

# The Business



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■ At the launch event are, from left, Oman Ambassador Shaikh Dr Suleiman bin Ali Al Jabery, Minister of State for Information Affairs Sameera Rajab, Mr Al Hazeem and BMI Bank general manager support services Eyad Sater

## New service launched

**MANAMA:** BMI Bank has unveiled its latest service offering, catering to affluent individuals.

Prestige, the bank's premier service proposition, was launched at a dinner held at the Capital Club and was attended by senior officials of the bank along with VIPs and exclusive guests.

The service has been launched to cater to a fast-growing customer segment with benefits including personalised attention and lounges at the bank's major branches.

"The number and spending power of affluent consumers continue to grow along with the demand for premium service," said BMI Bank

chief executive Jamal Al Hazeem.

"We are glad to be able to expand our suite of deliverables to accommodate an increasingly sophisticated generation of customers, who expect more from their bank.

"Backed by a team of well-trained relationship managers, along with an experienced and qualified team of service and product experts, Prestige will offer customers exclusive rates on term deposits and on our range of Salaf loans, in addition to a higher per-day cash withdrawal and point of sale limit on their debit cards," Mr Al Hazeem added.

# KEY SOLAR ENERGY PROJECT ON TRACK

**MANAMA:** Nearly 21,000 solar panels, covering an estimated 34,000 sqm, have been installed, marking a key step in the solar energy pilot project, Bapco said yesterday.

Currently under implementation, the project will see five megawatts (MW) of electricity being generated through solar power.

The project is a collaboration involving the National Oil and Gas Authority, Bapco, the Electricity and Water Authority and the University of Bahrain.

A technical team has been assigned to manage and implement the project.

A \$25,000 engineering, procurement and construction contract was awarded to US-firm Petra Solar.

The contract entails engineering design, provision of all materials and equipment, as well as the construction and installation of solar energy systems.

Bapco's technical team has contributed to the project in a big way by preparing engineering and technical specifications, reviewing all engineering designs and overseeing the implementation of the project in Awali, the



■ The solar panel being installed

refinery and the University of Bahrain, where a solar field was created with a capacity of 500 kilowatts.

Besides being a demonstrator in the drive to generate clean energy, the project will contribute to the creation of renewable energy industries in the

foreseeable future, which will in turn contribute to the creation of jobs and new industries in the market and to the reduction of national expenditure on energy.

The project demonstrates Bahrain's commitment to solve the challenges of

energy security, climate change, and economic development through global partnerships and collaboration.

The kingdom is the first in the Gulf to implement a project of this kind, demonstrating a serious commitment to long-term solutions.

## Omani bank set to start operations

**DUBAI:** Omani lender Alizz Islamic Bank, the second full-fledged Islamic bank in the sultanate, plans to begin operations in the third quarter of this year, chief operating officer Jamal Darwiche said.

Oman is the last country in the GCC to introduce Islamic finance. It granted licences to Alizz Islamic Bank and Bank Nizwa late last year and rolled out detailed regulations in December.

"We are on track for the launch of our products and services during the third quarter of 2013," Darwiche said. "We are taking a careful approach, gaining valuable market insight and further refining our products and service offering."

Last October, the bank raised 40 million rials (\$104m) by selling 40 per cent of its capital through a month-long initial public offer of shares.

The Islamic lender is targeting a 3.5pc share of financing and a 3.6pc share of deposits in Oman's banking sector by 2017, Darwiche said. It aims for annual growth in total assets, financing and deposits of 15-20pc, and to build a customer base of between 65,000 and 100,000 accounts over five years.

To achieve this, it plans to build a network of 10 branches and between five and 12 customer service centres in the next five years, Darwiche said. Oman's commercial banking network had 461 branches registered at the beginning of 2012.

Alizz Islamic Bank counts Abu Dhabi state-fund Aabar Investments as a founding shareholder, as well as Bahrain's First Energy Bank.

Alizz intends to launch products based on a variety of Islamic finance contracts including mudaraba, ijara, istisna and wakala.

"Our strategy is to develop a large array of simple and easy-to-understand Islamic products that cater to the diverse needs of commercial and retail customers across the sultanate.

"Small and medium enterprises financing will be targeted at a later stage," Darwiche added.

Rival Bank Nizwa launched operations in January with three branches and plans to open an average of five every year, targeting a total of eight by the end of 2013.

# Insurance sector faces challenges

**MANAMA:** Even as the GCC insurance sector continues to recover fast since the global financial crisis, the current year is going to bring in significant regulatory and commercial change, a leading expert said.

According to KPMG in Bahrain Audit & Advisory insurance senior manager Adeel Mushtaq, this would require a new state of readiness – be it corporate governance or regulatory compliance.

"However these changes bring opportunities as well as challenges," he said.

"Key challenges on the minds of GCC insurance executives are how to achieve growth in this fast changing environ-

ment coupled with equally fast evolving regulatory and governance landscape in the region.

"For most of the GCC insurers, evolving global regulatory and reporting requirements will present challenges to their business models, cost structures and how they communicate with stakeholders," he added.

"Impact of changes will affect every facet of the business.

"Therefore, insurers must take a holistic approach in their business planning.



■ Mr Mushtaq

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"Another challenge for GCC insurers is to manage differing timelines, interdependencies and alignment of change over three years, beyond systems and for business synergies and adopt a target operating model," he said.

"A comprehensive review plan to identify practices can add genuine value to busi-

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