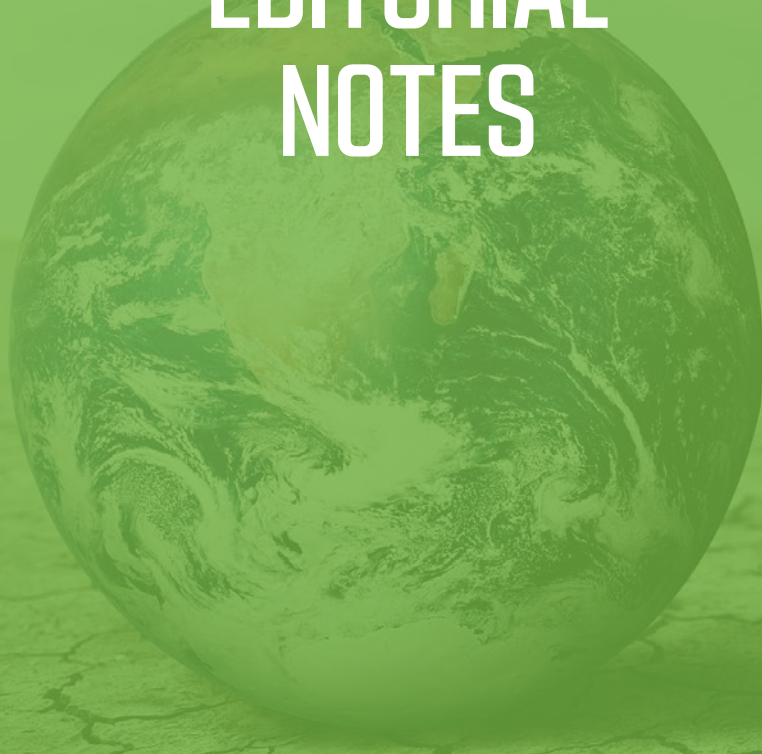


EDITORIAL NOTES





PROFESSOR HUMAYON DAR

PhD (Cantab)

Director General, Cambridge Institute of Islamic Finance

Founder & Managing Editor-in-Chief of Cambridge Global Islamic Finance Report

The Cambridge Global Islamic Finance Report (Cambridge GIFR) has consistently offered a comprehensive, analytical, and accessible viewpoint on the evolving landscape of Islamic finance. This year, our theme, 'Climate Financing and Islamic Finance,' underscores the growing significance of environmental concerns in today's financial and economic arena.

Guided by our dedication to delivering profound insights, the Cambridge GIFR emphasizes thorough analyses of the Islamic finance realm and its diverse segments in clear, concise English. We are committed to offering content that combines the best of industry insights with academic rigor, providing our readers with clarity and depth without overwhelming them with extraneous details. Building on this, the Islamic Finance Country Index (IFCI) remains central to the GIFR. It's a key tool ranking countries in the Islamic finance industry. For fourteen years, we've updated it to show the most recent standings of countries. This year's GIFR has sixteen chapters, each focusing on important topics related to our main theme. We've also placed references at the end of each chapter and added an Index of Terms at the report's end to help readers find specific details.

At the heart of the Cambridge GIFR's success and sustainability lies the support of our esteemed partners. We extend our heartfelt gratitude to Minhaj University Lahore, our Knowledge Partner, for their unwavering commitment and support. We are honored to have DDCAP Group™ as our Strategic Partner, whose dedication resonates with our mission to foster and advocate Islamic finance. CIMB Islamic Bank and Gatehouse Bank have been valued supporters of our endeavors, and this year they have joined us in promoting sustainability—a testament to their commitment to a greener future. It is through the invaluable contributions of our partners that we consistently produce this essential publication year after year. Our work is closely tied to responsible finance and sustainable development, main topics in this year's GIFR. We believe that Islamic finance and responsible finance go hand in hand, strengthening each other. This belief drives us to do good for society and the environment, while also achieving financial goals. We know there will be challenges, but we see them as chances to learn and grow.

With the 14th annual Global Islamic Finance Report, we're looking at the link between climate financing and Islamic finance. We hope you'll join us in this important discussion. Together, we can make a big difference in the economy, environment, and society, using the power of Islamic finance.

We're truly thankful for your ongoing support. We believe this year's focus on 'Climate Financing and Islamic Finance' will offer new insights and ideas. Brought to you by the Cambridge Institute of Islamic Finance and made by Cambridge IFA, the 2023 edition continues our tradition of sharing the latest in Islamic finance. Thank you for being with us on this journey. We hope you'll stay involved as we work towards a brighter future in Islamic finance, sustainability, and climate action.

A handwritten signature in black ink, appearing to read 'Humayon Dar', written in a cursive style.

Founder and Editor-in-Chief
Cambridge Global Islamic Finance Report



STELLA COX CBE

Managing Director
DDCAP Group™

DDCAP Group™ (DDCAP) is honoured to serve as a Strategic Partner for the prestigious Global Islamic Finance Report, a longstanding annual publication in the Islamic banking and finance industry. Now in its 14th year, the 2023 edition, published by the Cambridge Institute of Islamic Finance and produced by Cambridge IFA, remains an example for the dissemination of contemporary data and insights regarding the Islamic financial sector, not only within our industry but also beyond its borders. Over the years of our Strategic Partnership, DDCAP and Cambridge IFA have shared a common vision to champion and promote the global Islamic finance and banking industry. This year's Global Islamic Finance Report (GIFR) tackles a pivotal theme: 'Climate Financing and Islamic Finance'. The core principles of climate finance, with their focus on environmental and socio-economic sustainability, resonate strongly with Islamic finance.

At DDCAP, our commitment to Sustainable & Responsible Actions (SRA) is an ongoing journey that permeates our corporate environment, business offerings, engagement with third parties, and service providers. Through our contractual undertakings with clients and vendors, we affirm our dedication to SRA and convey our commitment to promoting responsible practices through our actions. We acknowledge the multifaceted nature of sustainable and responsible finance and actively encourage initiatives that promote best practices within the financial and professional services industry as a whole. DDCAP has supported the likeminded initiatives in the past, like RFI Summit in Abu Dhabi and continues to support the Support Disruption for Good (SDG) Challenge, reinforcing our commitment to sustainable and responsible finance.

We strongly identify with the United Nations' 17 Sustainable Development Goals (SDGs), particularly SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 9 (Industry, Innovation and Infrastructure), and SDG 17 (Partnerships for the Goals). In 2016, DDCAP became the first and only intermediary in the Islamic financial services industry to sign the United Nations' endorsed Principles for Responsible Investment (PRI). We transitioned from an observer member to a full member of the RFI Foundation in 2019. In April 2020, DDCAP became a Stakeholder Endorser of the UN Environmental Programme Finance Initiative's (UNEP FI) Principles for Responsible Banking, reaffirming our commitment to aligning the global banking sector with the vision outlined in the SDGs.

The natural synergy between responsible finance and Shari'a finance is evident. As pioneers of Shari'a compliant intermediation services, we recognize the alignment of our values with those of responsible finance, even while respecting the unique tenets of Islamic finance. DDCAP remains committed to contributing to responsible and sustainable finance, advocating for positive social and environmental outcomes while delivering financial results.

We extend our heartfelt thanks and congratulations to the Cambridge Institute of Islamic Finance, Cambridge IFA, as the 14th annual Global Islamic Finance Report 2023 is being launched at the AAOIFI – IsDB 18th Annual Islamic Banking and Finance Conference in Bahrain. DDCAP is proud to stand alongside our esteemed partners, Cambridge IFA and Cambridge Institute of Islamic Finance, in their mission to raise awareness of Islamic finance and its transformative potential within the global financial landscape. Thank you for your unwavering support and dedication to the advancement of Islamic finance, sustainability, and climate action.



DR HUSSAIN MOHI-UD-DIN QADRI

Deputy Chairman Board of Governors
Minhaj University Lahore

Minhaj University Lahore (MUL) was founded in 1986 by Shaykh-ul-Islam Prof Muhammad Tahir-ul-Qadri, the Patron-in-Chief of Minhaj-ul-Quran International (QMI). It is located in a prestigious area of Lahore, Pakistan. MUL was granted degree-awarding status by the Government of Punjab, Pakistan, in 2005 and has been honored with the recognition of being a 'highest category' ranked university by the Higher Education Commission of Pakistan. MUL boasts a purpose-built campus with all the necessary administrative, extra-curricular, co-curricular, research labs, science labs, and educational facilities.

MUL offers admission to various educational programs at the BS/M.Phil. and Ph.D. levels. The university comprises nine faculties and thirty-six departments, including Engineering & Technology, Allied Health Sciences, Applied Sciences, Basic Sciences and Mathematics, Economics and Management Sciences, Social Sciences and Humanities, Computer Sciences & Information Technology, Languages, and Islamic Studies & Shari'a, offering over one hundred and twenty undergraduate and postgraduate programs. With the launch of the Ph.D. Islamic Economics & Finance Program in 2021, MUL is now one of the top three institutions in Pakistan offering comprehensive BS, MS, and Ph.D. programs in Islamic Economics & Finance.

In addition to its academic schools, MUL has established several research centers, including the 'Fareed e Millat Research Institute' (FMRI), 'International Center for Research in Islamic Economics' (ICRIE), 'Center for Research and Development' (CRD), 'Shaykh-ul-Islam Institute of Spiritual Studies' (SIISS), 'Center for Research for Maritime Affairs and Blue Economy' (CRMABE), 'Hassan bin Thabit Na't Research Center' (HTNRC), and the 'Corpus Research Center' in collaboration with Shanghai International Studies University in China. Notably, this is the first research center on corpus studies, corpus linguistics, and large language models based on Artificial Intelligence and neuro-linguistics in any private sector university in Pakistan.

These research centers produce excellent research papers and policy notes based on their research agendas in relevant fields. In line with MUL's research agenda, the university organises several conferences every year in collaboration with international universities and research institutes. The conference series includes events on Social Sciences, Islamic Economics and Finance, and Library and Information Sciences. MUL's World Islamic Economics and Finance Conferences have gained recognition among academia, practitioners, and industrialists.

At MUL, ICRIE stands out as a premier research center, focusing particularly on the field of Islamic economics and finance. The center aims to develop strategies crucial for shaping the future of the global Islamic finance industry while considering global challenges such as the rise of cryptoassets, sustainability, climate change, digitalization, SDGs, and ESG goals. In this regard, the center publishes high-quality books within these areas, proposing the best possible solutions to global problems from contemporary and Islamic perspectives.



AHMAD SHAHRIMAN MOHD SHARIFF

Chief Executive Officer

CIMB Islamic Bank

氣候金融

As part of our continuous endeavour towards sustaining and escalating the growth of the Islamic finance industry, CIMB Islamic Bank (“CIMB Islamic”) is proud to collaborate with Cambridge IFA to publish the 14th annual Global Islamic Finance Report 2023, where we explore the crucial theme of 'Climate Finance.' At CIMB Islamic, a subsidiary of the CIMB Group, we are proud to be one of the supporters of this significant report, and we are excited to share our commitment to sustainability and climate finance with you.

Climate finance, as the central theme of this year's report, refers to the funding channelled by national, regional, and international entities for climate change mitigation and adaptation projects and programmes. The overarching goal of climate finance is to support actions that have a two-fold impact: first, to reduce emissions and enhance sinks of greenhouse gases, and second, to facilitate measures that reduce the vulnerability of societies to the impacts of climate change. Global warming poses threats to our environment, economies, and societies. It impacts not only the physical world but also the financial world, including our clients' businesses and the communities we serve.

As governments in our key operating markets strive to transition to low-carbon economies, we, at CIMB Islamic, are steadfastly committed to aligning ourselves with these efforts. We are actively investing resources and collaborating with stakeholders to make a positive impact on society and the environment. CIMB Islamic's commitment extends beyond our own operations; it encompasses our greater role in society and the broader economy. We believe that Islamic finance, with its ethical and sustainable principles, is well-equipped to address the climate challenge. As a leading financial institution, we understand that our greater exposure lies in our transactions and dealings with clients. Therefore, we assess climate-related risks thoroughly, considering their potential impacts on our clients, our business, and the broader economy. We have integrated sustainability considerations into our decision-making processes across our core business. In addition to our climate finance efforts, CIMB Islamic is actively engaged in supporting sustainability-linked financing (“SLF”) programmes. We have launched a RM3 billion SLF program for Small and Medium Enterprises (“SMEs”), in alignment with the GreenBizReady initiative. This programme, developed in collaboration with the Malaysian Green Technology and Climate Change Corporation (MGTC), aims to empower SMEs to achieve credible greenhouse gas emission reduction targets through attractive financing rebates.

Our commitment to sustainability and climate finance is further exemplified through our Sustainability-Linked Treasury Programme. Launched in December 2022, this programme continues to attract clients who are looking to embed their environmental, social and governance (ESG) aspirations into longer term treasury solutions offered by CIMB Islamic. This is part of our sustainable finance initiatives towards aligning with the Group's aim of achieving Net Zero greenhouse gas (GHG) emissions, including scope 3 financed emissions, by 2050. We have undertaken several other initiatives and CIMB Islamic, together with CIMB Group, remains steadfast in our sustainability journey. Our Group CEO, top management, and all divisions have sustainability key performance indicators (KPIs), reflecting our dedication to making a positive impact on society and the environment. As we launch the 14th annual Global Islamic Finance Report and explore the intersection of climate financing and Islamic finance, we invite you to join us in this critical conversation. Together, we can drive positive economic, environmental, and social impacts, ushering in a more sustainable and inclusive world through the power of Islamic finance.

Thank you for your continued support and commitment to advancing Islamic finance, sustainability, and climate action.



LISA DOUGHTEN

Director, Humanitarian Financing and Resource Mobilization

United Nations Office for the Coordination of Humanitarian Affairs (OCHA)

It gives me great pleasure to present the 2023 edition of the Global Islamic Finance Report (GIFR), one of the most trusted publications in the field of Islamic Banking and Finance. In this edition, the report sheds light on innovative strategies that Islamic Banking and Finance organisations can employ to strategically address and mitigate the risks of climate change, while supporting corporate objectives.

In today's world, where climate-related disasters are becoming increasingly frequent, a fresh approach to the future is of utmost importance. Conventional humanitarian response models are becoming insufficient in the face of escalating risks and shocks. Recognising this pressing need, the humanitarian system is placing greater emphasis on anticipatory action and seeking stronger collaborations with the private sector.

Islamic banking and finance, with a significant presence in climate-affected high-risk areas, also stands to benefit from anticipatory action. Embracing this approach not only mitigates business continuity risks for companies and investors, but also upholds their commitment to sustainable value creation and higher environmental, social, and governance (ESG) standards. Anticipatory action in the form of support to the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) presents a direct avenue for meeting ESG reporting requirements, while providing a vital lifeline to communities and relevant stakeholders in preparing for emergencies. By taking proactive measures together, we can save lives, safeguard critical infrastructure and agriculture, and protect hard-won development gains.

Within this edition of GIFR, you will find an article titled "Why Investing in Anticipatory Action is a Good Idea." This article delves specifically into the workings and benefits of anticipatory action, and extends a warm invitation to the Islamic business community to lend its support to UNOCHA in its endeavors to provide crucial assistance to the most vulnerable communities worldwide. I would encourage you to explore this piece, which showcases concrete examples of results achieved through this transformative approach.

In the words of Professor Dr Humayon Dar, the founding editor of GIFR, "Embracing anticipatory action aligns very strongly with our Islamic finance principles and humanitarian goals, empowering the sector to take a leading role in spearheading sustainable growth and social responsibility on a global scale." On that note, I express my heartfelt gratitude to Professor Dr Dar and his esteemed team at the Cambridge Institute of Islamic Finance for their invaluable support in strengthening the bond between Islamic finance and humanitarian endeavors.

Let us partner in shaping a resilient future, ensuring the well-being of communities affected by climate-related disasters across the Islamic world, and beyond, through anticipatory action. Together, we really can make a meaningful and long-lasting difference to peoples' lives.