

COVER STORY

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25th August 2021 (Volume 18 Issue 34)

Path Solutions joins Azentio: A big move for software services

Last week, Singapore's Azentio Software agreed to buy the assets of core banking software specialist Path Solutions, in a deal that not only promises to both augment and extend the technical provisions available to the industry, but casts a strong spotlight on the growing global interest in Islamic finance as a high-growth sector. **LAUREN MCAUGHTRY** speaks to Path Solutions Group Chairman and CEO **Mohammed Kateeb** to learn more.

Software may not set the world on fire, but its operation is integral to the smooth running of the global financial system — and Islamic finance has some unique requirements that demand targeted and specific solutions. Path Solutions, first founded back in 1992 and celebrating its 30th anniversary next year, has long dominated the sector: developing and delivering banking technologies for the Islamic financial services sector with clients spanning the Gulf region, the wider Middle East, Europe, Asia Pacific and Africa. With a footprint of over 140 Islamic banks and financial institutions in over 40 countries across the world, it is an acknowledged specialist in Shariah compliant software capabilities — making the Azentio acquisition not only

a big deal for both companies, but for the industry as a whole.

"The reason for the acquisition is to capitalize on the opportunities presented by the revolution the financial industry is undergoing. Azentio will have the resources to allow us to invest in people, technology and provide our customers these benefits," explained Mohammed, speaking to IFN. "Path Solutions will be a division in Azentio, focusing on Islamic finance."

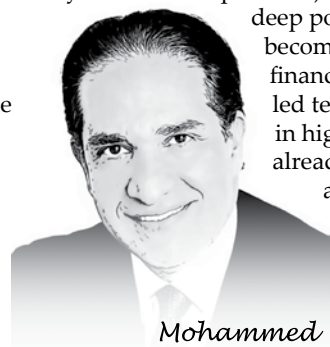
Although Path Solutions was not looking for a buyer, IFN has learned that it was actively approached by APAX, a US-based private equity outfit, as part of its objective to expand into the high-growth Islamic finance industry. "They presented a compelling business case for us," revealed Mohammed, although he was not able to disclose any financial terms.

Formed in December 2020 when private equity player AGA purchased (through the Apax X Fund)

the software products business of Indian information technology giant 3i Infotech, the Singapore-headquartered Azentio now has over 700 clients across more than 48 countries, and fields a team of over 1,600 employees across offices in nine countries worldwide. The firm currently provides lending, treasury, trade finance and anti-money laundering technology to clients across Asia Pacific, the Middle East and Africa, and has already carved out a strong foothold in the software services arena, with a suite of products including Kastle (its universal banking platform), AMLOCK (a compliance software suite), Premia Astra (core insurance software), Orion (enterprise resource planning software) and MFund Plus (an asset management platform). It has big ambitions and deep pockets, with the goal of becoming "the preeminent banking, financial services, and insurance-led technology product company in high-growth markets," and has already embarked on a spate of

acquisitions to achieve this. In July this year it purchased global insurance firm Beyontec, which provides Takaful services (among

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DEALS

Alif Bank to issue Sukuk worth US\$10 million via Alif Moliya

Alif Bank to issue Sukuk

Brunei's central bank prices its 37th issue of Islamic bills at BN\$47 million (US\$34.48 million)

BDCB prices 37th Islamic bills issue

Sunway Treasury Sukuk issues six-month Islamic commercial paper worth RM50 million (US\$11.79 million)

STSSB prints ICP

International Islamic Liquidity Management Corporation reissues US\$1.25 billion short-term Sukuk in three tranches

IILM reissues US\$1.25 billion Sukuk

Airports and air traffic services company **Angkasa Pura I** issues sustainable Sukuk Ijarah

NEWS

Hijra Bank receives license from National Bank of Ethiopia to become fully-fledged Islamic; implements Path Solutions's core banking solution

Hijra Bank becomes fully-fledged Islamic

Ahmadu Bello University to start offering new undergraduate and postgraduate courses in Islamic economics, banking and finance

ABU to start offering Islamic finance courses

Nigerian federal government launches digital agribusiness hub established by **Inara Foundation** and funded by **IsDB**

IsDB-funded digital agribusiness hub launched

Islamic banking in Egypt reaches EGP390 billion (US\$24.78 billion) accounting for 5.1% of total banking sector in June 2021, **Egyptian Islamic Finance Association** says

Islamic banking in Egypt holds 5.1% of total market

Egyptian President Abdel Fattah El-Sisi ratifies Sovereign Sukuk Law

Egyptian president approves Sukuk law

Islamic microfinance providers rank top in **Pakistan Microfinance Network's** latest data release

Pakistani Islamic microfinance providers rank high

RESULTS

Alinma Tokio Marine Co records net loss before Zakat of SAR3.27 million (US\$870,783) for the first half of 2021

Alinma Tokio Marine Co

Aljazira Takaful Taawuni Co reports 42.8% year-on-year decrease in net profit before Zakat at SAR15.76 million (US\$4.2 million) during first half of 2021

Aljazira Takaful Taawuni Co

SABB Takaful Co announces net profit before Zakat of SAR5.33 million

(US\$1.42 million) for the six-month period ended 30th June 2021

ASSET MANAGEMENT

Affin Hwang Asset Management launches Shariah compliant multi-thematic retail equity fund

Affin Hwang launches Islamic multi-thematic fund

Unitholders of **Swicorp Wabel REIT Fund** call to remove and replace fund manager

TAKAFUL

Methaq Takaful Insurance Company axes rights issue exercise due to low response from investors

Methaq Takaful cancels rights issue exercise

Noor Takaful partners with **The Health Bank** to launch new insurance solution Noor Premier

Noor Takaful and THB launch new solution

RATINGS

Maldivian government says downgrade of ratings by **Moody's** not reflective of improvements in country's economy since last rating in 2020

Maldives rebuts ratings downgrade

MOVES

Warba Bank appoints Ahmed Fouad Sadeq as new CFO

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Path Solutions joins Azentio: A big move for software services

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others), with the goal of significantly scaling up end-to-end insurtech solutions for general, health, life and commercial insurance.

Its latest acquisition cements the firm's interest in the Islamic space (an area it has specifically targeted as a high-growth market). The deal gives Azentio the rights to Path Solutions's flagship products iMAL, iSHRAQ, Path Digital and Path Analytics, which will strengthen Azentio's core banking software capabilities.

“ iMAL's industry-leading digital Islamic core banking platform has been recognized by industry analysts for its broad and deep Islamic functionality, flexibility and operational performance ”

“The acquisition has great significance for us, as it adds scale and depth to Azentio's Islamic and core banking offerings and further reinforces our vision and resolve to be a regional leader in the BFSI [banking, financial services and insurance] software space across APAC [Asia Pacific], MEA [Middle East and Africa] and emerging markets,” commented Azentio CEO Tony Kinnear. “iMAL's industry-leading digital Islamic core banking platform has been recognized by industry analysts for its broad and deep Islamic functionality, flexibility and operational performance.”

Other notable recent deals include an upgrade



of Kuwait Finance House's Islamic treasury system to iMAL in February; a partnership with leading social media management platform Hootsuite to accelerate the move to digital financial services and help Islamic banks scale their social media presence; and the launch of a pioneering new automated Islamic financing platform, the Islamic Finance Initiation Network, last month, in partnership with Bahrain's Islamic Finance Advisory & Assurance Services.

Now, Group Chairman Mohammed and the entire Path Solutions senior management team will join Azentio, marking a major commercial move for the 30-year old firm — although location-wise, they will stay where they are. “The Islamic financial industry needs to urgently transform to meet its new digital objectives,” said Mohammed who is based in Amman, Jordan.

“Joining with Azentio now puts wind beneath our wings to accelerate our journey and deliver at a greater scale and speed to meet industry demands.”

So what is the plan going forward?

“We will heavily invest in our platform, and invest in go-to



Kinnear

“ The Islamic financial industry needs to urgently transform to meet its new digital objectives. Joining with Azentio now puts wind beneath our wings to accelerate our journey and deliver at a greater scale and speed to meet industry demands ”

markets for our existing products. We have great technologies that we need to put in the hands of our customers, and we need to scale up,” concluded Mohammed. “This acquisition will allow us to do that.” ☺

Alif Bank plans Sukuk offering as it works on geographical expansion

Sukuk are on the cards for Tajikistan's Alif Bank which recently revealed it is expanding into the UK to grow its investor network and pursue new business development opportunities. JEVITHA MUTHUSAMY speaks to Abdullo Kurbanov, CEO and co-founder of the bank, to find out more.

Earlier this month, we learned that Alif Bank is expanding its operations into the UK as **covered** by our sister publication, IFN Fintech.

We now learn that the bank, which has a fully-fledged banking license in Tajikistan and a trading company and a payment systems license in Uzbekistan, is also looking to issue Sukuk and has received a Fatwa from UK-based Khalij Islamic on the proposed issuance.

The US\$10 million offering will be issued via Alif Moliya, the Shariah compliant consumer finance company of Alif Holding in Uzbekistan. To be structured using either the Murabahah or Musawwamah concept, proceeds from the issuance will be used to further the development of the financing business of Alif Moliya.

Full Shariah certification

The bank, which started as a microcredit company, has adopted Shariah compliant business models since it launched and is working on officially getting Shariah certified in early 2022 to operate as a fully-fledged Islamic bank in Tajikistan, Abdullo tells IFN.

Catering to over 600,000 users, Alif offers a suite of banking products comprising Alif Mobi, Tajikistan's widely used mobile wallet; Alif Salom and Alif A'zo, a buy-now, pay-later system (BNPL) with users in Tajikistan and Uzbekistan; Alif Shop, an online marketplace in Tajikistan with plans to launch in Uzbekistan; and Alif Business, a recently launched service for SME online banking.

"To clarify, we do not yet hold the Islamic license, but all the products we offer, we make as close to Shariah compliant as we can in the regulations we operate. For example, in Tajikistan, our deposits are based on revenue-sharing and our credits are based on Murabahah," Abdullo explains. "In Uzbekistan, our BNPL

products are a clear Murabahah, since we operate as a trading company, and buy the goods from merchants and sell them on [an] installment basis ourselves."

Alif Bank was established in 2014 by Abdullo Kurbanov, Zuhursho Rahmatulloev and Firdavs Mirzoev upon the realization that the banking sector in the country was lagging behind in terms of technology, customer service and risk management.

The bank's key customer segment is the middle-class urbanites who have a stable cash flow, but do not have accumulated funds to make purchases that improve their living standards. The bank helps customers by financing their purchases, and giving them the ability to pay in monthly installments.

Tech-first company

"We are a technology-first organization, and all of the core technologies used at Alif are built internally, including our own core banking system, client



relationship management software, mobile wallet, processing gateway and so on, written on the latest technology platforms and architecture.

"We started with a very limited IT [information technology] background, wrote our initial code on Visual Basic, which took us up to our first 2,000 clients, but thankfully over time, we have built one of the strongest IT teams in this part of the world, now using the latest technologies and architecture, and we keep building on it through our educational efforts," Abdullo shares.

The bank is now working with a broad range of local and international investors, ranging from individual retirees to a private Swiss bank, and has plans to expand to at least two new countries in the future. ☺

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Libya's rival central banks discuss unification

At the brink of a disastrous collapse, it seems that the two central banks of Libya may just consolidate as urged by international forces to save the only other Islamic financial system, other than Iran, from total ruins. VINEETA TAN writes.

Tripoli-based Central Bank of Libya confirmed in a statement that its governor, Al-Siddiq Omar Al-Kabir, had met the working group consisting of the central banks' departments to implement a plan to unify both regulatory bodies. At the meeting, the working group outlined assignments for different task forces covering a range of aspects including technical, legal and administrative, with the ultimate goal of developing an integrated framework.

Divided since 2014 after Muammar Gaddafi was overthrown in 2011, Libya with its two polarizing governments each established their own central banks, a move which eventually drove debt to record highs as without a unified budget, neither had sufficient resources

to cope with severe economic challenges including oil blockades which cost the North African country billions in revenue. Both the central banks racked up debt as each extended credit to their respective former governments to plug financial gaps.

A UN-sponsored international audit to assess the financial state of the country was completed and delivered earlier in July.

"The main finding of the audit is that the unification of the Central Bank of Libya is no longer simply recommended but required," Jan Kubis, the special envoy of the secretary-general for Libya and head of the UN Support Mission in Libya, told the Security Council last month.

Kibus explained that while Libya's foreign currency reserves were largely protected during the past five years, the division in the Central Bank of Libya has eroded the integrity of the banking system and impeded monetary reform.

"Managing this debt is only possible if the Central Bank unifies. In plain terms, Libya's banking system will likely collapse, absent unification," Kubis warned.

After almost two decades of civil war, the two opposing governments signed a permanent ceasefire in October 2020. An interim government was formed in March, with a view to hold elections this December; however, the opportunity for Libyans to participate in this democratic exercise is under threat as politicians have not been able to find common ground.

Libya's banking and finance system has long been wrought with immense difficulties including its struggle to fully comply with Sunni Shariah back in 2013. The ban on interest virtually paralyzed the conventional banking system. But by 2015, it is understood that all banking and finance transactions are conducted in a Shariah compliant manner. (🔗)

Tanzania's first-ever Sukuk offering debuts to overwhelming demand

Virtually absent from the sector, Tanzania now joins the ranks of its regional peers as a Sukuk market, albeit a fledgling one, having witnessed the issuance of its first-ever corporate Sukuk facility, which was quickly snapped up by eager investors. VINEETA TAN has the story.

Issued by Islamic financial company Imaan Finance, the TZS2 billion (US\$859,558) Sukuk Wakalah offering was placed privately and closed on the 9th August. The exercise received TZS2.72 billion (US\$1.17 million) in orders. Approved by the Capital Market Securities Authority (CMSA) with a TZS1 billion (US\$429,886) greenshoe option, Imaan Finance will be exercising the option to meet investor demand.

"Our management would like to thank Bank of Tanzania, CMSA and all the parties involved including Fimco, ARS Law & Advisories, and CRDB Bank as

well as the shareholders, board and staff of Imaan in making the first issuance in Tanzania a success," the finance company said in a public announcement.

It is learned that the offering was subscribed by retail and institutional investors.

Although a relatively small transaction, the deal signifies an important development in the Tanzanian nascent Islamic finance market. With about one-third of its 58 million-strong population adhering to the Muslim faith, Islamic banking and finance has gained more traction in the last few years, despite the absence of a dedicated regulatory framework.

Tanzania is home to one fully-fledged Islamic bank and a handful of conventional lenders offering Shariah banking services on a window basis. Several insurers are also preparing

to enter the Takaful market, with the insurance regulator expected to carve out official rules for Islamic insurance sometime this year. The finance ministry has also been working on expediting the introduction of Islamic banking regulations.

While the government of its African peers such as Nigeria, South Africa and Mali have tapped the sovereign Sukuk market and the continent has seen the issuance of several corporate offerings, Tanzania's Sukuk market was virtually non-existent with ostensibly very little progress, at least to the public eye.

Imaan Finance's well-received debut, which reflects the latent demand for the Shariah instrument, is therefore perceived as a positive signal for future issuances and the potential for Tanzania to develop its Islamic debt capital markets. (🔗)

Fund Focus: Maybank Asia Mixed Assets-I Fund

Maybank Asset Management, which manages some RM26.8 billion (US\$6.32 billion) in assets under management as of the 30th September 2019, has debuted the Maybank Asia Mixed Assets-I Fund (MAM-A.I) on the 16th August 2021. JEVITHA MUTHUSAMY writes.

A Shariah compliant mixed assets fund, MAM-A.I combines the expertise of Maybank's fund managers and the latest Quant Investing technology to provide the best outcome for the fund.

The fund will feed into the Maybank Asian Growth and Income-I Fund (Target Fund), which is an open-ended unit trust constituted in Singapore and managed by Maybank Asset Management Singapore.

"With the rapid technological advancements, investors now have access to the enhanced intelligence

and learning power of Quant Investing combined with active management by our fund managers to achieve optimal portfolio diversification. With this early-mover advantage, investors can access markets in Asia to potentially achieve better returns," said Ahmed Muzni Mohamed, CEO of Maybank Islamic Asset Management.

MAM-A.I seeks to provide capital growth and income through investments in the Target Fund. The fund aims to invest at least 90% of its net asset value (NAV) in the Target Fund while up to 10% of the fund's NAV will be invested in liquid assets.

"Quant Investing reduces the influence of human emotions and emphasizes mathematical and statistical analysis to determine the value of a stock, bond or other assets.



"It can pick up trends quickly and capitalize on market inefficiencies based on quantitative data. With this fund, investors can now get the best of both worlds in terms of portfolio diversification and potential higher and consistent return," Ahmed explained.

The fund targets investors looking for capital and income growth, have a high-risk tolerance and are comfortable with an Islamic fund's exposure, investment policy and approach. (F)

The opinions and viewpoints expressed in the Fund Focus do not constitute as a recommendation for any funds highlighted. The information presented is not investment advice and should not be treated as such.

Table 1: Fund fact sheet

Name of the fund	Maybank Asia Mixed Assets-I Fund
Launch date	16 th August 2021
Fund manager	Maybank Asset Management
Fund category	Feeder fund (Shariah compliant)
Fund domicile	Malaysia
Targeted size	N/A
Investment objective	The fund seeks to provide capital growth and income through investments in the Maybank Asian Growth and Income-I Fund (Target Fund).
Asset allocation	At least 90% of the fund's net asset value (NAV) will be invested in the Target Fund while up to 10% of the fund's NAV will be invested in liquid assets.
Geographical exposure	Global
Targeted yield	N/A
Investor type	High-risk investors
Base currency	Malaysian ringgit (RM)
Risk level	High risk
Benchmark	Target return of 6% per annum (in RM terms), net of fees over the long term.

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Demand for student accommodation lures Middle Eastern investors to the UK

A Bahraini real estate firm has turned to Islamic finance to fund its latest asset acquisition in the UK, a mark of the sway the UK property market has on Shariah investors. VINEETA TAN reports.

With a AED124 million (US\$33.75 million) Islamic structured financing provided by Abu Dhabi Islamic Bank (ADIB), Blacksand purchased a purpose-built student accommodation (PBSA) asset in Kingston-upon-Thames. Completed in 2018, the property comprises 300 fully furnished units across 111 studios and 189 ensuite cluster bed spaces. The property also has a retail unit on the ground floor leased to Europcar for an unexpired lease term of eight years.

"The appetite among our GCC investors remains strong for quality UK real estate, particularly assets that have demonstrated resilience during the pandemic, with underlying strong fundamentals. Despite the unparalleled uncertainty during the last academic

The appetite among our GCC investors remains strong for quality UK real estate, particularly assets that have demonstrated resilience during the pandemic

cycle, investors continue to view the UK PBSA sector favorably. The market has performed stronger than expected throughout the crisis, with reports of

robust booking and occupancy rates. This was reflected on the subject property, which maintained 95% occupancy during the 2020/21 academic year and has secured 100% bookings for 2021/22," shared Paul Maisfield, the head of UK real estate at ADIB.

Sector analysts are cautiously optimistic about PBSA despite COVID-19 uncertainty, expecting demand to continue to grow over the next few years, banking on the government's intentions to double international student enrollment. "The allure of British education continues to appeal, and overall the reputation of PBSA as a counter-cyclical asset class remains at the forefront of its attraction to investors," said Maisfield.

According to real estate firm CBRE, over EUR9.2 billion (US\$10.8 billion) was invested in PBSA across Europe including the UK in 2020, the highest year on record. Despite the pandemic, transactions for up-and-built assets increased. (2)

New Islamic finance product hits Sri Lankan market

Small as it may be, Sri Lanka's Islamic finance universe is growing as CLC Islamic Finance rolls out a new Shariah compliant offering. VINEETA TAN has the details.

The new product from the Islamic banking division of Commercial Leasing & Finance (CLC) is designed as an alternative to the lender's conventional gold loans. The Wadiah account, a safekeeping service for gold, offers a Qard Hasan financing against safekeeping certificate.

Since its inception six years ago as an Islamic window of CLC, CLC Islamic Finance has been growing its product repertoire which includes Islamic investment instruments as well as financing offerings for individuals and businesses. Before the start of 2021, the unit launched six new centers in a bid to expand its customer outreach nationwide.

While a relatively simple product, the expansion of the portfolio may be

perceived as a sign of healthy demand for Islamic financial products in Buddhist-majority Sri Lanka. Less than 10% of the country's some 22 million-strong are Muslims, but the South Asian island has seen promising Islamic finance developments.

Despite being a Muslim-minority market, there are at least eight providers of Islamic banking services including one fully-fledged Islamic bank, Amana Bank, of which the IsDB is a principal shareholder. Four insurers offer Takaful products and a handful offer Islamic capital market and microfinance services. The Pearl of the Indian Ocean has also manufactured several Sukuk offerings, the first by LOLC Finance's Al Falaah Islamic Business Unit in 2016, followed by Citizens Development Business Finance two years later. The Sri Lankan government has also long been working on tapping the sovereign Sukuk market.

These are healthy indicators of progress considering Islamic finance operators in



Sri Lanka are operating within a secular or conventional financial framework, which has only been tweaked to accommodate limited Shariah compliant structures. (2)

Sovereign Securities: Southeast Asia offerings hit the market

Indonesia has had a busy week while regular offerings from Malaysia and Brunei received strong demand from investors. JEVITHA MUTHUSAMY rounds up Shariah sovereign securities developments over the week.

Indonesia

The Indonesian government issued state Shariah securities worth IDR2 trillion (US\$138.79 million) via private placement on the 23rd August 2021. The tradable Sukuk carry a 5.26% yield and a fixed coupon rate of 6% per annum, and will mature on the 15th January 2027.

Meanwhile, the Indonesian government opened subscriptions to its Retail State Sukuk SR015 Series from the 20th August 2021 to the 15th September 2021 for a minimum order of IDR1 million (US\$69.16) and a maximum order of IDR3 billion (US\$207,475). The Sukuk

series has a tenor of three years and a fixed profit rate per annum of 5.1%.

Separately, the Indonesian government was due to conduct a Sukuk auction on the 24th August 2021 with an indicative target of IDR10 trillion (US\$694.52 million). The outcome of the auction has yet to be announced at the time of publication.

Brunei

Brunei Darussalam Central Bank (BDCB) priced the 37th issuance of its BDCB Islamic-Bills at BN\$47 million (US\$34.48 million) with a profit rate of 0.11% and a maturity date set on the 2nd September 2021.

Malaysia


The government of Malaysia on the 18th August 2021 issued a RM4.5 billion (US\$1.06 billion) Government Investment

Issue Murabahah facility maturing on the 31st October 2028 with a profit rate of 4.37%.

Separately, Bank Negara Malaysia issued an array of Islamic papers totaling RM63.8 billion (US\$15.08 billion).

Saudi Arabia

The Saudi Ministry of Finance's National Debt Management Center closed its August 2021 Sukuk offering under the government's domestic Sukuk program at SAR11.36 billion (US\$3.03 billion).

The Sukuk facility was issued in three tranches: a SAR2.51 billion (US\$668.4 million) tranche maturing in 2029, a SAR4.49 billion (US\$1.2 billion) tranche maturing in 2033 and a SAR4.37 billion (US\$1.16 billion) tranche set to mature in 2036. 

Upcoming sovereign Sukuk

Country	Amount	Expected issuance date	Date of announcement
Indonesia	<ul style="list-style-type: none"> TBA US dollar-denominated IDR100 billion – Ministry of Finance 	<ul style="list-style-type: none"> By the 6th March 2020 TBA 	<ul style="list-style-type: none"> 21st February 2020 25th September 2020
Bangladesh	<ul style="list-style-type: none"> TBA 	<ul style="list-style-type: none"> TBA 	<ul style="list-style-type: none"> 1st October 2020
The Maldives	<ul style="list-style-type: none"> MVR100 million 	<ul style="list-style-type: none"> TBA 	<ul style="list-style-type: none"> 19th February 2018
Pakistan	<ul style="list-style-type: none"> Between US\$750 million and US\$1 billion (international Sukuk) US\$500 million - US\$1 billion Sukuk Ijarah TBA (Ministry of Energy's Petroleum Division) US\$2.5 billion (comprising Sukuk, eurobond and Chinese panda bond) PKR700 billion PKR250 billion At least US\$1 billion TBA (diaspora Sukuk or bond) 	<ul style="list-style-type: none"> TBA March 2021 TBA TBA TBA TBA TBA TBA 	<ul style="list-style-type: none"> 22nd May 2021 24th January 2021 4th November 2020 3rd October 2020 17th December 2019 10th December 2019 10th September 2019 19th August 2020
South Africa	<ul style="list-style-type: none"> US\$3 billion TBA (likely domestic Sukuk) 	<ul style="list-style-type: none"> 2021/22 TBA 	<ul style="list-style-type: none"> 24th February 2021 11th July 2019

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Afghanistan: Urgent need for stability

In Muslim-majority Afghanistan, Islamic banking remains the only active component of the country's Shariah compliant financial system, with the other sectors still under development. NESSREEN TAMANO writes an overview of the Islamic finance and banking industry in the country, which is caught in the middle of political, social and economic uncertainty as the Taliban took over the government.

Regulatory environment

The Banking Law of Afghanistan, passed in 2016, recognizes Shariah governance and addresses Islamic banking matters, including Islamic liquidity management, profit distribution and the licensing of Islamic banks and windows.

A set of regulations and guidelines was issued, also in 2016, by Da Afghanistan Bank (DAB), the central bank, which regulates the Shariah finance and banking industry.



The recent takeover of the government by the Taliban has resulted in deep instability as thousands fled the capital in fear, including the central bank's former governor who has recently been replaced

Banking and finance

Islamic banking is considered key to attracting more Afghans to join the economy, where only 15% of adults have a bank account and a majority of the Muslims shun interest-based finance. There is high demand — according to the IFSB, the share of Islamic banking in the total banking system of the country rose to 10.74% as at the end of 2019, compared with 5.2% at the end of 2017.

There are 13 licensed banks in Afghanistan, according to the Ministry of Finance, with at least six offering Islamic products and services on

a window basis — Afghanistan International Bank, Afghan United Bank, Ghazanfar Bank, Bank-i-Mili Afghan, Maiwand Bank and New Kabul Bank.

The first fully-fledged Islamic bank was established in 2017 when conventional lender Bakhtar Bank converted to comply with Shariah principles and became the Islamic Bank of Afghanistan (IBA). The bank is looking to venture into Takaful and Islamic asset management.

Afghan United Bank meanwhile also expressed interest in becoming fully Shariah compliant, as did Afghanistan Commercial Bank.

In 2019, the DAB canceled the operation licenses of two foreign banks — Pakistan's Habib Bank and Iran's Arian Bank — due to non-compliance with the central bank's regulations. The move is seen as the central bank's commitment to regulating the banks and ensuring the stability of the banking sector.

Capital markets

In 2018, the Ministry of Finance and the office of the then-president Ashraf Ghani collaborated with the Indo-OIC Islamic Chamber of Commerce and Industry (IICCI) to introduce Sukuk. There were also discussions on developing a regulatory framework for Sukuk issuance, and the IICCI announced plans to establish the Afghanistan Security Exchange Commission.

A stock exchange has also been in the pipeline for years — part of the plans of the apex bank and the Ministry of Finance to develop an Islamic capital market. Afghanistan Islamic Finance and Consulting was approached to develop concept and design proposals, presumably to support Sukuk issuances.

In December 2019, the IBA announced that a debut domestic Sukuk issuance, which the bank will be leading, was planned for the first quarter of 2020. The issuance has yet to materialize.

Takaful

There are no insurance companies (out of the four currently operating) that provide Shariah compliant solutions in the country, but nonprofit microfinance organization FINCA Afghanistan started offering Islamic microinsurance products in 2019.

Plans to finalize a Takaful Legal Framework — a project led by Credit Solutions Financial, the Afghanistan Insurance Authority and the IsDB — were also announced last year. The framework is expected to encourage insurers to start providing Takaful products and services to their customers.

Outlook

The government's erstwhile efforts to implement reforms and support the business and financial environment in the country had been promising, particularly the central bank's push for Shariah finance and banking as a socially responsible solution to the issues of Afghanistan's fragile banking system. However, the recent takeover of the government by the Taliban has resulted in deep instability as thousands fled the capital in fear, including the central bank's former governor who has recently been replaced by Taliban appointee Mohammad Idris. There is much work to be done to stabilize the war-torn country before we may see progress in its Shariah finance and banking industry. (F)

Human capital: Key to development of Islamic finance industry

The shutting down of educational institutions amid the COVID-19 pandemic has resulted in a much greater role for digital learning. JEVITHA MUTHUSAMY brings you the latest developments in this sector.

Overview

Islamic finance knowledge is assessed through education and research. According to the Islamic Finance Development Indicator Report 2020, Indonesia hosts the world's largest number of Islamic finance education providers.

In total, 214 different universities and other educational institutions in Indonesia produced research papers on Islamic finance.

Meanwhile, Malaysia produced the highest number of research papers. Approximately 100 educational bodies in Malaysia produced research papers on Islamic finance, with around 45% of them produced by International Islamic University Malaysia, Universiti Utara Malaysia and the International Centre for Education in Islamic Finance.

The report further indicated that the pandemic had made necessary education providers who can teach Islamic finance to conduct degree- or certification-level courses online and it is believed that it could help spread Islamic finance education to countries where it was previously unavailable.

Data from the report further stated the total number of Islamic finance education providers in 2019 stood at 972 while the total Islamic finance research papers produced between 2017 and 2019 stood at 2,566.

Table 1: Top five countries by institutions offering degrees and training in Islamic finance in 2019

Rank	Country	Degrees
1	Indonesia	178
2	Malaysia	35
3	The UK	19
4	Pakistan	19
5	The UAE	12

Source: Statista



Latest developments

Degrees and diplomas

Morocco's Ministry of Higher Education in February 2021 **announced** its recognition of the Master of Science in Islamic Finance degree offered by Malaysia-based International Centre for Education in Islamic Finance.

In October 2020, Birmingham City University **launched** the UK's first undergraduate degree course in accounting and Islamic finance.

The Chartered Insurance Institute, the Islamic Insurance Association of London and the University of Bolton **collaborated** in August 2020 to launch a part-time, two-year MBA in Islamic Finance (Executive) degree program for insurance professionals.

E-learning

The Emirates Institute for Banking and Financial Studies in July 2021 **signed** an MoU with Shariah compliant savings and investment company National Bonds to develop and implement learning solutions and curate focused learning programs and certifications for the latter's officials across various departments with an aim to boost National Bonds's Emiratization Talent Development Initiatives.

In the same month, French public investment bank Bpifrance and the Islamic Corporation for the Development of the Private Sector (ICD) partnered to

provide online self-training platform Bpifrance E-learning University to business leaders in the ICD's network of French-speaking member countries.

The Association of Professional Bankers of Sri Lanka (APB) and the Chartered Institute of Management Accountants (CIMA) in April 2021 entered into a **collaborative** agreement to develop a strategic development program for senior leaders in financial institutions in a bid to support and develop human capital in the banking sector.

Under the collaboration, CIMA will provide exclusive access to its digital learning solutions through APB to all members of APB and banks in Sri Lanka. The learning solutions comprise various topics such as Islamic finance, data analytics and strategy, among others.

Over in Morocco, the Supervisory Authority of Insurance and Social Welfare in February 2021 **launched** E-Wassit Taamine, an e-learning training program for insurance intermediaries developed in partnership with the International University of Rabat. The program covers Takaful, intermediation, property insurance and liability insurance, among others. Meanwhile in August 2020, REDmoney Group entered into a strategic partnership with Carrera Learning, an innovative e-learning platform enabling users and companies to build their Islamic finance capabilities. (2)

Sarana Multigriya Finansial's Sukuk: Opening up to the public

Indonesia's secondary mortgage institution Sarana Multigriya Finansial (SMF) has issued the first tranche of its Shelf Registration Sukuk Mudharabah II Sarana Multigriya Finansial worth IDR100 billion (US\$6.94 million), the company's first offering with an allocation for retail investors. NESSREEN TAMANO has the details.

SMF is no stranger to Islamic issuances, this being its fifth Sukuk facility since its first one issued in 2017. Like its predecessors, the two-year Sukuk facility was structured under the Mudarabah concept, and is the first of a series targeting a total issuance of IDR3.5 trillion (US\$242.96 million).

"For this most recent issuance, we opened the allocation to retail investors in order to deepen our investor base as well as offer competitive investment instruments to the public," Trisnadi Yulrisman, the director of SMF's treasury and investor relations division, told IFN. "Fortunately, market response to the Sukuk is quite enthusiastic, reflected by its oversubscription of five times more than the issuance's amount target."

The investors were made up of insurance companies, pension funds, banks, asset management companies and retail investors.

The Islamic paper was issued to support SMF's Shariah unit, which offers

Islamic financing schemes to mortgage financiers including Shariah banks, development banks and multifinance institutions. Proceeds from the recent issuance will be allocated to the company's Shariah financing offerings.

“ For this most recent issuance, we opened the allocation to retail investors in order to deepen our investor base as well as offer competitive investment instruments to the public ”

Trisnadi noted that SMF plans to issue more Sukuk facilities, the amount and issue dates for which will be subject to the company's liquidity and financing pipeline needs. ☺

Sarana Multigriya Finansial's Sukuk

IRR100 billion (US\$6.94 million)



8th July 2021

Issuer	Sarana Multigriya Finansial
Structure	Mudarabah
Mode of issue	Public issuance
Tenor	Two years
Maturity date	8 th July 2023
Profit rate	Indicative profit rate of 5.15%
Payment terms	Quarterly
Lead arranger	CIMB Niaga Sekuritas
Joint arrangers	BRI Danareksa Sekuritas; Indopremier Sekuritas; Mandiri Sekuritas; Maybank Kim Eng Sekuritas; Trimegah Sekuritas; RHB Sekuritas
Legal advisor	HKGM and Partners
Currency	Indonesian rupiah
Governing law	Indonesia law
Shariah advisor	Dr Hasanudin, M. Ag.
Minimum investment	IDR5 million (US\$347.08)
Listing	Indonesia Stock Exchange
Rating	'AAA(sy)' by PEFINDO
Tradability	Domestic secondary market



New topic



Sohail Zubairi is an Islamic finance specialist and AAOIFI-certified Shariah advisor and auditor. He can be contacted at sohail.zubairi@dubaied.gov.ae.

I feel humbled in completing the full cycle last week on explaining the Islamic finance after authoring the first article in March 2018. It has been the journey of discoveries for me as I conducted research and recalled my own practical experiences while working on all types of transactions before writing on any new topic in this series. Also, the readers sent questions which had not crossed my mind. I am thankful to them for broadening my horizon.

I am so grateful to Almighty Allah to have introduced me to Islamic finance after having worked at the forefront of conventional banking for a couple of decades – and considering it to be the best way in the modern world to manage money and finance.

Then I must pay tribute to my teacher and mentor late Dr Hussain Hamed Hassan, the legend and the father of Islamic banking. He painstakingly taught me and the team I had assembled when I founded Dar Al Sharia way back in 2007 and was always available for guidance no matter which corner of the world he may have been. May Allah rest his soul in peace and grant him paradise. Aameen.

A big 'thank you' to IFN management to have given me the opportunity to

commence the series. I commend the patience of the editorial board for waiting for my last-minute post. Not only that, the rushing of the revised article past the deadline and yet having it accepted - and published. I also missed out on many occasions, and they kept their cool. My sincere apology to the IFN team for causing the inconvenience.

The title of the series was carefully chosen as 'back to basics' and the reason behind it was to provide the readers the pure and unadulterated perspective on the parameters, principles and applications of Islamic financing and investment system in the midst of many a products and practices offered in the guise of being Shariah compliant. I tried to avoid controversies as far as possible but at times felt to have been drawn into them, and was forced to blurt my mind out for the sake of keeping the record straight.

I have never claimed to be a scholar and will never do so, since I believe I am still a student who has simply wetted his toes in the ocean of Islamic finance. I have a lot to learn and always seek from God almighty to bestow the right knowledge on me. Whatever I have conveyed through 'back to basics' series is based on my own educative journey in Islamic finance universe and my hands-on practical experience while developing over 4 dozen Islamic banking products and completing scores of capital market, asset management, takaful and other types of transactions.

Now, to resolve the mystery of the new topic. It is the ever-popular Sukuk or Islamic bond. From the beginning of the series, I was repeatedly asked by some readers to provide detailed explanatory write up on Sukuk but at that time it would have been out of place to do so.

Let me explain. Consider Sukuk as the body of a car which needs to sit on a chassis in order to complete the shape. If the body is built ahead of the chassis, it will be just lying there with no use unless the chassis is developed. Similarly, the idea was to first complete the explanation of all Islamic sale and investment contracts before writing on Sukuk which will then complete the picture.

Elaborating it further, the Sukuk must have an underlying Shariah nominate contract without which there can be no issuance. For example, the Sukuk can only be issued based on one of the sale contracts or an investment contract, or a hybrid combination of both. But there can be no Sukuk issued without a Shariah nominate contract. Hence, it was considered important to first provide full explanation of all contracts (consider chassis) before commencing to write on Sukuk (as body).

It is not only for Sukuk. The Takaful (Islamic insurance) and the asset and wealth management sides (fund or trust) must also be based on either of the contracts, or a combination thereof. These topics shall be attended to after the discussion on Sukuk is done and dusted with.

Let me test your patience for one more week. I will commence the explanation on Sukuk from the next article in-sha-Allah. Bye for now.

The purpose of this educative series and the article is not to hurt any religious or commercial sentiments either consciously or even unwittingly. ☺

Next week: Discussion to commence on Sukuk



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Established in 2004, **Islamic Finance news** covers all realms of Islamic finance, providing professionals around the globe with a vehicle to educate and understand the market, the players, the individuals and perhaps more importantly, the benefits over and comparisons with the conventional banking system.

Islamic finance for agriculture

Dr Natalie Schoon is CEO of Redmoney Consulting. She can be contacted at natalie.schoon@redmoneyconsulting.com

Next month will be 10 years ago that I was approached to gauge my interest in developing the Islamic finance infrastructure for the agricultural sector in Afghanistan. Although I initially hesitated because of security, my personal and professional curiosity got the better of me. As a project, it was more than interesting enough.

Between 2011 and 2015, I had the opportunity to travel to Afghanistan, visit participants in the agricultural value chain and work closely with a large number of Afghans.

We would get invited to weddings, went to agricultural fairs and have even, on occasion, cheered on kite fighters.



“ Working out what the best approach is to finance agriculture is a challenge at the best of times, even more so when throwing Islamic financial structures into the mix ”

It was a great achievement. Working out what the best approach is to finance agriculture is a challenge at the best of times, even more so when throwing Islamic financial structures into the mix.

I learned a lot about agriculture and the agricultural value chain, and worked out a set of products to make it possible to provide Islamic finance.

It was a start-to-finish type of project. Design, implement, manage and eventually train someone to get ready to take it over.

It was a great achievement and was popular among clients, even among those who initially would try to argue that Islamic finance should be free of charge.

It was one of the most fascinating projects I have worked on, not in small part due to the people I worked



with. I have been thinking about both the project and the people a lot over the past few weeks.

Although it is fair to state that designing and implementing the Islamic financial infrastructure for agriculture in all provinces of Afghanistan is something to be proud of, the things I remember most are the kindness and hospitality, the excitement about a ping pong tournament, lunch in the office talking about family and other mundane things like what everyone had been up to over the weekend and, most of all, the cakes. So many cakes. Always fabulously decorated, always fresh, always 7 kg and always devoured in no time. Not a single crumb remained.

My thoughts are with them all.

Stay safe. ☺



IFN Alerts

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Egyptians' continued reliance on community Islamic finance models



EGYPT

By Dr Walid Hegazy

Despite the Egyptian government's significant strides in codifying the regulation of Islamic financial transactions, particularly corporate and sovereign Sukuk, many Egyptians continue to resort to informal, community-based methods of Islamic financing. Access to banks is limited in rural areas, and Egyptians who own bank accounts are still in the minority. Forms of Islamic financing such as Takaful and the Gama'eya remain preferred alternatives to those offered by Shariah compliant banks, such as auto Murabahah and Eid sacrifice (Udhiyya) installment plans.

The key differentiator between formal and informal Islamic financing in Egypt is the element of trust. As more Egyptians begin to trust the banking system, the percentage of banked Egyptians will increase. Without the requisite trust, Islamic lending plans offered by banks will only attract a certain segment of the population.

Another factor is income. About 40% of Egyptians still live under the poverty line, and banks require both a minimum income and proof of such income. Conservative estimates indicate that the informal economy constitutes at least half of Egypt's generated wealth.

The most common form of Riba-free community financing is the Gama'eya. The Gama'eya is formed by a group of individuals who pool their money over a certain period of time and appoint one trusted individual to manage the funds and members' compliance.

Each member takes turns receiving the entirety of the pooled funds at a scheduled interval. Gama'eyas represent a way for Egyptians to save money for large purchases or unexpected expenses outside of the traditional banking system.

Even so, Shariah compliant banks are marketing wealth management and financial planning services to lower-income Muslims with bank accounts. The Eid sacrifice can cost several thousand pounds. This year, Egyptian banks offered installment packages in which people could pay off the Eid sacrifice over the calendar year without interest.

NGOs also offered similar services for Egyptians without bank accounts. The civil sector and banking sectors are working separately, but in parallel, which ultimately, will facilitate the transition of the unbanked into the formal financial sector.

Egyptian Islamic finance legislation is targeted toward large-scale macrofinance initiatives. Real estate companies have taken advantage of the most recent Sukuk provisions in the amended Capital Markets Law. Citizens will reap the benefits of projects financed by government Sukuk issued under the new sovereign Sukuk law. The next step in the expansion of Islamic finance access and facilitating entry into the formal financial markets is the passage of new regulations for Islamic microfinancing, (2)

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New initiatives and Qatar National Vision 2030



QATAR

By Amjad Hussain

Qatar has been ranked as one of the 'Global Top 10 Countries by Islamic Assets' by the UAE-based investment banking firm Alpen Capital, as its Islamic finance assets reached US\$144 billion in 2019, making up 40% of the country's GDP that year. In its latest 'Islamic Finance and Wealth Management Report', Alpen Capital noted that Qatar registered a compound annual growth rate in its Islamic finance assets of 10.7% between 2014 and 2019, which is the fourth-highest growth rate in the world.

Qatar Development Bank (QDB) recently announced its new initiative, Jahiz, which is aimed at supporting entrepreneurs and small- to medium-sized industrial enterprises in setting up and operating their businesses.

Through Jahiz, QDB will lease fully equipped and ready-to-use factories for manufacturing to assist entrepreneurs and entities in setting up their operations expeditiously, and will also provide them with guidance and support throughout this period.

Applicants wishing to participate in the Jahiz initiative are required to submit an application to QDB, which will then assess whether they meet the required criteria and standards.

Qatar First Bank (QFB) has disclosed its financial statements for the six months ending on the 30th June 2021.

The reports show a net profit of QAR41 million (US\$11.23 million), which is the highest half-yearly net profit that QFB has achieved in five years. QFB also recorded a total income of QAR107.2 million (US\$29.37 million), of which QAR37 million (US\$10.14 million) is from real estate products.

The combined profits of the banks listed on the Qatar Stock Exchange (QSE) reached QAR12.7 billion (US\$3.48 billion) during the first half of 2021, recording a growth of 10.4% compared with the same period last year.

This growth reflects the strength of the economy and the attractive investment climate in Qatar, which is supported by the legal and regulatory developments in Qatar, as well as the restoration of ties between Qatar and its neighboring GCC

countries. The QSE expects its profits to improve further going forward.

The Qatar Investment Authority (QIA) acquired a 4.69% stake in QuantumScape, a company that develops solid-state lithium-metal batteries for electric vehicles. QuantumScape's current market value is US\$9.5 billion, with the QIA's share in the company being nearly US\$446 million.

Qatar has strengthened its investments in electric cars and renewable energy sources, aiming to reduce its dependency on hydrocarbon and diversify its economy, in line with Qatar National Vision 2030.

In a report issued by the US Qatar Business Council, the council stated that: "Qatar has been heavily investing in replacing its older power plants with new ones with better efficiency, state-of-the-art technologies and low emissions. By 2022, 25% of Qatar's public transportation will be electric and 100% will be electric by 2030." (📌)

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Islamic Bank of Thailand announces debt moratorium in provinces under lockdown



THAILAND

By Asas Worasutr

Lockdown measures have been initiated from the 19th July 2021 by the Centre for COVID-19 Situation Administration in 29 provinces in Thailand to contain the pandemic. These provinces are home to 40% of Thailand's population and produce three-quarters of the country's GDP.

Following the aforementioned measures and upon recognizing the suffering of debtors and the urgent need for financial assistance, the Islamic Bank of Thailand (iBank) launched a debt moratorium for two months (August and September 2021) for those in the affected provinces.



The suspension of debt payment for two months will not be an extension of the contract period, but to be paid in the last installment as per the original contract with the exception of penalties incurred during the debt moratorium.

The debt moratorium is only for debtors of SME business loans or small MSMEs. The measure is expected to help the aforementioned to strengthen their working capital during the pandemic.

As for debtors not residing in the provinces under lockdown, but their revenues declined due to government measures to control the outbreak, iBank will consider providing assistance in accordance with other measures, such as economic assistance, Phase 3 debt restructuring measures for retail debtors or debt consolidation measures. (📌)

Asas Worasutr is the former trade finance officer for financial institutions at Islamic Bank of Thailand. He can be contacted at asaswora@hotmail.com.

Ayady Takaful's surplus distribution and Maldives Islamic Banking and Finance Conference 2021



THE MALDIVES

By Dr Aishath Muneeza

The Islamic window of the leading insurance company in the Maldives, Ayady Takaful, has announced a surplus distribution for 2018 of MVR1.07 million (US\$69,057.2) as profit from the participants' risk fund.

Ayady Takaful, the only Takaful provider in the Maldives offering both General and Family Takaful, also informed that all eligible customers who are interested to receive their share of the surplus should send in their applications by the 12th September 2021.

The board had decided to distribute the surplus among customers who had taken home, contract all risk, fire, motor, boat-building, public liability, plant, machinery and equipment, machinery breakdown, group personal accident, passenger liability, professional indemnity and cargo-related Takaful packages in 2018.

'Planning for a post-pandemic era' was the theme of the 8th Maldives Islamic Banking and Finance Conference held virtually on the 11th August 2021, organized by Uto Edu Consult of Sri Lanka in affiliation with Maldives Capacity Development and Governance Institute.



Jeffery Salim Waheed, the former deputy minister of the Ministry of Foreign Affairs of the Republic of the Maldives, as the guest of honor launched a book published by Routledge titled 'Covid-19 and Islamic Finance'.

Jeffery said: "In the Maldives, we have the opportunity to create mechanisms that do not treat Islamic social finance as piecemeal applications, but rather as one coherent framework — ensuring that sound systems are in place with strict regulatory considerations that allow its integration into international financial regulatory systems. We have always advocated for and sought balance. Once again, we have the opportunity to change the world."

In his keynote speech, Hussain Niyazy, the chief guest and the auditor-general

of the Republic of the Maldives, emphasized the significance of Islamic finance for the economic growth of the Maldives and the importance of offering professional qualifications related to Islamic finance.

It is anticipated that the discussions held in the conference would assist the stakeholders of the Maldivian Islamic banking and finance industry to find solutions to the challenges they are facing by learning from the experience of others. (2)

Dr Aishath Muneeza is the chairman of the Capital Market Shariah Advisory Council (CMSAC) of the Capital Market Development Authority, the Maldives. She can be contacted at muneeza.aishath@gmail.com.

Islamic finance education programs for workforce personnel in Hong Kong



CHINA & HONG KONG

By Wafee Yeung

The role of Islamic banks in the global financial system is becoming more and more important. With China's Belt and Road macro strategy, the exchanges and cooperation between China and Islamic countries have continued to increase while deepening and expanding in sectors like energy, trade and investment and infrastructure.

Nowadays, the financial departments in many large global banks dedicated to

serving the Islamic masses lack financial talents. In other words, global Islamic finance development is in dire need of education and training for its personnel to run the implementation process smoothly. Hong Kong, a nascent region of Islamic finance, is no exception.

To cater to such a pressing need, the Hong Kong Federation of Trade Unions Spare Time Study Centre (HKFTUSTSC) has in July 2021 organized the Islamic Banking Financial Manager Certificate course approved by the Industry Education Cooperation Committee of the China Education Development

Strategy Association. The course will enable students to have a deeper understanding of Islamic banking finance, making them more competitive in the workplace.

Students who have completed the course can also apply for the Certified Financial Consultant in Islamic Finance designation issued by the Institute of Financial Consultants through the HKFTUSTSC. (2)

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

Saudi Islamic leasing start-ups



LEASING

By Shoeb M Sharieff

The financial technology sector in Riyadh is the most heavily funded by both venture capitalists and private investors. The number of deals has hit a record of more than US\$150 million in the first half of 2021.

With every industry that buys into financial technology, more services are accessible to everyone. During this period, start-ups accounted for 12 deals that closed during the first quarter of 2021. These deals also accounted for 22% of the entire number of deals (54) that closed in Saudi Arabia.

“Only minor changes are needed in their operating structures in order to use financial technology to achieve Shariah compliance”

This is good news for finance companies that rely on Islamic equipment leasing. In fact, this allows equipment financiers to achieve better liquidity in their portfolios. Only minor changes are needed in their operating structures in order to use financial technology to achieve Shariah compliance.

An e-commerce start-up, Sary, received the largest amount of funding of US\$31 million.

A recent bond auction in Indonesia raised IDR11 trillion (US\$764.95 million). Though this did not reach the target of IDR12 trillion (US\$833.01 million), it portrays a good appetite for Shariah-based sovereign securities.

Saudi Arabia's General Authority of Competition has approved the merger



of AlAhli Takaful Company and Arabian Shield Cooperative Insurance.

Both companies provide a variety of different insurance products such as vehicle insurance in the automotive industry which is heavily reliant on the Islamic leasing market.

Banan Real Estate, a leading company in the field of investment and development of income-generating real estate, has been listed on the Saudi Stock Exchange on the 11th August 2021.

A SAR755 million (US\$201.05 million) Saudi real estate fund has been unveiled. The Al Ahssa Real Estate Investment Fund was launched by Innovest Properties, one of Saudi Arabia's largest property and investment companies.

BLOMINVEST, the investment banking department of the Lebanese BLOM Bank Group, is the other partner in the new fund.

The fund is aimed at stoking investment in urban areas of Al Ahssa. It will be reviewed by the Saudi Capital Market Authority and aligned with the Shariah supervisory board and its regulations. ☺

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2021: The pool of capital for Shariah compliant tech companies is increasing



PRIVATE EQUITY &
VENTURE CAPITAL

By Dr Vladimir Malenko

Over the years, many Islamic finance practitioners kept appealing for the emergence of Shariah compliant venture capital (VC) and private equity (PE) funds to support Islamic tech. Largely, it has not happened — the number of active Shariah compliant funds is still under 1% of their conventional equivalents.

On the other hand, we all know the time-proven expression by Dan Xiaoping: “It doesn't matter whether a cat is black or white, as long as it catches mice.” Rephrasing — it does not matter whether the fund is Shariah compliant or conventional, as long as it promotes the development of the Islamic economy.

Last week witnessed yet another revolutionary equity investment round by ALAMI, the premier Indonesian peer-to-peer lending company, which raised US\$17.5 million. And guess what? Just like all previous ALAMI rounds, almost all of the funds came from conventional sources.

So, we applaud the growth of the overall PE market in the first half of 2021 — by 21.9% (data by PwC) and the VC market — by a whopping 149.9% (data by FactSet Research Systems). The money for good Islamic tech projects is widely available.

This year was significant for the number of new funders for Islamic tech — Employees Provident Fund (Malaysia), Ethos Invest (UK), Watheeq Financial Services (Saudi Arabia) and Yas Liquidity Fund (US-UAE) — to name a few key players. At least two more players in the GCC are about to make similar announcements in October.

Still, there is a new trend that may prove significant for the Islamic VC markets — the emergence of the ‘solo VCs’ — VC funds featuring a single large physical investor. These funds are easier to operate — no general partners relations officers, no general partners meetings, etc. And needless to say, the investment



policies of such VC funds are largely shaped by their single general partner's investment preferences and attitudes.

It is an open secret in Silicon Valley that this group of investors is willing to offer founders better terms and higher prices than the traditional VCs in exchange for a chance to back fast-growing start-ups. Another advantage of solo VCs: they make deals quicker than regular VC firms.

Basu Trivedi provided the definition of ‘solo capitalists’ as the next evolution from super angels, where the brand of the fund is linked to the individual

(there is no investment team) and the solo general partner raises larger, US\$50 million-plus funds.

The current leading solo VCs include Harry Stebbings, Oren Zeev, Lachy Groom and others. But the idea is now floating around the GCC family offices, so I am confident that we will see some new funds largely backed by the Gulf sheikhs and high-net-worth individuals with Shariah compliant investment priorities as early as 2022. ☺

Dr Vladimir Malenko is the director of FairFinance. He can be contacted at vm@fairfn.com.

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Education in the Islamic finance industry

Islamic finance was born based on the need to adhere to the teachings of the Quran and Hadith in Islamic financial transactions. Thus, there is a need for an alternative means of financing as interest (Riba) is prohibited in Shariah. Scholars differ on certain Islamic finance concepts for different reasons. BASHEER OSHODI and IBRAHIM AJANI write.



Basheer Oshodi is the managing director of Trustbanc

Arthur while **Ibrahim Ajani** is CFO of the same organization. They can be contacted at oshodibasheer@gmail.com and ajaniibrahim98@gmail.com respectively.

In the early days

Early Islamic scholars (Ahmad 1980; Ariff 1989; Chapra 2000; El-Ghazali 1994; Naqvi 1981, Siddiqi 1981; Asutay 2007, among others) who were the pioneers in the development of Islamic finance were informed by the desire to create an alternative source of financing in the economic system which will eliminate certain prohibitions as recommended in the Quran and Sunnah.

They were able to establish the fundamental Islamic finance principles of social and economic justice and the prohibition of Riba, Gharar and Maysir, thus ensuring fairness and ethical dealings, sanctity in transactions and the delivery of the Maqasid Shariah. This validates the Islamic principles which have proven to be more successful than conventional finance in the areas of wealth allocation and distribution, justice and fairness and economic stability.

Back to basics

For Islamic finance to continue to grow at the same pace it has recorded in the last two decades, it must be able to match the fundamental deliverables of conventional finance and adapt to the current contemporary finance structures.

To achieve these, search and research must be carried out to replace the existing finance structures and caution must also be taken in adoption to avoid following a blind path of non-compliance. In the same vein, there should be human resources who are well informed, have experience and trained to fill the vacuum rather than just reading books and attending workshops to gain knowledge.

Nowadays, Islamic banks are filled with non-Muslims who do not understand the intrinsic values of the religion but they can cope slightly basically because of their experience in the conventional space — this needs to be replaced, because of the uniqueness of the religion in its practice both in mind and appearance.

Education will indeed raise standards in Islamic finance

The bedrock of Islamic finance is centered around a set of disciplines, namely economics, banking and finance, accounting and governance, business management and marketing, Shariah and law. It is essential that attention be given to these areas of study to ensure that an Islamic finance expert is well equipped for the challenges of the industry. There seems to be a gap between what is been taught in schools and what is obtainable in the market, as the world is evolving. Some other practical courses should be embedded in product creation, contract validation, risk evaluation and business reintegration and there is a need to move away from the knowledge of terminologies and traditional Shariah contracts that struggle to fit into today's current landscape.

Moving forward

The global financial crisis of 2008 has proven the viability of Islamic finance compared with conventional finance at both the local and international levels; the stability of Islamic banks amid the turmoil revealed to researchers that it is an alternative means of finance and ensures financial freedom.

Consequently, Islamic finance education is well recognized in countries like Malaysia, the UK, Saudi Arabia and Bahrain. Nonetheless, Islamic finance graduates are reported to be less equipped with the finance skills needed by the market, hence they are less attractive to employers.

In order to gain its independence from the entire financial system on governance, law, ethics, practices and



reporting, the education engine should be able to provide a framework that will provide guidance that completely fits into Islamic finance practices.

Efforts should be made to build institutions that concentrate on nurturing experts for Islamic business schools like what we see in Malaysian higher institutions. Training platforms should be established to equip those seeking further knowledge in Islamic finance who possess a background in related areas or have gained relevant experience in those areas.

One basic area that seriously needs to be looked at in Islamic finance education is the disconnection between those who study law/Shariah-related courses and those who study finance courses. By implication, the two types of courses when combined form the broad spectrum of Islamic finance but the combined form is not understood by the respective students — Shariah students are not interested in calculation while finance students lag in the interpretation of Shariah/law.

Conclusion

In conclusion, the Islamic finance industry has affirmed its position as an alternative means of finance. It is therefore essential to have continuous dissemination of Islamic finance education to ensure it is propagated to all people. We cannot overemphasize the importance of education as it is the bedrock of Islam, the Quran and the Sunnah. ☺

Thoughts on the role of the internal Shariah review in Islamic windows

Following on from DERMOT O' REILLY's recent article on Shariah governance in international banks in IFN Volume 18 Issue 28, he had a number of queries with respect to his views on the internal Shariah review for Islamic windows which he will outline in this article.



Dermot O' Reilly is the head of ethical finance at ARX Financial Engineering. He can be contacted at dermot.oreilly@arxfe.com.

Background

The performance of an internal Shariah review is a mandatory requirement in some jurisdictions (eg onshore UAE and offshore UAE) and in others, it is left to the Islamic financial institution to determine whether it should (a) perform an internal Shariah review and (b) what should be the scope of this review. Both matters should be discussed and agreed with the Shariah supervisory board (SSB).

In my view, it is critical that an internal Shariah review is performed for the following reasons:

1. It is good governance as every activity that an international bank performs should be subject to internal audit; Islamic finance is no different.
2. It is a good exercise to discover potential Shariah issues and have them addressed by the SSB in advance of an external Shariah audit or regulatory mission.
3. It can be a valuable training exercise. The more people and business lines involved in the internal Shariah review, the better. This will assist in disseminating the Shariah compliance culture in the relevant financial institution.

The work plan

Depending on the nature and volume of an Islamic financial institution's Islamic business, an internal Shariah review should be done at least every six months. The work plan should cover at least the following in the relevant review period:

1. New Islamic products sold — were they properly approved by (i) the Islamic financial institution's product approval committee and (ii) the SSB?

2. Flow business — for treasury deposits/financing and foreign exchange unilateral Waad transactions, take a portion of the trades executed over the period and review them and ensure that the approved documentation was used in all instances and that there are Shariah pronouncements in place for all types of documentation used
3. Islamic derivatives business — for profit rate swaps, cross-currency swaps and structured deposits, depending on the volume, review most, if not all, of these trades (and the performance legs) to ensure that everything is done in accordance with the approval obtained. If the transaction was a one-off, ensure that the bank's one-off transaction approval process was followed and that the documents were approved by the SSB
4. Financing and Sukuk — depending on volume, review most, if not all, of such trades that occurred in the review period. Where participating in a syndicated Murabahah transaction, check with the investment agent occasionally to ensure that the commodity Murabahah details are correct
5. Late payment fee — its receipt and treatment
6. Shariah complaints (if any) received from customers
7. Marketing material presented to clients, and
8. Ensure that any updates to existing Islamic finance policies or procedures were approved by the Islamic financial institution and the SSB.

The work plan (in particular the sample sizes) should be approved by the SSB.

The internal Shariah auditor

In an ideal world, the internal Shariah

review would be carried out by a suitably qualified person from audit. However, in some international banks, where the Islamic business is small, it may, subject to SSB approval and nothing contrary in the applicable regulations, be possible to have a member from the Shariah compliance unit to perform the internal Shariah review.

This is not ideal as they are auditing themselves. The SSB would only permit this arrangement where they know the person on a personal basis and trust him or her. This arrangement is prohibited by the Higher Sharia Authority for UAE onshore.

If the Islamic financial institution's Islamic business grows, the SSB may require the internal Shariah review to be carried out by someone in internal audit who will need to be hired for this purpose.

The SSB's approval

The report containing details of the work done by the internal Shariah reviewer should be sent to the SSB for its comments or approval. Where there are findings, they should be discussed at the next SSB meeting to determine the remediation plan (if any) or to inform the SSB of the action taken by the various stakeholders in the bank globally to resolve the issue.

Findings

Findings in an internal Shariah review should be treated in accordance with the Islamic financial institution's existing audit policies. The SSB, together with management, should be periodically updated when open findings are closed or become overdue.

Conclusion

The internal Shariah review is an integral part of Shariah governance. It should be carried out like any other audit mission of an Islamic financial institution, ie with full support of management and the relevant staff. ☺

Can the new French pension savings scheme reform take a lead on Islamic asset allocation and ESG?

The 2019 PACTE law created a state-of-the-art unified framework for long-term savings plans, especially for private voluntary pensions called PER (Plan Epargne Retraite). It targeted an increase in total pension reserves by 50% in a three-year plan by converging the individual-subscriber scheme with the enterprise-subscriber plan. ANASS PATEL explores where it stands two years later and if this new reform can trigger the long-awaited surge in European environmental, social and governance (ESG) and Islamic asset allocation. The French government has set a clear and ambitious plan for the new PER scheme: to reach three million private retirement savers with EUR300 billion (US\$350.5 billion)-worth of assets under management (AuM) by 2022.



Anass Patel is the co-founder and CEO of Conexcap Finance and 570easi. He can be contacted at a.patel@conexcap.com.

As of mid-2021, 2.8 million PERs have been subscribed, either as new contracts or as transfers of existing plans: more than one million individual schemes for EUR10 billion (US\$11.68 billion)-worth of new funds and 1.15 million of employee registered schemes for EUR8 billion (US\$9.35 billion).

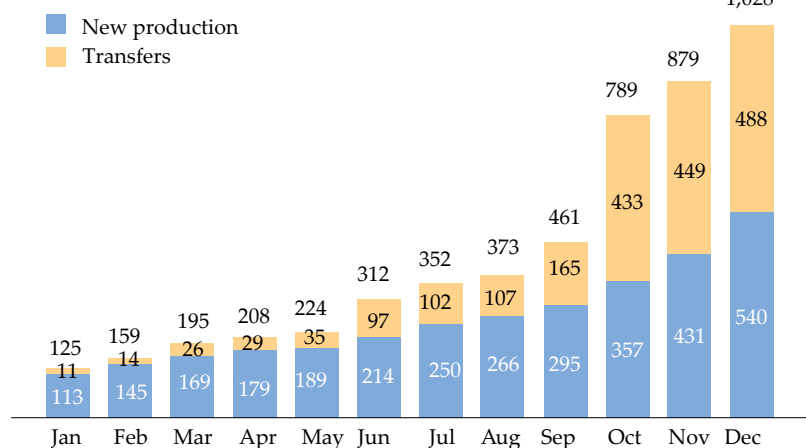
Despite the COVID-19 impact, 16,500 new enterprises have put in place a new PER scheme and 50,000 have transferred their previous scheme into the new one, reports the French Asset Management Association (AFG).

Three reasons can explain this success:

- The reform provides an alternative withdrawal option to the existing annuity mechanism, allowing individuals to take their savings as a lump sum.
- The reform provides savers with an autopilot management option, progressively adjusting their risk/return profile throughout their career up to their anticipated date of retirement, thus optimizing the yield on the retirement savings contracts.
- The reform provides the possibility to make tax deductions from contribution to retirement plans up to specific ceilings over a three-year horizon.

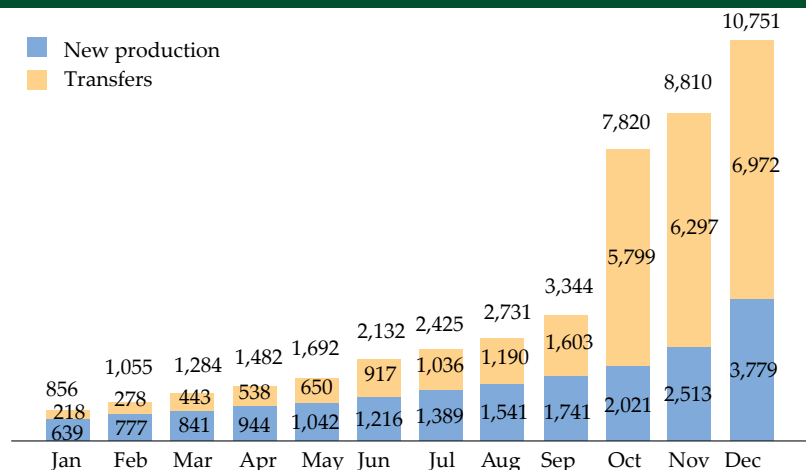
The reform aims at providing the right incentives for savers to put their money in riskier and thus potentially higher-earning investment products invested in the real economy. In addition, employee

Chart 1: Number of savers in 2020 (in '000)



Source: AFG from MoneyVox

Chart 2: Total amount of AuM in 2020 (in EUR millions)



Source: AFG from MoneyVox

share ownerships are incentivized by the authorities.

This will be achieved through:

1. relaxing the procedures used by

simplified joint stock companies to offer shares to their own employees, notably allowing employers to contribute unilaterally to employee share ownership funds and by halving

- the 'mandatory social tax' for employer contributions to such funds, and
2. enabling tax-free incentives matching employees' contributions over any of the contributions of this highly flexible new retirement savings scheme.

As a result, the market scene for private retirement solutions is being reshaped and a host of new entrants are offering innovative solutions to tap the increasing demand from savers who are better informed and better served by specialized wealth managers.

On top of that, the sustainable and responsible investment push is driving conscious savers toward new offers rather than traditional products from established incumbents. This combination is a great opportunity for Islamic providers to cater to this market, as evidenced by the launch of **Perenys**, a start-up created by Amundi alumni and 570 Asset Management.

Opportunity for differentiation through ESG allocation

The reform provides asset managers with opportunities for differentiation with better alignment of interests between corporate sponsors, pension product providers and employees. The mainstreaming of multi-asset funds and managed solutions, which have become the default investment option, should benefit asset managers with asset allocation expertise. Product offerings

are being revamped with better fund allocation models and a risk-balanced portfolio based on ESG scores.

“ *One can easily venture that offering native Shariah compliant products with the required transparency and asset-backed allocation will be a double-edged success* ”

Asset management companies, among other Islamic providers, will have to capitalize on their differentiated capabilities and strengths to entice distributors and claim their place in open architecture offerings, while maintaining caution lest they follow **Blackrock's ill-fated attempt**.

As savers' investment horizons can be aligned with the new long-term product offering, a clear strategic drive to capture more funds will be the positioning toward ESG and definite ethical criteria.

One can easily venture that offering native Shariah compliant products with the required transparency and asset-backed allocation will be a double-edged success. The future will tell and we will closely monitor new players such as Perenys in the wake of **Wahed Invest's** recent launch in the UK.

Profit-sharing schemes and financial criteria screening to push for Shariah compliance

Having a long-term approach to investment directly benefits the real economy and is a natural hedge against creeping inflation, the perfect ingredients for an optimal Shariah-structured product.

A case in point: employee savings schemes offering a stake in the performance of their company, either through (1) incentives (2) profit-sharing payments (participation) or (3) setting up an employee share ownership plan.

In France, only about 16% of employees in companies with fewer than 50 employees are currently covered by an incentive or profit-sharing scheme as mentioned previously.

The reform aims to double this ratio, and savers looking for suitable products aligned with their faith can definitely bridge this gap with the help of innovative providers of certified solutions. ☺





UNLOCKING THE POTENTIAL OF ISLAMIC FINANCE

ON THE PULSE OF ISLAMIC FINTECH

Breaking boundaries and challenging
preconceptions in one of the shake-ups
of the century

Islamic crowdfunding role in Indonesia

The COVID-19 pandemic has taught us that a virus can hit not only an individual's health, but also a country's economy. It is not only the infected ones which need further treatment, but also the policies enacted to break the circuit of infection, including limiting people's mobility. As a result, businesses and trades have been slowing down. In a country like Indonesia where 59 million SMEs exist, longer mobility restriction has hit this segment of enterprises severely, since the businesses rely on people being able to go to their workplace to provide their goods and services. BANJARAN SURYA INDRASTOMO delves further.

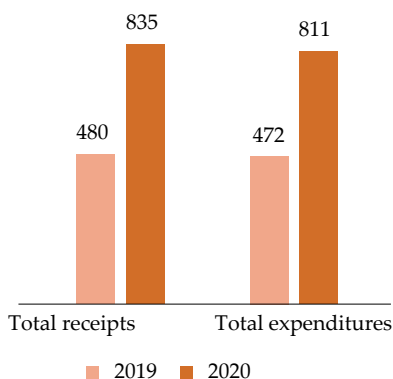


Banjaran Surya Indrastomo is the chief economist of Bank Syariah Indonesia. He can be contacted at b.s.indrastomo@bankbsi.co.id.

In Indonesia, no one would dispute the importance of Islamic philanthropy in overcoming the effects of the pandemic, as it continuously gives aid to those affected. This pandemic even shows how social capital can mobilize resources and organize hands-on solutions to complex issues on the ground, such as the provision of daily basic needs for those affected with the virus or those who lost their job and business because of the pandemic, facilitated by online social platforms such as Whatsapp and others.

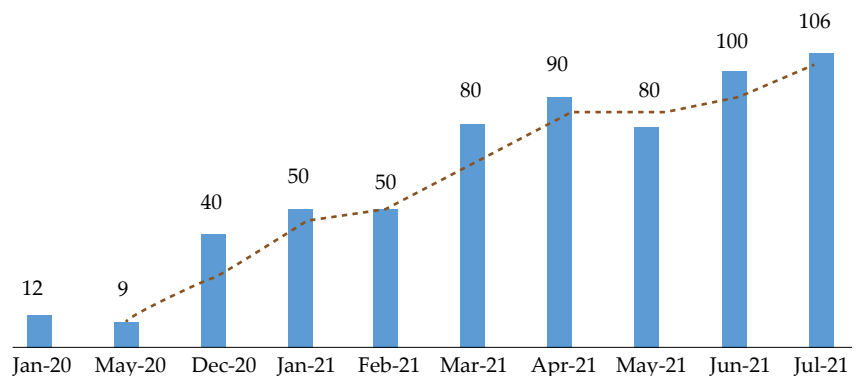
What is even more intriguing is the role played by Indonesia's largest Islamic social crowdfunding entity Kitabisa, as shown in Figure 1, in facilitating fundraising for numerous social programs and complementing the country's social protection mechanism during the pandemic. In this regard, technology has undoubtedly played a vital role in ensuring that the program can be funded and taken care of.

Figure 1: Total receipts and expenditures, Kitabisa Indonesia (IDR billion)



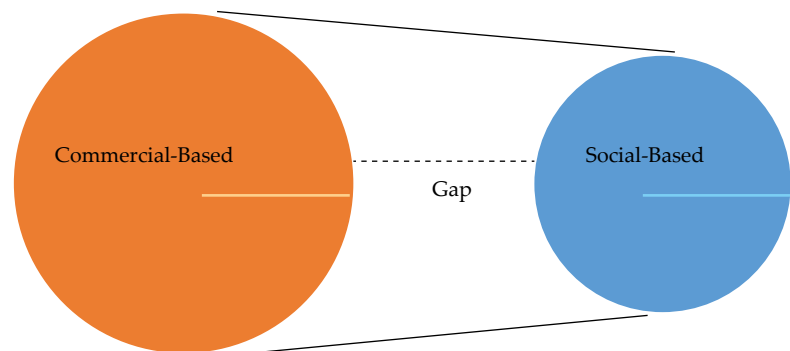
Source: Kitabisa financial statements, 2020

Figure 2: Alami Fintech channeling growth (January–July 2021) (IDR billion)



Source: Author's interview with Dima Djani, CEO of Alami Fintech, 2021

Figure 3: Illustration of gap between commercial and social crowdfunding



Source: Author's own

Indeed, technology and digitalization have found their space in offering solutions to rid social problems due to an extraordinary situation like the COVID-19 pandemic. The digital transformation that rapidly took place in the last seven years came in handy and timely in enabling fund transfers in an era where physical exchange is no longer recommended.

In the case of Islamic crowdfunding, commercial crowdfunding platforms such as peer-to-peer financing platforms also experienced exponential growth.

For example, Alami Fintech Indonesia has shown a remarkable growth in total financing of up to IDR920 billion (US\$63.86 million) up until July 2021 (based on my interview with Dima Djani, CEO of Alami Fintech, on the 7th July and the 22nd August 2021). Interestingly, as shown in Figure 2, there is a significant growth of total funding during the pandemic and which has more than doubled from IDR50 billion (US\$3.47 million) in February to IDR106 billion (US\$7.36 million) in July 2021. Such a trend suggests that the pandemic is offering ample opportunities for Islamic crowdfunding to grow.

Amid the momentum to grow, there are, however, gaps that need to be filled and this can be done through further integration as shown in Figure 3. Neither existing Islamic social crowdfunding nor Islamic commercial crowdfunding specializes in new ventures.

Islamic social crowdfunding focuses on a social campaign to be a medium for mutual cooperation of Indonesians, such as aiding people affected by natural disasters or those with medical and health needs, providing educational assistance, helping the disabled and orphanages, providing business capital and facilitating various humanitarian social programs, with little emphasis on empowerment.

On the other hand, Islamic commercial crowdfunding relies on a business's invoice financing, which is mostly related to ongoing working capital for businesses. Hence, neither of these channels had a hand in investing in new ventures which require more than just financial resources.

Micro businesses or start-ups also often face great challenges in obtaining financing from traditional sources. Unfortunately, many start-ups cannot provide guarantees for financial assistance and there are problems attracting investors due to insufficient cash flows and serious asymmetric information involving investors.

The exploration of this gap within the social-commercial nature of crowdfunding will undeniably open up new opportunities and growth channels for Islamic crowdfunding by bringing innovation, such as Islamic blended financing or any form of hybrid models, onto the scene.

This will allow the Islamic crowdfunding model to be the future of Islamic finance as it can not only serve the people and do the business, but it can also empower and enable them. This opportunity is not only available for Indonesia, as it can also be adopted by other countries.

However, solid and grassroots social capital in Indonesia has provided the country with a stronger footing for this form of initiative to move forward. It will complement the Indonesian financial system that has included fintech and Islamic crowdfunding platforms into its ecosystem. (2)

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DEALS

Alif Bank to issue Sukuk

GLOBAL: IFN has learned that Tajikistan-based Alif Bank is looking to issue Sukuk worth US\$10 million via Alif Moliya, the Shariah compliant consumer finance company of Alif Holding in Uzbekistan.

Proceeds from the issuance will be used to further the development of the financing of Alif Moliya in Uzbekistan. (F)

BDCB prices 37th Islamic bills issue

BRUNEI: Brunei Darussalam Central Bank (BDCB) has priced the 37th issuance of its BDCB Islamic-Bills (BDCB I-Bills) at BN\$47 million (US\$34.48 million) with a profit rate of 0.11% and a maturity date set on the 2nd September 2021, a press release confirmed.

Since the maiden offering on the 22nd October 2020, BN\$897 million (US\$658.06 million)-worth of short-term BDCB I-Bills have been issued; total outstanding as at the 19th August 2021 stood at BN\$69 million (US\$50.62 million). (F)

STSSB prints ICP

MALAYSIA: Sunway Treasury Sukuk (STSSB) has issued a RM50 million (US\$11.79 million) Islamic commercial paper (ICP), according to tender results.

The ICP, which was issued on the 19th August 2021, has a tenor of six months and received a total of six bids. (F)

IILM reissues US\$1.25 billion Sukuk

GLOBAL: The International Islamic Liquidity Management Corporation (IILM) has reissued a total of US\$1.25 billion in short-term Sukuk, a press release confirmed.

The Sukuk comprised three tranches: a US\$400 million tranche with a tenor of one month priced at 30%, a US\$550 million tranche with a tenor of three months priced at 30% and a US\$300 million tranche with a tenor of six months priced at 0.38%.

The tender received an orderbook in excess of US\$2.04 billion, representing an average oversubscription rate of 1.6 times.

This is the IILM's eighth Sukuk auction for 2021. (F)

Angkasa Pura I issues Sukuk

INDONESIA: Angkasa Pura I, a state-owned airports and air traffic services company, has issued its Sustainable Sukuk Phase 1 2021, CNBC Indonesia reported. The four-tranche Sukuk's issue size and coupon rate are yet to be determined, but has an Ijarah fee worth a maximum of IDR1 trillion (US\$69.45 million). (F)

Indonesia to auction sovereign securities

INDONESIA: The Indonesian government was due to auction the Sovereign Shariah Securities Series on the 24th August 2021 to finance the 2021 state budget, with a set indicative target of IDR10 trillion (US\$694.52 million), a statement said. The settlement date has been set for the 26th August 2021. The outcome of the auction has yet to be announced at the time of publication.

Separately, the Indonesian government was also due to open subscriptions to its Retail State Sukuk SR015 Series on the 20th August 2021 which will be closing on the 15th September 2021 for a minimum order of IDR1 million (US\$69.16) and a maximum order of IDR3 billion (US\$207,475). The Sukuk series, which has a tenor of three years

and a fixed profit rate per annum of 5.1%, will be used to help finance the national budget, including the development of infrastructure projects in Indonesia.

The Indonesian government also issued state Shariah securities worth IDR2 trillion (US\$138.79 million) via private placement on the 23rd August 2021. The tradable Sukuk carry a 5.26% yield and a fixed coupon rate of 6% per annum, and will mature on the 15th January 2027. (F)

Saudi Arabia concludes August Sukuk offering

SAUDI ARABIA: The Saudi Ministry of Finance's National Debt Management Center has closed its August 2021 Sukuk offering under the government's domestic Sukuk program at SAR11.36 billion (US\$3.03 billion), Saudi Press Agency reported. The Sukuk facility was issued in three tranches: a SAR2.51 billion (US\$668.4 million) tranche maturing in 2029, a SAR4.49 billion (US\$1.2 billion) tranche maturing in 2033 and a SAR4.37 billion (US\$1.16 billion) tranche set to mature in 2036. (F)

Malaysia issues Islamic papers

MALAYSIA: Malaysia has on the 18th August 2021 issued a RM4.5 billion (US\$1.06 billion) Government Investment Issue Murabahah facility maturing on the 31st October 2028 with a profit rate of 4.37%, according to a tender result. The paper received 255 bids.

Meanwhile, Bank Negara Malaysia issued four Money Market Tender Murabahah Overnight Borrowing Acceptance Islamic facilities worth a total of RM60.3 billion (US\$14.25 billion) and one Money Market Tender Qard-Islamic Range Maturity instrument worth RM3.5 billion (US\$827.15 million), according to separate tender results. (F)

DEAL TRACKER

Full Deal Tracker on page 31

EXPECTED DATE	COMPANY / COUNTRY	SIZE	STRUCTURE	ANNOUNCEMENT DATE
TBA	Alif Bank	US\$10 million	Sukuk	24 th August 2021
September 2021	Polytama Propindo	IDR300 billion	Sukuk Ijarah	17 th August 2021
TBA	Bank Simpanan Nasional	Up to RM3.5 billion	Islamic medium-term notes	17 th August 2021
TBA	Meezan Bank	PKR10 billion	Tier 2 Sukuk	16 th August 2021
August 2021	Purple Group	NGN5 billion	Sukuk Ijarah	12 th August 2021

AFRICA

Hijra Bank becomes fully-fledged Islamic

ETHIOPIA: Hijra Bank has received its license from the National Bank of Ethiopia to become the second fully-fledged Islamic bank in the country, a press release said. Following this, the bank signed an agreement with Path Solutions to implement the latter's Islamic core banking solution. (📺)

ABU to start offering Islamic finance courses

NIGERIA: Ahmadu Bello University (ABU), which is located in Zaria, Kaduna State of Nigeria, will be offering new undergraduate and postgraduate courses in Islamic economics, banking and finance, the university's Department of Banking and Finance said during a workshop recently held in collaboration

with the International Institute of Islamic Thought. The course modules for the programs have already been developed, and will commence in one or two years. (📺)

IsDB-funded digital agribusiness hub launched

NIGERIA: The Nigerian federal government has launched I-Produce, a digital agribusiness hub connecting young farmers to international investors and markets, THISDAY reported. The digital hub was established by Inara Foundation and funded by the IsDB. (📺)

Islamic banking in Egypt holds 5.1% of total market

EGYPT: Islamic banking in Egypt has reached EGP390 billion (US\$24.78 billion), accounting for 5.1% of the total banking sector in June 2021 and recording an increase of EGP42.4 billion

(US\$2.69 billion) from March 2020, a recent report from the Egyptian Islamic Finance Association read.

The volume of Islamic finance also increased 9% year-on-year to reach EGP296 billion (US\$18.81 billion) in June 2021, while the volume of Islamic deposits increased 10.7% year-on-year to EGP321.7 billion (US\$20.44 billion). (📺)

Egyptian president approves Sukuk law

EGYPT: Egyptian President Abdel Fattah El-Sisi has ratified the Sovereign Sukuk Law after being passed by the House of Representatives, Mubasher reported citing the Official Gazette. The cabinet is expected to issue executive regulations under the law three months after it comes into effect and following approvals from Al-Azhar Al-Sharif and the Financial Regulatory Authority. (📺)

ASIA

Pakistani Islamic microfinance providers rank high

PAKISTAN: The Pakistan Microfinance Network, the national association for retail players in the country's

microfinance industry, has released new data placing Akhuwat Islamic Microfinance in the third spot for microfinance providers with the highest number of active borrowers at 767,111 borrowers as at the April-June 2021 quarter. According to Dawn, the report

also named MCB Islamic Bank, which runs microfinance operations, as the microfinance provider with the fastest-growing financing portfolio and Taleem Finance Company as the fastest-growing microfinance provider in terms of the number of borrowers. (📺)



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BSP updates foreign currency rules

PHILIPPINES: Bangko Sentral ng Pilipinas (BSP) has relaxed its rules on foreign currency transactions for banks' effective risk controls and is limiting the foreign currency deposit unit functions for digital banks and smaller banks, Manila Bulletin reported. Bigger banks, including commercial banks and Islamic banks, will however continue to be allowed to operate both a foreign currency deposit unit and its expanded version. (📖)

Malaysia's Islamic trade finance grows

MALAYSIA: The share of Islamic trade finance in Malaysia has grown to 31.4% of the total market in 2020 compared with 11.3% recorded in 2016, Adnan Zaylani Mohamad Zahid, the assistant governor of Bank Negara Malaysia, said in his speech at the launch of the World Bank's Islamic Trade Finance Report.

Adnan also mentioned three important thrusts to consider as Malaysia continues to work on expanding Islamic trade finance: the need for trade-based solutions to ease liquidity constraints; embracing sustainability and building resilience to climate change; and more well-designed Islamic solutions beyond those that already exist in the market. (📖)

IBBL and Mastercard launch cards

BANGLADESH: Islami Bank Bangladesh (IBBL) has partnered with Mastercard to launch Shariah compliant dual currency credit, debit and prepaid cards, a press statement said. (📖)

Interest-free student loans approved

PAKISTAN: The Apex Committee for Student Loan Scheme, which is made up of representatives from the State Bank of Pakistan, National Bank of Pakistan (NBP), Habib Bank, United Bank, Allied Bank and MCB Bank, has approved PKR82.6 million (US\$501,518) in interest-free loans to be disbursed to 518 meritorious students of public sector universities across the country.

According to a statement, under the loan scheme, for which NBP acts as the administrator, loans are granted for a maximum tenor of 10 years from the date of the first installment and repayable in

monthly installments after six months from the date of first employment or one year from the date of the student's completion of studies, whichever is earlier. (📖)

Standard Bank and ERA-InfoTech formalize partnership

BANGLADESH: Standard Bank has formalized its partnership in an agreement-signing ceremony with ERA-InfoTech, the developer of Islamic core banking solution Hikmah which the bank has been using since it became fully-fledged Shariah compliant in January 2021, a statement said. (📖)

Indonesia combats illegal online loans

INDONESIA: The Financial Services Authority or Otoritas Jasa Keuangan (OJK), Bank Indonesia, the Indonesian National Police, the Ministry of Communication and Information and the Ministry of Cooperatives and Small and Medium Enterprises have given a joint statement of commitment to strengthen measures eradicating illegal online loans, a press release said. The authorities are running programs to educate people and encourage the use of fintech registered with or licensed by the OJK.

Separately, the OJK issued three regulations: POJK for Commercial Banks and POJK for Operation of Bank Products which both emphasize the importance of accelerating digital transformation within banks as well as innovation in their products including in aspects of consumer protection, and POJK regarding Reassessment of Main Parties of Financial Services Institutions which focuses on ensuring that the institutions are owned and managed by parties that meet the proper requirements. (📖)

Bank Alfalah and IMC to launch financing portal

PAKISTAN: Bank Alfalah and Indus Motor Company have signed an MoU to jointly launch a Toyota Smart Finance portal, an online financing solution that engages Bank Alfalah Islamic and conventional services, The Nation reported. (📖)

AAIIBP receives technical assistance grant from ADB

PHILIPPINES: Al Amanah Islamic Investment Bank of the Philippines (AAIIBP) has received a technical

assistance grant from the Asian Development Bank (ADB) for AAIIBP's capacity-building of its staff, processes and procedures, a statement said. Under the grant, the Islamic Finance Advisory and Assurance Services will deliver modules on product development, Shariah governance, train-the-trainer and operational implementation to AAIIBP staff. (📖)

Western Union available at more BSI locations

INDONESIA: A total of over 1,400 Bank Syariah Indonesia (BSI) locations will be offering Western Union money transfer services, a press statement said. BSI had already previously offered Western Union services in over 650 of its locations, but has now doubled the location count, Kokok Alun Akbar, the bank's retail banking director, said. (📖)

Non-banks instructed to preserve documents

BANGLADESH: Bangladesh Bank has issued a circular instructing all non-bank financial institutions to preserve the copies of bank statements and other important documents in their customers' files after disbursement of loans or lease amounts, to ensure verification and a proper loan or lease process. Islamic non-bank financial institutions have also been instructed to collect the consent of their customers and preserve the documents accordingly before disbursing funds. (📖)

Touch 'n Go's GO+ now Shariah compliant

MALAYSIA: GO+, the recently launched investment feature in payment company Touch 'n Go Group's eWallet, is now Shariah compliant, a press release confirmed. The digital financial product is anchored on the Shariah compliant Principal e-Cash Fund, a money market fund managed by Principal Asset Management. (📖)

IBBL and BHBFC sign agreement

BANGLADESH: Islami Bank Bangladesh (IBBL) and Bangladesh House Building Finance Corporation (BHBFC) have signed a customer service agreement to carry out Manzil, the joint venture housing investment project of the IsDB and BHBFC in support of lower- and middle-class people in the rural and peri-urban areas, a press release said. (📖)

EUROPE

Wayhome launches

homeownership program

UK: Property management company Wayhome has begun buying homes as it launched its Shariah compliant Gradual Homeownership program, after closing

the initial phase of a GBP500 million (US\$688.92 million) fund. According to a press statement, this capital raised from pension funds will be used to support would-be homeowners with a home purchasing scheme that allows them to own property without needing a mortgage or loan. (📖)

GLOBAL

AMF issues policy guide on blockchain

GLOBAL: The Arab Monetary Fund (AMF) has issued the 'Strategies for Adopting Distributed Ledger Technology (DLT)/Blockchain Technologies in Arab Countries', a policy guide that includes recommendations on action plans upon application of the technologies at the national level and an evaluation matrix to follow up on the progress of adoption.

The guide was prepared and reviewed by the AMF and the Arab Regional Fintech Working Group, central banks from Arab countries, the IsDB, the Egypt Post, the World Bank Group, Karam Legal Consultants and experts from the Organization for Economic Cooperation and Development and the World Economic Forum, Trade Arabia reported. (📖)

IsDB's RISE as structure for regional project financing

GLOBAL: High-level officials and experts on investment and regional connectivity have met to explore ways to facilitate strategies to achieve the UN Sustainable Development Goals, and discussed how the IsDB's new innovative

structure, the Regional Infrastructure Supranational Entity (RISE) model can be structured to finance regional projects, a statement read. (📖)

KFH and AUB deny resumption of merger

GLOBAL: Kuwait Finance House (KFH) and Ahli United Bank (AUB) have issued separate statements denying a local media report that the two banks' proposed merger is back on the table.

The **banks had announced in May 2021** that KFH would be reassessing its acquisition of AUB, placing the deal on hold until indefinitely. (📖)

KIB completes sale of exposure to NMC

GLOBAL: Kuwait International Bank (KIB) has completed the sale of its exposure worth KWD3.98 million (US\$13.18 million) to troubled UAE-based NMC Health Care Company, a bourse filing said.

The transaction would enhance the financial position of KIB, taking into consideration that it should not necessarily be an indicator of the bank's results for the third quarter of 2021, it said. (📖)

MIDDLE EAST

ADIB launches Amwali

UAE: Abu Dhabi Islamic Bank (ADIB) has launched Amwali, its Islamic digital bank that focuses on serving youth between the age of eight and 18, widely known as Gen Z. According to a press release, the digital bank was co-developed by the Founders Club UAE. (📖)

MAR increases stake in Al Rayan UK

QATAR: Masraf Al Rayan (MAR) has purchased an additional 5% stake in Al

Rayan UK, which owns Al Rayan Bank, from Qatar Holding, increasing MAR's shareholding from 70% to 75%, a bourse filing said. The transaction represents a purchase of five million ordinary shares of GBP1 (US\$1.37) par value. (📖)

Bank Nizwa rights issue approved

OMAN: Bank Nizwa has received approvals from the Central Bank of Oman and the Capital Market Authority for the rights issue of 789.47 million shares at a price of 95 baisas (24.6 US cents) per share, aggregating to OMR75



Global Islamic finance industry records 10.7% growth

GLOBAL: The IFSB has issued the Islamic Financial Services Industry Stability Report 2021, which looks at the key trends in 36 jurisdictions across the Islamic banking, Islamic capital market and Takaful segments.

According to the report, the global Islamic financial services industry had an estimated worth of US\$2.7 trillion in 2020 and recorded a growth rate of 10.7% year-on-year. (📖)

Maybank Islamic selects 10 SMEs for Halal program

GLOBAL: Maybank Islamic has selected 10 SMEs to venture into Singapore's Halal food market under the bank's Halal Route to Market program, which provides the SMEs with a distribution platform, service advisory and training to market their products in the fast-moving consumer goods market segment.

Maybank Islamic partnered with online business platform amaxMALL and the Malaysia External Trade Development Corporation to facilitate the program, The Star reported. (📖)

million (US\$194.22 million). According to a bourse filing, the record date of the rights issue has been set to the 29th August 2021, with the subscription opening on the 7th September and closing on the 16th September. (📖)

Islamic banks participate in EGA refinancing

UAE: Sharjah Islamic Bank and Dubai Islamic Bank (DIB) are among the banks that have participated in Emirates Global Aluminium (EGA)'s refinancing of its corporate debt facility worth US\$5.5 billion, Emirates News Agency reported.

The new facility reduces by US\$1 billion EGA's existing seven-year US\$6.5 billion loan facility signed in 2019, and extends the company's scheduled debt repayments by 2.5 years. DIB acted as the Islamic facility agent for the transaction, which also featured a conventional tranche. (🔗)

Ajman Bank and Kamel Pay to launch app

UAE: Ajman Bank has partnered with Kamel Pay to develop and launch a digital financial services app serving businesses and individuals across the UAE, a press release said. (🔗)

Percentage of non-Qatari ownership in banks increased

QATAR: The Qatari cabinet has approved increasing the percentage of

non-Qatari ownership in the capital of Qatar Islamic Bank, Masraf Al Rayan, Qatar National Bank and Commercial Bank to reach 100%, Qatar News Agency reported. The approval is in line with Article 7 of Law No 1 of 2019 on regulating the investment of non-Qatari capital in economic activity. (🔗)

Alujain signs facility with Alinma Bank

SAUDI ARABIA: Alujain Holding Corp, a Saudi industrial investment company, has signed an Islamic financing agreement worth SAR1 billion (US\$266.3 million) from Alinma Bank, a bourse filing said.

The eight-year Murabahah facility will be used by the company to purchase additional shares in National Petrochemical Industrial Company.

Mortgage of the shares already owned by Alujain will be used as a guarantee for the financing. (🔗)

GFH to submit offer document for KHCB

BAHRAIN: GFH Financial Group has submitted an acquisition letter of intent to Khaleeji Commercial Bank (KHCB)'s board and plans to submit the firm intention and offer document during the third quarter of this year, a bourse filing said.

Upon submission of the firm intention, GFH anticipates the voluntary takeover offer to be concluded during the course of 2021, subject to all necessary regulatory, board and shareholder approvals. (🔗)

ASSET MANAGEMENT

Affin Hwang launches Islamic multi-thematic fund

MALAYSIA: Affin Hwang Asset Management has launched its Affin Hwang Aiiman Global Multi Thematic Fund, which will invest a minimum of 70% of its net asset value (NAV) in Shariah compliant equities and a maximum of 30% in Islamic money market instruments and/or deposits. According to a press release, the fund, whose base currency is in US dollars, may also invest up to 15% of its NAV in Shariah compliant warrants and up to 10% in Islamic-structured products. (🔗)

Call to replace Swicorp as fund manager

SAUDI ARABIA: Unitholders of Swicorp Wabel REIT Fund who own more than 25% of the value of the fund's units have sent a written request calling for a meeting to remove and replace Swicorp Company as the fund manager, a bourse filing read. (🔗)

Johor Port donates to UTM fund

MALAYSIA: Johor Port, which is a member of MMC Group, has donated RM1 million (US\$235,849) to Universiti Teknologi Malaysia (UTM)'s Endowment Fund, which provides financial assistance

to students who do well academically, a statement said. Johor Port has donated a total of RM8 million (US\$1.89 million) to the fund from 2013 to 2021; donations to the fund were invested in low-risk and Shariah compliant fixed deposits and the investment gains were used to help 21 UTM students under the B40 category through the Al-Bukhary Endowment Scholarship. (🔗)

Introspect Capital launches Islamic window

UAE: Asset management firm Introspect Capital has received approval from the Dubai Financial Services Authority to operate an Islamic window, a press release said.

The firm has also launched the Introspect Islamic Fund, its first Shariah compliant fund which invests in listed equities in MENA. Introspect Capital has partnered with Shariyah Review Bureau for the Shariah governance of its Islamic business. (🔗)

Investcorp and ADDX collaborate

GLOBAL: Alternative investment firm Investcorp, which offers Islamic products, has partnered with private capital exchange ADDX to launch the Sunbelt Multifamily Portfolio, a diversified portfolio of US residential properties that raised US\$150 million from global investors. According to a press release, the partnership will explore

possible joint projects in areas such as private equity, real estate, credit management, absolute returns investments, strategic capital and infrastructure. (🔗)

Franklin Templeton and Bahana launch fund

GLOBAL: Franklin Templeton and Bahana TCW Investment Management have partnered to launch the Bahana US Opportunity Sharia Equity USD Fund in Indonesia, The Asset reported. The mutual fund invests in companies largely based in the US in the technology, healthcare, financial and consumer discretionary sectors. It is actively managed under the environmental, social and governance investing principles. (🔗)

SNB Capital and BNY Mellon launch joint offerings

SAUDI ARABIA: SNB Capital, the entity resulting from the July 2021 merger between NCB Capital and Samba Capital, has commenced its strategic alliance with BNY Mellon to jointly offer integrated global securities services to institutional and large asset owners in Saudi Arabia, a press release said.

NCB Capital had, in October 2020, entered into a partnership with BNY Mellon to address the demand for global best practices in segregated asset management, brokerage and custody functions following the launch of Saudi Arabia's Independent Custody Model in 2017. (🔗)

RESULTS

Alinma Tokio Marine Co

SAUDI ARABIA: Alinma Tokio Marine Co has recorded a net loss before Zakat of SAR3.27 million (US\$870,783) for the first half of 2021, compared with a net profit of SAR2.17 million (US\$577,859) in the same period of 2020.

According to a bourse filing, the net loss is due to a 16.2% decrease in gross written premiums, an 8.6% decrease in net earning premiums, a 17.1% decrease in reinsurance commission earned and a 12.2% increase in general and administrative expenses. (📄)

Aljazira Takaful Taawuni Co

SAUDI ARABIA: Aljazira Takaful Taawuni Co has achieved a net profit before Zakat of SAR15.76 million (US\$4.2 million) during the first half of 2021, a

42.8% year-on-year decrease from the SAR27.55 million (US\$7.34 million) recorded in 2020.

According to a bourse filing, the decrease is attributable to a 2.15% decrease in net underwriting income and a 62.54% increase in general and administrative expenses due to the completion of Aljazira's acquisition of Solidarity Saudi Takaful Company. (📄)

SABB Takaful Co

SAUDI ARABIA: SABB Takaful Co has achieved a net profit before Zakat of SAR5.33 million (US\$1.42 million) for the six-month period ended the 30th June 2021, an improvement from a net loss before Zakat of SAR11.91 million (US\$3.17 million) recorded during the same period of the previous year.

In a bourse filing, the insurer attributed its improved performance to an increase

in net contributions earned, a decrease in the change in unexpired risk reserve and non-unit reserve and a decrease in general and administrative expenses, all in the current period compared with the same period of 2020. (📄)

Saudi Enaya Cooperative Insurance Co

SAUDI ARABIA: Saudi Enaya Cooperative Insurance Co has reported a net loss before Zakat amounting to SAR29.7 million (US\$7.91 million) during the first six months of 2021, an increase compared with the net loss before Zakat of SAR12.02 million (US\$3.2 million) recorded in the same period of 2020. The increase in net loss was due mainly to a 218.4% decrease in net underwriting and a 127.4% increase in allowance for doubtful debts for the period, a bourse filing read. (📄)

TAKAFUL

Noor Takaful and THB launch new solution

UAE: Noor Takaful has partnered with The Health Bank (THB) to launch Noor Premier, a new insurance product that offers health and well-being programs

and access to a network of medical experts, a press release said. (📄)

Methaq Takaful cancels rights issue exercise

UAE: Methaq Takaful Insurance Company has announced it will not proceed with the rights issue exercise

to increase its share capital following a lower-than-expected response from investors.

The payments received from subscribers will be refunded by the 26th August 2021, a bourse filing read. (📄)

RATINGS

Maldives rebuts ratings downgrade

MALDIVES: Moody's downgrade of the Maldivian government's long-term local and foreign currency issuer and long-term foreign currency senior unsecured ratings from 'B3' to 'Caa1' does not

reflect the current fundamentals of the country's economy nor the significant improvements since the last rating in May 2020, the government said in a statement.

Moody's had cited higher debt levels that it expects to decline gradually and a weakening of debt affordability with greater exposure to market conditions as

the drivers of its ratings action. But the Maldivian government said its recent Sukuk issuance demonstrates its access to international debt capital markets and its ability to address liquidity risks amid the COVID-19 crisis, as do the rebound of its tourism industry and a forecast of its real GDP growth to be at 22.7% in 2021. (📄)

MOVES

Allianz Saudi Fransi

Cooperative Insurance Co

SAUDI ARABIA: Anuj Agarwal, CEO of Allianz Saudi Fransi Cooperative Insurance Co, has been appointed as an executive board member of the insurance company, replacing **Andreas Brunner** who had recently resigned. According to a bourse filing, the membership is effective starting the 22nd August 2021 and has been approved by the Saudi Central Bank.

Anuj has previously held executive positions in Allianz Egypt, Allianz Indonesia and Allianz Africa. (📄)

Bank ABC Egypt

EGYPT: Bank ABC Egypt has appointed **Amr Tharwat** as its new managing director and CEO, a press release confirmed. Amr had previously worked at HSBC both in Egypt and the UAE for a collective 15 years.

The appointment follows Bank ABC Group's acquisition of BLOM Bank

Egypt, which is currently being integrated into Bank ABC Egypt. (📄)

Warba Bank

KUWAIT: Warba Bank has appointed **Ahmed Fouad Sadeq**, the senior director of financial planning and reporting, as CFO effective the 19th August 2021 until further notice, a bourse filing read.

The bank had previously assigned CFO responsibilities to **Mohammad Sofian Abu Rehab** following the resignation of **Khaled Hasan Hafez** from the position. (📄)

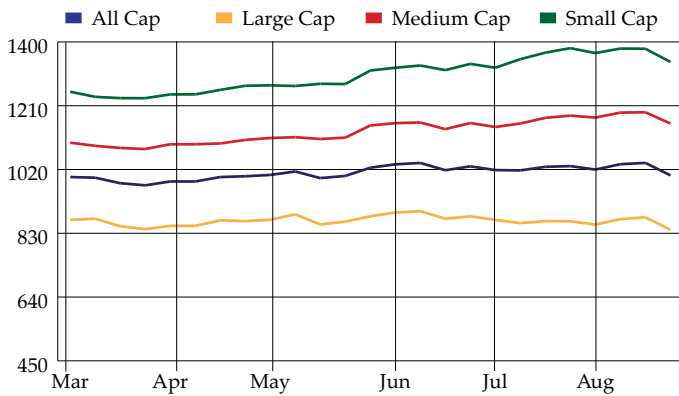
DEAL TRACKER

Expected date	Company/country	Size	Structure	Announcement Date
TBA	Alif Bank	US\$10 million	Sukuk	24 th August 2021
September 2021	Polytama Propindo	IDR300 billion	Sukuk Ijarah	17 th August 2021
TBA	Bank Simpanan Nasional	Up to RM3.5 billion	Islamic medium-term notes	17 th August 2021
TBA	Meezan Bank	PKR10 billion	Tier 2 Sukuk	16 th August 2021
August 2021	Purple Group	NGN5 billion	Sukuk Ijarah	12 th August 2021
August 2021	Prasarana Malaysia	RM1.7 billion	Sukuk	9 th August 2021
2022	Kuwait Finance House	US\$750 million	Sukuk	5 th August 2021
TBA	Warba Bank	Up to US\$500 million	Sukuk	3 rd August 2021
2021	Abu Dhabi Islamic Bank-Egypt	EGP1 billion	Sukuk	13 th July 2021
25 th July 2021	Bangladesh Export Import Company (BEXIMCO)	BDT30 billion	Green Sukuk	13 th July 2021
TBA	Boustead Heavy Engineering Corporation	RM4 billion	Sukuk	8 th July 2021
TBA	Pengurusan Air Selangor	TBA	SRI Sukuk Murabahah	1 st July 2021
2021	Rawaj	Up to EGP300 million	Sukuk	30 th June 2021
Q4 2021	Wadi Degla	TBA	Sukuk	17 th June 2021
Q4 2021	Hassan Allam	TBA	Sukuk	17 th June 2021
TBA	Pakistan Mortgage Refinance Company & Habib Bank	PKR1 billion	Sukuk	17 th June 2021
TBA	Ministry of Treasury and Finance (Turkey)	TBA	International Islamic lease certificates	15 th June 2021
23 rd June 2021	Permodalan Nasional Madani (PNM)	IDR2 trillion	Sukuk	14 th June 2021
TBA	Fraser & Neave Holdings (F&N)	Up to RM3 billion	Islamic commercial papers Islamic medium-term notes	10 th May 2021
2021	Saudi Real Estate Refinance Company (SRC)	US\$1 billion	Sukuk	20 th April 2021
TBA	Perwaja Steel	RM400 million	Murabahah Islamic medium-term notes	16 th April 2021
TBA	Gulf Navigation Holdings	US\$50 million	Sukuk	2 nd April 2021
TBA	IsDB Center of Excellence (Kuala Lumpur)	TBA	Green Sukuk	2 nd April 2021
TBA	Pakistan	TBA	Sukuk	31 st March 2021
TBA	Export-Import Bank of Bangladesh (EXIM Bank)	BDT6 million	Sukuk Mudarabah	23 rd March 2021
TBA	Boubyan Bank	TBA	Sukuk	23 rd March 2021
2021	QIIB	Up to US\$1 billion	Additional Tier 2 Sukuk	18 th March 2021
TBA	Deshbandhu Group	US\$250 million	Sukuk	15 th March 2021
TBA	Shahjalal Islami Bank	BDT5 billion	Sukuk Mudarabah	12 th March 2021
2021	Masraf Al Rayan	Up to US\$4 billion	Sukuk	3 rd March 2021
2021	First Abu Dhabi Bank	Up to US\$10 billion	Sukuk	1 st March 2021
2021	Emirates Islamic	Up to US\$2.5 billion	Sukuk	25 th February 2021
2021 or 2022	National Treasury of South Africa	US\$3 billion	Sukuk	25 th February 2021
Q3 2021	Malaysia Debt Ventures	RM2 billion	Sukuk	16 th February 2021
Before July 2021	Tunisia	TND300 million	Sovereign Sukuk	11 th December 2020
TBA	AOM Invest	DZD2.5 million	Sukuk	28 th January 2021
TBA	Turkcell Payment and Electronic Money Services	TRY200 million	Islamic lease certificates	11 th January 2021
TBA	Tanjung Bin Energy	RM4.5 billion	Islamic medium-term notes	5 th January 2021
TBA	Export-Import Bank of Bangladesh (EXIM Bank)	BDT5 billion	Sukuk Mudarabah	5 th January 2021
TBA	Uzma	Up to RM300 million	Sukuk	4 th January 2021

REDMONEY SHARIAH INDEXES

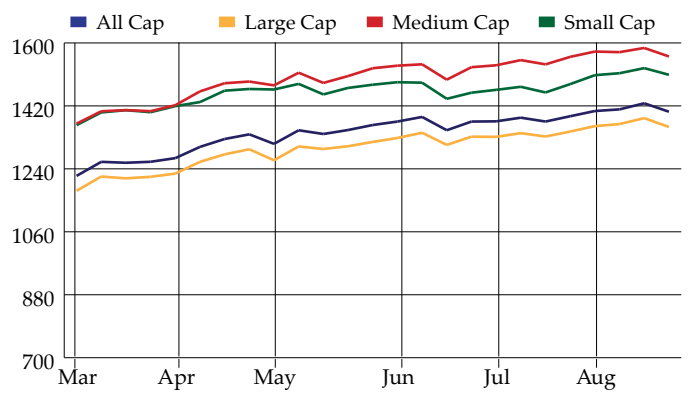
REDmoney Asia ex. Japan

6 Months



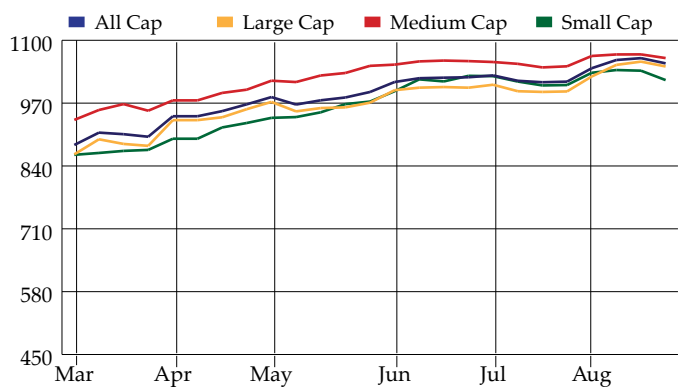
REDmoney Europe

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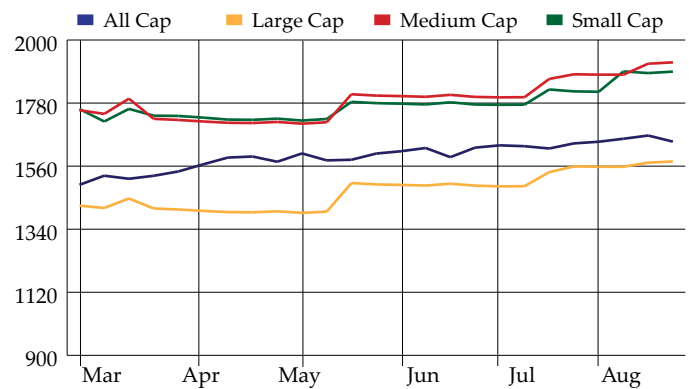
REDmoney GCC

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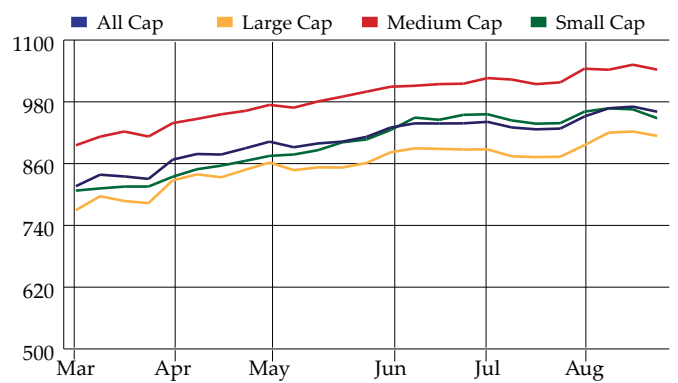
REDmoney Global

6 Months



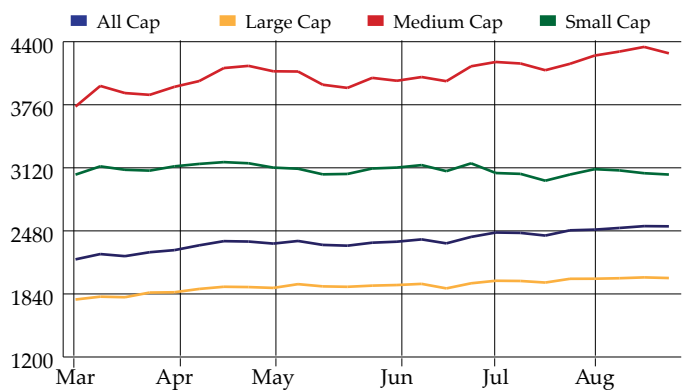
REDmoney MENA

6 Months



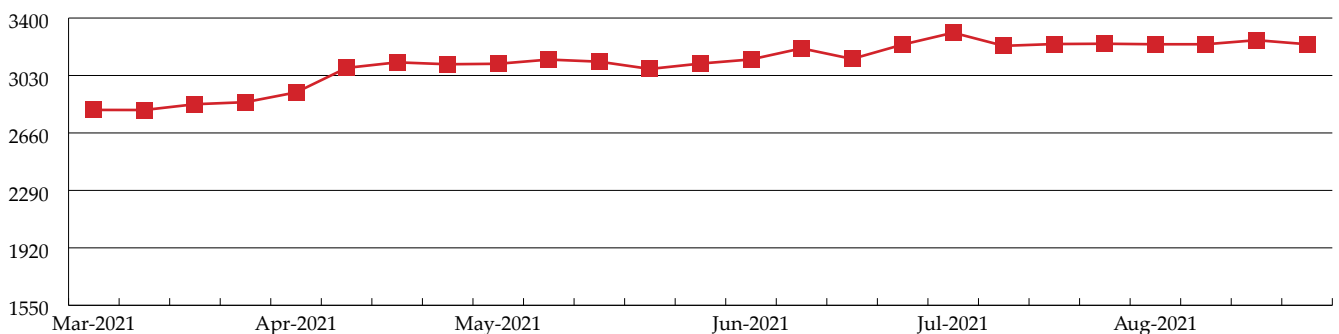
REDmoney US

6 Months



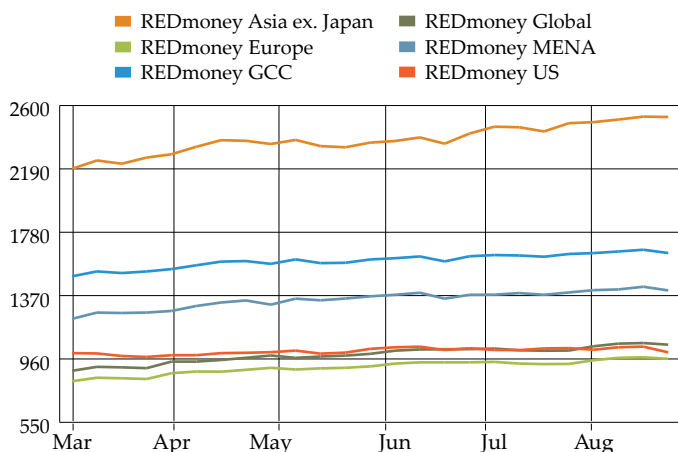
SAMI Halal Food Participation (All Cap)

6 months

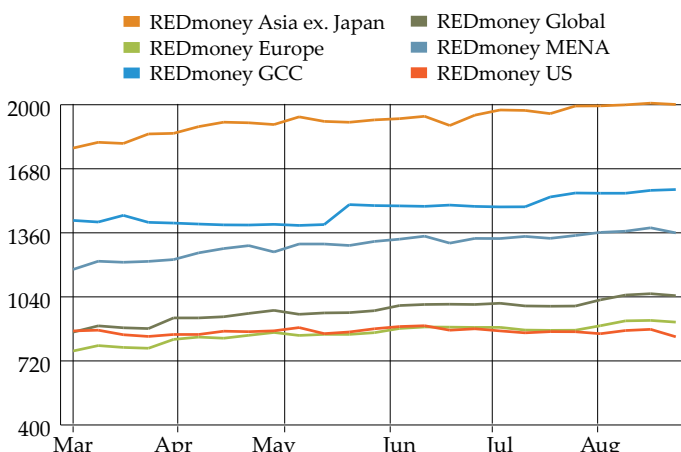


REDMONEY SHARIAH INDEXES

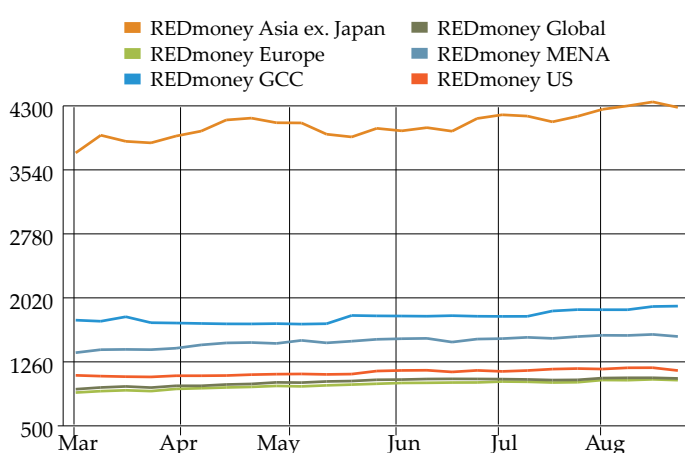
REDmoney Global Shariah Index Series (All Cap) 6 Months



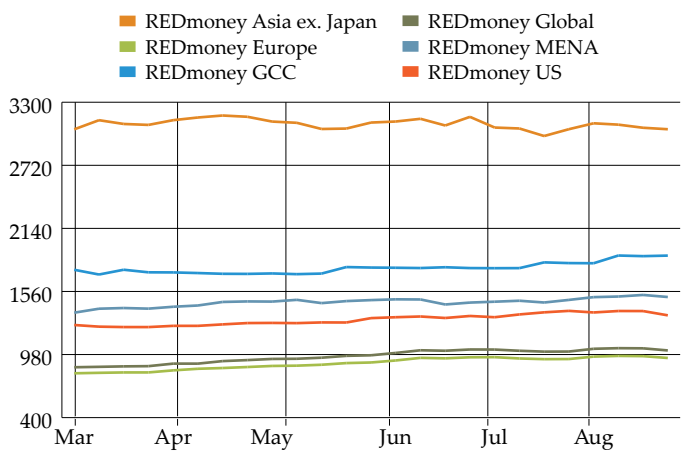
REDmoney Global Shariah Index Series (Large Cap) 6 Months



REDmoney Global Shariah Index Series (Medium Cap) 6 Months



REDmoney Global Shariah Index Series (Small Cap) 6 Months



REDmoney Global Shariah

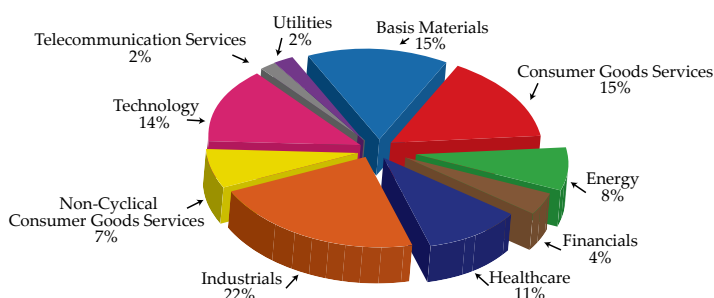
Equities are considered eligible for inclusion into the REDmoney Global Shariah Index Series only if they pass a series of market related guidelines related to minimum market capitalization and liquidity as well as country restrictions.

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

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DEALOGIC LEAGUE TABLES

Most Recent Global Sukuk						
Priced	Issuer	Nationality	Instrument	Market	US\$ (mn)	Managers
16-Aug-21	Prasarana Malaysia	Malaysia	Non-US Agency Sukuk	Domestic market public issue	401	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Kenanga Investment Bank, Maybank, RHB Bank
21-Jul-21	SME Bank	Malaysia	Sukuk	Domestic market public issue	118	AmInvestment Bank, CIMB Group, Maybank, RHB Bank
16-Jul-21	Prasarana Malaysia	Malaysia	Non-US Agency Sukuk	Domestic market public issue	190	CIMB Group
14-Jul-21	Arabian Centres	Saudi Arabia	Sukuk	Euro market public issue	225	Goldman Sachs, HSBC
13-Jul-21	Sharjah	UAE	Sukuk	Euro market public issue	750	Abu Dhabi Islamic Bank, Dubai Islamic Bank, HSBC, Islamic Development Bank, Sharjah Islamic Bank, Standard Chartered Bank
13-Jul-21	Malaysia	Malaysia	Sukuk	Domestic market public issue	119	Maybank
12-Jul-21	Malaysia	Malaysia	Sukuk	Domestic market public issue	597	Affin Hwang Capital, CIMB Group, Kenanga Investment Bank, Maybank, RHB Bank
7-Jul-21	Dukhan Bank	Qatar	Sukuk	Euro market public issue	500	Citigroup, Credit Suisse, JPMorgan, Kuwait Finance House, QInvest, QNB Capital, SG Corporate & Investment Banking, Standard Chartered Bank
6-Jul-21	Permodalan Nasional Madani	Indonesia	Sukuk	Domestic market public issue	138	Mandiri Sekuritas, Bahana Securities, Indo Premier Securities
29-Jun-21	Alinma Bank	Saudi Arabia	Sukuk	Domestic market public issue	1,333	Alinma Bank, JPMorgan
28-Jun-21	Kuwait Finance House	Kuwait	Sukuk	Euro market public issue	750	Dubai Islamic Bank, Dukhan Bank, Emirates NBD, First Abu Dhabi Bank, Kuwait Finance House, Mizuho, National Bank of Kuwait, Standard Chartered Bank
24-Jun-21	Bank Al-Jazira	Saudi Arabia	Sukuk	Euro market public issue	500	Alinma Bank, Bank Al-Jazira, JPMorgan
22-Jun-21	Turkey	Turkey	Sukuk	Euro market public issue	2,500	Dubai Islamic Bank Pakistan, Emirates NBD, HSBC, Standard Chartered Bank
18-Jun-21	Permodalan Nasional	Malaysia	Sukuk	Domestic market public issue	104	Permodalan Nasional, RHB Bank
17-Jun-21	Cagamas	Malaysia	Sukuk	Domestic market public issue	182	Bank Islam Malaysia, CIMB Group
16-Jun-21	Dubai Islamic Bank	UAE	Sukuk	Euro market public issue	1,000	Arab Banking Corporation, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Islamic Development Bank, Kuwait Finance House, Standard Chartered Bank
15-Jun-21	SP Setia	Malaysia	Sukuk	Domestic market public issue	238	HSBC, Maybank, RHB Bank
9-Jun-21	Saudi Aramco	Saudi Arabia	Sukuk	Euro market public issue	6,000	Abu Dhabi Commercial Bank, Al Rajhi Capital, Albilad Capital, Alinma Bank, Arab National Investment, Bank Al-Jazira, Bank of China, BNP Paribas, Citigroup, Credit Agricole, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, Goldman Sachs, Gulf International Bank, HSBC, JPMorgan, Kuwait Finance House, Mizuho, Morgan Stanley, MUFG, National Bank of Kuwait, Riyadh Bank, Saudi Fransi Capital, Saudi Investment Bank, Saudi National Bank, SG Corporate & Investment Banking, Standard Chartered Bank, Sumitomo Mitsui Financial Group
9-Jun-21	Ahli United Bank	Bahrain	Sukuk	Euro market public issue	600	Abu Dhabi Islamic Bank, Citigroup, HSBC, Kuwait Finance House, Kuwait International Bank, Kuwait Projects, Standard Chartered Bank
8-Jun-21	Oman	Oman	Sukuk	Euro market public issue	1,750	Arab Banking Corporation, Bank Muscat, Citigroup, Gulf International Bank, HSBC, Standard Chartered Bank

Global Sukuk Volume by Month (US\$ billion)



Global Sukuk Volume by Quarter (US\$ billion)



DEALOGIC LEAGUE TABLES

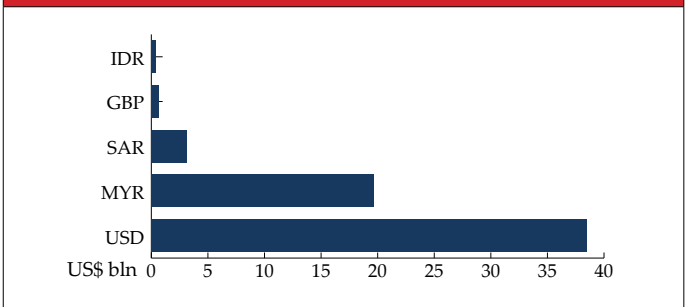
Top 30 Issuers of Global Sukuk					12 Months
Issuer	Nationality	Market	US\$ (mln)	Tranches	Managers
Saudi Aramco	Saudi Arabia	Euro market public issue	6,000	3	Abu Dhabi Commercial Bank, Al Rajhi Capital, Albilad Capital, Alinma Bank, Arab National Investment, Bank Al-Jazira, Bank of China, BNP Paribas, Citigroup, Credit Agricole, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, Goldman Sachs, Gulf International Bank, HSBC, JPMorgan, Kuwait Finance House, Mizuho, Morgan Stanley, MUFG, National Bank of Kuwait, Riyadh Bank, Saudi Fransi Capital, Saudi Investment Bank, Saudi National Bank, SG Corporate & Investment Banking, Standard Chartered Bank, Sumitomo Mitsui Financial Group
Indonesia	Indonesia	Euro market public issue	3,000	3	CIMB Group, Citigroup, Dubai Islamic Bank, HSBC, Standard Chartered Bank
Turkey	Turkey	Euro market public issue	2,500	1	Dubai Islamic Bank Pakistan, Emirates NBD, HSBC, 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
Oman	Oman	Euro market public issue	1,750	1	Arab Banking Corporation, Bank Muscat, Citigroup, Gulf International Bank, HSBC, Standard Chartered Bank
Lembaga Pembiayaan Perumahan Sektor Awam	Malaysia	Domestic market public issue	1,381	6	Bank Islam Malaysia, CIMB Group, Maybank, OCBC
Alinma Bank	Saudi Arabia	Domestic market public issue	1,333	1	Alinma Bank, JPMorgan
Saudi Electricity	Saudi Arabia	Euro market public issue	1,300	2	First Abu Dhabi Bank, HSBC, JPMorgan, MUFG, Standard Chartered Bank
Malaysia	Malaysia	Euro market public issue	1,300	2	CIMB Group, HSBC, JPMorgan
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
Public Investment Fund	Saudi Arabia	Domestic market public issue	1,067	2	Bank Al-Jazira, HSBC, Saudi Fransi Capital
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
Khazanah Nasional	Malaysia	Euro market public issue	1,000	2	CIMB Group, DBS, JPMorgan, MUFG, OCBC
Dubai Islamic Bank	UAE	Euro market public issue	1,000	1	Arab Banking Corporation, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Islamic Development Bank, Kuwait Finance House, 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
Sapura Energy	Malaysia	Domestic market public issue	897	5	Maybank
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
Kuwait Finance House	Kuwait	Euro market public issue	750	1	Dubai Islamic Bank, Dukhan Bank, Emirates NBD, First Abu Dhabi Bank, Kuwait Finance House, Mizuho, National Bank of Kuwait, Standard Chartered Bank
Sharjah	UAE	Euro market public issue	750	1	Abu Dhabi Islamic Bank, Dubai Islamic Bank, HSBC, Islamic Development Bank, Sharjah Islamic Bank, Standard Chartered Bank
ACWA Power	Saudi Arabia	Domestic market public issue	747	1	HSBC, Saudi National Bank
International Maybank	Malaysia	Domestic market public issue	726	2	Maybank

DEALOGIC LEAGUE TABLES

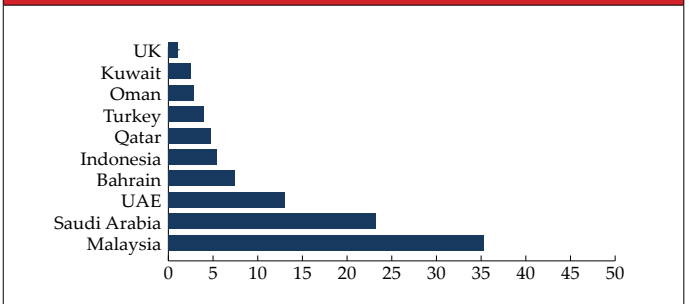
Top Global Islamic Bookrunners 12 Months

	Bookrunner Parents	US\$ (mln)	Iss	%
1	HSBC	6,648	44	10.74
2	CIMB Group	5,874	52	9.49
3	Maybank	5,816	56	9.39
4	Standard Chartered Bank	4,778	27	7.72
5	RHB Bank	3,160	58	5.08
6	JPMorgan	3,021	13	4.85
7	Citigroup	2,661	14	4.27
8	Emirates NBD	2,461	18	3.95
9	Dubai Islamic Bank	2,070	14	3.32
10	AmInvestment Bank	1,875	32	3.01
11	First Abu Dhabi Bank	1,369	11	2.20
12	Gulf International Bank	1,211	6	1.94
13	Alinma Bank	1,040	3	1.67
14	MUFG	939	5	1.51
15	OCBC	939	10	1.51
16	Saudi National Bank	799	4	1.28
17	Arab Banking Corporation	750	3	1.20
18	Bank Al-Jazira	729	3	1.17
19	Kuwait Finance House	707	8	1.14
20	Goldman Sachs	689	6	1.11
21	Bank Islam Malaysia	684	10	1.10
22	Dubai Islamic Bank Pakistan	625	1	1.00
23	National Bank of Bahrain	619	2	0.99
24	Mizuho	611	6	0.98
25	Kenanga Investment Bank	609	11	0.98
26	Credit Agricole	602	5	0.97
27	Saudi Fransi Capital	562	2	0.90
28	Affin Hwang Capital	506	11	0.81
29	National Bank of Kuwait	489	5	0.79
30	Hong Leong Financial Group	485	7	0.78

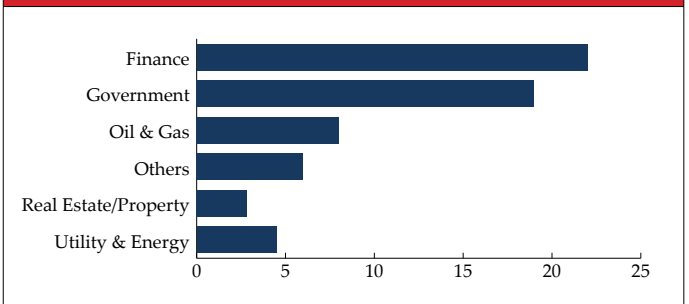
Sukuk Volume by Currency (US\$ billion) 12 Months



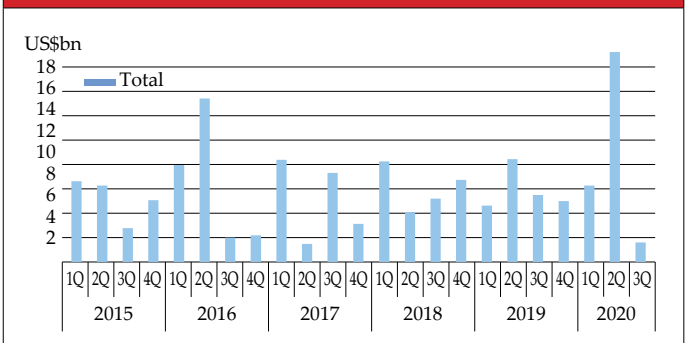
Sukuk Volume by Issuer Nation (US\$ billion) 12 Months



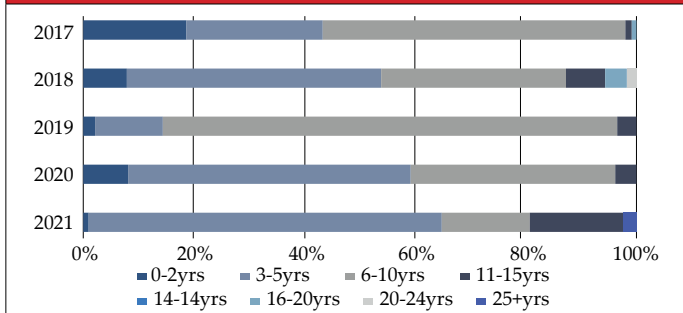
Global Sukuk Volume by Sector 12 Months



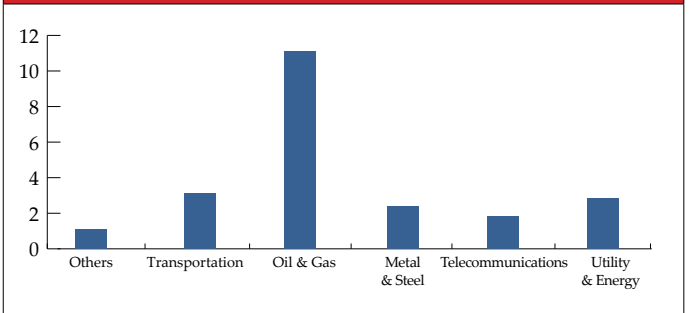
Global Sukuk Volume - US\$ Analysis (US\$ billion)



Global Islamic Financing - Years to Maturity (YTD Comparison)



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	HSBC	1,586	5	7
2	Saudi National Bank	1,364	4	6
3	Al Rajhi Capital	1,077	4	5
4	Riyad Bank	984	3	4
5	Standard Chartered Bank	875	4	4
6	Credit Agricole	847	2	4
7	MUFG	827	3	4
8	Abu Dhabi Commercial Bank	804	2	4
8	BNP Paribas	804	2	4
8	Citigroup	804	2	4
8	First Abu Dhabi Bank	804	2	4
12	Natixis	804	2	4
12	SG Corporate & Investment Banking	804	2	4
14	Intesa Sanpaolo	787	2	4
15	Albilad Capital	769	2	3
16	Mizuho	757	3	3
17	Sumitomo Mitsui Financial Group	718	3	3
18	Arab National Bank	655	2	3
18	Bank Al-Jazira	655	2	3
20	Bank of China	619	1	3
20	JPMorgan	619	1	3
22	Agricultural Bank of China	601	1	3
22	Industrial & Commercial Bank of China	601	1	3
24	Saudi Fransi Capital	572	2	3
25	SABB	427	1	2
26	Dubai Islamic Bank	326	3	1
27	Emirates NBD	234	2	1
28	Gulf International Bank	229	1	1
28	National Bank of Kuwait	229	1	1
30	Export Development Canada	186	1	1

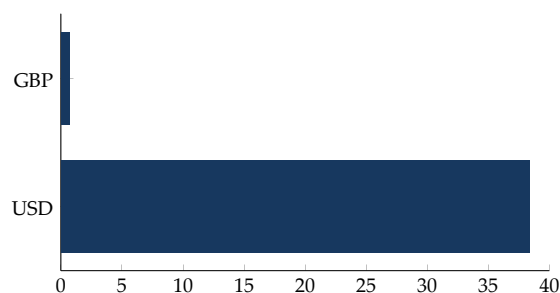
Top Islamic Finance Related Financing Bookrunners 12 Months				
	Bookrunner	US\$ (mln)	No	%
1	HSBC	4,085	3	24
2	Abu Dhabi Commercial Bank	1,109	2	7
2	BNP Paribas	1,109	2	7
2	Citigroup	1,109	2	7
2	First Abu Dhabi Bank	1,109	2	7
2	MUFG	1,109	2	7
2	Standard Chartered Bank	1,109	2	7
8	Bank of China	924	1	6
8	Credit Agricole	924	1	6
8	JPMorgan	924	1	6

Top Islamic Finance Related Financing Deal List 12 Months			
Credit Date	Borrower	Nationality	US\$ (mln)
1-Jun-21	EIG Pearl Holdings	Saudi Arabia	11,083
26-Jul-21	Emirates Global Aluminium	UAE	5,525
18-Mar-21	Saudi Arabian Airlines	Saudi Arabia	2,986
26-Aug-20	Saudi Electricity	Saudi Arabia	2,400
27-Sep-20	Zain Saudi Arabia	Saudi Arabia	1,830
4-Mar-21	Diamond Transmission Partners Hornsea One	UK	1,550
31-Jan-21	Yanbu International Water	Saudi Arabia	726
1-Jan-21	ICD Brookfield Place	UAE	626
28-Apr-21	Julphar	UAE	275
18-Mar-21	Dialog Terminals Pengerang	Malaysia	178

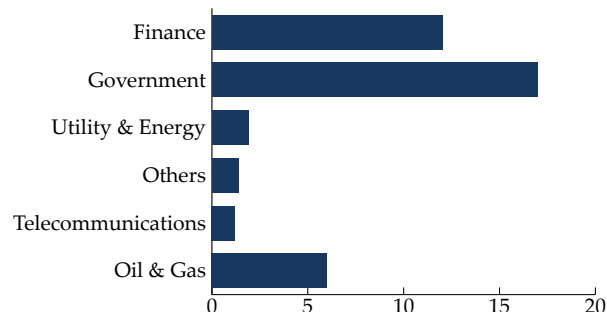
DEALOGIC LEAGUE TABLES

Top Global International Sukuk Managers		12 Months		
Bookrunner	US\$ (mln)	No	%	
1 HSBC	5,420	29	13.87	
2 Standard Chartered Bank	4,778	27	12.23	
3 Citigroup	2,661	14	6.81	
4 Emirates NBD	2,461	18	6.30	
5 JPMorgan	2,355	12	6.03	
6 Dubai Islamic Bank	2,070	14	5.30	
7 CIMB Group	1,370	4	3.51	
8 First Abu Dhabi Bank	1,369	11	3.50	
9 Gulf International Bank	1,211	6	3.10	
10 MUFG	939	5	2.40	
11 Arab Banking Corporation	750	3	1.92	
12 Kuwait Finance House	707	8	1.81	
13 Goldman Sachs	689	6	1.76	
14 Dubai Islamic Bank Pakistan	625	1	1.60	
15 National Bank of Bahrain	619	2	1.58	
16 Mizuho	611	6	1.56	
17 Credit Agricole	602	5	1.54	
18 National Bank of Kuwait	489	5	1.25	
19 Arab National Investment	457	2	1.17	
20 Saudi National Bank	425	3	1.09	
21 QNB Capital	405	4	1.04	
22 Islamic Development Bank	399	5	1.02	
23 Alinma Bank	374	2	0.96	
23 Bank Al-Jazira	374	2	0.96	
25 SG Corporate & Investment Banking	363	3	0.93	
26 Sharjah Islamic Bank	357	3	0.91	
27 Abu Dhabi Islamic Bank	352	4	0.90	
28 ABC Bank	339	2	0.87	
29 BNP Paribas	331	2	0.85	
30 DBS	324	2	0.83	

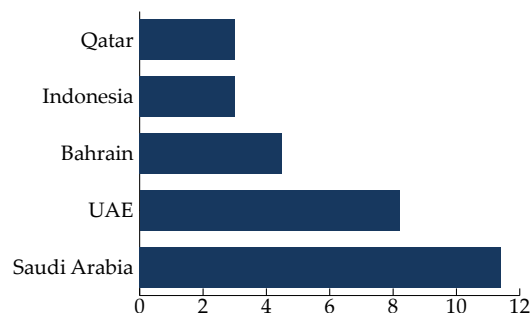
International Sukuk Volume by Currency (US\$ billion)
12 Months



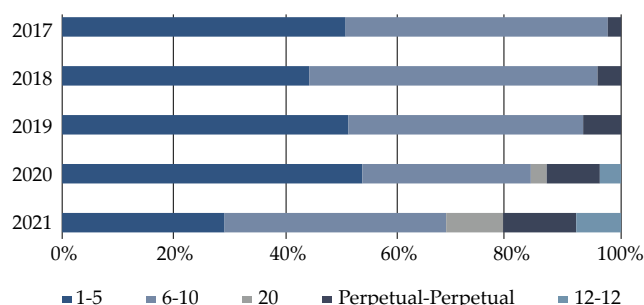
International Sukuk Volume by Sector (US\$ billion)
12 Months



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



International Sukuk Years to Maturity



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