

Sukuk/Islamic Fund

First Ever Air-time Sukuk in Pakistan approved by the Shariah Board of Meezan Bank

19th meeting of the Shariah Supervisory Board (SSB) of Meezan Bank was held at Darul Uloom Korangi, Karachi. The meeting was chaired by world-renowned Islamic scholar and Chairman of Meezan Bank's Shariah Supervisory Board, Justice (R) Mufti Muhammad Taqi Usmani. Other members of the Shariah Board including Sheikh Essam M. Ishaq, who specially came from Bahrain for this meeting and Dr. Muhammad Imran Usmani, who is also the Shariah Advisor of the Bank were also present at the meeting. President & CEO of Meezan Bank, Mr. Irfan Siddiqui and Chief Operating Officer, Mr. Ariful Islam also attended the meeting along with Head of Product Development Mr. Ahmed Ali Siddiqui and other team members.

Several important matters related to Islamic financial products and processes were discussed in the meeting. The SSB approved the concept for the first ever Air-time based Sukuks to be issued in Pakistan. The Board also approved detailed guidelines for Islamic banks related to sharing of security with other banks for long term Islamic project & structured financing. A summary of the Bank's Shariah Audit was also presented to the SSB. The Shariah Supervisory Board praised the performance of Meezan Bank and showed overall satisfaction with the Shariah-conformity of the products and overall business and transactions of Meezan Bank Limited.

Mashreq Al Islami receives Best Islamic Fund Middle East award

Dubai, United Arab Emirates: The recently held Islamic Business & Finance Awards announced Mashreq Al Islami, the Islamic Banking Division of Mashreq as the



winner of the Best Islamic Fund Award. Running for the

seventh year, the Islamic Business and Finance Awards are recognized around the world as among the most distinguished Awards programs within the financial industry.

The annual ceremony was designed to highlight, encourage and reward the exceptional performance and growth of the international Islamic business and finance community. These awards are the benchmark of excellence in the industry.

Mashreq Al Islami Income Fund is the first sukuk fund in the UAE to receive a silver grading by S&P Capital IQ. Abdul Kadir Hussain, Head of Asset Management, Mashreq said, "We are pleased to receive this award in a significant platform, which gathers best performers and achievers in the Islamic finance industry. The Mashreq Al Islami Income Fund reflects our strategy to offer attractive and solid investment management services that accommodate the aspirations of our customers."

Turkish bank plans to issue \$300m sukuk

Turkey's largest Islamic lender Bank Asya plans to issue a dollar-denominated sukuk, or Islamic bond, of around \$200-\$300 million within the next two to three months, Chief Executive Abdullah Celik said.



The Islamic lender will also finalize the issuance of its lira-denominated sukuk of between 100-150m lira (\$56-84m) within the next month-and-a-half, Celik said in an interview.

Turkey's Islamic banks have so far issued only two sukuk. Both were issued by Kuveyt Turk, 62 percent owned by Kuwait Finance House, which raised a total of \$450m in 2010 and 2011.

In November 2011, Bank Asya shelved a plan for a \$300m, five-year sukuk issue, citing "adverse developments in international markets".

"After issuing its own sukuk, Bank Asya may shift attention to underwriting Islamic bond issues for Turkish companies

and is setting up a brokerage unit to advice firms", Celik said.

"We will mediate in sukuk issuances and finding partners for firms. But as Bank Asya we could also make partnerships," he said.

Bank Asya put up its insurance unit Isik Sigorta for sale in February, 2012 but decided not to accept bids it received after talks with possible German and Canadian buyers, Celik said.

"We do not have to sell Isik Sigorta," he said.

UBL Funds to launch Islamic Scheme

UBL Fund Managers, one of Pakistan's leading Asset Management Companies, has announced the launch of its new Shariah-compliant investment scheme. The new scheme, UBL Islamic Cash Fund, is an Islamic Money Market Scheme that is designed for clients who have cash lying idle in a current account. By investing this money in UBL Islamic Cash Fund, clients can expect to earn a competitive return that will be calculated and announced on a daily basis. The scheme offers a unique 'Same Day Withdrawal' facility, whereby clients can withdraw their money from the scheme the very same day. There is no minimum holding period and no charges on investment or withdrawal.

The scheme aims to provide clients with a competitive and stable return by investing insecure Shariah-compliant Government Securities and Deposits with high rated Islamic Banks. All investments in the scheme will be made under the guidance and supervision of the Shariah Advisory Board of the scheme. The Board comprises of renowned Islamic Scholars Mufti Muhammad Najeeb Khan and Mufti Muhammad Hassan Kaleem. UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited, and ranks amongst the leading asset management companies in Pakistan. The company offers a comprehensive range of Islamic & conventional investment solutions to help meet clients' needs.



FWU Group offers largest ever Sukuk bond from a European company

FWU AG Group (FWU), a Munich-based financial services company, recently issued a US\$55,000,000 Sukuk - the first ever Sukuk issuance by a German corporate and the largest ever Sukuk from a European Corporate. This is also the first Sukuk to utilize a computer software program and intellectual property rights under an Ijara structure.

FWU, which primarily offers global Takaful (Islamic insurance) solutions through strategic cooperation and distribution arrangements in Europe, the Middle East and Malaysia, entered into the transaction through the Dubai branch of its subsidiary FWU Dubai Services GmbH. The ultimate financiers were GCC-based investors represented by Takaful companies that have assisted FWU in raising funds under the Ijara-based (sale and leaseback) method.

The Sukuk were issued through a Luxembourg Issuer SPV incorporated using a Dutch Stichting (foundation) structure - first used in connection with the quasi-sovereign Sukuk issuance by Saxony-Anhalt in 2005. Dr. Manfred J. Dirrheimer, Chairman of the Executive Board of FWU said:

"This is a landmark transaction for the FWU Group which we believe confirms our commitment to the growth of the global Takaful industry on two levels: first the financing will expand our global network and broaden our Takaful offering; and second in providing an investment product for Takaful companies who are often starved of such products. The fact we have achieved this through using an innovative structure and a first of its kind asset class makes the successful closing of this transaction all the more memorable. We are delighted by the confidence shown in us by investors and look forward to forging continued relationships with them and the industry as a whole."

FWU is a pioneer in developing the Takaful industry in both Europe and the Middle East and this issuance represents its first entry to the market for finance from purely Islamic sources.