investors with an orderbook in excess of US$1.76 billion, representing an average oversubscription rate of 1.6 times.

Indonesia to conduct Sukuk auction

INDONESIA: The Indonesian government is looking to raise IDR10 trillion (US$682.84 million) from a Sukuk auction on the 20th April 2021, a statement confirmed.

The auction will feature six reopenings with maturity dates ranging from the 7th October 2021 to the 15th October 2046. The outcome of the auction has yet to be announced at the time of publication.

Maybank Islamic redeems ICPs

MALAYSIA: Maybank Islamic has on the 13th April 2021 completed the early full redemption of its Islamic commercial papers (ICPs) under the stock codes SE200209 and SE200210 under the ICP/ Islamic medium-term note program worth up to RM10 billion (US$2.42 billion) in nominal value, ahead of the maturity dates of the 10th May 2021 and the 17th May 2021 respectively, a statement confirmed.

nogaholding issues Sukuk

BAHRAIN: Oil and Gas Holding Company (nogaholding), an investment and development arm of the National Oil and Gas Authority in Bahrain, has issued a US$600 million Sukuk facility with a profit rate of 5.25% via nogaholding Sukuk, an SPV incorporated in the Cayman Islands, a statement confirmed.

The paper, due in 2029, was issued under nogaholding's US$3 billion trust certificate issuance program. The program and the Sukuk paper were listed on the Global Exchange Market of Euronext Dublin.

AFRICA

Bank of Abyssinia picks Path Solutions

ETHIOPIA: Bank of Abyssinia has signed a partnership agreement with Path Solutions to implement the latter's iMAL Islamic banking solutions for its Islamic window operations, a statement confirmed.

BADR BANQUE markets Islamic products

ALGERIA: Banque de l'Agriculture et du Developpement Rural SPA (BADR BANQUE) has kicked off its open house in the city of Medea to promote its Islamic financial products among others, a statement said. The open house started on the 17th April and will continue until the 6th May 2021.

Uganda to partner with ICD on Islamic bank

UGANDA: Ugandan Minister of Finance Matia Kasaija has affirmed his full support of the establishment of an Islamic bank in the country in partnership with the Islamic Corporation for the Development of the Private Sector (ICD), according to a Twitter post by the Ministry of Finance. The **finance minister had**, in August 2020, urged the Bank of Uganda to speed up the implementation of Islamic banking in the country.

Inertia Egypt secures Islamic funding

EGYPT: Inertia Egypt is securing a EGP1.1 billion (US$70.02 million) medium-term Mudarabah financing from Banque Misr to fund its Jefaira project on the North Coast, confirmed a statement.

Banque Misr to provide Islamic financing facilities

EGYPT: Banque Misr is looking to provide EGP4 billion (US$254.62 million) in Islamic financing facilities to the petrochemical, real estate investment and construction sectors, Amwal Al-Ghad reported quoting Akef Al-Maghribi, the vice-president of the bank.

The news agency quoting Akef further reported that there are 25 financing operations in the country with a total financing volume of up to EGP135.9 billion (US$8.65 billion), out of which Banque Misr's share of financing is approximately EGP47.2 billion (US$3 billion) covering sectors such as oil and gas, agricultural products and fertilizers, among others.

Gulf African Bank partners with Toyotsu

KENYA: Shariah compliant Gulf African Bank has partnered with Toyotsu Auto Mart Kenya, a car dealership of pre-owned vehicles, to offer Shariah compliant vehicle financing to the latter's customers, a statement confirmed.

ITFC supports Cameroon

CAMEROON: International Islamic Trade Finance Corporation (ITFC) and the Cameroonian government have signed two agreements: a three-year US$750 million framework agreement under which ITFC will provide to Cameroon a financing envelop of US$250 million annually to facilitate the imports of key commodities in the sectors of energy and mining, in addition to the health sector with medical supplies and equipment; and a EUR98 million (US$116.79 million) Murabahah financing agreement in favor of Société de Développement du Coton, to facilitate the purchase of agricultural inputs such as fertilizers, pesticides and herbicides, seed cotton and soybeans, confirmed a statement.

NAHCON launches savings scheme in Benue

NIGERIA: The Hajj Savings Scheme by the National Hajj Commission of Nigeria and Jaiz Bank has been launched in the state of Benue, confirmed an official tweet.

FAB market share to grow

EGYPT: Following the acquisition of Bank Audi Egypt, First Abu Dhabi Bank (FAB)'s Egyptian market share will increase to 4–5% from its current 1.5%, FAB Egypt CEO Mohamed Abbas was reported by Amwal Al Ghad as saying. The acquisition, pending Egyptian and Emirati regulatory approvals, is expected to be concluded before the end of 2021. FAB's assets are projected to reach EGP120 billion (US$7.63 billion) and its branch count to grow to 70 from 17 after the purchase. Bank Audi Egypt's total assets were valued at EGP83 billion (US$5.28 billion) at the end of September 2020.

TAJBank rolls out NQR payment solution

NIGERIA: TAJBank has rolled out the NQR payment platform, a secure Quick Response code-based payment and collection platform developed by the Nigeria Inter-Bank Settlement System, for merchants and customers to receive and make payments in a fast and secure manner, Vanguard reported quoting Hamid Joda, the co-founder and COO of TAJBank.

AMERICAS

Brazil to discuss new legal framework

BRAZIL: Jean-Paul Prates, a member of the Federal Senate of Brazil, has said he would start discussing a new legal framework for Islamic finance in Brazil, a statement confirmed.

"The democratization of financial instruments is very important in the face of the globalization we are experiencing. But first, we need to offer legal certainty so that the Islamic financial market can find a favorable environment and with the same regulatory tools as with other financial operations," said Prates at the Halal Road Show event on the 15th April 2021.

Bank of America acquires 4.9% of GPB

US: Bank of America has acquired a 4.9% shareholding in Greater Pacific Bancshares (GPB), which owns the first interest-free bank in the US, Bank of Whittier, Dr Yahia Abdul Rahman, the chairman and CEO of LARIBA, told IFN.

ASIA

BI encourages development of repo transactions

INDONESIA: Bank Indonesia (BI) has partnered with the Ministry of Finance and the Financial Services Authority, or Otoritas Jasa Keuangan, to encourage the development of conventional and Shariah compliant repo transactions with state and corporate debt collateral, a statement confirmed.

RHB Islamic contributes solar panels

MALAYSIA: RHB Islamic Bank has contributed solar panels worth RM100,000 (US$24,223.3) to Masjid Al-Ghufan at the launch of its Solar Installation Programme in Perlis, a press release confirmed.

Under a wider program, selected mosques within the state of Perlis will receive assistance to install solar panels with the support of Lembah Setia, a specialist in solar photovoltaics installation. Lembah Setia will also contribute RM25,000 (US$6,055.81) in Zakat toward the initiative. Meanwhile, RHB Islamic plans to set up a Waqf solar fund where donations can be contributed via its SyuQR digital donation platform.

Four Islamic banks offer Skim CAKNA

MALAYSIA: Four Islamic banking institutions — Maybank Islamic, CIMB Islamic, RHB Islamic and MBSB Bank — are offering an alternative source of funding to SMEs under Skim CAKNA, which is a financing facility for companies that obtain government contracts for the procurement of supplies and services from the 1st March 2021 to the 28th February 2022, according to a document by the Islamic Banking and Finance Institute Malaysia as viewed by IFN.

IFN **previously** reported that the pilot scheme was launched by Maybank Islamic targeting SMEs that have been awarded with supply of goods and services contracts by the government of Malaysia.

BIMB Holdings issues new shares

MALAYSIA: BIMB Holdings has completed its bookbuilding exercise on the 13th April 2021 which saw the company issuing 222.22 million new shares, representing 12% of its issued share capital to raise an estimated RM795.6 million (US$192.58 million), a bourse filing confirmed. The exercise was oversubscribed, receiving high demand from existing shareholders and new investors.

Minister launches mobile app

PAKISTAN: Anwar Zeb Khan, the minister of the Zakat and Ushr department of the provisional assembly of Khyber Pakhtunkhwa, has launched the Mustahiq mobile app to increase transparency and efficiency in the distribution of Zakat funds in the province, a post on the minister's official Facebook page confirmed.

Prof Dr Muhammad Abdul Mannan passes away

BANGLADESH: Prof Dr Muhammad Abdul Mannan, who was well known in the Islamic economics, banking and finance space, passed away on the 31st March 2021, The Financial Express reported. Prof Dr Muhammad played a key role in establishing Islamic financial institutions, including Social Islami Bank.

Bank BCA Syariah signs cooperation agreement

INDONESIA: Bank BCA Syariah has signed a three-year cooperation agreement with the Ministry of Religious Affairs to regulate the management of data and information regarding initial deposits, paid deposits and canceled deposits of Hajj pilgrims and the reconciliation of pilgrimage data, a statement confirmed.

BAZNAS and BSI collaborate

INDONESIA: The National Zakat Agency (BAZNAS) has partnered with Bank Syariah Indonesia (BSI) to facilitate the collection of Zakat, Infaq and Sadaqah, according to local media. The MoU, in line with the Gerakan Cinta Zakat or Love Zakat Movement, is intended to tap and realize the IDR300 trillion (US$20.5 billion) potential of Zakat.

SECP launches digitally certified copies

PAKISTAN: The Securities and Exchange Commission of Pakistan (SECP) has launched an online facility for the issuance of digitally certified true copies of statutory returns and mortgage register, in line with the government's Digital Pakistan vision.

AAIIBP director passes away

PHILIPPINES: Al Amanah Islamic Investment Bank (AAIIBP) has announced the passing away of its director and mentor, Miguel C Abaya, on the 25th March 2021 at 85 years old. He is survived by his wife and three children. Abaya joined the Islamic bank in September 2017 and was elected to the board of directors where he served as the vice-chairman of the corporate governance committee and a member of the executive committee.

BSI to grow FLPP

INDONESIA: Bank Syariah Indonesia (BSI) is focusing on the consumer segment this year, including through its Housing Financing Liquidity Facility (FLPP). According to local news agency Republika, the bank targets to distribute IDR2 trillion (US$136.57 million) through the FLPP in 2021.

BSI — a merger between BRI Syariah, Bank Syariah Mandiri and BNI Syariah — has distributed IDR4.49 trillion (US$306.59 million) via the FLPP since 2012 as part of BRI Syariah and BNI Syariah's legacy. BSI is looking to build synergies with regional developers to grow this segment.

Meezan signs MoU with Tufail

PAKISTAN: Meezan Bank has signed an MoU with Tufail Group, a manufacturer of industrial chemicals, under which the Islamic bank will provide a core suite of payment and collection services to Tufail Group through eBiz+, its digital platform designed to automate complex payment workflows.

EUROPE

TKBB releases 2021–25 strategy

TURKEY: Participation Bank Association of Turkey (TKBB) has released its Participation Banking Strategy Update Report (2021–25) which sets 10 strategies under six main strategic objectives and 23 actions.

The report as viewed by IFN also outlined 21 ongoing tasks. The six main focuses are: communication, ecosystem, product range, standards and governance, digital and competency-building.

According to the TKBB, the share of the total assets of the participation banks in Turkey stood at 5.1% in 2012 and 6.3% in 2019, and it reached 7.1% as of the end of the third quarter of 2020. Sukuk issuance of the Ministry of Treasury and Finance was at a value of TRY75 billion (US$9.26 billion) as of the end of 2020, while Sukuk offerings by participation banks reached TRY43 billion (US$5.31 billion) as of the end of November 2020.

The 15% target market share for participation banking set in 2015 still applies in the 2021–25 strategy; based on this, Turkish participation banking assets are projected to hit TRY1.77 trillion (US$218.51 billion) by 2025.

Turkey maintains rate

TURKEY: Turkey's Monetary Policy Committee has decided to maintain the policy rate, or one-week repo auction rate, at 19%, according to an official statement.

GLOBAL

Ithmaar and BBK extend due diligence

GLOBAL: Ithmaar Holding and BBK have extended their acquisition MoU by three months on the 14th March 2021 to facilitate further due diligence and other related activities, according to a bourse disclosure. The MoU, pertaining to the acquisition by BBK of certain assets of Ithmaar Holding, was executed on the 14th September 2020.

IIFA supports UNHCR's Zakat fund initiative

GLOBAL: The International Islamic Fiqh Academy (IIFA), a subsidiary of the OIC, has announced its support for the United Nations High Commissioner for Refugees (UNHCR)'s efforts in receiving and distributing Zakat and Sadaqah funds to refugees and internally displaced persons (IDPs) globally via the Refugee Zakat Fund, a press release confirmed.

Donations received through the Zakat fund will help cover the basic needs of the most vulnerable families with IDPs, particularly those severely affected by the economic repercussions caused by the COVID-19 pandemic.

Zink Pay partners with Codebase

GLOBAL: UAE-based Zink Pay has partnered with Codebase Technologies to leverage on the latter's Digibanc platform to power its payment processing systems with an aim to evolve the UAE's payment landscape and to provide more flexibility for payers and greater assurance for billers, a press release confirmed.

IsDB and Sudan discuss infrastructure financing

GLOBAL: Sudanese Minister of Finance Dr Gabriel Ahmed and IsDB President Dr Bandar Hajjar met to discuss joint initiatives to address Sudan's development needs, including the financing of infrastructure projects that would create job opportunities, increasing exports and expanding the participation of the country's private sector, Saudi Press Agency reported.

Pos Indonesia unveils PosGo Syariah

GLOBAL: Cayman Islands-registered Kinesis in a statement to IFN confirmed the soft launch of Pos Indonesia's physical gold-based digital Islamic product, PosGo Syariah, a Shariah compliant ecosystem business supported by the National Sharia Council.

This is in partnership with Kinesis, ABX, ICDX and Bullion Ecosystem International. The Islamic platform enables Indonesians to manage their wealth, trade, save and transact in the debt and interest-free gold bullion via mobile devices.

QFC and Labuan IBFC collaborate

GLOBAL: Qatar Financial Centre (QFC) Authority and Labuan International Business and Financial Centre (Labuan IBFC) have signed an MoU to develop long-term cooperation and boost economic and financial sector ties between the two financial hubs, read a joint statement.

Under the MoU, both centers will collaborate on marketing, awareness activities and identification of mutually beneficial initiatives.

They will also explore a mutually beneficial framework to allow relevant financial institutions in the State of Qatar to operate in Labuan IBFC and allow relevant financial institutions in Labuan IBFC to operate in the QFC, subject to the approval of all competent authorities.

Islamic finance and digital finance are among the domains of collaboration the centers have identified.

IsDB's SDG progress

GLOBAL: The overall SDG [Sustainable Development Goal] Index score of IsDB's member countries stands at 61, suggesting that the IsDB as a group is just over 60% of the way to achieving the 17 SDGs and the IsDB member countries have a long way to go if they are to reach the targets by 2030, according to the 'Reaching the SDGs: Progess of IsDB Member Countries' report published by the Islamic Research and Training Institute (IRTI).

"Major challenges also remain, with disparities evident in the level of progress across the goals. Despite high achievement on some goals, such as Goal 13 (Climate Action) and Goal 12 (Responsible Consumption and Production), progress is low on others, particularly Goal 9 (Industry, Innovation and Infrastructure), Goal 5 (Gender Equality) and Goal 10 (Reduced Inequalities)," IRTI noted.

ICD and ATO join hands

GLOBAL: The Islamic Corporation for the Development of the Private Sector (ICD) and the Arab Tourism Organization (ATO) have established a joint cooperation to set up a general framework for the development of the tourism sector through financing tourism projects in the Arab region, particularly least developed Arab nations.

The MoU will implement the ICD's strategy aiming to finance investment projects with developmental impacts and to promote activities related to capacity-building, especially for the organizations in charge of promoting investment and trade in IsDB member countries, read a statement.

MIDDLE EAST

Agility secures Islamic financing

KUWAIT: Logistics company Agility Public Warehousing Company has secured agreements for Islamic and conventional financing worth a total of US$1.43 billion from 16 local, regional and international credit institutions, the company said in a bourse filing. The facilities, which have tenors ranging from three to five years, will provide Agility with additional liquidity to finance growth in its operations, it said.

Kuknos secures crowdfunding license

IRAN: Kuknos, a blockchain-based crowdfunding platform said to be the first in Iran, has received its crowdfunding license from the Iran Fara Bourse (IFB), a statement confirmed.

IFN **previously reported the launch** of Iran's Crowdfunding Market, for which the IFB is the appointed regulator granting licenses to fintech companies in the sector.

DIB declines comment on NMC suit

UAE: Dubai Islamic Bank (DIB) has issued a statement declining to comment on the **legal suit recently filed** by NMC Healthcare against the bank along with 12 other parties. DIB also said it does not anticipate any material negative impact to arise from the ongoing case.

Fruitful year for ADIB

UAE: Abu Dhabi Islamic Bank (ADIB) in a statement confirmed that it has executed over 60 trade finance cross-border transactions in the first year of its partnership with TradeAssets, a blockchain-based trade finance digital marketplace.

Islamic facilities for Jordan's medical sector

JORDAN: Arab Bank has partnered with Electronic Health Solutions (EHS), a non-profit, government-linked company that automates processes in the Jordanian public healthcare system, to offer Islamic and conventional financing programs to the medical and insurance sector, a press release said. The facilities will be available through EHS's Hakeem program, which implements an automated electronic health record system that stores patients' medical records and histories.

Kuwait to nationalize leadership roles

KUWAIT: The Central Bank of Kuwait has directed the banking sector to nationalize the leadership positions in local banks. In a statement, the regulator said that this is part of a drive to create more employment for Kuwaiti citizens.

NMC files lawsuit against DIB

UAE: NMC Healthcare is taking legal action against Dubai Islamic Bank (DIB) over lawsuits filed by the Islamic bank in Dubai seeking rights over insurance receivables used by the healthcare company as collateral when securing loans from the bank, Reuters reported citing unidentified sources and court documents.

NMC seeks to give its administrators, Alvarez & Marsal, power over securities claimed by DIB and possibly use them to pay other creditors. The healthcare company's hidden debt, which was disclosed last year, amounted to more than US$4 billion which placed its UAE operating businesses into administration in the courts of Abu Dhabi Global Market. The company revealed that to date claims from creditors amounted to US$6.4 billion.

ADIB defers installment repayments

UAE: Abu Dhabi Islamic Bank (ADIB) has deferred the installment repayments of personal financing for eligible customers for a period of one month with no extra charges to provide customers with cash-flow relief during Ramadan, a press release confirmed. The offer is valid for installments due between the 11th April and the 10th May 2021.

ASSB launches revamped scheme

BAHRAIN: Al Salam Bank Bahrain (ASSB) has launched the newly revamped Danat Savings Scheme for the year 2021 which offers its clients the opportunity to win an increased variety of cash prizes throughout the year, including a grand prize of a luxury villa and a monthly salary of BHD10,000 (US$26,314) for an entire year, a statement confirmed.

Omani Islamic banking sector growth

OMAN: Central bank data shows that financing extended by the Omani Islamic banking sector grew 9.9% year-on-year to OMR4.4 billion (US$11.4 billion) at the end of February 2021 while Islamic banking deposits increased 10% to OMR3.8 billion (US$9.84 billion). Total assets of Islamic banks and Shariah windows stood at OMR5.4 billion (US$13.99 billion), accounting for 14.5% of total banking assets over the same period. Total deposits in the banking sector accrued 5% to OMR24.8 billion (US$64.24 billion).

TAKAFUL

MRS Labuan launches re-Takaful window

MALAYSIA: Munich Re Syndicate Labuan (MRS Labuan) has received approval from the Labuan Financial Services Authority in January 2021 to launch a re-Takaful window, IFN has learned.

ICIEC plans Singaporean office

SINGAPORE: The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is considering establishing an office in Singapore to serve its regional needs.

"ICIEC management is already thinking about establishing an office in Singapore to cater to the demand of our Takaful products," said Shaiful Kamarul Mohammed, the ICIEC's senior country manager of Indonesia, at IFN Singapore OnAir Roadshow 2021. "I think it is a strategic move for ICIEC because Singapore offers centralized financing and specialized insurance, trade and investment opportunities especially to our member countries such as Indonesia, Malaysia, Bangladesh, Pakistan and Brunei in the Asian region."

The Singaporean office will see the ICIEC working with its close collaborator, Lloyd's Asia.

Walaa's contract with Aramco exceeds 20% of premiums

SAUDI ARABIA: Walaa Cooperative Insurance Company in a bourse filing has stated that the value of the contract inked with the Saudi Arabian Oil Company (Aramco) on the 31st March 2021 to provide insurance coverage for energy, property, vehicles, marine and other products exceeds 20% of its total insurance premiums for the 2020 fiscal year.

EFU Life collaborates with NIFT

PAKISTAN: EFU Life has signed an agreement with National Institutional Facilitation Technologies (NIFT) to onboard the latter's payment gateway NIFT ePAY to allow the insurance company's policyholders to pay their insurance or Takaful premiums directly through their bank accounts or wallets on EFU Life's website, a statement confirmed.

BIPL partners with TPL Life Insurance

PAKISTAN: BankIslami Pakistan (BIPL) has partnered with TPL Life Insurance to offer a consolidated COVID-19 Family Takaful coverage plan to customers, The News International reported.

The Takaful coverage plan covers up to PKR30,000 (US$195.71) in initial benefits upon diagnosis and further hospital cash assistance for each member of the family under the COVID-19 protection shield available to individuals and a provision for funeral expenses worth up to PKR100,000 (US$652.35) in case of an unfortunate demise.

Al Sagr passes Shariah audit

SAUDI ARABIA: Al Sagr Cooperative Insurance Company has confirmed in a bourse filing that its activities have been reviewed and approved by the Shariyah Review Bureau to be Shariah compliant as of the 15th April 2021.

IsDB backs Kwara State Health Insurance

NIGERIA: The IsDB has, through its Engage and Transform Fund, granted US$99,950 to Kwara State Health Insurance Agency to finance the annual premiums for 4,500 indigent enrollees and support the quality improvement of 25 Kwara healthcare providers over a period of 18 months, the agency said in a Twitter post.

FWD Takaful rolls out new product

MALAYSIA: FWD Takaful has launched FWD Big 3 Critical Illness, an online insurance product covering against cancer, heart attack or stroke, it said in a statement.

ASSET MANAGEMENT

SRECO to complete fund termination

SAUDI ARABIA: Saudi Real Estate Company (SRECO) in a bourse filing has stated that work is in progress to finalize all the required procedures to terminate and liquidate the Alinma Alakaria RE Fund, which is expected to be completed within two months.

The real estate company has signed the termination agreement for the fund and issued the financial statements to complete the closing process. The termination agreement was signed on the 12th November 2020.

SRECO is also working on transferring the ownership of the invested lands and cash investment amount of SAR40 million (US$10.66 million) to Alinma Investment Company (AIC), the fund manager, once the SAR10 million (US$2.67 million) deduction has taken place to cover previous expenses covering asset management and fund structure.

IFN **previously** reported that SRECO signed an agreement with AIC in 2018 to establish the fund in a bid to develop three sites located in Riyadh.

Kenanga Investors debuts Waqf fund

MALAYSIA: Kenanga Investors has launched the Kenanga Waqf Al-Ihsan Fund on the 13th April 2021 in collaboration with Yayasan Waqaf Malaysia which will act as the fund's Waqf recipient and administrator, a press release confirmed. The open-ended fund invests in a diversified portfolio of Shariah compliant equities, Sukuk, Islamic money market instruments and Islamic deposits.

Riyad Capital partners with BNP Paribas Securities

SAUDI ARABIA: Riyad Capital and BNP Paribas Securities Services have entered into an agreement to provide global custody, fund services and consolidated data management services in Saudi Arabia under a joint servicing model, the first of its kind in the Kingdom. According to a statement, the joint asset servicing proposition was developed over the last two years and will go live in the first half of 2021.

New Islamic funds for Saudi non-profit sector

SAUDI ARABIA: Jadwa Investment has signed an MoU with the Saudi Ministry of Human Resources and Social Affairs to establish two Shariah compliant investment funds supporting the development of the non-profit sector in the Kingdom.

According to a press statement, participation in the new funds will be available to non-governmental and non-profit sector organizations "in the near future".

GII acquires property in London

GLOBAL: Gulf Islamic Investments (GII) has acquired a residential development property located on Bayswater Road in London, marking an increase of 46% in the total value of its investments in the UK property development sector amounting to approximately GBP250 million (US$345.82 million), a press release confirmed. Terms of the transaction were not disclosed.

The company is also looking to invest an additional US$400 million globally, in a bid to achieve its targeted total assets under management of US$3 billion by the end of 2021.

BIBD AM signs MoU with LOIM

GLOBAL: BIBD Asset Management (BIBD AM), a wholly-owned subsidiary of Bank Islam Brunei Darussalam, has signed an MoU with asset manager Lombard Odier Investment Managers (LOIM) to introduce the World Brands Global Islamic Equities strategy investing in premium and valuable companies in consumer-related sectors, Borneo Bulletin reported.

RESULTS

Qatar Islamic Bank

QATAR: Qatar Islamic Bank has posted a net profit of QAR750.03 million (US$203.91 million) for the first quarter of 2021 ended on the 31st March 2021, marking an increase compared with the QAR687.51 million (US$186.91 million) recorded in the same period of 2020, a statement confirmed.

Bank Kerjasama Rakyat Malaysia

MALAYSIA: Bank Kerjasama Rakyat Malaysia has declared a 13% dividend (2019: 14%) valued at RM373.36 million (US$90.25 million) for the financial year ended on the 31st December 2020, Bernama reported quoting Wan Junaidi Tuanku Jaafar, the minister of entrepreneur development and cooperatives.

Bank Rakyat recorded a decrease in net profit to RM1.38 billion (US$333.56 million) for the 2020 financial year compared with RM1.65 billion (US$398.83 million) recorded in 2019.

The bank's total assets recorded a 1.8% growth to RM111.75 billion (US$27.01 billion) compared with RM109.8 billion (US$26.54 billion) recorded in 2019 while deposits including current accounts, savings accounts and term deposits stood at RM85.58 billion (US$20.69 billion) in 2020 compared with RM83.83 billion (US$20.26 billion) recorded in 2019.

National Takaful Company

UAE: National Takaful Company (Watania) has approved a 7.5% dividend payment to shareholders for the financial year 2020 compared with the 6% dividend payment approved in 2019, a press release confirmed. The Takaful company also recorded a net profit of AED18.4 million (US$5.01 million) for the year 2020.

RATINGS

Final rating for Infracap Sukuk

MALAYSIA: RAM has assigned a final 'AAA(s)/Stable' rating to Infracap Resources's RM15 billion (US$3.63 billion) Sukuk Murabahah program (2021/2041), according to a statement. Infracap is a funding vehicle of the Sarawak state government through wholly owned subsidiary Infracap Development Holdings.

MOVES

Kuwait Finance House

KUWAIT: Kuwait Finance House in a statement confirmed that the contract of **Srood Sherif** as the group chief information officer has been ended with effect from the 15th April 2021.

Trust Bank

BANGLADESH: Trust Bank, which offers Shariah banking services, has appointed **Humaira Azam** as its managing director and CEO effective the 13th April 2021, confirmed a bourse disclosure.

Saudi Enaya Cooperative Insurance Company

SAUDI ARABIA: Saudi Enaya Cooperative Insurance Company has received a non-objection letter from the Saudi Central Bank on the appointment of **Amr Mohamed Khalid Khashoggi** as the chairman and **Faisal Farouk Tamer** as the vice-chairman of its board of directors for a three-year term starting from the 8th March 2021 to the 1st July 2024, a bourse filing confirmed.

National Bank of Oman

OMAN: Tariq Atiq has been appointed as the chief retail and digital banking officer at National Bank of Oman, confirmed a statement.

AIA Public Takaful

MALAYSIA: Mahani Amat has been appointed as the chairperson of AIA Public Takaful's board of directors, effective the 6th April 2021, succeeding **Thomas Mun Lung Lee** who retired after completing his tenure, a press release confirmed. Mahani also serves as an independent non-executive director in AIA's board of directors since 2019.

Gulf Union Alahlia Cooperative Insurance Co

SAUDI ARABIA: Gulf Union Alahlia Cooperative Insurance Co has appointed **Mesheal Ibrahim Al Shayea** as its new CEO, effective the 15th June 2021, a bourse filing confirmed.

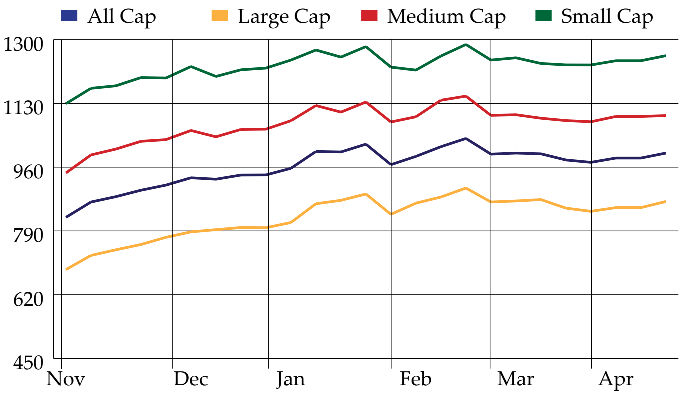
SHUAA Capital

UAE: SHUAA Capital has promoted **Ajit Joshi**, the current head of public and private markets, to managing director, taking on an additional responsibility to manage SHUAA's technology investments while **Natasha Hannoun** has been promoted to head of debt, a press release confirmed.

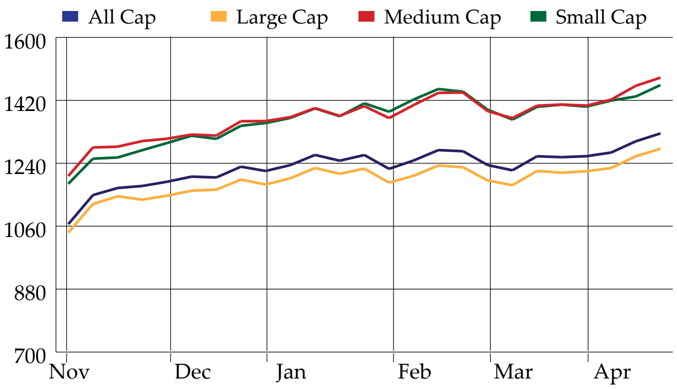
Expected date	Company/country	Size	Structure	Announcement Date
2021	Saudi Real Estate Refinance Company (SRC)	US$1 billion	Sukuk	20th April 2021
29th April 2021	Mora Telematika Indonesia (Moratelindo)	IDR500 billion	Sukuk Ijarah	19th April 2021
TBA	Waskita Karya	IDR5.6 trillion	Sukuk	19th April 2021
TBA	Holstein Milk	RM1 billion	Sukuk Wakalah	19th April 2021
TBA	Perwaja Steel	RM400 million	Murabahah Islamic medium-term notes	16th April 2021
TBA	Gulf Navigation Holdings	US$50 million	Sukuk	2nd April 2021
TBA	IsDB Center of Excellence (Kuala Lumpur)	TBA	Green Sukuk	2nd April 2021
TBA	Pakistan	TBA	Sukuk	31st March 2021
TBA	Agroto Business	RM200 million	ASEAN Sustainability SRI Sukuk	26th March 2021
TBA	Dukhan Bank	Up to QAR4.9 billion	Additional Tier 1 Sukuk	26th March 2021
TBA	Kuwait Finance House	TBA	Sukuk	23rd March 2021
TBA	Export-Import Bank of Bangladesh (EXIM Bank)	BDT6 million	Sukuk Mudarabah	23rd March 2021
TBA	Boubyan Bank	TBA	Sukuk	23rd March 2021
TBA	Putrajaya Holdings	RM1 billion	Sukuk Wakalah	23rd March 2021
2021	QIIB	Up to US$1 billion	Additional Tier 2 Sukuk	18th March 2021
TBA	Deshbandhu Group	US$250 million	Sukuk	15th March 2021
TBA	Shahjalal Islami Bank	BDT5 billion	Sukuk Mudarabah	12th March 2021
TBA	Bangladesh Export Import Company	BDT30 billion	Sukuk Istisnah	4th March 2021
2021	Masraf Al Rayan	Up to US$4 billion	Sukuk	3rd March 2021
2021	First Abu Dhabi Bank	Up to US10 billion	Sukuk	1st March 2021
2021	Emirates Islamic	Up to US$2.5 billion	Sukuk	25th February 2021
2021 or 2022	National Treasury of South Africa	US$3 billion	Sukuk	25th February 2021
Q3 2021	Malaysia Debt Ventures	RM2 billion	Sukuk	16th February 2021
Before July 2021	Tunisia	TND300 million	Sovereign Sukuk	11th December 2020
TBA	AOM Invest	DZD2.5 million	Sukuk	28th January 2021
TBA	Turkcell Payment and Electronic Money Services	TRY200 million	Islamic lease certificates	11th January 2021
TBA	Tanjung Bin Energy	RM4.5 billion	Islamic medium-term notes	5th January 2021
TBA	Export-Import Bank of Bangladesh (EXIM Bank)	BDT5 billion	Sukuk Mudarabah	5th January 2021
TBA	Uzma	Up to RM300 million	Sukuk	4th January 2021
TBA	Islami Bank Bangladesh (IBBL)	BDT6 billion	Sukuk Mudarabah	4th December 2020
TBA	reNIKOLA Solar	Up to RM390 million	Sukuk	30th November 2020
TBA	Boubyan Bank	US$500 million	Sukuk	30th November 2020
2021	Misr Capital	EGP7 billion	Sukuk	26th November 2020
2021	ACWA Power	US$1 billion	Sukuk	23rd November 2020
TBA	Ministry of Energy (Pakistan)	TBA	Sukuk	5th November 2020
TBA	Ghotki Kandhkot Road & Bridge Company	PKR10 billion	Sukuk	26th October 2020
December 2020	Amer Group	TBA	Sukuk	21st October 2020
TBA	Sparks Energy 1	RM220 million	Green Sukuk	13th October 2020
TBA	Sunsuriah	Up to RM500 million	Sukuk Wakalah program	8th October 2020
TBA	Ministry of Finance (Pakistan)	TBA	Sukuk	5th October 2020
TBA	Khaleeji Commercial Bank	BHD60 million	Sukuk	1st October 2020
TBA	OSK Rated Bond	RM2 billion	Sukuk Murabahah program	30th September 2020

REDMONEY SHARIAH INDEXES

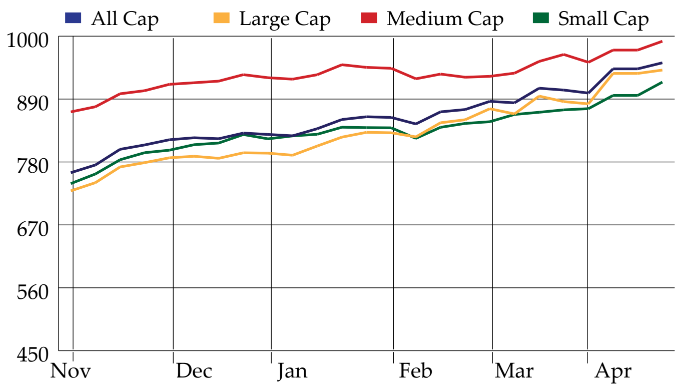
REDmoney Asia ex. Japan
6 Months



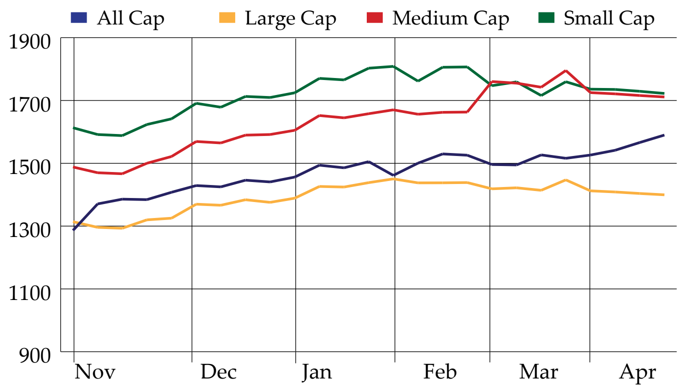
REDmoney Europe
6 Months



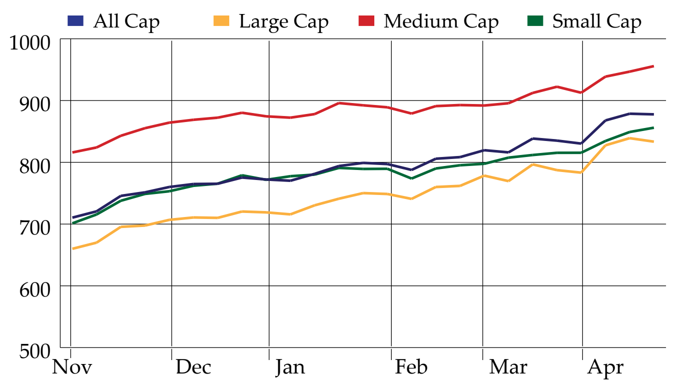
REDmoney GCC
6 Months



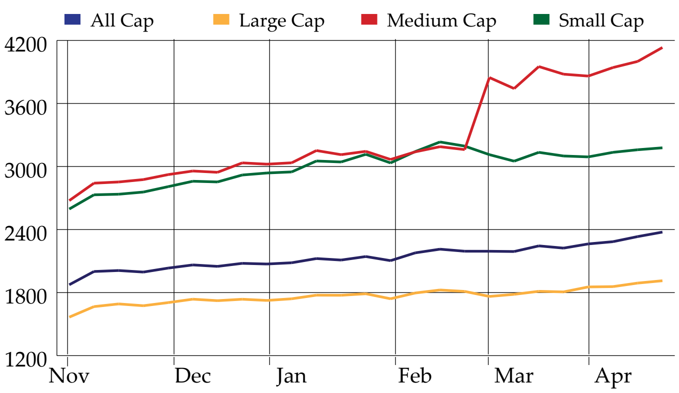
REDmoney Global
6 Months



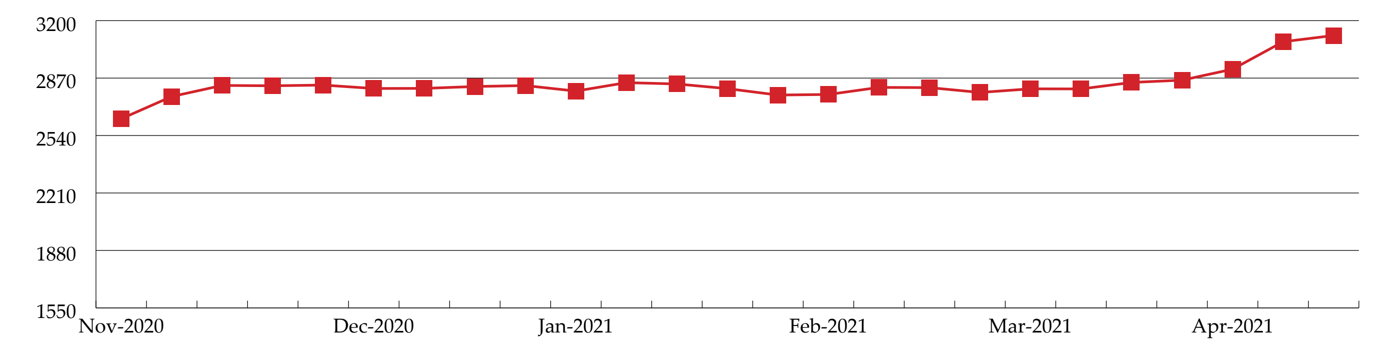
REDmoney MENA
6 Months



REDmoney US
6 Months

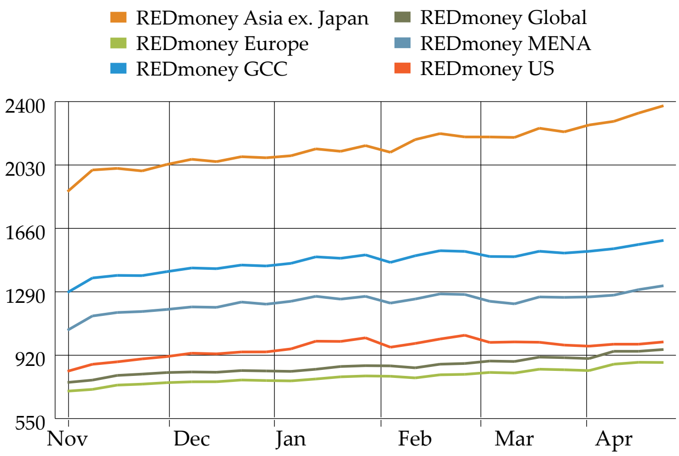


SAMI Halal Food Participation (All Cap)
6 months

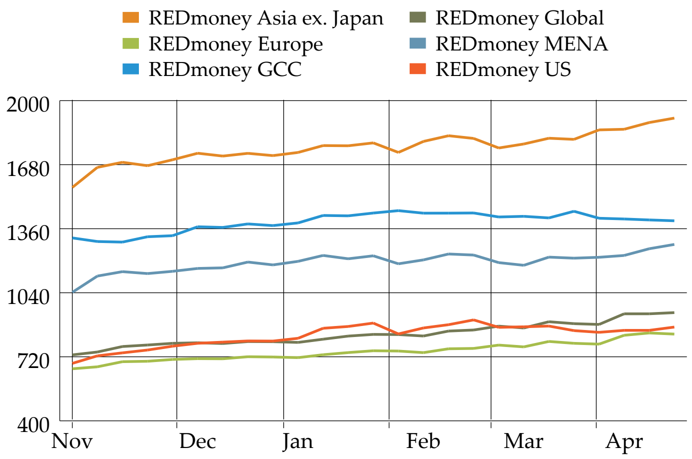


REDMONEY SHARIAH INDEXES

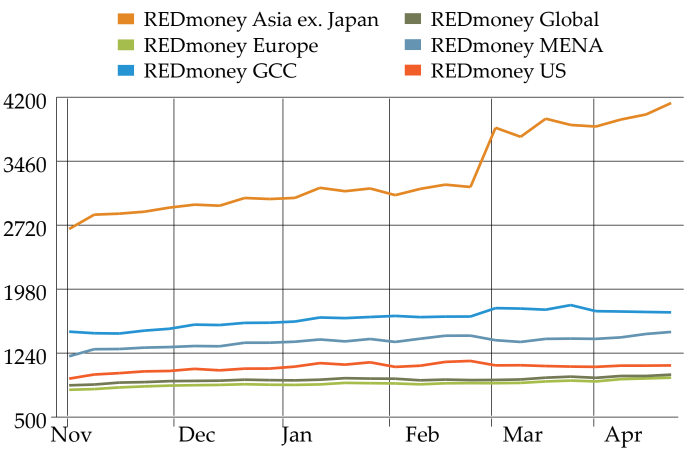
REDmoney Global Shariah Index Series (All Cap) *6 Months*



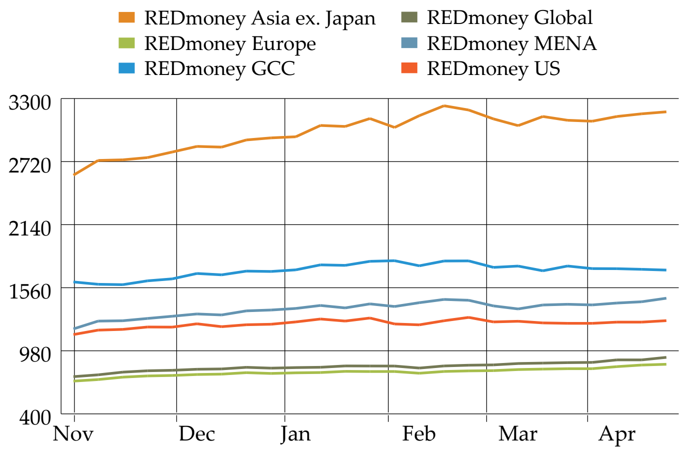
REDmoney Global Shariah Index Series (Large Cap) *6 Months*



REDmoney Global Shariah Index Series (Medium Cap) *6 Months*



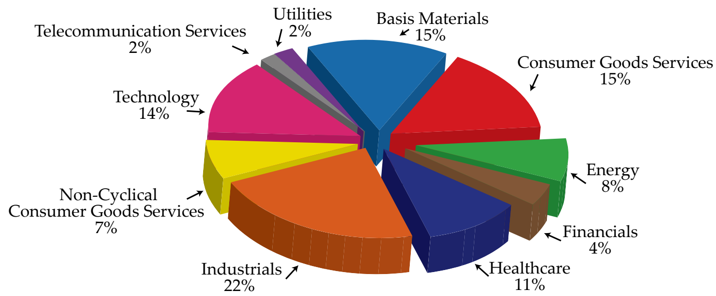
REDmoney Global Shariah Index Series (Small Cap) *6 Months*



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.



The REDmoney Global Shariah Index Series powered by IdealRatings consists of a rich subset of global listed equities that adhere to clearly defined and transparent Shariah guidelines defined by Shariyah Review Bureau in Jeddah, Saudi Arabia.

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.

IdealRatings™ is the leading provider of Shariah investment decision support tools to investors globally, including asset managers, brokers, index providers, and banks to empower them to develop, manage and monitor Shariah investment products and Shariah compliant funds. IdealRatings is headquartered in San Francisco, California. For more information about IdealRatings visit: www.idealratings.com

REDmoney Global Shariah Index Series

REDmoney Indexes IdealRatings®

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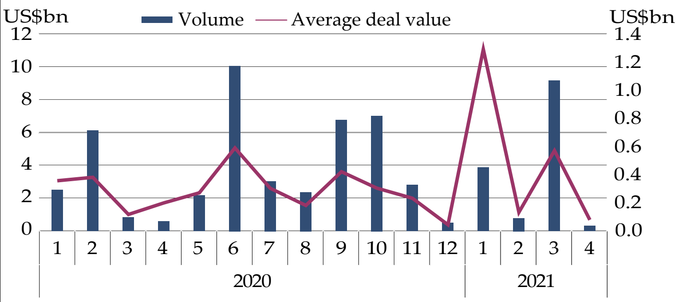
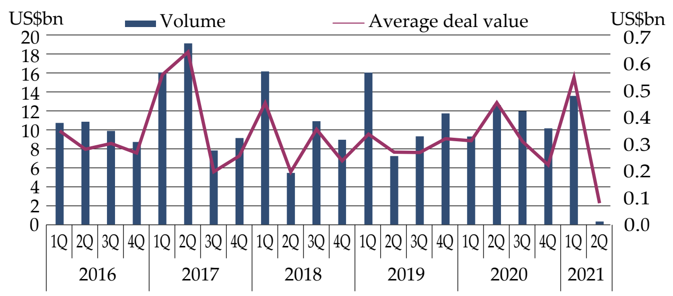
Most Recent Global Sukuk

Priced	Issuer	Nationality	Instrument	Market	US$ (mln)	Managers
8-Apr-21	Bank Kerjasama Rakyat Malaysia	Malaysia	Sukuk	Domestic market public issue	242	Bank Muamalat Malaysia, CIMB Group, Maybank, RHB Bank
31-Mar-21	Arabian Centres	Saudi Arabia	Sukuk	Euro market public issue	650	Albilad Capital, Credit Suisse, Goldman Sachs, HSBC, JPMorgan, Kuwait Projects, Warba Bank
31-Mar-21	Qatar Investment Authority	Qatar	Sukuk	Euro market public issue	1,000	Barclays, BNP Paribas, Citigroup, Credit Agricole, DBS, Mizuho, QNB Capital, Standard Chartered Bank
30-Mar-21	Sapura Energy	Malaysia	Sukuk	Domestic market public issue	319	RHB Bank
30-Mar-21	Malakoff Corporation	Malaysia	Sukuk	Domestic market public issue	697	CIMB Group, RHB Bank
30-Mar-21	Sapura Energy	Malaysia	Sukuk	Domestic market public issue	233	CIMB Group
29-Mar-21	Republic of Maldives	Maldives	Sukuk	Euro market public issue	200	Credit Suisse, Emirates NBD, HSBC, ICD
25-Mar-21	United Kingdom	UK	Sukuk	Euro market public issue	685	CIMB Group, Dubai Islamic Bank, Emirates NBD, HSBC, Standard Chartered Bank
25-Mar-21	Infracap Resources	Malaysia	Sukuk	Domestic market public issue	1,392	Hong Leong Financial Group, OCBC, UOB
24-Mar-21	National Bank of Kuwait	Kuwait	Sukuk	Euro market public issue	500	Abu Dhabi Islamic Bank, Citigroup, Emirates NBD, Kuwait Finance House, Kuwait International Bank, Kuwait Projects, National Bank of Kuwait, Standard Chartered Bank
18-Mar-21	Stealth Solutions	Malaysia	Sukuk	Domestic market public issue	121	RHB Bank
17-Mar-21	LPPSA	Malaysia	Sukuk	Domestic market public issue	972	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Maybank, OCBC, RHB Bank
16-Mar-21	FELDA	Malaysia	Sukuk	Domestic market public issue	487	AmInvestment Bank, CIMB Group, Kenanga Investment Bank, Maybank
12-Mar-21	Petroleum Sarawak	Malaysia	Sukuk	Domestic market public issue	365	Maybank, RHB Bank
3-Mar-21	Sharjah	UAE	Sukuk	Euro market public issue	1,250	ABC Banking Corporation, Citigroup, Emirates NBD, HSBC, Mashreqbank, Standard Chartered Bank
1-Mar-21	Perbadanan Tabung Pendidikan Tinggi Nasional	Malaysia	Sukuk	Domestic market public issue	247	Affin Hwang Capital, AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Kenanga Investment Bank, Maybank, RHB Bank
10-Feb-21	DanaInfra Nasional	Malaysia	Sukuk	Domestic market public issue	543	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Kenanga Investment Bank, Maybank, RHB Bank
20-Jan-21	Bahrain	Bahrain	Sukuk	Euro market public issue	2,000	ABC Bank, Citigroup, Gulf International Bank, HSBC, JPMorgan, National Bank of Bahrain, Standard Chartered Bank
20-Jan-21	Public Investment Fund	Saudi Arabia	Sukuk	Euro market public issue	1,250	Citigroup, Emirates NBD, Goldman Sachs, JPMorgan, MUFG, Saudi National Commercial Bank, Standard Chartered Bank
14-Jan-21	Khazanah Nasional	Malaysia	Sukuk	Domestic market public issue	494	CIMB Group, RHB Bank

Global Sukuk Volume by Month (US$ billion)



Global Sukuk Volume by Quarter (US$ billion)



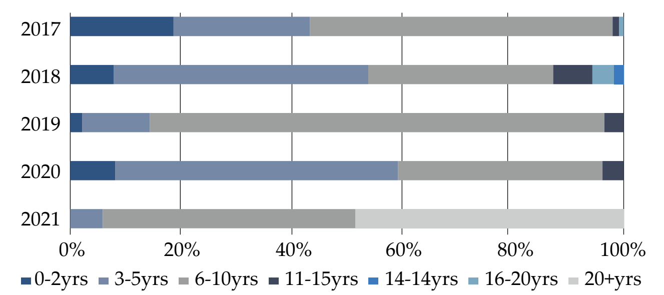
Top 30 Issuers of Global Sukuk					*12 Months*
Issuer	**Nationality**	**Market**	**US$ (mln)**	**Tranches**	**Managers**
Indonesia	Indonesia	Euro market public issue	2,500	3	BNP Paribas, Dubai Islamic Bank, HSBC, Maybank, Standard Chartered Bank
Bahrain	Bahrain	Euro market public issue	2,000	2	Arab Banking Corporation, Citigroup, Gulf International Bank, HSBC, National Bank of Bahrain, Standard Chartered Bank
Bahrain	Bahrain	Euro market public issue	2,000	3	ABC Bank, Citigroup, Gulf International Bank, HSBC, JPMorgan, National Bank of Bahrain, Standard Chartered Bank
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,500	1	Citigroup, Credit Agricole, Emirates NBD, Gulf International Bank, HSBC, Islamic Development Bank, Natixis, SG Corporate & Investment Banking, Standard Chartered Bank
Dubai World	UAE	Euro market public issue	1,500	1	Citigroup, Credit Agricole, Deutsche Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, JPMorgan, Samba Capital, Scotiabank, Standard Chartered Bank
Lembaga Pembiayaan Perumahan Sektor Awam	Malaysia	Domestic market public issue	1,381	6	Bank Islam Malaysia, CIMB Group, Maybank, OCBC
SABB	Saudi Arabia	Domestic market private placement	1,333	1	HSBC
Saudi Electricity	Saudi Arabia	Euro market public issue	1,300	2	First Abu Dhabi Bank, HSBC, JPMorgan, MUFG, Standard Chartered Bank
Public Investment Fund	Saudi Arabia	Euro market public issue	1,250	1	Citigroup, Emirates NBD, Goldman Sachs, JPMorgan, MUFG, Saudi National Commercial Bank, Standard Chartered Bank
Sharjah	UAE	Euro market public issue	1,250	2	ABC Banking Corporation, Citigroup, Emirates NBD, HSBC, Mashreqbank, Standard Chartered Bank
Infracap Resources	Malaysia	Domestic market public issue	1,174	11	Hong Leong Financial Group, OCBC, UOB
Bahrain	Bahrain	Euro market public issue	1,000	1	Arab Banking Corporation, Gulf International Bank, HSBC, JPMorgan, National Bank of Bahrain, Standard Chartered Bank
Sharjah	UAE	Euro market public issue	1,000	1	Arab Banking Corporation, Bank of Sharjah, Dubai Islamic Bank, Gulf International Bank, HSBC, Mashreqbank, Sharjah Islamic Bank
Dubai Islamic Bank	UAE	Euro market public issue	1,000	1	Arab Banking Corporation, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Industrial & Commercial Bank of China, Islamic Development Bank, KFH, Sharjah Islamic Bank, Standard Chartered Bank
Dubai	UAE	Euro market public issue	1,000	1	Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Standard Chartered Bank
Dubai Islamic Bank	UAE	Euro market public issue	1,000	1	Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Sharjah Islamic Bank, Standard Chartered Bank
Qatar Investment Authority	Qatar	Euro market public issue	1,000	1	Barclays, BNP Paribas, Citigroup, Credit Agricole, DBS, Mizuho, QNB Capital, Standard Chartered Bank
LPPSA	Malaysia	Domestic market public issue	972	8	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Maybank, OCBC, RHB Bank
DanaInfra Nasional	Malaysia	Domestic market public issue	959	6	AmInvestment Bank, CIMB Group, HSBC, Maybank, RHB Bank
Masraf Al Rayan	Qatar	Euro market public issue	750	1	Credit Agricole, HSBC, Masraf Al Rayan, Mizuho, MUFG, QNB Capital, SG Corporate & Investment Banking, Standard Chartered Bank
Qatar Islamic Bank	Qatar	Euro market public issue	750	1	Citigroup, Credit Agricole, HSBC, QInvest, QNB Capital, Standard Chartered Bank
Arab National Bank	Saudi Arabia	Euro market public issue	750	1	Arab National Investment, HSBC, JPMorgan
Dubai Aerospace Enterprise (DAE)	UAE	Euro market public issue	750	1	ABC Bank, Commercial Bank of Dubai, Credit Agricole, Deutsche Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, Goldman Sachs, Gulf International Bank, HSBC, JPMorgan, Mizuho, Natixis, Truist Financial Corporation
Tenaga Nasional	Malaysia	Domestic market public issue	705	3	CIMB Group, Maybank
Malakoff Corporation	Malaysia	Domestic market public issue	697	19	CIMB Group, RHB Bank
United Kingdom	UK	Euro market public issue	685	1	CIMB Group, Dubai Islamic Bank, Emirates NBD, HSBC, Standard Chartered Bank
Arabian Centres	Saudi Arabia	Euro market public issue	650	1	Albilad Capital, Credit Suisse, Goldman Sachs, HSBC, JPMorgan, Kuwait Projects, Warba Bank
DanaInfra Nasional	Malaysia	Domestic market public issue	644	5	CIMB Group, Maybank
Islamic Development Bank	Saudi Arabia	Euro market public issue	600	1	Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, Goldman Sachs, Gulf International Bank, HSBC, Islamic Development Bank, Kuwait Finance House, LBBW, Mizuho, National Bank of Kuwait, Samba Capital, Standard Chartered Bank, Sumitomo Mitsui Financial Group, Warba Bank
Etihad Airways	UAE	Euro market public issue	600	1	Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Standard Chartered Bank

DEALOGIC LEAGUE TABLES

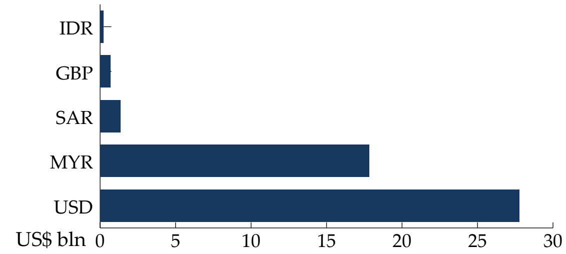
Top Global Islamic Bookrunners *12 Months*

	Bookrunner Parents	US$ (mln)	Iss	%
1	HSBC	5,871	40	12.29
2	CIMB Group	5,069	47	10.61
3	Maybank	4,388	48	9.18
4	Standard Chartered Bank	3,860	27	8.08
5	RHB Bank	3,327	47	6.96
6	Citigroup	1,897	13	3.97
7	AmInvestment Bank	1,860	30	3.89
8	Dubai Islamic Bank	1,803	14	3.77
9	Emirates NBD	1,786	17	3.74
10	JPMorgan	1,587	9	3.32
11	Gulf International Bank	1,189	7	2.49
12	First Abu Dhabi Bank	1,185	11	2.48
13	Arab Banking Corporation	798	5	1.67
14	National Bank of Bahrain	786	3	1.64
15	Credit Agricole	698	6	1.46
16	Kenanga Investment Bank	651	11	1.36
17	BNP Paribas	624	2	1.31
18	OCBC	586	5	1.23
19	Bank Islam Malaysia	559	8	1.17
20	MUFG	532	3	1.11
21	Islamic Development Bank	521	7	1.09
22	Hong Leong Financial Group	511	7	1.07
23	Sharjah Islamic Bank	474	4	0.99
24	Affin Hwang Capital	408	10	0.85
25	Mashreqbank	402	3	0.84
26	UOB	391	1	0.82
27	Goldman Sachs	365	4	0.76
28	Saudi National Bank	354	3	0.74
29	QNB Capital	342	3	0.72
30	ABC Bank	339	2	0.71

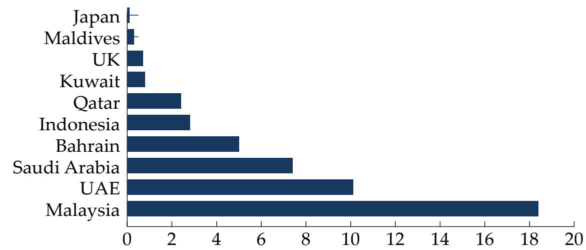
Global Islamic Financing - Years to Maturity (YTD Comparison)



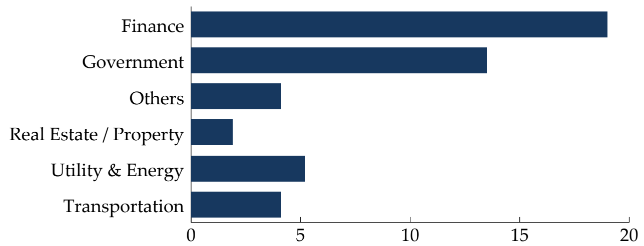
Sukuk Volume by Currency (US$ billion) *12 Months*



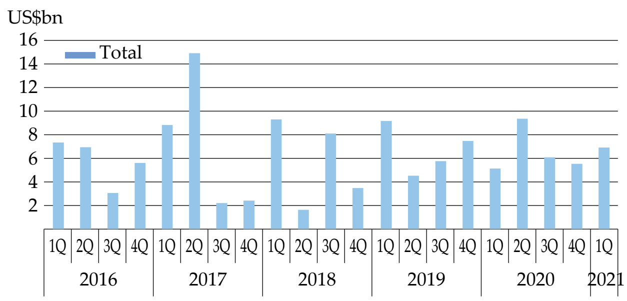
Sukuk Volume by Issuer Nation (US$ billion) *12 Months*



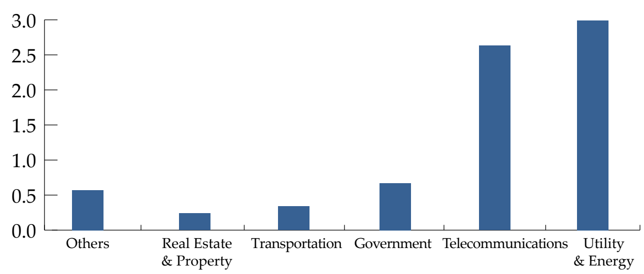
Global Sukuk Volume by Sector *12 Months*



Global Sukuk Volume - US$ Analysis (US$ billion)



Top Islamic Finance Related Financing by Sector *12 Months*



DEALOGIC LEAGUE TABLES

Top Islamic Finance Related Financing Mandated Lead Arrangers *12 Months*

	Mandated Lead Arranger	US$ (mln)	No	%
1	Saudi National Bank	1,017	5	14
2	Al Rajhi Capital	650	3	9
3	Saudi Fransi Capital	572	2	8
4	HSBC	516	6	7
5	OCBC	418	5	6
6	Riyad Bank	365	2	5
7	Albilad Capital	343	1	5
8	Standard Chartered Bank	324	6	4
9	Maybank	290	2	4
10	MUFG	289	2	4
11	National Bank of Kuwait	265	2	4
12	Gulf International Bank	265	2	4
13	Arab National Bank	229	1	3
13	Bank Al-Jazira	229	1	3
13	Credit Agricole	229	1	3
16	Sumitomo Mitsui Financial Group	165	4	2
17	Mizuho	138	2	2
18	Emirates NBD	129	3	2
19	Abu Dhabi Islamic Bank	117	3	2
20	Mashreqbank	85	2	1
21	Dubai Islamic Bank	85	2	1
22	Arab Banking Corporation	73	2	1
22	First Abu Dhabi Bank	73	2	1
24	UOB	68	2	1
25	Nissay General Insurance	60	1	1
25	Norinchukin Bank	60	1	1
25	Shinsei Bank	60	1	1
25	Sumitomo Mitsui Trust Holdings	60	1	1
29	Commercial Bank of Dubai	48	1	1
30	Abu Dhabi Commercial Bank	37	1	0

Top Islamic Finance Related Financing Bookrunners *12 Months*

	Bookrunner	US$ (mln)	No	%
1	Standard Chartered Bank	261	3	28
2	HSBC	194	3	21
3	Abu Dhabi Islamic Bank	87	1	9
4	Arab Banking Corporation	73	1	8
4	Emirates NBD	73	1	8
4	First Abu Dhabi Bank	73	1	8
4	Mashreqbank	73	1	8
4	Sumitomo Mitsui Financial Group	73	1	8
9	CIMB Group	37	1	4

Top Islamic Finance Related Financing Deal List *12 Months*

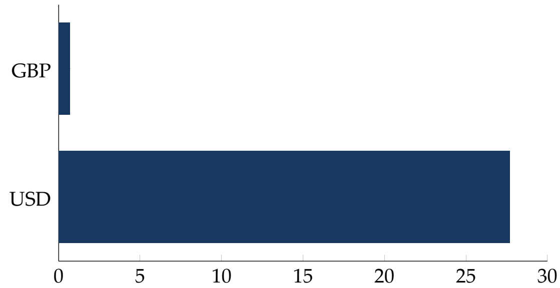
Credit Date	Borrower	Nationality	US$ (mln)
26-Aug-20	Saudi Electricity	Saudi Arabia	2,400
20-Jul-20	Egypt Ministry of Finance	Egypt	2,000
27-Sep-20	Zain Saudi Arabia	Saudi Arabia	1,830
4-Mar-21	Diamond Transmission Partners Hornsea One	UK	1,550
5-May-20	Axiata Group	Malaysia	801
31-Jan-21	Yanbu International Water	Saudi Arabia	726
30-Jul-20	Tabreed	UAE	692
1-Jan-21	ICD Brookfield Place	UAE	626
9-Jun-20	Gulf Marine Middle East	UAE	441
18-Mar-21	Dialog Terminals Pengerang	Malaysia	178

DEALOGIC LEAGUE TABLES

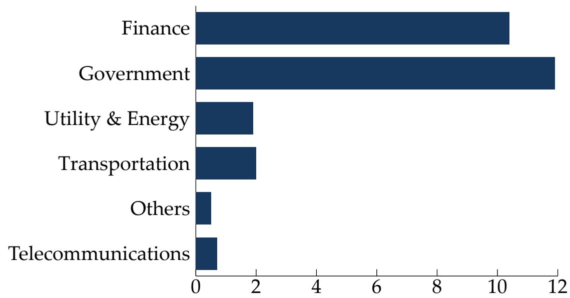
Top Global International Sukuk Managers *12 Months*

	Bookrunner	US$ (mln)	No	%
1	HSBC	3,939	25	13.88
2	Standard Chartered Bank	3,762	25	13.25
3	Citigroup	1,897	13	6.68
4	Dubai Islamic Bank	1,803	14	6.35
5	Emirates NBD	1,786	17	6.29
6	JPMorgan	1,587	9	5.59
7	Gulf International Bank	1,189	7	4.19
8	First Abu Dhabi Bank	1,185	11	4.17
9	Arab Banking Corporation	798	5	2.81
10	National Bank of Bahrain	786	3	2.77
11	Credit Agricole	698	6	2.46
12	BNP Paribas	624	2	2.20
13	MUFG	532	3	1.88
14	Islamic Development Bank	521	7	1.84
15	Maybank	500	1	1.76
16	Sharjah Islamic Bank	474	4	1.67
17	Mashreqbank	402	3	1.42
18	Goldman Sachs	365	4	1.28
19	Saudi National Bank	354	3	1.25
20	QNB Capital	342	3	1.21
21	ABC Bank	339	2	1.19
22	Mizuho	311	4	1.09
23	Kuwait Finance House	289	5	1.02
24	ABC Banking Corporation	275	2	0.97
25	CIMB Group	262	2	0.92
26	SG Corporate & Investment Banking	260	2	0.92
27	Arab National Investment	250	1	0.88
28	Natixis	220	2	0.77
29	Commercial Bank of Dubai	218	2	0.77
30	Deutsche Bank	189	2	0.67

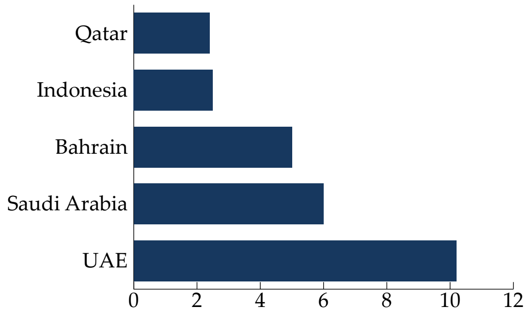
International Sukuk Volume by Currency (US$ billion)
12 Months



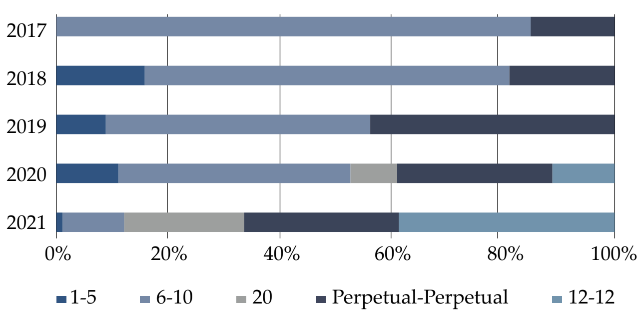
International Sukuk Volume by Sector (US$ billion)
12 Months



International Sukuk Volume by Issuer Nation (US$ billion)
12 Months



International Sukuk Years to Maturity



Are your deals listed here?
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- IFN ROADSHOW SRI LANKA — 17th May 2021
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