



CEO's Message

The subprime mortgage crisis in the US and European markets has impaired liquidity and access to credit in these markets. Price volatility in the commodity, stock and currency markets is accompanied by high profile failures of financial institutions requiring government supported bail-outs. The nature of markets in the Gulf and MENA regions, however, means these markets are comparatively less affected by the turmoil, although a few public offerings have been held back in view of market uncertainty. This region is facing different kinds of challenges. The rising inflation fuelled partly by the falling dollar has adversely hit the real estate sector. Building material prices (steel, cement and others) have been rising sharply and so are the wages demanded by expatriate construction workers. These demands have occasionally turned violent leading to closure of works and disruption of construction schedules.

The exposure of the regional financial sector to real estate and this sector's contribution to earnings of financial sector has been significant both through appreciation in accounting values of investments and through facilities provided by way of loans. Any down-turn in the real estate sector will have consequences for financial sector as well. These risks need to be monitored and managed very carefully.

Not only has this region not seen a down-turn in the recent past, but business and earnings have been growing at rates that can only be described as boom. This bonanza is good while it lasts.

This prosperity may however obscure inefficiencies, particularly in risk management areas. This is the time therefore that enlightened managements should be thinking about strengthening the core operations and improving their risk management practices.

A neutral, third party professional opinion on risk profile as given by rating agencies could be the answer to management's need of the hour. IIRA (a recognized External Credit Assessment Institution (ECAI) by the Central Bank of Bahrain) is playing its role by providing a credible risk assessment to entities.



Mr. Jamal Zaidi
IIRA's CEO

Financial Institutions Analysis Workshop

The Islamic International Rating Agency is organizing a workshop on Financial Institutions Analysis at the SAS Radisson Diplomat Hotel in Manama starting at 8:00 AM till 2:00 PM on Monday, 14th April. This workshop will enhance the level of the market's analytical expertise while also offering unique networking opportunities.

The workshop will be conducted by IIRA's experienced and professional team members who have many years of experience in analysis and rating assignments. It is a one-day workshop with lunch included. The knowledge about the analytical tools and techniques will be passed on to participants through an interactive learning environment. The workshop materials and its delivery will be designed to meet the needs of conventional and Islamic finance professionals, investment and fund managers, regulators, risk managers, Shari'a compliance officers and the like. Delegates will receive a certificate of attendance upon completion of the workshop.

IIRA's workshops and training seminars are an effective way to keep abreast of recent advances in the market and to build a foundation of international best practice. They can also be customized to an organization's needs and offered in-house. IIRA's workshops and training seminars will be an effective way to sharpen analytical skills with the objective of identifying, measuring and managing risks.

For further inquiries please contact us directly at: + 973 17 211 606

IIRA's Presentations & Speeches

As a continuation of IIRA's strategy to generate awareness, and share the knowledge and experience, IIRA participated in several workshops and conferences. These are as following:

- Ratings of Institutions offering Islamic Financial Services and Islamic Financial Instruments, 20th February 2008, Kuala Lumpur, Malaysia.

The CEO was invited as a Speaker to this Workshop organized by IFSB and Securities Commission Malaysia. He presented a paper on "Rating Methodologies for IIFS and Islamic Financial Instruments". The Workshop was attended by most of the leading rating agencies like Moody's, Fitch, MARC, JCR-VIS, AMBest etc where each rating agency shared and discussed their opinion on ratings of institutions offering Islamic financial services and Islamic financial instruments.

- 3rd Islamic Banks and Financial Institutions Conference, 10th -11th March 2008, Damascus, Syria. IIRA's topic was about "Shari'a Compliance in Islamic Financial Institutions".

- The First International Conference for Islamic Sukuk, 18th -19th March 2008, Manama, Kingdom of Bahrain. IIRA presented a paper on "Potential Role of Credit Enhancements in Sukuk".

The materials of these presentations and speeches are available for free download at IIRA's website, www.iirating.com



Mr. Jamal Zaidi, IIRA's CEO, at the 3rd Islamic Banks and Financial Institutions Conference, Damascus, Syria

IIRA Participated in the 27th GAIF Conference

IIRA joined the 27th General Arab Insurance Federation (GAIF) Conference and set a booth where it exposed itself to the market and identified the needs for IIRA rating services to the insurance/Takaful firms and other participants. Many visitors showed their interest in IIRA's services and a positive feedback was obtained from the market. The 27th GAIF Conference took place in Kingdom of Bahrain for 3 days on 26th – 28th February, 2008 and it was under the patronage of H.H. the Prime Minister, Shaikh Khalifa bin Salman Al Khalifa. According to official resources around 1,000 delegates from the Arab world and international insurance elite participated in this conference.



IIRA Officials at the GAIF Conference

Islamic International Rating Agency Presents Rating Workshop



Mr. Jamal Zaidi, IIRA's CEO, commencing the workshop



Islamic International Rating Agency Officials at the workshop

Manama, Kingdom of Bahrain: The Islamic International Rating Agency (IIRA) organized a comprehensive workshop on ratings on February 18 at a local hotel. The workshop was attended by professionals from across the Gulf region. The workshop introduced the history of capital market ratings, and explained IIRA's role in the evolving Islamic markets. The company is a full-service rating agency. Mr. Abdulrahman Abdulla Al-Sayed, Director of Islamic Financial Institutions Supervision, at the Central Bank of Bahrain was the chief guest of the workshop.

Mr. Al-Sayed commented positively on IIRA's initiative for accelerating its educational campaign and expressed CBB's support for the agency. He emphasized that CBB recognition of IIRA as an ECAI under regulations adopted by CBB has come as a result of rigorous evaluation of the analytical and organizational strength of the agency. He regards the establishment of IIRA to be another milestone after the creation of AAOIFI and IFSB and hoped that IIRA will contribute towards the further development of Islamic financial markets.

Mr. Jamal Abbas Zaidi, CEO of IIRA led the team of officers making the presentations. The speakers discussed at length the evolution of ratings in developed markets, the role of ratings and the numerous rationales for ratings. The participants were also briefed about the evolution of domestic rating agencies, IIRA's history and the nature of the rating analysis performed at IIRA. The workshop concluded with a case study on Sukuk.



The workshop was attended by professionals from across the GCC.