



Money and Mecca

When **Rayo Withanage**, the chief executive of BMB Capital, part of alternative asset manager BMB Group, was seeking an Islamic financial guru to run a new business, he turned to his friend **Humayon Dar**.

"He's regarded as the granddaddy of Islamic investment products," says Withanage, 29. "We'd worked together in developing Sharia structures before, but really the relationship was based more on a friendship."

Sharia is traditional Islamic law that is used to govern all aspects of life. To be Sharia-compliant, investment products can't pay interest or invest in industries unacceptable to Muslim law, such as alcohol, gambling and tobacco.

BMB, an offshore holding company registered in the Cayman Islands, co-manages about \$5 billion from New York, London, Dubai, Kuala Lumpur and Brunei, where its parent company, Withanage Group, is headquartered. Its clients include the Sultan of Brunei and the royal families of Saudi Arabia and other Gulf countries.

"Our investors have a high need for Sharia compliance," says Withanage.

That's where Dar comes in. Formerly with Dar Al Istithmar, a subsidiary of Deutsche Bank AG that advised on Sharia-compliant investments, Dar, 37, was hired last month to be CEO of the newly launched BMB Islamic. BMB absorbed Deutsche's entire Sharia product team.



Withanage

"They are market leaders, and we want to fill a niche and gap in the market," says **Harold Alby**, a member of the BMB Group. "We're now going for private placement and distribution. We're trying to create something truly Islamic, free from non-Sharia institutions trying to set up Sharia products. We're trying to make Islamic funds for Muslims."

Born in Pakistan, Dar majored in economics at International Islamic University, and earned his Ph.D. at Cambridge University, where he focused his studies on "profit loss sharing in Islamic finance." He then founded and ran the Islamic banking program at Loughborough University in England. In 2005, he joined Deutsche, where he and his team served as a Sharia sounding board to banks, governments and companies.

"Islamic banking is five years behind what is happening in the markets," Dar says. "I wanted to be somewhat of an advocate for Islamic banking. I wanted to influence what was happening in the markets."

BMB's Sharia team is backed by a seven-person supervisory committee, which includes economist **Hussain Hamid Hassan**, who chairs the Sharia boards of at least 15 Islamic financial institutions. Withanage forecasts that business hot spots for the new group will be private equity, hedge funds and real estate.

"Alternative products are becoming more and more popular in Islamic finance," says Withanage.

For now, the funds are limited to BMB clients. "If you are doing business with the royals, you have to be extra sensitive to their needs," Dar says. "We give first priority to our royal clients, although we do business with nonroyals as well."