



# MESSAGES

## MESSAGE FROM MD OF BANK ISLAM MALAYSIA, BERHAD



**DATO' SRI ZUKRI SAMAT**  
MD of Bank Islam, Malaysia

As the pioneer of Islamic banking in Malaysia, we are proud to be part of the Global Islamic Finance Report 2016. We believe this annual initiative strengthens the Islamic finance capacity for businesses as well as banks and is a strategic platform that enhances the presence of Islamic finance globally.

Inevitably, Malaysia will be among the few countries that will drive the future of the Islamic finance industry. Malaysia's proven sustained track record of building a successful domestic Islamic financial industry of over 30 years gave the country a solid foundation - financial bedrock of stability that complements to the richness, diversity and maturity of the financial system. The scope of Malaysia's Islamic finance market is widening with several developments and initiatives from the government and private sector.

In 2013, the country's central bank, Bank Negara Malaysia (BNM) introduced the Islamic Financial Services Act (IFSA 2013). The act has led to the introduction of the deposit transition plan under which the funding of Islamic banks is being classified as either deposit or investment accounts. The evolution gives Islamic finance a new dimension with new value proposition, transforming Islamic banking from a credit intermediary into an investment intermediary, Islamic banks have, for the first time introduced investment accounts, through which they are able to offer consumers returns that commensurate with the risk taken.

Bank Islam was not only the first to introduce investment accounts that comply with the guidelines under IFSA. In February 2016, it was also one of the four founding Islamic banks to form a consortium to market investment accounts via the Investment Account Platform ("IAP"), a brainchild of BNM. The IAP will serve as a centralised multi-bank platform that will allow potential investors to view and choose from a wide range of ventures sponsored by the four banks to invest in. This platform will provide a new financing option for entrepreneurs with good and viable projects, and opportunities for the private sector as well as the investing public and institutions to finance these projects. This is the first time Islamic banks in Malaysia are collaborating in such a manner and Bank Islam feels honoured to be part of this effort to support such an important sector of the nation's economic machinery.

Being the leader in the industry, Bank Islam has played a pioneering role since 1983, in promoting the expansion of Malaysia's brand of Islamic finance into other markets, especially in the region. This has helped develop Bank Islam, the first Shariah-based banking institution in Malaysia, into a well-established and universally recognised brand.



**KHALID AL ABOODI**  
CEO of ICD

## MESSAGE FROM THE CEO OF ICD

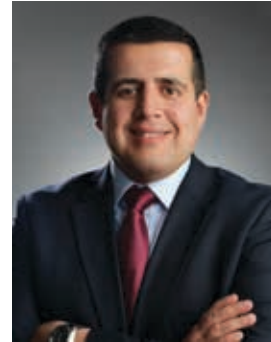
2015 was indeed a challenging year for the Islamic finance industry. The growth spurt of yesteryears halted on the back of historically low oil prices and volatile commodity prices, coupled with an uncertain global economic backdrop. Despite facing several headwinds, the Islamic finance industry managed to pull through and continued to grow in its core markets, albeit at a slower pace.

At any rate, the commendable growth witnessed by the industry and its steady progress from niche to mainstream underscores a growing demand for financial products and services that are Sharia'a compliant. Positively, extensive interest in Islamic finance from different parts of the world is driving the international dimension of Islamic finance beyond its traditional sphere. The industry has gained a stronger foothold in new jurisdictions such as in Europe, sub-Saharan Africa and the Far East, underpinned by the search for alternative and ethical financial solutions. In the past two years, several non-Muslim countries have entered the league of countries issuing sukuk, such as Hong Kong, Ivory Coast, Nigeria, South Africa and Senegal, with more new players expected to join in the near future. Sustained regulatory advancements will also pave way and support the growth of the Islamic finance industry.

With its emphasis on transparency and fairness, Islamic finance has much to offer any economy. The Sharia'a-based financial principles, if applied properly, prove to be more robust and sustainable to create social value and support systematic economic growth, for which speculation driven activities are largely curtailed.

Through our portfolio of activities ranging from investments in Islamic banks and leasing companies, advisory on sovereign sukuk issuances as well as financing of infrastructure projects in key economic sectors, we at the Islamic Corporation of the Development of the Private Sector (ICD) aim to complement Islamic finance's role as a facilitator of growth. Our position as an award-winning Sharia'a compliant multilateral development bank will contribute to the maturation of the Islamic finance industry in its bid to enter the mainstream of the global economy. We are extremely honored to take part in this year's Global Islamic Finance Report (GIFR) as a multilateral strategic partner and we intend to provide continuous support to initiatives that will propel the Islamic finance industry to greater heights.

## MESSAGE FROM THE CEO OF BANK OF KHARTOUM



**FADI AL FAQIH**  
CEO, Bank of Khartoum

It is with great pleasure and honour for me to be part of the sponsoring and launching of this edition of Global Islamic Finance Report, which sheds light and focuses on Islamic financial policy.

Established in 1913, Bank of Khartoum (BOK) is the oldest bank in Sudan. It has witnessed an array of changes to evolve into what is now one of the most reputable and top performing Islamic banks in the African region. Since 2008, BOK has experienced a continually positive and rapid pace of progress. The equity of the bank as of December 2015 is SDG1.7 billion. Moving forward, BOK's strategic focus has extended to Africa and the Gulf region to capitalise on its significant business presence in the local market and excellent reputation.

Expansion of Islamic banking and finance in Sudan has witnessed growth of BOK to cover all the geographical regions in the country, with over 100 branches and cash offices, and over 210 ATMs. To ensure needs of our diverse clients, we have been offering a comprehensive range of electronic banking services and other products. Our appetite to serve our clients in the best possible and the most efficient manner has led us to where we are today. Our continuous endeavour to innovate is driven by our clients, ensuring that our service offerings remain relevant across different economic sectors. This has been recognised by the industry that deem the BOK model as an engine of growth.

Our comprehensive approach is also reflected in the business models of our subsidiary companies that specialise in Islamic microfinance (Irada Company), cash in transit (CIT), services related with custody of valuable assets (Al Fahad Company), financial securities services (Sanabel Company), export-import business (National Trade and Services Company), foreign currency exchange (Sudakash), and the real estate business (Al Waha Mall and Offices).

Despite the challenges that beset the Sudanese economy and in the presence of the unavoidable hindrances, we have made progress possible by overcoming obstacles of various forms and magnitude. Our belief in progress and development stems from the promise that Sudan makes and the wealth of resources it possesses. Potential of Sudan is thus reflected in our success story.

The key to our success lies in helping existing businesses and creating employment opportunities for all. The unjustified economic sanctions have helped us in innovating, acquiring new technologies, building a knowledge base and adopting systems and procedures to ensure that we contribute to economic development of Sudan while remaining compliant to all international standards and by being transparent.

To ensure sustainable economic development of the country and of operations of BOK, we have adopted a business model that ensures financial inclusion. With our sound, healthy, and transparent banking model, and our ability to procure profitable business, we are confident that Sudan will achieve greater economic and financial goals, in a sustainable and inclusive manner. We shall continue to spearhead our role as a leader in the Sudanese banking sector with our exemplary work ethics, innovations, initiative, and compliance with international standards. We shall also continue to endeavour to serve our clients, correspondents and other business partners as we have done in the past.