

Boutique banking

Wholesale Islamic bank Bank Alkhair is looking to capitalise on the GCC's growing demand for debt capital, says chief executive Ayman Sejiny

by Mark Lazell

IT is almost 12 years since Bank Alkhair, the boutique wholesale Islamic bank, opened its doors in Bahrain. In that time, significant milestones have defined its journey, not least a 2011 change of name and several landmark acquisitions and transactions.

The journey recently took another positive turn when the bank opened its new headquarters in one of the kingdom's leading office addresses. For group chief executive Ayman Sejiny, it is a clear vote of confidence in Bahrain's status as an Islamic finance hub, and a platform for solid long-term growth.

"Harbour Towers, located in the Bahrain Financial Harbour complex, is an icon in Bahrain, and Bahrain is an icon in the GCC banking sector, with a regulatory environment which understands Islamic banking well and which gives us the freedom to structure products," says Sejiny. "It therefore makes sense for us to be located in the right location in the right country," he adds.

It will, then, be from the 26th floor of Harbour Towers that Sejiny - a seasoned banker who, among his

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Ayman Sejiny

previous positions, headed up UK giant Barclays operations in Saudi Arabia for five years before joining his current employers - and his team will plot the next steps for the bank, which has subsidiaries and affiliates in Saudi Arabia, Dubai, Turkey and Malaysia.

When he was appointed chief executive in December 2014, Sejiny stated his intention to take the bank "to the next level". Since then, oil prices

have tumbled, jolting Gulf economies. But he insists, despite the uncertain outlook, Bank Alkhair's long-term focus is unchanged.

"We have traditionally focused on equity capital markets," he explains. "But I believe our near-term opportunity in this region lies in debt capital. When an economy slows down there is a tendency to issue more debt as has been recently witnessed by Saudi Arabia, which has started tapping into new *sukuk* and bonds. We will also be able to conduct some merger and acquisition business, and potentially further private equity advisory."

Sejiny says Bank Alkhair has established a solid reputation in the Islamic finance industry for its strict corporate governance standards and ethical conduct. Sejiny is determined to build on the efforts of the new management teams in enhancing the bank's good name in the market, and capitalise further on its portfolio of landmark transactions.

These include the establishment in 2009 of t'azur, a regional *takaful* company and the acquisition in the same year of Bahrain Financing Company (BFC), the oldest and one of the leading foreign exchange and remittance houses in the GCC. It was also the founder and promoter of the Strategic Acquisition Fund, an innovative \$1 billion fund, to acquire stakes in commercial banks around the world. Bank Alkhair's other strategic interests include in industry, retail and IT.

"We sit down with the management teams of the companies we own and get them to think with us on how we could further improve their business. Going forward maybe we will focus on fewer sectors where we feel comfortable," Sejiny notes.

Another strategic goal for Bank Alkhair will be to build what it calls "exceptional value" for its stakeholders. The chief executive says that will be achieved by focusing on innovation, professionalism, integrity and, of course, finances.

"Building 'exceptional value' will

therefore also involve fine tuning the running costs of the business, and focusing on revenue-generating businesses such as real estate, and targeting the companies we hold as private equity," he explains.

In doing so, Sejiny insists Bank Alkhair will not lose sight of the values which have won it widespread international recognition.

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"We're a boutique bank, and that means that instead of our clients being one of hundreds of relationships we have, we can focus closely on their institution.

"At the same time the '*khair*' in our name means 'goodness' in Arabic and we believe that we do good for the businesses that we are in and we believe we could do good for the financial world that we are working in, generating ethical investment opportunities and ethical debt capital market services."

Sejiny says the bank will continue to look at forging lifelong relationships, providing what he says are services which are good for its clients, good for its clients' clients, and which are, ultimately, good for society.

"That's where the real benefits for us lie as an ethical bank, and that's what we are really all about," the chief executive concludes. ■