

# A radically different view

ONLY TWO YEARS OLD, AL HILAL BANK HAS ITS SIGHTS SET ON THE ISLAMIC FINANCE MARKET, SAYS ALADIN AL KHATIB.

**A**l Hilal Bank which opened for business on 19 June 2008 was created by the Abu Dhabi Investment Council (ADIC), a government of Abu Dhabi investment body, with an authorised capital of AED 4 billion. The bank was founded on core Islamic values and its mission is to contribute to the United Arab Emirates national growth and prosperity, while raising the profile of Islamic banking globally, thus creating value for all stakeholders. The bank has 14 branches already open throughout most of the United Arab Emirates, in addition to three subsidiaries (Al Hilal Auto, Al Hilal Takaful and Al Hilal Bank Kazakhstan – the first Islamic bank in Kazakhstan). The bank has an ambitious rollout programme of new products and services to maintain its position at the forefront of the UAE banking industry.

Today, banks are trying to overcome the limitations of organic growth as the pressure to boost efficiency and contain costs in a challenging market is a top priority. Increased competition, coupled with more knowledgeable and sophisticated customers, makes it more important than ever for Al Hilal Bank to offer radically different view of what the Islamic banking experience should be, and the determination to be a bank that does not act like any other. Since its inception, the bank has provided Shariah compliant products to customers in all business sectors (private, commercial and wholesale) offered with service excellence.

**TREASURY BANKING GROUP** Al Hilal Bank's Treasury Banking Group provides tailor made and cutting edge Shariah compliant financial solutions for our customers. The Treasury Banking Group has enhanced its existing business lines and introduced new ones in an effort to grow its customer base while also building stronger, deeper connections with those customers. Al Hilal intends to lead the Islamic banking industry in developing a broad range of product solutions for retail consumers, high net worth individuals, institutions and government entities as well as corporate customers. Its solutions are structured around offering customers the flexibility they need to realise their institutional and financial objectives and manage their business and market risks.

**FOREIGN EXCHANGE** Al Hilal provides a wide range of

Shariah compliant products offering foreign exchange contracts including spot, forward, cross-currency swaps, options and other structured products, to assist our customers in their FX risk management needs. These products include FX Wa'ad, a unilateral promise which is only binding on the Promisor not the Promisee. It can be used for hedging or cost-reduction purposes and cannot be traded for speculation.

**MONEY MARKET** The bank provides customers with competitive profit rates, giving them competitive rates of return on their investments within available Shariah compliant products and services. Some of these solutions include profit rate swaps (similar to an interest rate swap), cross currency swap, Wakala deposit (an Islamic instrument initially based on an expected profit while at maturity the actual realised profit is returned to the depositor) and Murabaha deposit.

**CAPITAL MARKETS** Recent innovations in Islamic finance have changed the dynamics of the Islamic finance industry. The use of sukuk or Islamic securities have become increasingly popular in the last few years, both as a means of raising government finance through sovereign issues, and as a way of companies obtaining funding through the offer of corporate sukuk. Sukuk has developed as one of the most significant mechanisms for raising finance in the international capital markets through Islamic structures. Multinational corporations, sovereign bodies, state corporations and financial institutions use international sukuk issuance as an alternative to syndicated financing. Sukuks are available as either floating or fixed profit rate securities. The range of Islamic finance products available in these markets includes Istisna'a facilities, Murabaha, Mudaraba and Ijara facilities.

**TREASURY SALES** The treasury sales team is the meeting point for introduction of all the Treasury Banking Group solutions to our customers. The treasury sales team helps institutional, corporate, and commercial customers in managing the risks associated with volatile markets including hedging solutions. As part of the Al Hilal Bank philosophy of constantly striving to do the very best for our customers, Al Hilal has a leading position in providing many innovative Islamic derivatives to the Islamic financial markets.

We believe we are in a great position to lead the growth and development of the business line translating into long-term, sustainable growth for both the bank and all its stakeholders.

Proof of our innovation is the bank's flagship branch in Abu Dhabi. One of the world's largest retail banking branches, it operates in the style of a retail mall. Friendly, dynamic and convenient, the Al Hilal Financial Mall is a one-stop-shop for all banking needs. A multiple-award winner for its innovative banking practices, Al Hilal Bank offers personal banking, corporate banking, comprehensive treasury and takaful services.

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