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BNP Paribas-INCEIF CIWM Inaugural Public Lecture by Mr Iqbal Khan, The 2012 Royal Award For Islamic Finance Recipient

Kuala Lumpur, 29 April 2013 – BNP Paribas-INCEIF Centre for Islamic Wealth Management (CIWM) today kicked off its activities for the year with the inaugural public lecture by Mr Iqbal Ahmad Khan, The 2012 Royal Award For Islamic Finance Recipient.

In his lecture titled 'The Future of Islamic Wealth Management in Malaysia and the OIC world: Issues and Challenges', Mr Iqbal said the asset management industry has played a significant role in the evolution of Islamic finance when Islamic investment banks and institutions as well as Islamic banking windows were set up in the 1990s. By 2010, as the industry develops, Asia and the MENA (Middle East and North Africa) region look set to be the growth engines for the Islamic asset management industry.

Quoting an Ernst and Young report on 'The World Islamic Banking Competitiveness', Mr Iqbal said global Islamic finance assets is expected to hit USD1.8 trillion this year while Islamic asset management is expected to grow from around USD300 billion to USD500 billion. However the Islamic asset management industry remains marginal and fragmented and continues to lag behind its conventional peers which is estimated to be at USD58 trillion.

"The industry has several competitive strengths in light of the evolving economic paradigm. These include increasing institutional demand where increasing sophistication has led to increasing number of Shariah-compliant alternatives for institutional investors.

"There is also a continued retail demand as global middle class will grow by more than 160 per cent in the next 25 years from 1.8 billion in 2012 to 4.9 billion in 2030. The projected expansion of the global middle class is leading to exponential growth potential in takaful, waqf and pension funds," Mr Iqbal added.

Another competitive strength for the Islamic asset management industry would be due indirectly to the fragility of the conventional financial system.

"The fragility of the conventional financial system has led to opportunities for institutions and markets that embrace ethical values. The 'Occupy Movements'. European sovereign debt crisis and the Arab Spring have led to grassroots support for concrete economic reforms," Mr Iqbal added.

According to him, the future of the Islamic asset management industry lies in the ability to compete in the market through values, ethics and authenticity; innovate with ethics and integrity; deliver the full proposition to the low end of the market; and "delight the customers with innovative products."

Mr Iqbal, who is CEO of Dubai-based Fajr Capital, received the Royal Award For Islamic Finance from the King Of Malaysia the Yang di-Pertuan Agong Tuanku Alhaj Abdul Halim Mu-adzam Shah ibni Almarhum Sultan Badlishah for his dedication, drive and leadership in accelerating the global growth and accessibility of Islamic finance.

Due to his experience and contribution to the global Islamic finance industry, Mr Iqbal was given the honour to present the first lecture in the series of lectures to be held under the auspices of CIWM. The next lecture will be in September.

In his welcome remarks at the inaugural lecture, INCEIF President & CEO Mr Daud Vicary Abdullah said through its activities, CIWM would reaffirm INCEIF's quest to be the thought leader in Islamic finance, and in this case, Islamic wealth management in particular.

"The planned workshops, research works and lectures to be held by CIWM would help to improve industry knowledge and raise industry standard. INCEIF would like to record our thanks and appreciation to BNP Paribas Malaysia for teaming up with us on this effort. We can only expect good things to come out of this collaboration, one of which we are witnessing today. There will be more activities lined up for the rest of the year and I hope that some of you here today, if not all, will stand to benefit from them," added Mr Daud.

BNP Paribas Malaysia Berhad CEO Mr Krishna Chetti said, "BNP Paribas is proud to jointly present the BNP Paribas-INCEIF CIWM inaugural lecture. As a global bank with strong expertise in wealth management, we believe industry gatherings like today's public lecture are excellent platforms for the exchange of views and ideas, to promote Malaysia as the regional hub for Islamic Wealth Management. Malaysia is a strategic hub for BNP Paribas' Islamic Banking business in Asia Pacific and we are committed to playing an active role in the growth of this sector."

The CIWM, located on INCEIF's Campus in Kuala Lumpur, is dedicated to research and development in the area of Islamic wealth management, asset management and capital markets. The centre aims to be a catalyst of innovation in the nascent area of Islamic wealth management by enhancing the knowledge and know-how of players, including practitioners, Shariah scholars, students, investors and the public, towards the development of a wider and diversified range of financial products and solutions.

The scope of the centre is aligned to support the growth of the Islamic wealth management industry that can offer innovative financial solutions to meet the more sophisticated investment demands of the increasingly affluent population particularly in Asia and the Middle East, thus positioning Malaysia as a regional and international centre for Islamic fund and wealth management, as stated in the Financial Sector Blueprint of Bank Negara Malaysia.

The centre's objectives will be achieved through activities such as undertaking applied research in specialised Islamic wealth management areas, conducting policy related research for relevant regulatory agencies, and creating commercial and innovative Islamic wealth management related products. The activities will be carried out through workshops, conferences, roundtable discussions and series of lecture. BNP Paribas Malaysia will provide the financial grant to the centre to fund research as well as to publish works on Islamic wealth management.

The centre, launched by Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz last year, is an important collaborative effort between a global bank with a strong local presence and a university aiming to be a thought leader in Islamic Finance education. The setting up of the centre augurs wells for Malaysia as the country seeks to become an internationally recognised hub for Islamic wealth management.

Ends.

ABOUT THE CENTRE

The BNP Paribas-INCEIF Centre for Islamic Wealth Management is a joint initiative between BNP Paribas Malaysia Berhad and INCEIF dedicated to support the growth of the Islamic wealth management industry, asset management and capital markets with the key objectives of furthering education and research, industry innovation, and policy development.

To facilitate the planned objectives, the Centre will undertake applied research, and conduct workshops, conferences, roundtable discussions and public lectures in the areas of Islamic wealth management that covers aspects of wealth generation, accumulation, protection, purification and distribution.

The Centre aims to be a catalyst of innovation in the nascent area of Islamic wealth management by enhancing the knowledge and know-how of practitioners, Shariah scholars, students, investors and the public. It will also undertake applied research in specialized Islamic wealth management areas to provide solutions to issues in the global Islamic wealth management industry, thus further enhancing Malaysia's position as a regional and international hub for Islamic finance.

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