

Lebanon reconstruction cost estimates exceed US \$7bn

Lebanon's public and private sector are actively engaged in negotiations at different levels to raise funds to cover the cost of rebuilding the country's infrastructure after the destruction wrought during Israel's attacks in the summer. The Centre for Economic Research in Beirut estimates the total to be above US\$7 billion, the largest chunk to be spent on roads, bridges, ports, airports, hospitals, power generation and communications facilities.

Bank of the Year Awards for AAIB & Doha Bank

Arab African International Bank and Doha Bank have won 'Bank of the Year 2006' Awards for Egypt and Qatar respectively from *The Banker*, Financial Times Group, London. The awards were given at a ceremony in London on 30 November. Doha Bank said the award acknowledges "the transformation of Doha Bank towards a vibrant, progressive bank committed to sustaining its leadership position." Doha Bank has announced plans for regional and international expansion. See AAIB story on p10.



ABOVE: AAIB Vice Chairman and Managing Director Hassan Abdalla receives the award for Egypt from Stephen Timewell, of *The Banker* and the BBC's Michael Buerk. BELOW: Doha Bank Chairman Sheikh Fahad Bin Mohammad Bin Jabor Al Thani (left) and Dy CEO R Seetharaman with Timewell after receiving the Bank of the Year 2006 Qatar award



NBD issues US \$1bn commercial paper

National Bank of Dubai has launched Commercial paper in the Euro market under its US\$ 1 billion ECP programme. Barclays Capital and UBS Investment Bank are the Lead Arrangers.



National Bank of Dubai CEO Douglas Dowie and DIFC Governor Dr Omar Bin Sulaiman at the announcement of NBD's regional investment banking expansion plans

Citibank International plc, Credit Suisse International and Deutsche Bank AG complete the Dealer group. Last year NBD launched its debut EMTN issue which was received well by the investor community in Asia, Europe and the MENA region. CEO Douglas Dowie said, 'A strong business growth necessitates diversified sources of funding across tenors and investor bases.'



Panellists at the IIF conference on MENA finance

IIF sees challenges to banks

The Institute of International Finance (IIF) conference on *Banking & Financial Institutions in the MENA Region: A Vision for the Future*, examined challenges facing the region's banks. The conference, organised by the National Bank of Kuwait (NBK) heard NBK CEO Ibrahim Dabdoub highlighting the challenges faced by the banking industry. He said the Arab banking scene had changed with globalisation, liberalisation, technology and the new regional boom. Only the fittest will survive "since banks must develop capabilities to compete effectively, consolidation is a must and ultimately success will hinge on having an appropriate economic, financial and institutional environment in the region." Participants included Jihad Azour, Finance Minister of Lebanon, Hassan Abdulla from the Arab African International Bank, Sulaiman Al-Omar from Kuwait Finance House, Yusuke Horiguchi from the IIF, and Said Al-Shaikh from National Commercial Bank.

Lee Kuan Yew in Kuwait In a later symposium on 18 November, *Leveraging the GCC Boom: A View Towards Asia*, also organised by NBK, Singapore's Minister Mentor Lee Kuan Yew (pictured left with NBK's Ibrahim Dabdoub) spoke on the challenges he faced transforming Singapore from a poor island city to a prosperous nation. The symposium brought together about 300 political and business leaders and media representatives.



Lee Kuan Yew, Dabdoub at the NBK symposium

Amoun Pharmaceutical Company acquired by international investors Mercury (Egypt) Pharmaceutical Manufacturing SAE announced the acquisition of a 93% stake in Amoun Pharmaceutical Co for US\$459 million. Signing of the acquisition agreements took place at a ceremony in Cairo attended by Prime Minister of Dr Ahmed Nazif. The acquisition, sponsored by a consortium of US and international private equity investors, led by Citigroup Venture Capital International, Capital International Private Equity Fund IV and Concord International Investments, is one of the largest private equity transactions in Egypt to date. Concord also advised a consortium of Etisalat, Egypt National Post Office, Commercial International Bank and National Bank of Egypt on their successful bid for the LE16.7 billion Third Mobile Licence.



Conference sets agenda on Corporate Governance

Policy makers, regulators, representatives from regional and international organisations, and business leaders from across the Middle East and North Africa met in Dubai to draw up a road for *hawkamah*,

corporate governance. The meeting of the representatives from Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestine National Authority, Qatar, Saudi Arabia, Yemen and the

UAE, hosted by the Dubai International Financial Centre (DIFC), concluded with the issue the Dubai Declaration on Corporate Governance.

The declaration was agreed upon during the OECD-MENA Working Group session, held at the end of the conference, *Corporate Governance in the Middle East and North Africa Conference: Towards Sound and Efficient Financial Markets and Banking Systems*. Key initiatives agreed include the creation of task forces dealing with the corporate governance of banks and State-Owned Enterprises (SOEs).



ANB's Robert Eid

ANB offers US\$850m note Moody's Investors Service has assigned foreign currency debt ratings to Arab National Bank's US\$850 million Euro Medium Term Note Programme. The senior notes issued under this programme will carry the A1 foreign currency debt rating, while the subordinated notes will be rated A2. All ratings carry stable outlooks. Moody's has also assigned an A2 foreign currency debt rating to ANB's upcoming subordinated debt issuance, a Floating Rate Note maturing in 2016, the first drawdown under its US\$850 EMTN programme.

QIB readies for € 200m sukuk

Qatar Islamic Bank is preparing for the issue of the first Islamic *sukuks* transferable into capital and covered by European income-generating properties. The proposed *sukuks*, at a total value of € 200 million, would be issued in cooperation with the French asset management company Inovalis. QIB CEO Salah Al Jaidah (pictured) said the *sukuks* ensure a



fixed investment return to be distributed quarterly. Investors would also benefit

from profit generated by appreciation of property price increases, most of them located in Western Europe including Scandinavian countries.

AUB's US\$1.2bn syndicated deposit

Ahli United Bank has secured a US\$1.2 billion three-year syndicated deposit facility, the largest ever syndicated financing deal by any financial institution in the Middle East. A total of 51 banks took part in the deal, which was arranged by ABN Amro, BNP Paribas, Commerzbank, Lloyd's TSB Bank and Mizuho Corporate Bank. The syndication closed heavily oversubscribed having raised over US\$1.2 billion.



Stake in Iraq bank AUB Chairman Fahad Al Rajaan (pictured) also announced the bank has acquired 49% stake in Commercial Bank of Iraq, a leading private sector bank established in 1992 with total assets of ID 131 billion (US\$89 million). He said the acquisition was part of AUB's strategy to cement its regional expansion.

BankMed & Arab Bank acquire 91% of MNG Bank, Turkey

BankMed and Arab Bank announced they have agreed on the transfer of 91% of MNG Bank subject to the permission of the Banking Regulation and Supervision Board of Turkey. Arab Bank will own 50%, BankMed 41% and MNG founder Mehmet Nazif Günel will retain 9% of the share capital. Both BankMed and Arab Bank believe in the quality and growth potential of MNG Bank and the Turkish banking sector.

In brief...

QNB announces new investment fund

Qatar National Bank has launched Al Watani Fund-4. Ali Shareef Al Emadi, QNB's Acting Chief Executive (pictured), said the Fund was fully subscribed at 2.2 billion Qatari riyals through a Private Placement involving major institutions in Qatar, and will target the Doha Securities Market.



KIPCO repays US\$175m loan early

The Kuwait Projects Company has repaid early a US\$175 million syndicated loan which was due to mature on 20 July, 2010. The repayment follows KIPCO's earlier redemption of a US\$100 million syndicated loan.



KIPCO's Faisal Al Ayyar

GIB \$234.5m loan for Oman Gas Company

Gulf International Bank has agreed a US \$234.5 million loan to Oman Gas Company which will be used to refinance an outstanding balance of the \$410 million credit facility that OGC received when it was formed in 2000.



GIB's Khaled Al Fayed

Rasmala Investments,

the investment bank, has been awarded a licence by the Saudi capital markets authority to establish a wholly owned subsidiary, Rasmala Investments (Saudi Arabia) Ltd, to be based in Riyadh. Rasmala CEO and Founder Ali Samir al Shihabi (pictured) called it an important step in the company's growth and development.

