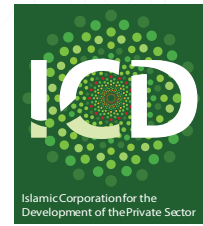




Khaled Al Aboodi
CEO of ICD



MESSAGE FROM THE CEO OF ICD

Since its inception nearly four decades ago, the global Islamic finance industry has experienced its most rapid pace of progress to date. Total Islamic assets worldwide have increased substantially from around USD150bln in the 1990s to approximately USD2.1tln today. Moving forward, based on current growth momentum, the industry is forecasted to amass USD6.5 trillion in assets by the year 2020.

The expansion of the industry has been displayed by a widening geographical outreach covering as many as 70 countries in Asia, Middle East, Europe, and more recently in Sub-Saharan Africa, serving both sovereign and corporate clients. Throughout this period, Islamic finance institutions have exhibited the aptitude and willingness to innovate its products and service offerings, thus increasing its relevance across many economic sectors with different financing needs and demonstrating its viability as an engine of growth. In addition, the industry's growth is evident in the increasing size of its financing deals and prevalence of cross-border transactions. On the consumer front, Islamic finance has been utilized as a strategic tool to tap the unbanked market, especially in Muslim countries. These successes have been underpinned by Islamic finance regulations, as well as global infrastructure in Islamic finance, in particular, support from multilateral institutions.

Despite the robust expansion of the Islamic finance industry, there is significant room for further growth. Through its portfolio of activities, which include a total capital commitment of USD2.6 billion in over 240 approved investments between 2000 and 2013, the Islamic Corporation for the Development of the Private Sector (ICD) aims to complement Islamic finance's role as a facilitator of growth and a viable funding mechanism for various economic sectors to fulfil a wide spectrum of financing needs. ICD's focus on private sector development will continue to accelerate economic growth in 52 member countries through investment, employment and business creation, innovation and knowledge transfer, and other multiplier effects stemming from its operations and activities. Through this shared economic prosperity, it is my hope that member countries can reach new heights, and achieve their crucial development, inclusion and environmental goals.

MESSAGE FROM THE CEO OF SEDCO CAPITAL



Hasan Shakib Al-Jabri
CEO of SEDCO Capital

It is my pleasure and that of SEDCO Capital to present the sixth edition of Global Islamic Finance Report, which focuses on leadership in Islamic banking and finance. We, at SEDCO Capital, take pride in being one of the leaders in the global Islamic financial services industry by being the pioneers in Shari'a-compliant and ethical investing.

A question we ask ourselves continually at SEDCO Capital is whether investments that add value to our clients can also add value to society. And our answer is emphatically clear: yes they can. We are an ethical, prudent, savvy investor with a long-term track record in Shari'a-compliant investing. Through our SEDCO Capital Global Funds available on a platform in Luxembourg, investors can now access thirteen investment funds with total assets under management of over \$1.6 billion, making it the largest Shari'a-compliant fund in the country and bringing our total AuM to US\$4 billion. Indeed, through this offering we provide one of the world's largest and most diverse range of Shari'a-compliant funds, which offer investors quality and high performance which is unmatched in the market. Today four of these funds are both Shari'a and ESG (Environmental, Social and Governance) compliant.

We make investment decisions in light of a list of prohibited industries and invest accordingly. We also go further as we believe that profits are not deserved unless value is added to the economy that it is working in. At SEDCO Capital we cannot sell something that we do not own, and we do not have to make money because someone else is losing money. Fundamentally, we believe that real money is made when value is being added across different elements that constitute business and the wider economy. This ensures that investments are directed towards value creation, which will ultimately create the much needed jobs around the world, instead of using wealth to speculate on profits that can be made at the expense of another entity losing money. This approach – the speculative approach – has been proven to result in the destruction of value and the loss of jobs.

We are, by nature, sustainable prudent investors searching for value but that does not mean that we compromise on quality, diversity or performance of the products and services we provide to clients. SEDCO Capital is a savvy investor and we have a responsibility towards our clients and shareholders to provide competitive returns.

Our clients and we ourselves as investors, recognise that investment performance and sustainability are not mutually exclusive. Indeed, it is not just us at SEDCO Capital who are of this view; this is being echoed both by Shari'a and non-Shari'a investors around the world, both from the buy and sell side, which is being driven by investor appetite to diversify their investments.

We are proud of the moves we have made to become ESG compliant. For us, sustainability, value and returns go hand in hand. They are not – and neither should they be – mutually exclusive. It is by example and experience that others will come to realise the benefits of investing sustainably. For our part, we hope that our leadership in this area will encourage peers, partners and clients to embrace the opportunities that sustainability can unlock in their investment strategies, not only for their own good but for the good of the wider society.