



THE ROYAL AWARD FOR ISLAMIC FINANCE™



IQBAL KHAN

2ND RECIPIENT OF
THE ROYAL AWARD FOR ISLAMIC FINANCE

A COLLECTION OF SPEECHES AND PUBLIC LECTURES,
IN CONJUNCTION WITH THE ROYAL AWARD 10TH YEAR ANNIVERSARY



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA



Suruhanjaya Sekuriti
Securities Commission
Malaysia

MALAYSIA

WORLD'S ISLAMIC FINANCE
MARKETPLACE

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THE ROYAL AWARD FOR ISLAMIC FINANCE™

ESTABLISHED IN 2010, THE ROYAL AWARD IS A BIENNIAL AWARD JOINTLY ORGANISED BY BANK NEGARA MALAYSIA AND THE SECURITIES COMMISSION MALAYSIA UNDER THE MALAYSIA INTERNATIONAL ISLAMIC FINANCIAL CENTRE (MIFC) INITIATIVE TO RECOGNISE AND HONOUR INDIVIDUALS WHO HAVE EXCELLED IN ADVANCING ISLAMIC FINANCE GLOBALLY THROUGH THEIR OUTSTANDING CONTRIBUTIONS AND ACHIEVEMENTS.



The Royal Award recipients are Tan Sri Dr. Zeti Akhtar Aziz, former Governor of Bank Negara Malaysia (2018); Professor Datuk Dr. Rifaat Ahmed Abdel Karim, CEO of the Capital Market Authority of Sudan (2016); Dato' Dr. Abdul Halim Ismail, founding member of Malaysia's first Islamic bank (2014); **Mr. Iqbal Khan, CEO of Fajr Capital (2012)**; and the late Shaikh Saleh Abdullah Kamel, founder of the Dallah al Baraka Group (2010). The Royal Award in 2010 also recognised the late Dr. Ahmad El-Naggar who was often referred as the 'Father of Modern Islamic Banking', with a posthumous honourable mention.

SPEECH

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TAN SRI RANJIT SINGH

FORMER CHAIRMAN,
SECURITIES COMMISSION
MALAYSIA
CO-HOST OF THE ROYAL
AWARD FOR ISLAMIC
FINANCE

On behalf of the organisers, Bank Negara Malaysia and the Securities Commission Malaysia, as joint organisers and hosts of the Royal Award for Islamic Finance, I would like to welcome you, our distinguished guests to this Gala Dinner and Award Ceremony. We are honoured and delighted to see so many luminaries and proponents of Islamic finance here with us this evening as well as a large number of foreign guests from so many different parts of the world. Your presence this evening reflects not only the significance of this prestigious Royal Award but also the universality and diversity of Islamic finance today.

Honoured guests, Ladies and Gentlemen

Islamic finance today has certainly established itself as an increasingly important segment of the global financial system with an impressive growth record over the past decade and a half. Its growth numbers by all accounts have been remarkable, and is a recognition of the growing significance and scale of Islamic finance today. It continues to strengthen its foothold in the international financial landscape as manifested not only by its significant growth in terms of market size, but also by its geographical reach and product diversity.

The extensive and active cross-border offering of Islamic finance products and services is being spurred by among others, greater international trade and investment flows, and the growing affluence and sophistication of investors and industry participants embracing Islamic finance. Islamic finance is present in the major financial centres and the increasing participation of global financial institutions bears testimony to the significance and diversity of Islamic finance in today's world of modern finance.

The increasing internationalisation of Islamic finance needs to be complemented with an enabling and conducive environment that will



allow Islamic finance to flourish. In widening its acceptability, adoption and application across the world, continued efforts need to be focused on among others, product innovation and developmental efforts relating to Shariah legal, regulatory and governance frameworks.

Recognising the importance for these discussions to take place, the Securities Commission Malaysia hosted and co-organised a high-level Roundtable between two leading global standard-setters, the Islamic Financial Services Board (IFSB) and the International Organization of Securities Commissions (IOSCO), which represents more than 95% of the world's securities markets in over 100 jurisdictions. The collaboration further underscores the importance of Islamic finance within the global regulatory landscape and reinforces the need to look at cross-jurisdictional issues in achieving the depth and scale required to make Islamic finance even more competitive and enhancing its appeal within global financial markets.



Honoured guests, Ladies and Gentlemen

All the many efforts on Islamic finance would not have been possible without the outstanding contributions of eminent individuals, some of whom are in this ballroom today. They have been instrumental in providing the thought leadership, body of knowledge and foresight which have created the pathway for Islamic finance to develop and thrive to its current position in the world of finance.

It is primarily for this reason that the Royal Award for Islamic Finance was conceived, with a view to introducing a prestigious, non-commercially driven and non-deal based award honouring outstanding individuals in the field of Islamic finance globally.

The selection of the award recipient was done by an international and independent jury comprising seven eminent personalities

in the Islamic finance space and is chaired by Yang Amat Berbahagia Tun Musa Hitam, Chairman of the World Islamic Economic Forum Foundation and former Deputy Prime Minister of Malaysia. The other Jury members are:

Dr. Mohamed Ali Elgari, Professor of Islamic Economics, King Abdul Aziz University, Saudi Arabia;

Professor Dr. Volker Nienhaus, a member of the Governing Council of the International Centre for Education in Islamic Finance (INCEIF) and former President of the University of Marburg, Germany;

Dr. Abbas Mirakhor, first holder of the INCEIF chair in Islamic Finance and a former Executive Director of the International Monetary Fund (IMF);

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Bapak Riawan Amin, Honorary Chairman of the Indonesian Association of Islamic Banks, and former CEO of Bank Muamalat Indonesia;

Dr. Yahia Abdul Rahman, Chairman and Founder, American Finance House LARIBA, and Chairman & CEO, Bank of Whittier, California, USA; and

Tun Abdul Hamid Mohamad, member of the Shariah Advisory Council of Bank Negara Malaysia and the Securities Commission Malaysia and a former Chief Justice of the Federal Court of Malaysia.

At this juncture please allow me, on behalf of both Bank Negara Malaysia and the Securities Commission Malaysia, to express my deepest appreciation to the Jury members for their contributions, dedication and extensive deliberations in the selection process of the Royal Award for Islamic Finance.

Following its deliberations, the Jury has selected an outstanding individual who has played a leadership role and contributed significantly towards the development of Islamic finance globally. I will leave the announcement of the eminent recipient to Yang Amat Berbahagia Tun Musa Hitam. I would however like to take the opportunity to congratulate the recipient of The Royal Award on this achievement, and I have no doubt that the individual will continue to play a significant role in promoting and profiling Islamic Finance globally.

Your Excellencies, Distinguished Guests, Ladies and Gentlemen

In conclusion, I would like to express my heartfelt appreciation once again to all our distinguished guests for honouring us with your presence here tonight. I would also like to take this opportunity to thank The Royal Award Secretariat team from Bank Negara Malaysia and the Securities Commission Malaysia who have worked tirelessly to make this Gala Dinner and Award Ceremony a success.

Thank you.

TUN MUSA HITAM

CHAIR OF JURY

I am deeply honoured and privileged to stand before you tonight, as I did two years ago, as a Chair of the Jury to this second Royal Award for Islamic Finance.

My first role is to record our thanks and appreciation for making tonight's event the success it is.

First, a commendation is highly deserved to the Malaysia International Islamic Financial Centre (MIFC) for spearheading this Royal Award initiative. Second, I would like to offer our sincere thanks and appreciation to Bank Negara Malaysia and the Securities Commission Malaysia for jointly organising The Royal Award. Third, special thanks are due to the Steering Committee for giving us, the Jury, their support and most importantly their full impartiality in the decision-making process. Fourth, I would like to express our heartfelt appreciation to the Secretariat team for their technical and administrative support. Fifth, as Chair of the Jury, I would like to express my most sincere appreciation to my fellow jurors for their eminent contributions during the whole course of the selection process, and last, but certainly not least, let me thank all of you present here tonight, including those from overseas, for your presence that make this Royal Award night such a memorable occasion!

Let me now perform my second role that is the highlight of the evening.

Ladies and gentlemen

When the call-for-nomination for The Royal Award closed on 1 June 2012, we received 32 nominations comprising players from within the Islamic finance industry and from various backgrounds, gender and religion. This is a very positive reflection of the diversity of stakeholder groups in Islamic finance, including Shariah, academia, market practitioners, financial institutions, research

institutions, government agencies and NGOs. Also interesting to note is that the nominations come from around the world – namely the Middle East, Europe, Africa, North America and the Asia Pacific region – which, again, is a clear reflection of the global reach and acceptance of Islamic finance today.

The selection criteria for The Royal Award encompass both qualitative and quantitative aspects, which assess the candidates' contribution and reach in the development of Islamic finance globally. The Jury considered financial innovation and pioneering work, adoption and acknowledgement of their contributions within the industry, exceptional leadership, inspiration and influence towards future progress and development.

With this in mind, it is my pleasure to announce that the winner of the second Royal Award for Islamic Finance is Mr. Iqbal Ahmad Khan.

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Iqbal Khan is the son of a history professor at the Aligarh Muslim University in India. From an early age, Iqbal Khan has been concerned with the state of the Muslim *ummah* and after graduating from Aligarh, Iqbal Khan went to London and embarked on a career in investment banking, before entering the Islamic finance industry in 1992.

He was instrumental in the creation and setting up of some of the industry's signature Islamic financial institutions and products, including the DMI group in Bahrain, Meezan Bank in Pakistan, the IDB Infrastructure Fund and the Islamic Finance Project at Harvard University.

What Iqbal Khan is perhaps best known for is helping Islamic finance gain mainstream acceptance through the world's most established international banks. He helped create Citigroup's global Islamic finance unit in 1998 before serving as the founding CEO of HSBC Amanah, making it the largest Islamic financial services network across Muslim markets.



Most significantly, Iqbal Khan originated the concept of the global *Ijarah*-based sovereign sukuk, a major breakthrough in the development of the Islamic finance industry in 2002.

Until then, the practice by OIC member countries was to raise funds via conventional means given the unavailability of Shariah-compliant instruments. Developing Shariah-compliant instruments was in itself also quite a challenge, as getting consensus from international Shariah scholars on the structures was not easy.

It was Iqbal Khan, together with his team, who addressed these issues with the pioneering concept of foreign currency global sukuk. He motivated, led and challenged the Shariah thought-process towards greater understanding of the concept of foreign currency global sukuk, which has revolutionised the capital market and is now an internationally accepted mainstream cross-border product within global financial market.

Though serving as the CEO of Fajr Capital, an investment firm dedicated to Islamic finance, Iqbal Khan still works on many key public and private initiatives in developing framework and guidelines for countries keen to develop and enhance their Islamic finance agenda. In his view, offering Islamic banking and financial services is more than just business – it is an integral part of social responsibility – and Iqbal Khan continues to dedicate his time and effort in fulfilling this worthy cause.

Ladies and Gentlemen

Before I conclude, let me reiterate that the Jury had observed a most diligent and objective selection process, and tonight's award reaffirms that Mr. Iqbal Ahmad Khan's contribution towards the development of Islamic finance will not be forgotten. I have no doubt that he serves as an inspiration for the next generation.

Congratulations, Mr. Iqbal Ahmad Khan!



PROFILE, ACHIEVEMENT AND GLOBAL CONTRIBUTION

IQBAL KHAN

Iqbal Ahmad Khan is an Islamic banker, investment professional and one of the names most closely associated with the development of the Islamic financial services industry. He has helped to establish and to develop some of the industry's signature institutions and products, and has simultaneously pushed for both mainstream acceptance and innovation.

Iqbal Khan is the founding Chief Executive Officer (CEO) of Fajr Capital, an international Islamic investment firm backed by leading institutions across key Muslim markets, including Khazanah Nasional Berhad, the Government of Brunei Darussalam, the Abu Dhabi Investment Council, the HSBC Group and the Saudi Arabia-based Mohammed Alsubeai & Sons Investment Company (MASIC). He is also a member of the Board of Directors of Bank Islam Brunei Darussalam and Jadwa Investment in Saudi Arabia.

Mr. Khan started his Investment Banking career at Dean Witter, joined the DMI Group in 1993, and served as CEO at Citi Islamic Investment Bank in 1998. He was HSBC Amanah's founding CEO, where he built the business and team over eight years into one of the fastest growing and most successful emerging businesses in the HSBC Group. He was also a member of the Boards of Directors of HSBC Bank Middle East, the Saudi British Bank and HSBC Investment Bank (Saudi Arabia).

Iqbal Khan has been active in a large number of Islamic financial services industry initiatives. He helped to establish Citi Islamic Investment Bank in Bahrain, Meezan Bank in Pakistan and the IDB Infrastructure Fund in Saudi Arabia. He also helped to establish the Islamic Finance Project at Harvard University and to grow the Institute of Islamic Banking and Insurance in London. He has been a key advisor to various government and multilateral institutions, including Bank

Negara Malaysia, the Securities Commission Malaysia and the Labuan Offshore Financial Services Authority (LOFSA) in Malaysia; the Islamic Corporation for Insurance of Investments and Export Credit (ICIEC) in Saudi Arabia; and as part of HM Treasury Islamic Finance Experts Group in the United Kingdom.

Originally from Aligarh, India, Iqbal Khan holds a master's degree in Political Science and International Relations and a bachelor's degree in Physics and Chemistry, both from Aligarh Muslim University. Additionally, he has an Advanced Management qualification from INSEAD and London Business School (LBS), along with a professional qualification from NASD, New York. As well as the 2012 Royal Award for Islamic Finance, he is the recipient of several global and industry accolades, including the State Award of "The Most Honourable Order of the Crown of Brunei" from HM the Sultan of Brunei Darussalam and a Lifetime Achievement Award presented by HH Sheikh Mohammed bin Rashid Al Maktoum, Prime Minister of the UAE and the Ruler of Dubai.

Iqbal Khan lives in Dubai and London, with his wife and children.





GLOBAL ROLE IN THE ISLAMIC FINANCE INDUSTRY



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Iqbal Khan has been playing a prominent and decisive role in the course of facilitating, promoting and innovating Islamic finance on a global scale. His passion in providing ethical community-based financial services has led him to drive further interest among international financial institutions, regulators and academia towards Islamic finance. Iqbal Khan has played a key role in establishing a number of institutions in the Islamic finance industry, including Citi Islamic Investment Bank, the Islamic Finance Project at Harvard University, Meezan Bank, HSBC Amanah and most recently, Fajr Capital.

Iqbal Khan's farsightedness has expedited the creation of Islamic financial operations by an international bank, which ultimately led to the establishment of full-fledged Islamic operations within other financial institutions. The continued emergence of new players has expanded the geographic reach and investor base of Islamic finance.

The traditional practice by the Organisation of Islamic Cooperation (OIC) member countries for raising funds was to issue conventional bonds, solely due to the unavailability of Shariah-compliant instruments. Making

Shariah-compliant instruments available, was however, a great challenge due to difficulties in getting consensus from international Shariah scholars on the structures. Other challenges included gaining acceptability as a new asset class, qualification as a liquid instrument and its tradability. A major breakthrough in overcoming the unavailability of Shariah-compliant instruments for sovereign issuers came about with the concept of foreign currency global sukuk, a distinctive contribution that was pioneered by Iqbal Khan in 2002.

Global sovereign sukuk has created a new avenue for managing Shariah funds and have been accepted as a benchmark instrument stimulating the global development of Islamic finance. With his leadership and dedication, Iqbal Khan motivated the push for global sovereign sukuk and also led the Shariah thought process towards greater understanding of the concept of foreign currency global sukuk. Successfully proven in creating the evolutionary move from basic banking and finance to most sophisticated product structures, global sovereign sukuk has become the mainstream fundraising instrument for sovereigns. Sovereign sukuk is now a major cross-border product, internationally accepted within the global financial market and widely regarded as liquid asset, providing solutions to funding challenges faced by sovereigns. Global sovereign sukuk has strengthened the growth of Islamic finance and revolutionised the capital market.

Iqbal Khan's philosophy has remained consistent throughout his career, to put the ethics and values of the Islamic finance industry at the forefront of his work. The foundations laid by Iqbal Khan and other pioneers before him have created a lasting legacy.

By expanding the global reach and richness of Islamic finance, the distinguished panel of Jury has therefore decided that the second Royal Award for Islamic Finance goes to Mr. Iqbal Ahmad Khan.

IQBAL KHAN

2012 ROYAL AWARD
FOR ISLAMIC FINANCE
AWARD RECIPIENT

I would like to thank Your Majesty, the Honourable members of the Jury, and the Government of Malaysia for bestowing this honour, and for inviting my wife and I to join such a distinguished gathering here tonight.

Listening to the announcement of this Award, I am reminded of a prayer that my late father taught me when I was young. It was the prayer of Sayyidna Abu Bakr RA, the first Caliph of Islam who when praised said, "O Allah, all praise belongs to you and we lay no claim on it. However make me better than what is said of me and expected of me." And so I am honoured and humbled to receive this Award on behalf of the many people who stand behind me and with me in working for the development of the Islamic financial services industry.

Enormous credit is due to the Shariah scholars, economists, regulators and industry-building organisations who have made our work possible. I would also like to thank my past and present colleagues. One of the great joys of my career has been the opportunity to work with bright, passionate minds with committed hearts who are now, MashaAllah, taking the industry forward to the next stage of its evolution.

And a very special thanks to my wife Shaista, our six children and our family members for their love, support and prayers. It was Jalaluddin Rumi who said that our work is placed in our hearts when we are born.

Allah SWT out of His mercy gave me parents who inspired me to believe in the Almighty's infinite bounty and in the innate goodness of the human fraternity. My parents instilled in me at an early age a realisation that our religion, like all religions, has a beautiful history of Corporate Social Responsibility. I believe that Islamic finance is an extension of that history.

My mother provided the inspiration to focus on Islamic banking, while my father introduced me to one of his colleagues, Dr. Nejatullah Siddiqui a promising young economist whose pioneering work on Islamic banking had a deep impact on me.



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I share this story because I believe that the inspiration we offer to our younger generation today will prepare them for their own contributions in the decades to come *InshaAllah*. I would also like to say a few words about the cause which I have been privileged to be a part of for most of my professional career.

Islamic finance is not simply about finance. It can and should be a force for good. This is especially true in turbulent times. Islamic finance has the ability to unify and stabilise our communities and economies. When you make financial services available to more people, you broaden the stakeholders in that society. When more people become homeowners and business owners without compromising their faith, it develops the middle class, democratises wealth and leads to stability. And as the sector grows, it puts more money in the real, value producing economy, thereby increasing the embedded capital of the countries in which it operates.

I am greatly honoured to receive this distinction, but our work has just begun. The Islamic finance industry has to continue to create competitive and authentic products, build role model institutions and economies to have a demonstration effect across the world. Giving capitalism a moral compass and building economies with a heart is a vision we can all commit ourselves to.

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It is my personal belief that whoever embraces Islamic finance, their lives will be blessed beyond measure. We have seen this happen to individuals, corporations, and municipalities, and with God's grace, it can and will *InshaAllah* happen to countries and nations of the world. This is the promise of God, and the promise of all of His messengers. *Wa haqqan wa'dallah wa haqqan wa'dar rasul*. And true is the promise of God, and true is the promise of the messenger.

Thank you.

COMMITTEE MEMBERS OF THE ROYAL AWARD FOR ISLAMIC FINANCE 2012

JURY MEMBERS:

TUN MUSA HITAM
CHAIRMAN, WORLD ISLAMIC ECONOMIC FORUM FOUNDATION (CHAIR)

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SECRETARIAT:

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REPRESENTATIVES

* POSITIONS STATED FOR THE RESPECTIVE INDIVIDUALS ARE BASED ON THEIR
DESIGNATIONS DURING THE YEAR OF AWARD