



ISLAMIC FINANCE & INVESTMENT PRODUCTS

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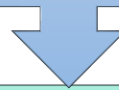
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UNDERLYING PHILOSOPHY

FACTORS INFLUENCING FINANCIAL & INVESTMENT PRODUCTS?

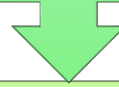
F&I products depend very much on the culture & 'ideological' belief of any given society



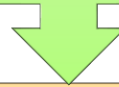
Example: Apart from credit sales & equity financing, riba was so prevalent in Arab society before the coming of Islam (culture of greed & materialism)



In modern time – factors such as legal framework, taxation regime, as well as societal norms & appetite matter a lot in shaping F&I products



All in all – no perfection or absoluteness with regard to products to satisfy socio-economic needs of the society



Islamic F&I products

Religious: Shari'ah compliant

Economic: Viable & competitive

ISLAMIC VS CONVENTIONAL PRODUCTS

Islam never prohibits something without offering a corresponding alternative

e.g. Islam prohibits riba but allows trading

However – some product features are very conventional

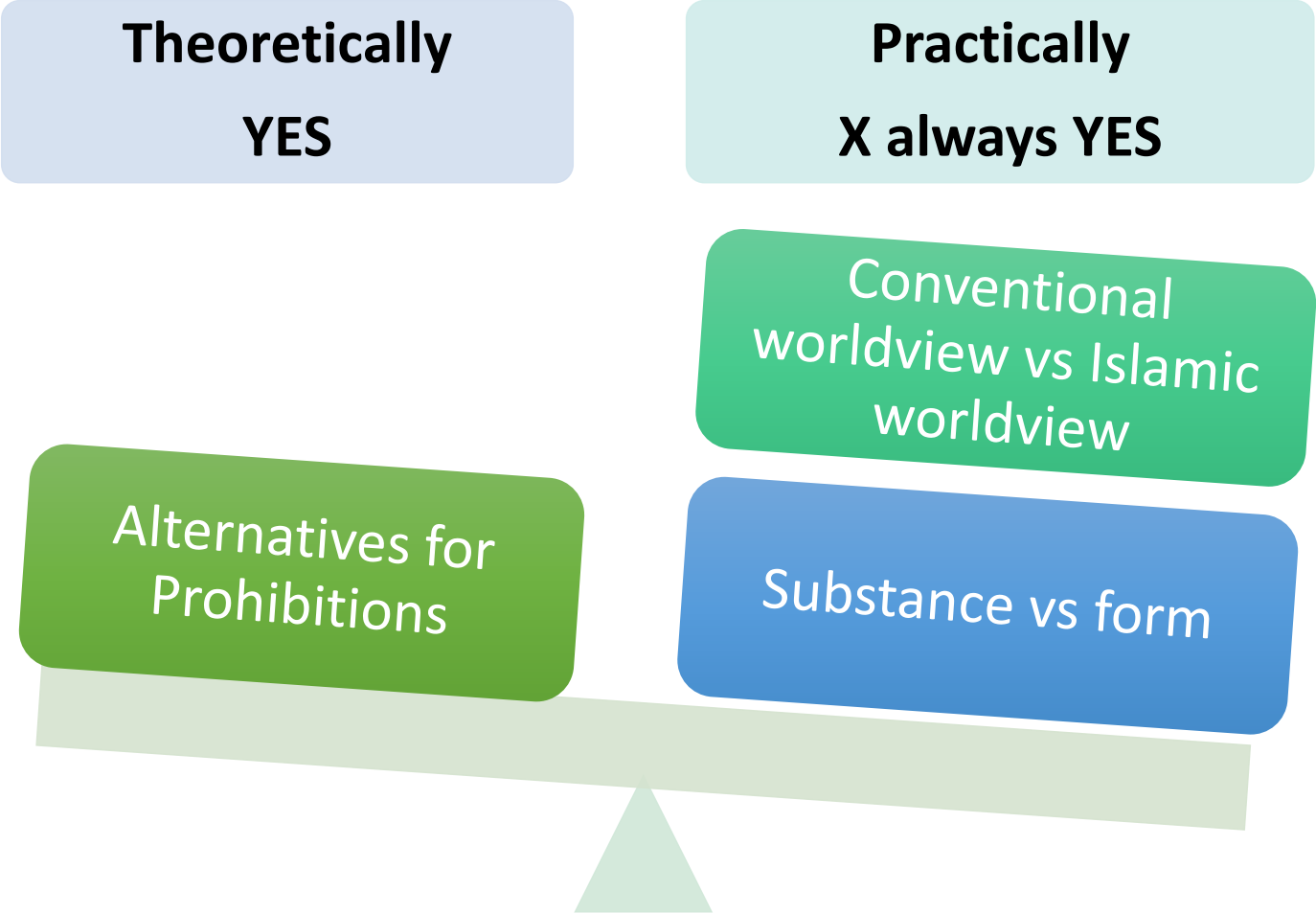
e.g. Credit Card vs Charge/Debit Card

In some cases, we have alternatives – but they may defeat the purposes of Islamic law

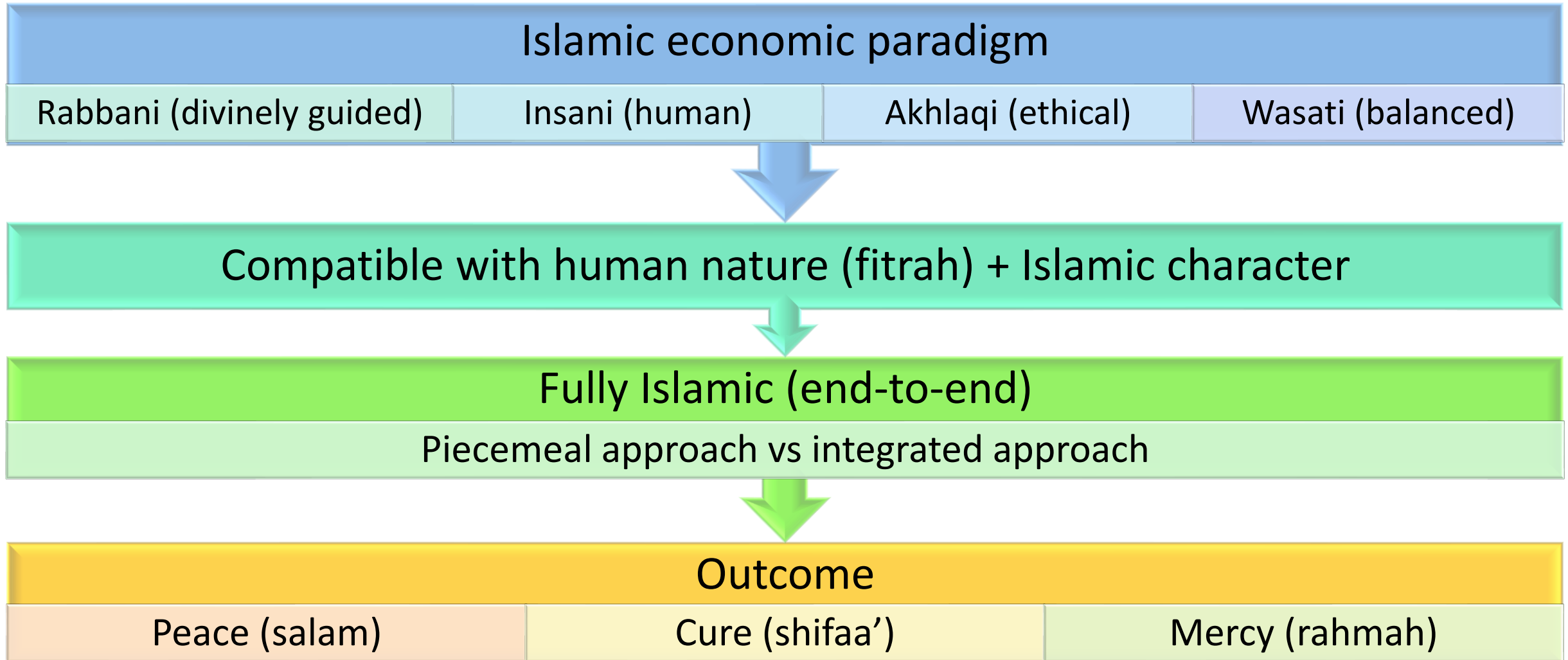
Issue of substance vs form – due to the desire to fit the alternative into the conventional framework / mindset

Conventional aim/worldview vs Islamic aim/worldview (maqasid al-shari'ah)

DISCUSSION: ISLAMIC ALTERNATIVES FOR EACH & EVERY CONVENTIONAL PRODUCT?




ISLAMIC WORLDVIEW / PHILOSOPHY




QUR'ANIC & PROPHETIC GUIDANCE


Fussilat:46 – Whoever does what is just & right, does for his own good, and whoever does evil, does so to his own hurt, and never does Allah do the least wrong to His servants



Hadith: Verily Allah has prescribed the limits, so do not transgress them, He has ordered certain matters, so do not neglect them, He has prohibited something, so do not indulge in them...



Al-Nahl: 97 – Whoever work righteousness, man & woman and he is faithful, verily to him will We give a good life (hayaatan tayyibah) and to him will We reward with the best recognition of what they have worked for



The notion of righteous work (`amal salih) includes proper economic & financial activities based on Islamic precepts as a pre-condition to a good life (hayaatan tayyibah)



TECHNICAL ASPECTS

FINANCIAL PRODUCTS: AN OVERVIEW

Financial products are packaged solutions for customers' financial needs

Major categories

- Personal/Retail/Consumer Banking
- Corporate Banking
- Investment Banking
- Wealth management
- Treasury & capital market
- Structured finance
- Takaful or insurance

SALIENT ASPECTS OF PRODUCT DEVELOPMENT



Focus on customers & solutions



Product mix – normally reflective of FI's vision & strategies



Product-centric vs customer-centric



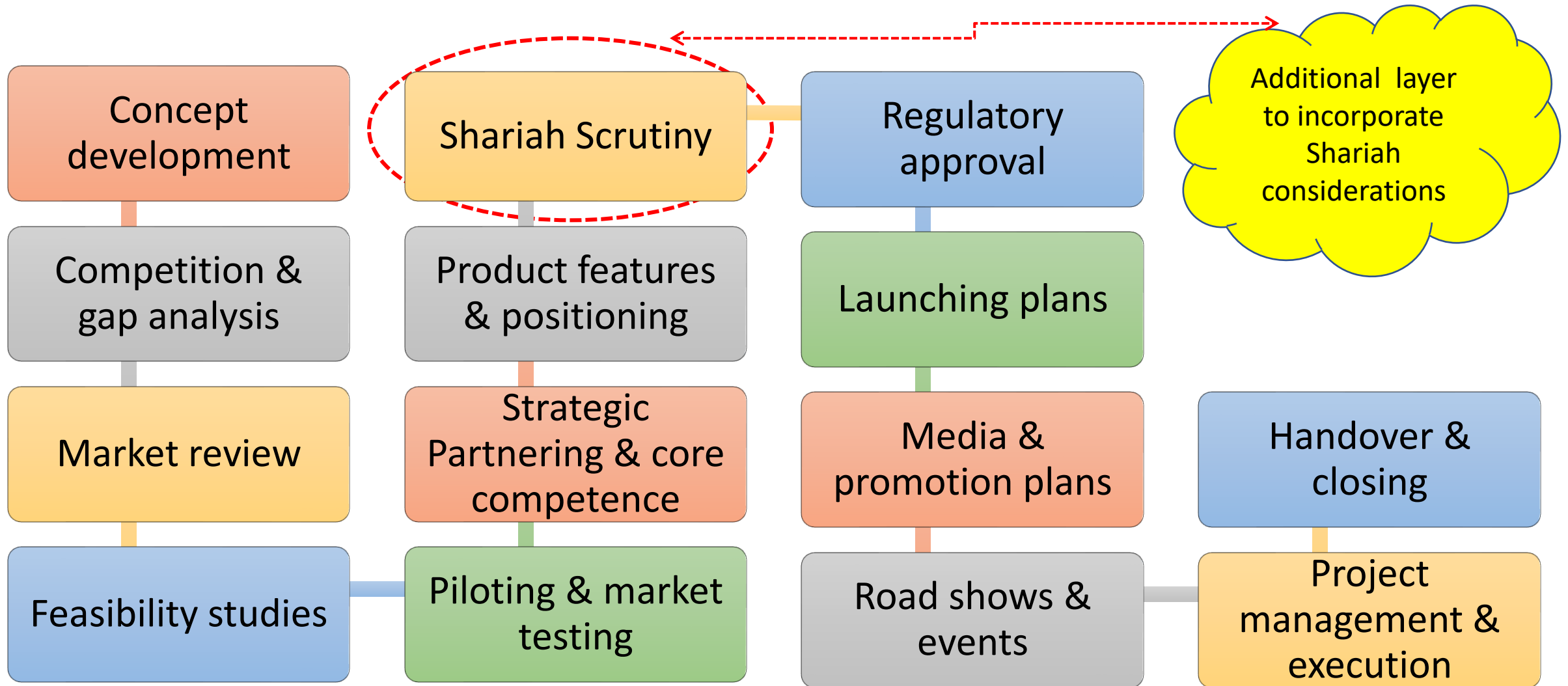
Building blocks or Menu on offer

THE MARKETING MIX

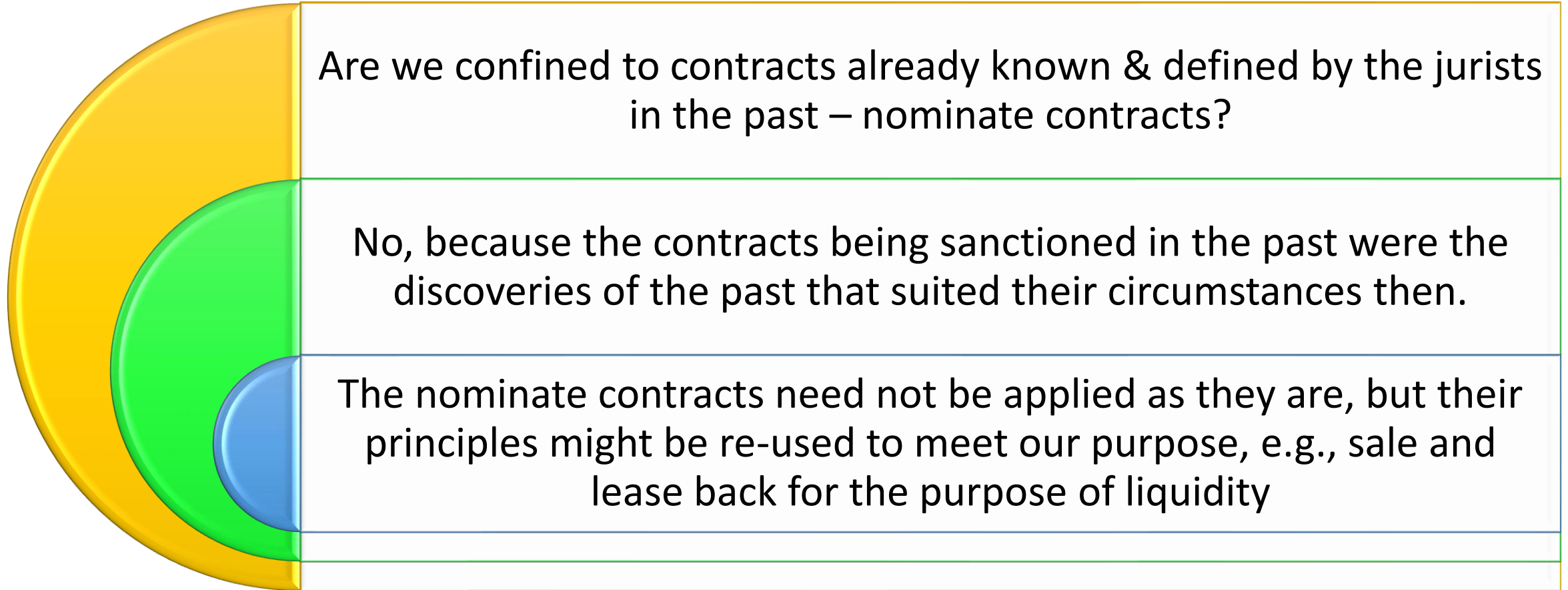


Catering to different market segments

ISLAMIC PRODUCT DEVELOPMENT PROCESS



NOMINATE CONTRACTS VIS-À-VIS INNOVATION



OPPORTUNITIES

Need for new contracts & formulation of new rulings in the absence of any precedents



Shari`ah framework accommodates innovations & product developments via the mechanism of ijtiḥad – dynamism of analogy & ratiocination – tool for innovation



Islamic theory of contract – principle of permissibility & freedom to contract

Potential to innovate new contracts not previously known

Provided: do not contradict any established principles of Islamic law

PRODUCT DEVELOPMENT: PROPHETIC EXAMPLES

Endorsement & Islamization

Endorse existing contracts

Eliminate unlawful elements eg. riba & gharar

Acknowledge the need & convenience of people

Examples: Ijarah, Mudarabah, Bay' al Salam

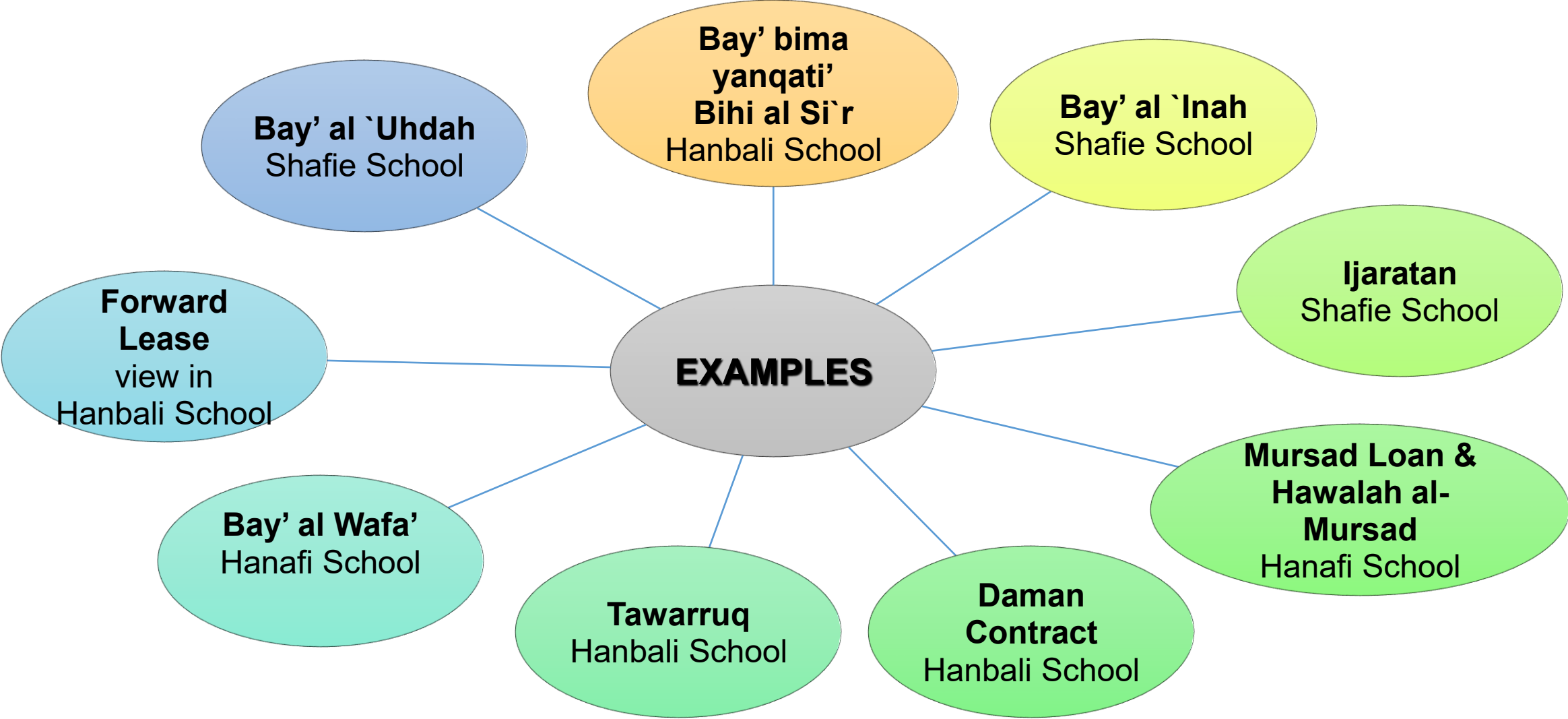
Introduction of New Contracts

Innovate new contracts to meet the needs of people

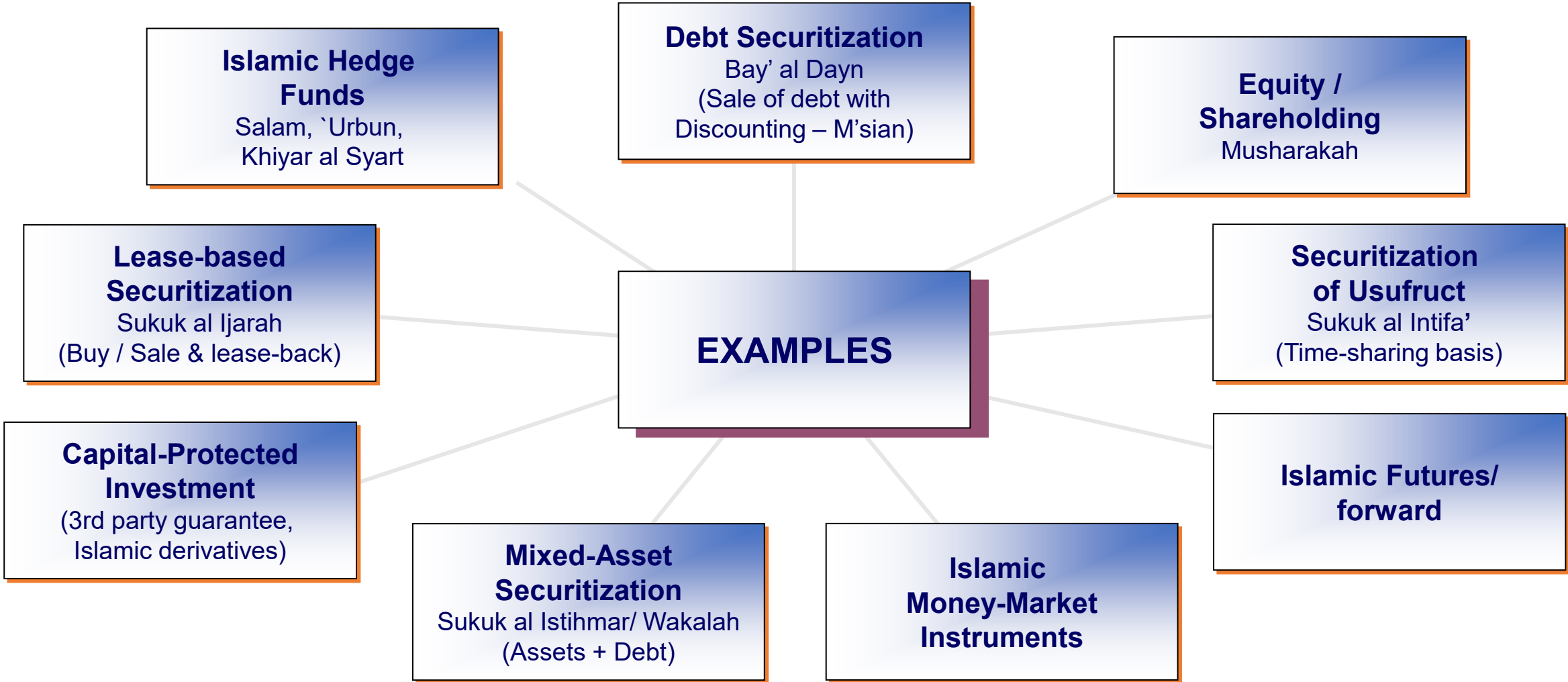
Give facilities & eliminate hardship & harm

Examples: Hiwalah, Ibra', Muqasah, Da' wa Ta'ajjal

PRODUCT DEVELOPMENT IN VARIOUS MADHHAB



PRODUCT DEVELOPMENT: MODERN EXAMPLES



OTHER EXAMPLES OF CONTEMPORARY PRODUCT DEVELOPMENT & ENHANCEMENT



Islamic hire purchase
(lease then sale)



Limited recourse
collateral in equity
financing



Islamic insurance



Security Deposit in
Islamic financing



Set-off clause



Early maturity of
installments upon
default



Late payment charges
(ta`wid/gharamah
clause)



Wadi`ah yad damanah
for Islamic deposit, etc.

PECULIAR TECHNIQUES OF IJTIHAD IN MU`AMALAT

Making analogy (ratiocination – ta`lil)
shareholding & musharakah

Tracing the contract to the principles:

Profit is associated with risk/liability

Loss bearing in musharakah vs priority in
capital return for PS

Introducing new contracts combining several lawful features

Bay' al-wafa' (jual janji)

Buy & lease back (sukuk al ijarah)

Islamization of conventional products by eliminating elements that are unlawful

stock selection criteria

forex

PS – preference shares

SHARI'AH CONSIDERATION IN PRODUCT DEVELOPMENT – CONTRACT CLASSIFICATION



Contract of exchange – sale (many different types)



Contract of usufruct – lease (operating, financial & forward)



Contract of security (rahn, kafalah & hiwalah)



Contract of safe custody – wadi'ah



Partnership contract – mudarabah & musharakah



Contract of gratuity – gift, will, waqaf, donation, etc



Multiple contract / hybrid



New contracts... must be free from any of the prohibitions

SHARI'AH CONSIDERATION IN PRODUCT DEVELOPMENT

Case Study 1 :

Forward Market
in Currency

Case Study II :

Charges for late
payment

Case Study III

Floating rate
financing

CHALLENGES & CONSTRAINTS

Legal &
Regulatory

Taxation

Accounting

Risk
management

Risk weightage

Risk appetite

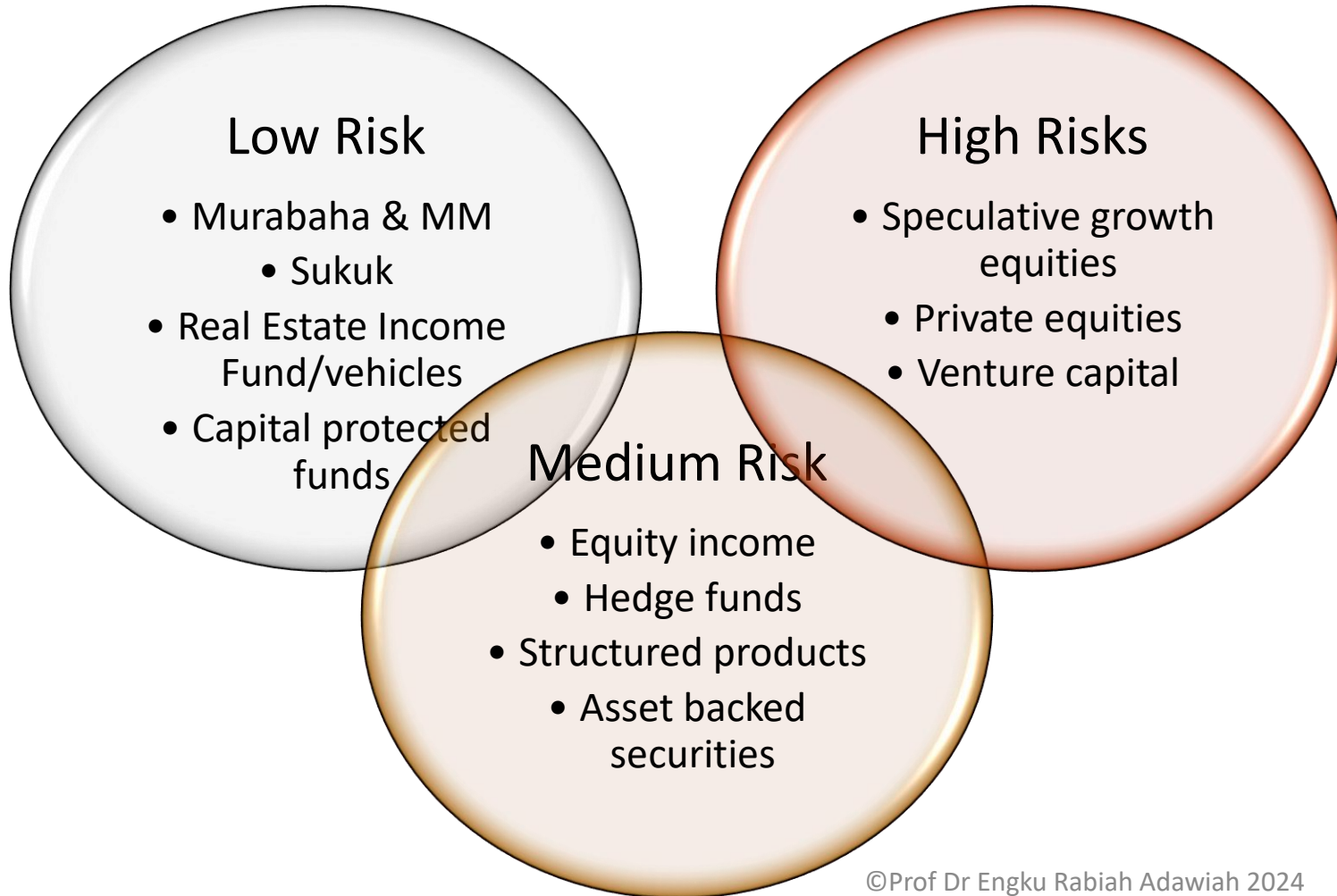
Rating

Market
condition

Human factor

CONSIDERATIONS IN PRODUCT DEVELOPMENT

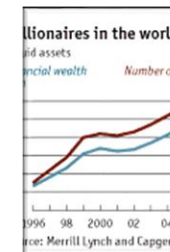
Risk return Matrix



Long-term vs short-term



Liquidity & secondary market



Segment targeted (Mass – HNW)

THE CONSEQUENCE...



Islamic instruments tend to concentrate on debt-related products



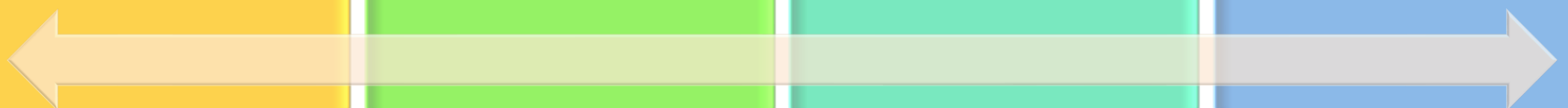
Equity-based products fail to take off



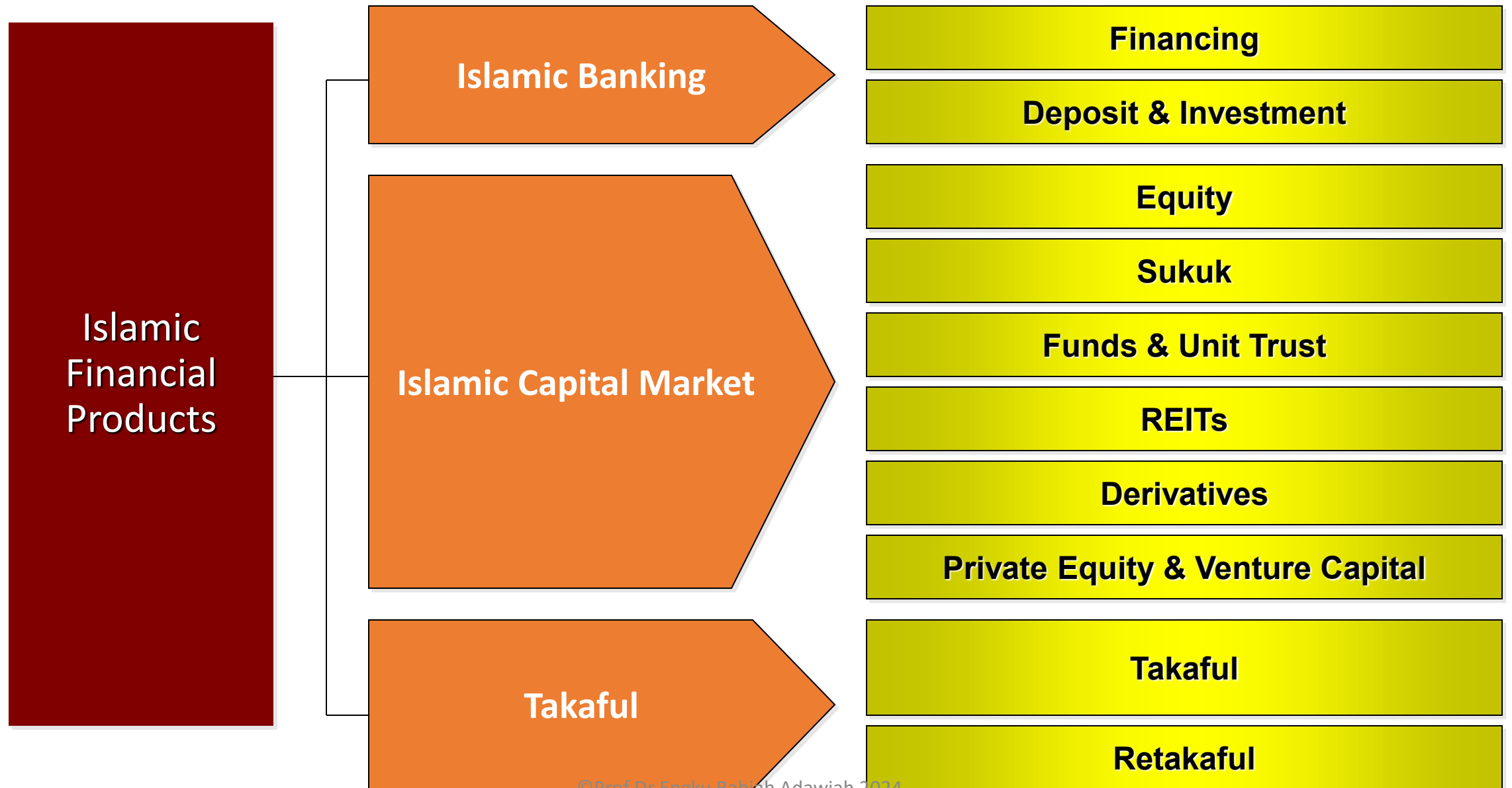
Depth & breadth of Islamic market – lagging behind the conventional counter-part



Lesser liquidity due to lack of secondary market



ISLAMIC FINANCE PRODUCTS: THE BIG PICTURE

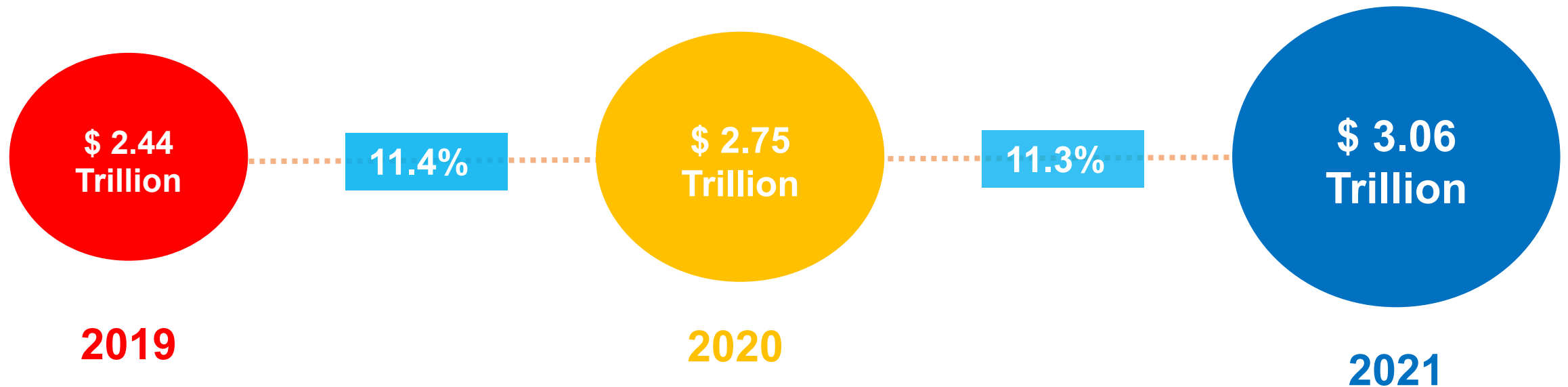




KEY UPDATES ON ISLAMIC FINANCIAL SERVICES INDUSTRY (IFSI)

GLOBAL IFSI ASSETS

- The global IFSI demonstrated resilience and sustained its growth momentum despite resurgence in the COVID-19 pandemic
- It grew 11.3% (y-o-y) with the IFSI's total worth estimated at USD 3.06 trillion in 2021



KEY HIGHLIGHTS ON IFSI (SECTORAL ANALYSIS)

SECTORAL ANALYSIS



Islamic Banking [^]

Growth (y-o-y): **11.1%**
Share of IFSI: **68.7%**



Islamic Capital Market ^{*}

Growth (y-o-y): **11.6%**
Share of IFSI: **30.5%**



Takāful ^{**}

Growth (y-o-y): **5.2%**
Share of IFSI: **0.8%**

[^] Islamic banking data as at end-4Q'21 as IFSB PSIFIs database.

^{*} Islamic capital market share comprises sukūk and Islamic funds assets as at end-2021.

^{**} Takāful as at end-2020 due to limited or non-availability of data as at the time of drafting the report.

KEY HIGHLIGHTS ON IFSI (REGIONAL ANALYSIS)



Islamic Finance Assets

GCC region (52.4%), South-East Asia region (23.5%), Middle East and South Asia region (17.4%), Africa region (2.1%), and "Others" (4.5%).



Systemically Important Jurisdictions

Islamic banking segment is systemically important in 15 IFSB jurisdictions



Islamic Banking Assets

94.0% of Islamic banking assets are concentrated in the top three key regions



Sukūk Outstanding

82.5% of *ṣukūk* outstanding in 2021 were in jurisdictions where Islamic banking is systemically important

Source: IFSB Islamic Financial Services Industry Stability Report 2022

BREAKDOWN OF GLOBAL IFSI ASSETS BY SECTOR & REGION (US\$b 2021)

Region	Islamic Banking Assets	<i>Sukūh</i> Outstanding	Islamic Funds Assets	<i>Takāful</i> Contributions	Total	Share (%)
Gulf Cooperation Council (GCC)	1,212.5	332.3	46.0	12.7	1,603.5	52.4
South-East Asia (SEA)	287.5	390.3	37.5	4.7	720.0	23.5
Middle East & South Asia (MESA)	477.1	26.9	22.0	5.6	531.6	17.4
Africa	58.2	1.8	4.0	0.6	64.6	2.1
Others	68.8	24.4	45.1	0.7	139.0	4.5
Total	2,104.1	775.7	154.6	24.3	3,058.7	100.0
Share (%)	68.7	25.4	5.1	0.8	100	

Source: IFSB Secretariat workings.

Notes:

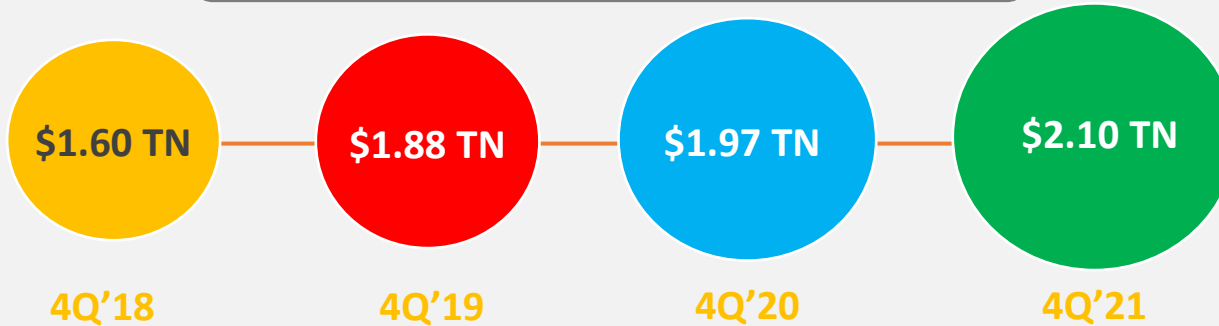
a) Data are mostly taken from primary sources (regulatory authorities' statistical databases, annual reports and financial stability reports, official press releases and speeches, etc.) and from the IFSB's Prudential and Structural Islamic Financial Indicators (PSIFIs) database; b) Where primary data are unavailable, third-party data providers have been used, including: Eikon-Refinitiv, Bloomberg, IMF database, etc.; c) *Takāful* contributions are used as a basis to reflect the growth in the *takāful* industry; d) The breakdown of Islamic funds' assets is by domicile of the funds, while that for outstanding is by domicile of the obligor; e) The regional classification is the same as that used in the previous IFSI stability reports. Other than the GCC and SEA regions, other jurisdictions in Asia are classified as Middle East and South Asia (MESA). The Africa region includes both North Africa and Sub-Saharan Africa. Jurisdictions not belonging to any of the four regions are classified as "Others", specifically countries located in Europe, North America, South America and the Commonwealth of Independent States (CIS).



ISLAMIC BANKING STATISTICS IN IFSI STABILITY REPORT 2022 & 2023

ISLAMIC BANKING GROWTH AND SIZE

GLOBAL ISLAMIC BANKING SIZE



- In USD terms, the compound annual growth rate (CAGR) for Islamic banking assets was 2.4% as at end-4Q'21.
- Financing and deposits of the global Islamic banking sector also recorded a CAGR of 4.4% and 3.7%, respectively, during the period under review

Source: IFSB Islamic Financial Services Industry Stability Report 2022

GLOBAL ISLAMIC BANKING GROWTH CAGR*

ASSETS



2.4%

FINANCING



4.4%

DEPOSITS



3.7%

Year-on-Year (4Q'21)

6.6%

8.1%

7.3%

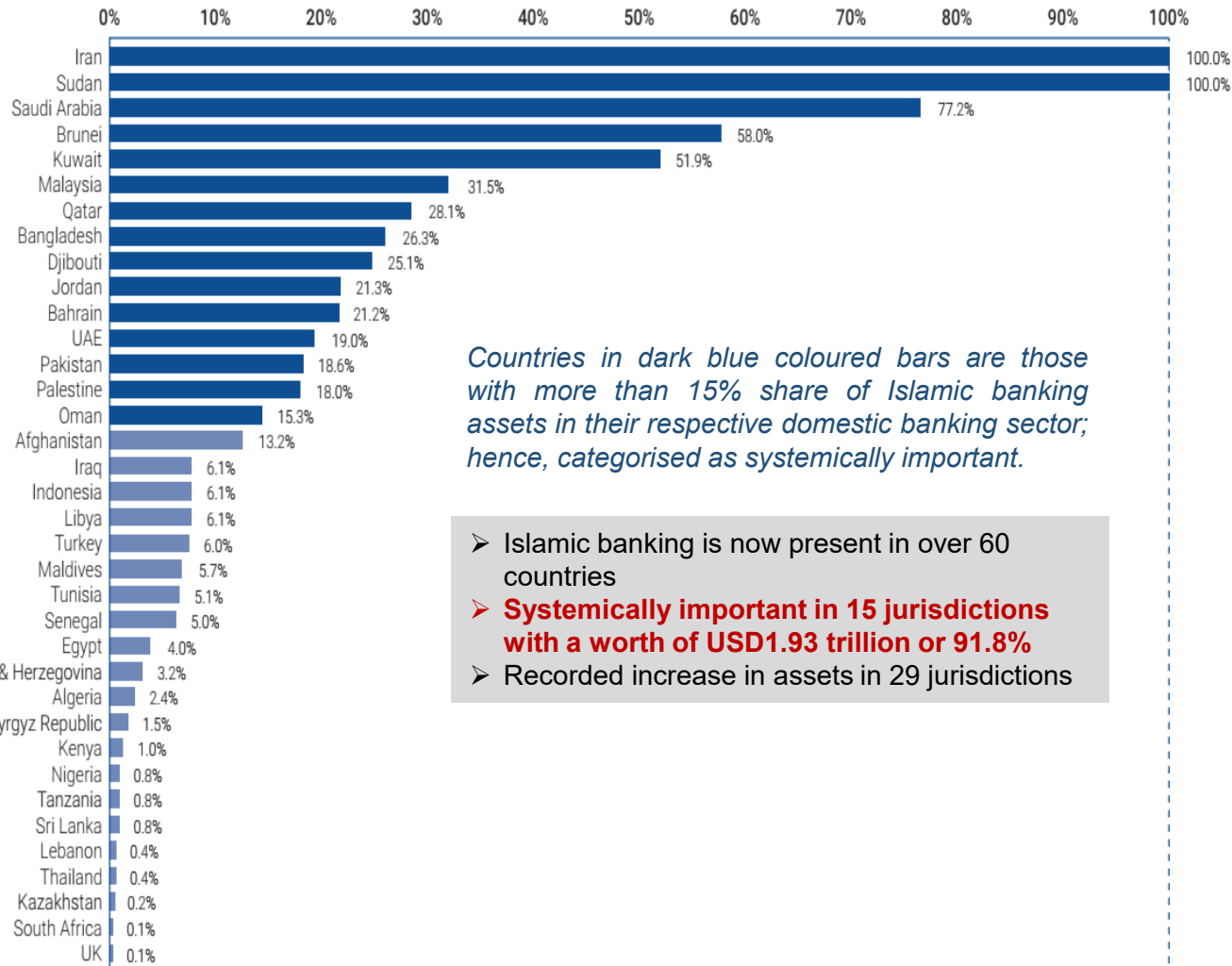
*Compound Annual Growth Rate (June 2014 – Dec 2021). Data used in calculating CAGR, as well as growth rates for assets, financing and deposits, were obtained from the IFSB PSIFIs, and include data from both Islamic banks and windows in Afghanistan, Bangladesh, Indonesia, Malaysia, Oman, Pakistan and Saudi Arabia, and (where available) from stand-alone Islamic banks in Bahrain, Brunei, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Nigeria, Palestine, Qatar, Sudan, Turkey, UAE and UK. Some Islamic banking jurisdictions such as Egypt, Iran, Kazakhstan and Lebanon were excluded due to data limitations.

GLOBAL MACROECONOMIC AND FINANCIAL MARKET DEVELOPMENTS



ISLAMIC BANKING ASSETS

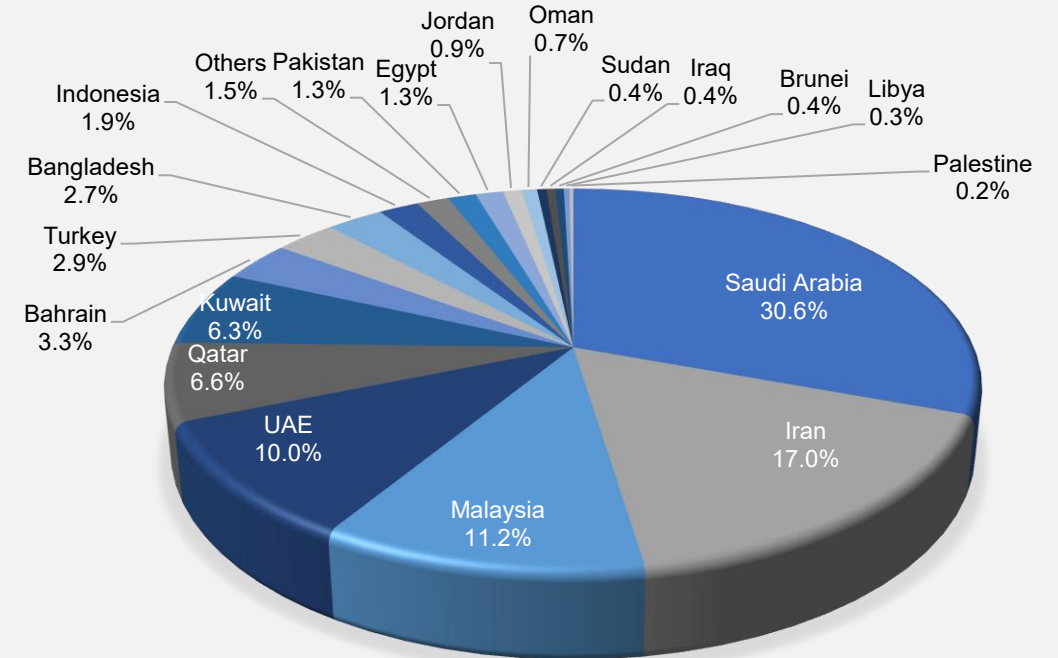
Islamic Banking Share in Total Banking Assets by Jurisdiction (3Q20)



Countries in dark blue coloured bars are those with more than 15% share of Islamic banking assets in their respective domestic banking sector; hence, categorised as systemically important.

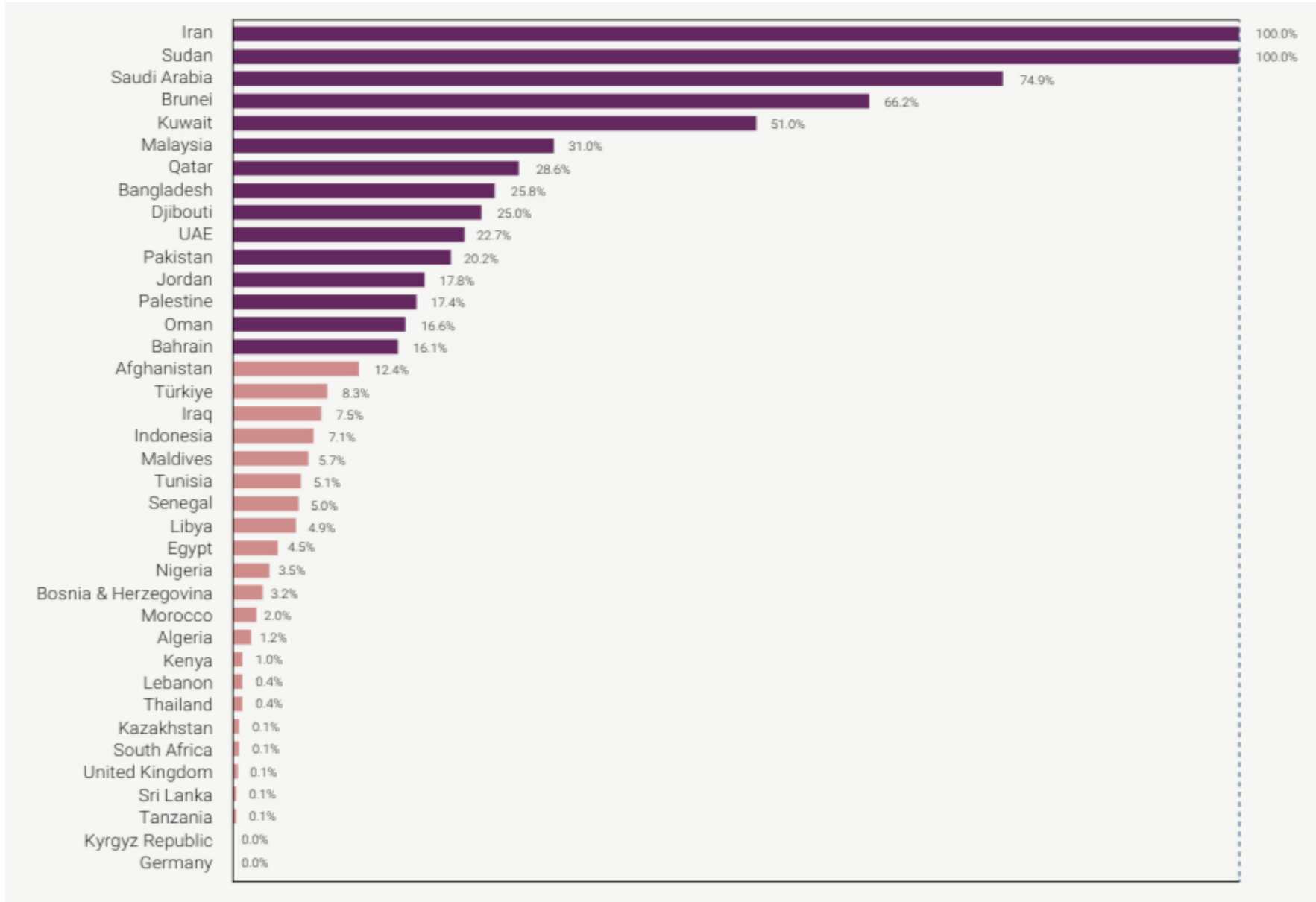
- Islamic banking is now present in over 60 countries
- **Systemically important in 15 jurisdictions with a worth of USD1.93 trillion or 91.8%**
- Recorded increase in assets in 29 jurisdictions

Shares of Global Islamic Banking Assets* (3Q20)



Top five jurisdictions based in share of global Islamic banking assets are: Saudi Arabia 30.6% (3Q20: 28.5%), Iran 17.0% (4Q20: 28.6%), Malaysia 11.2% (4Q20: 11.1%), UAE 10.0% (3Q20: 8.7%) and Qatar 6.6% (4Q20: 6.1%)

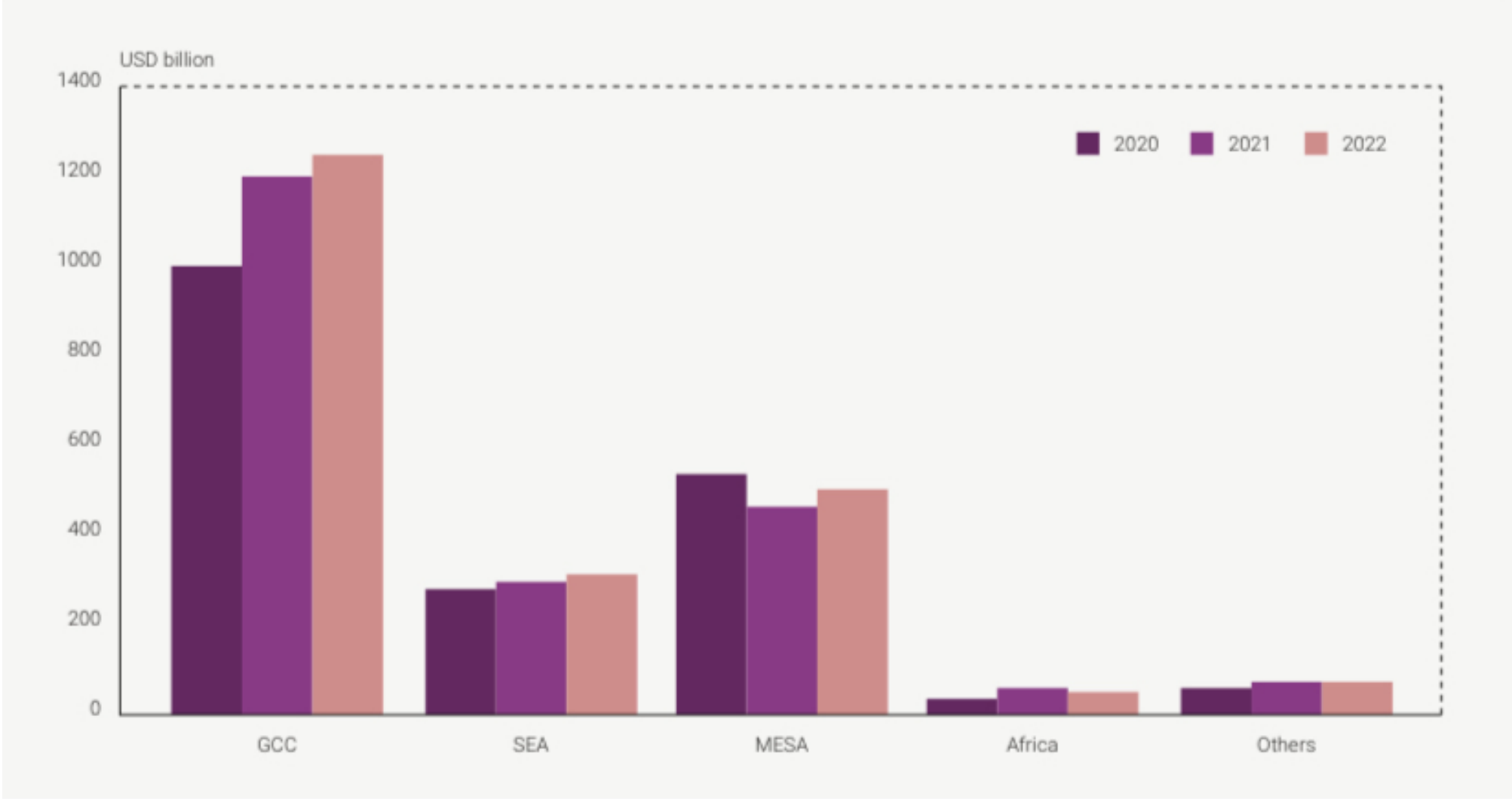
ISLAMIC BANKING ASSETS



Islamic Banking Share in Total Banking Assets by Jurisdiction (%) (2022)

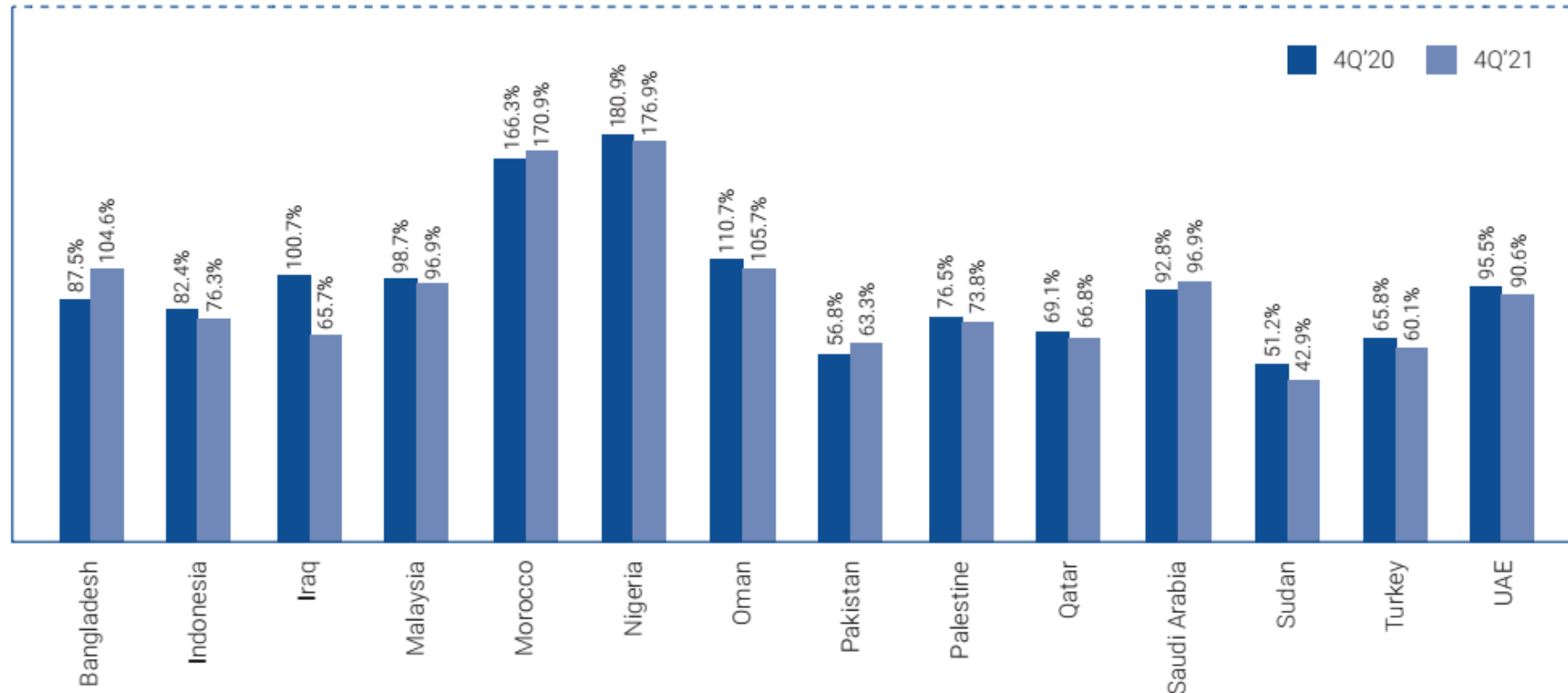
Notes: The countries shown by dark-coloured bars satisfy the criterion of having a more than 15% share of Islamic banking assets in their total domestic banking sector assets and, hence, are categorised as systemically important.

REGIONAL ISLAMIC BANKING ASSETS (USD BILLION) (2020–22)



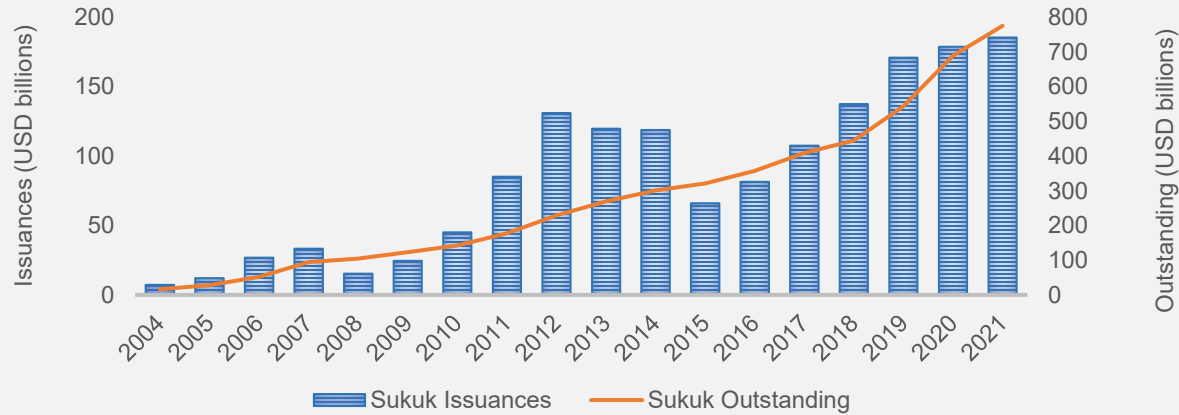
FINANCING TO DEPOSIT RATIO (FDR) BY COUNTRY (4Q20 – 4Q21)

- Generally, the liquidity position of the Islamic banking sector fluctuated but remained strong across various jurisdictions. This was due to the positive outcome of the various liquidity support measures adopted, reopening and recovery of the economy, increased public-sector deposits, and cash inflows from both households and businesses.



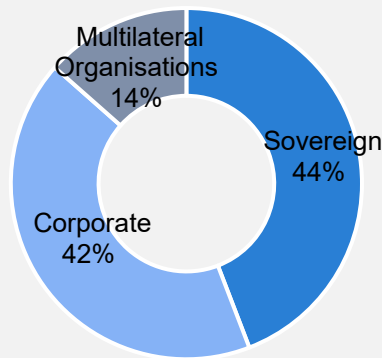
ISLAMIC CAPITAL MARKET: *SUKŪK*

Global *Ṣukūk* Issuances and *Ṣukūk* Outstanding Trends (2004–21)



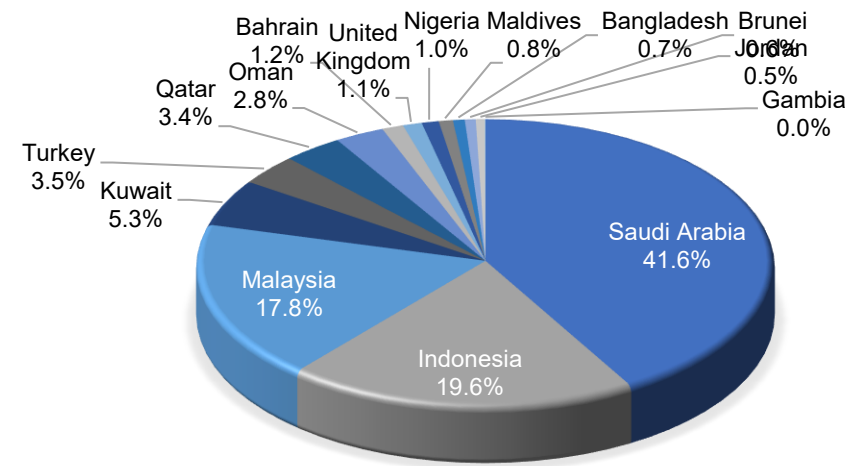
The *Ṣukūk* market continued a steady growth trajectory in 2021 despite unprecedented and wide-ranging impact of the pandemic. *CAGR of Ṣukūk issuances from 2004 to 2021 was 21%.*

Global *Ṣukūk* Issuances by Issuer Type (2021)

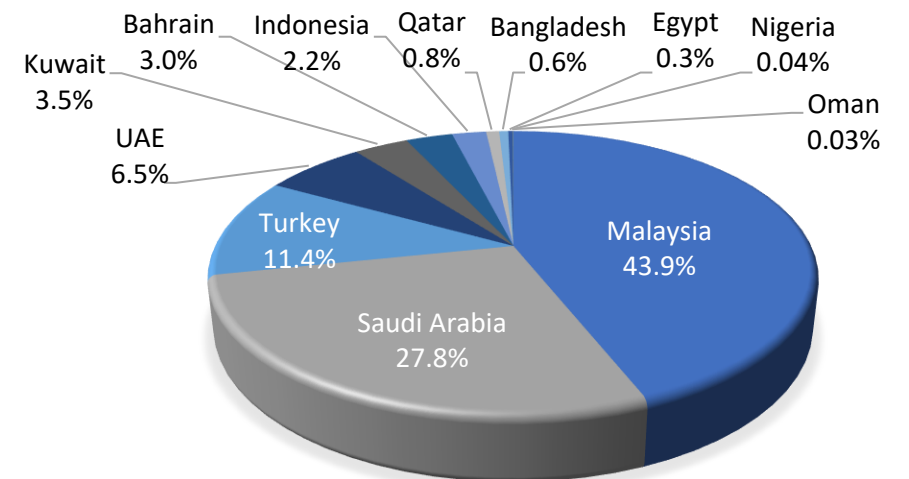


Sovereign issuances have consistently dominated the *ṣukūk* market, but saw a slight drop in 2021. Corporate issuances have seen growth momentum in recent years.

Total Sovereign *Ṣukūk* Issuances by Domicile (2021)

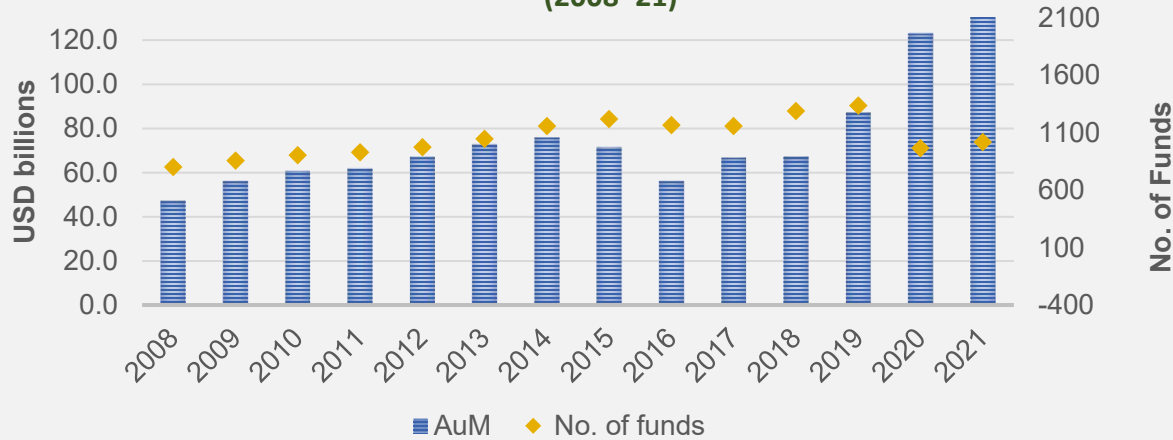


Total Corporate *Ṣukūk* Issuances by Sector (2021)



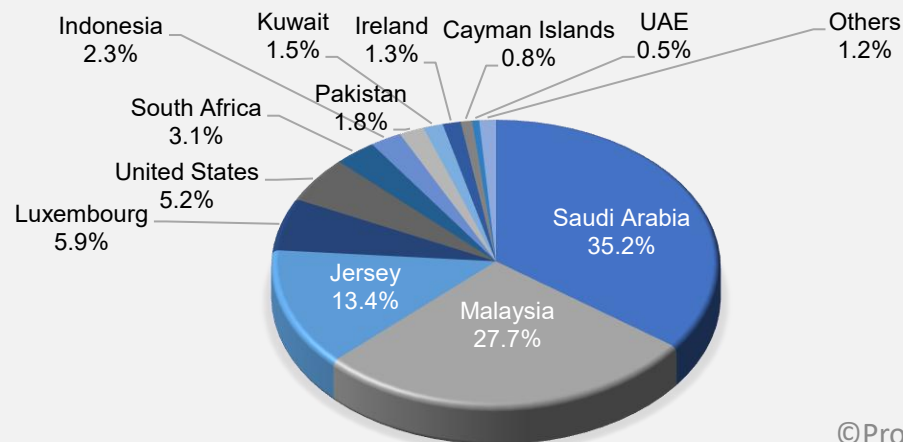
ISLAMIC ASSETS UNDER MANAGEMENT AND EQUITIES

Growth in Assets under Management and Number of Islamic Funds (2008–21)



The total assets under management of Islamic funds grew by 6%. Islamic funds have seen an overall higher growth rate compared to conventional funds

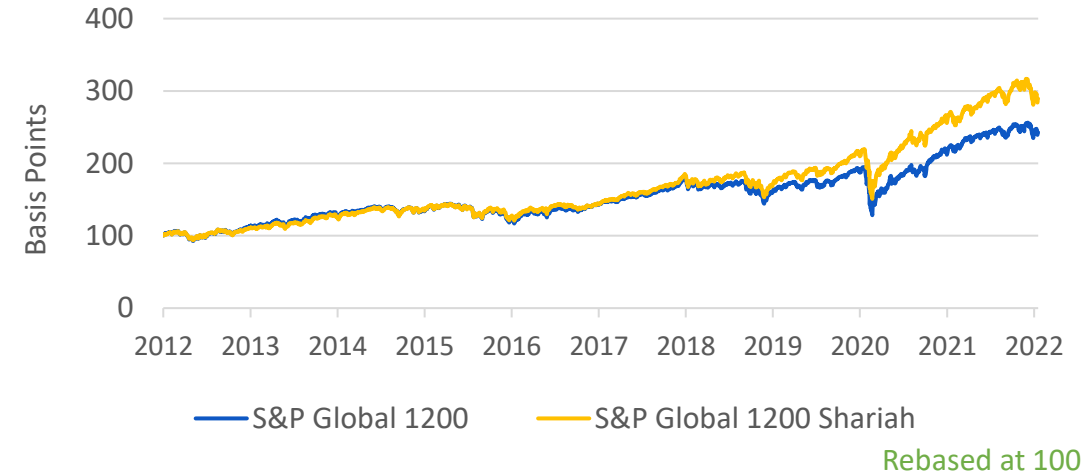
Islamic Fund Assets by Domicile (2021)



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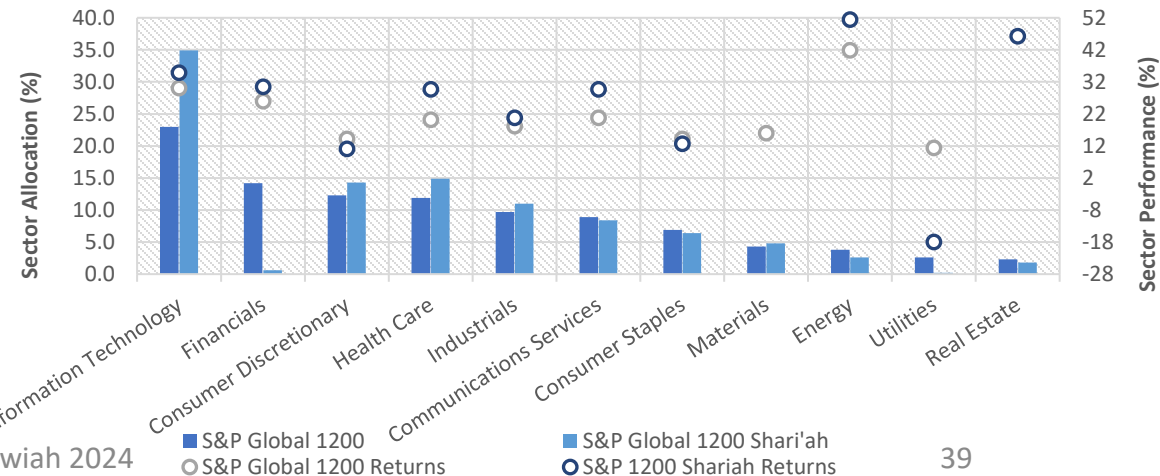
Source: IFSB Islamic Financial Services Industry Stability Report 2022

Ten-Year Historical Performance (2012-Feb 2022)



Global equity markets rebounded strongly from pandemic lows

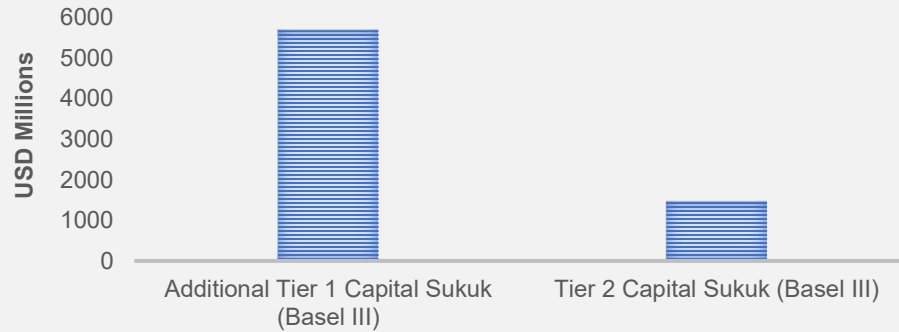
Sector Allocation and Sector Performance (2021)



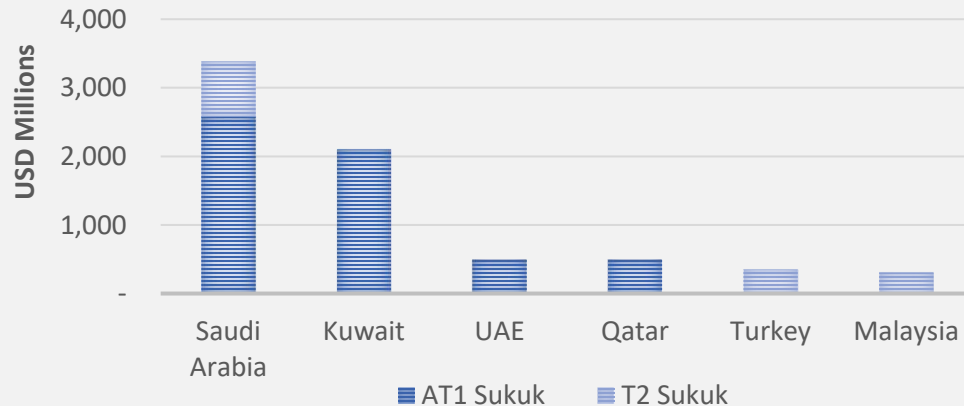
OTHER ŞUKŪK TRENDS

Out of the financial sector issuers, around 14% are Basel III regulatory capital *şukūk* issuances by Islamic banks, of which, 91% were issued from the GCC region

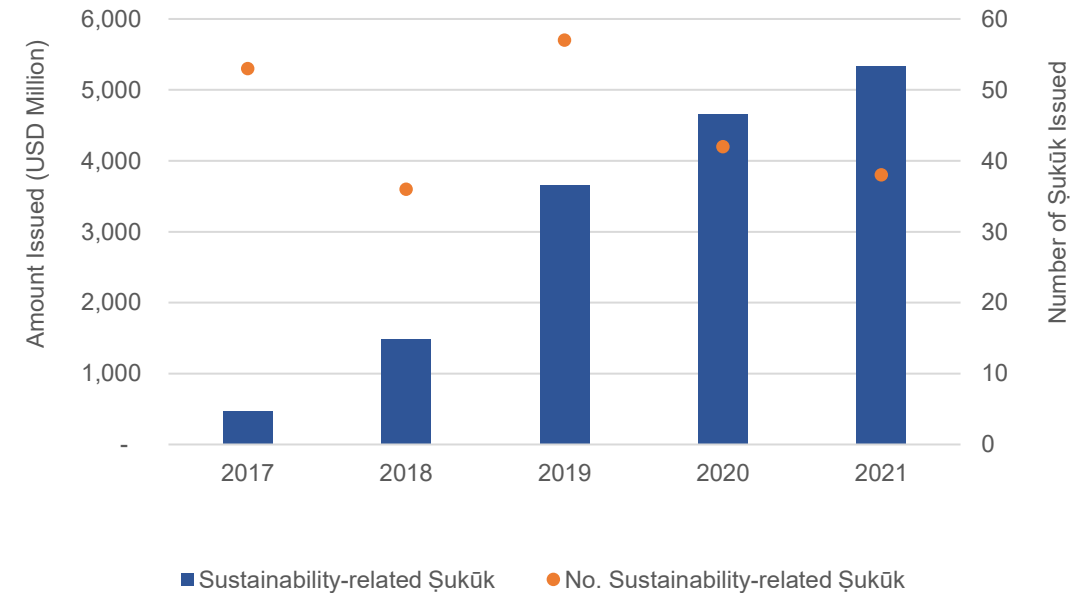
Basel III Şukūk Issuances (2021)



Basel III Şukūk Issuances by Country (2021)



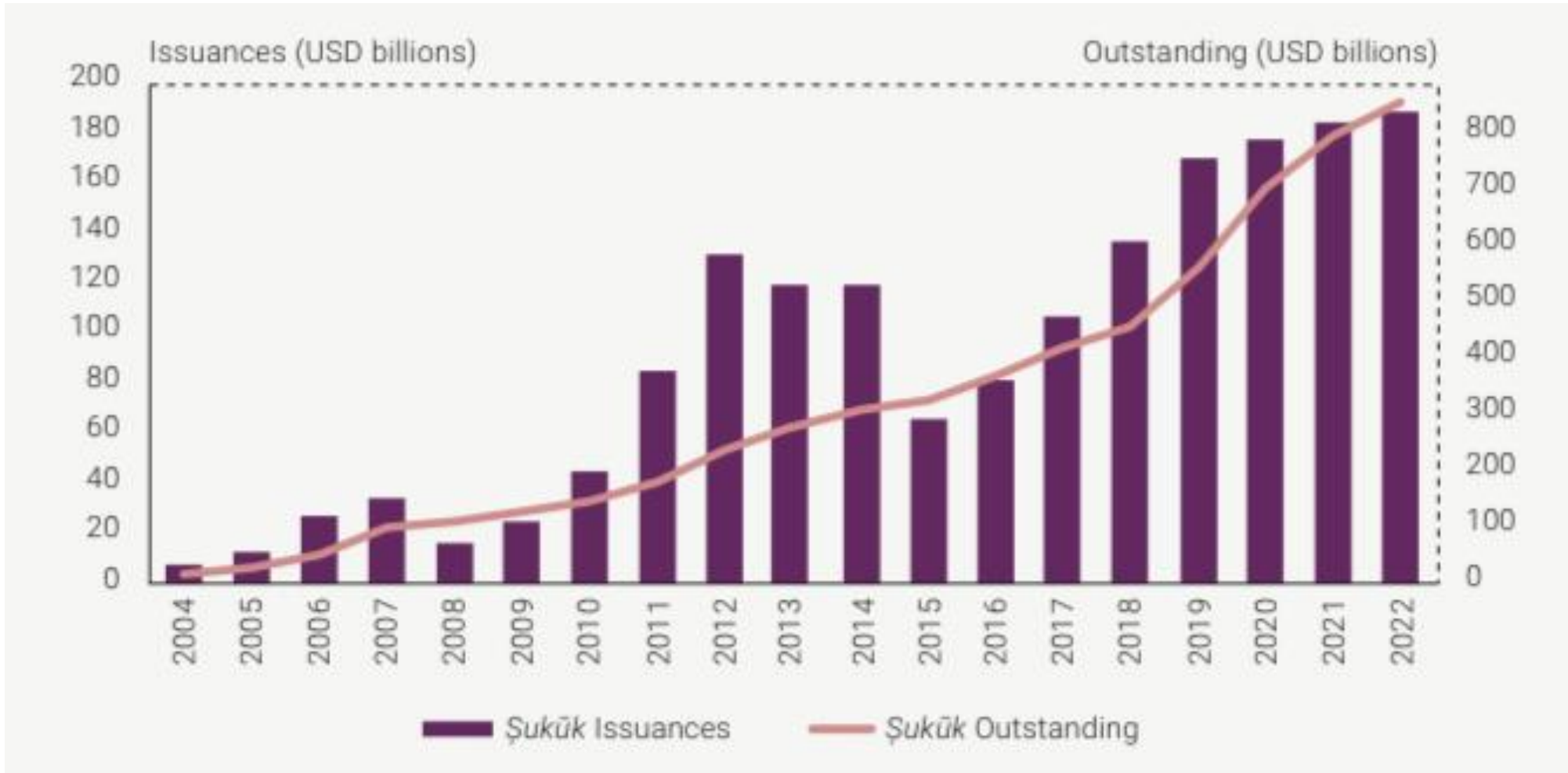
Sustainability-related Şukūk Issuances (2017–21)



Sustainability-related *şukūk* issuances have continued to grow in both existing and new markets. Sustainability-related *şukūk* amounted to USD 5.3 billion, of which, USD 1.6 billion or 29% were green *şukūk*.

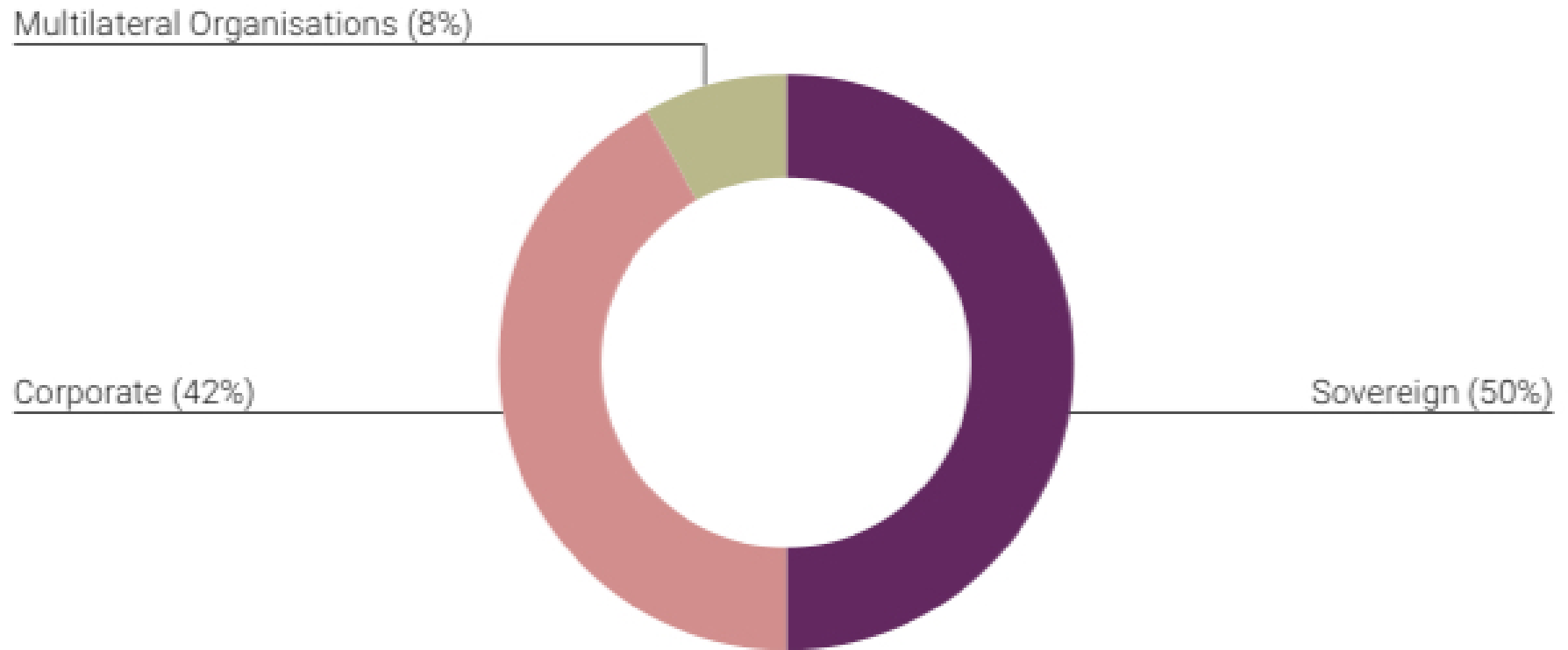
Source: IFSB Islamic Financial Services Industry Stability Report 2022

GLOBAL ŞUKŪK ISSUANCES AND ŞUKŪK OUTSTANDING TRENDS (2004–22) USD BILLIONS

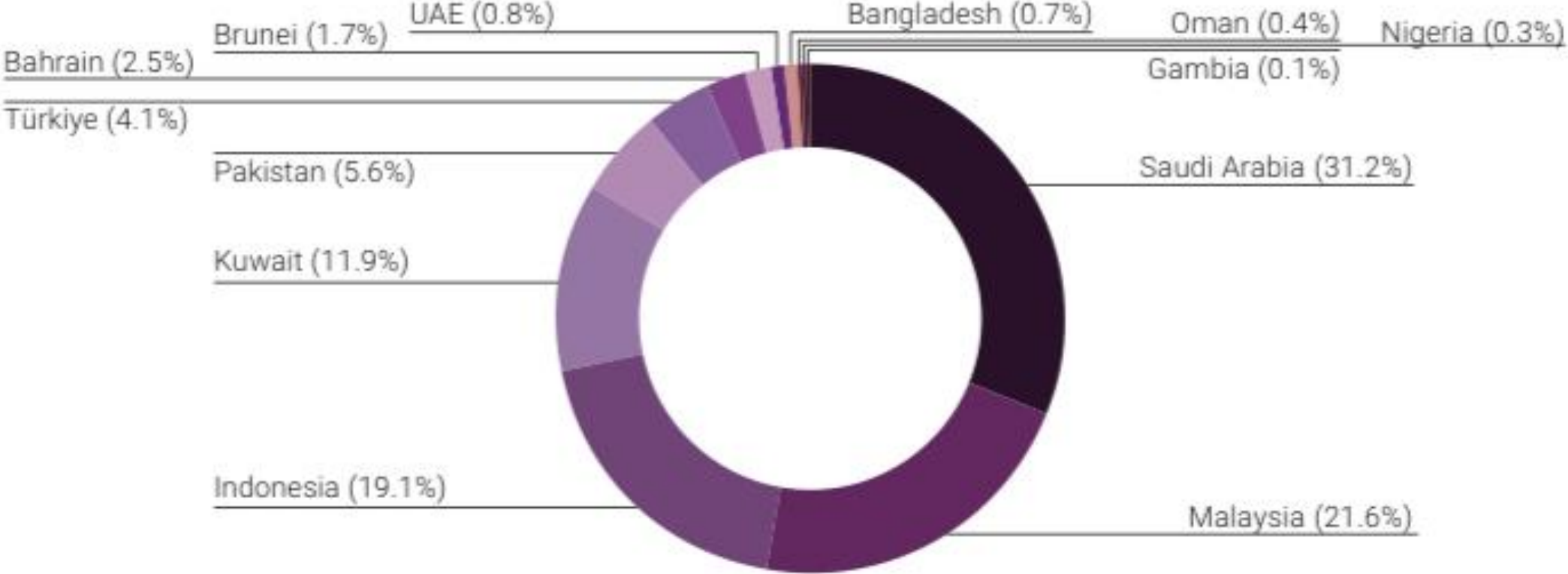


The şukūk market slowed down further in 2022, although still maintaining the consecutive upward growth trajectory observed since 2015

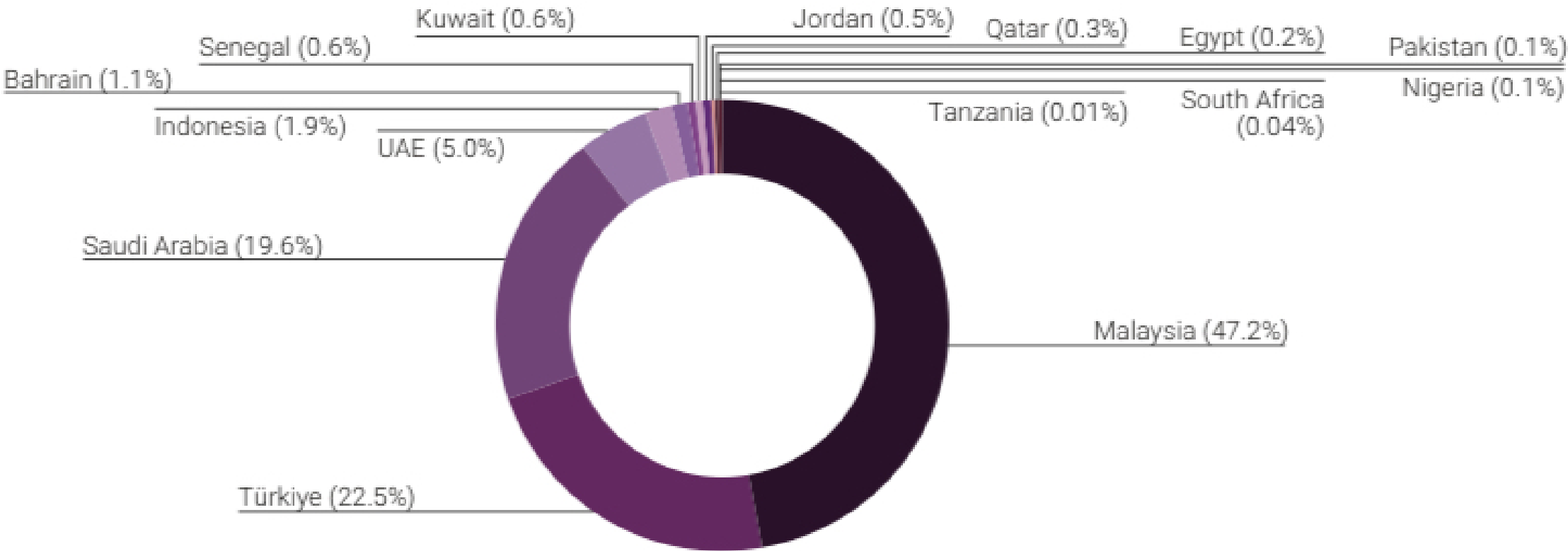
ŞUKŪK ISSUANCES BY ISSUER TYPE (2022)



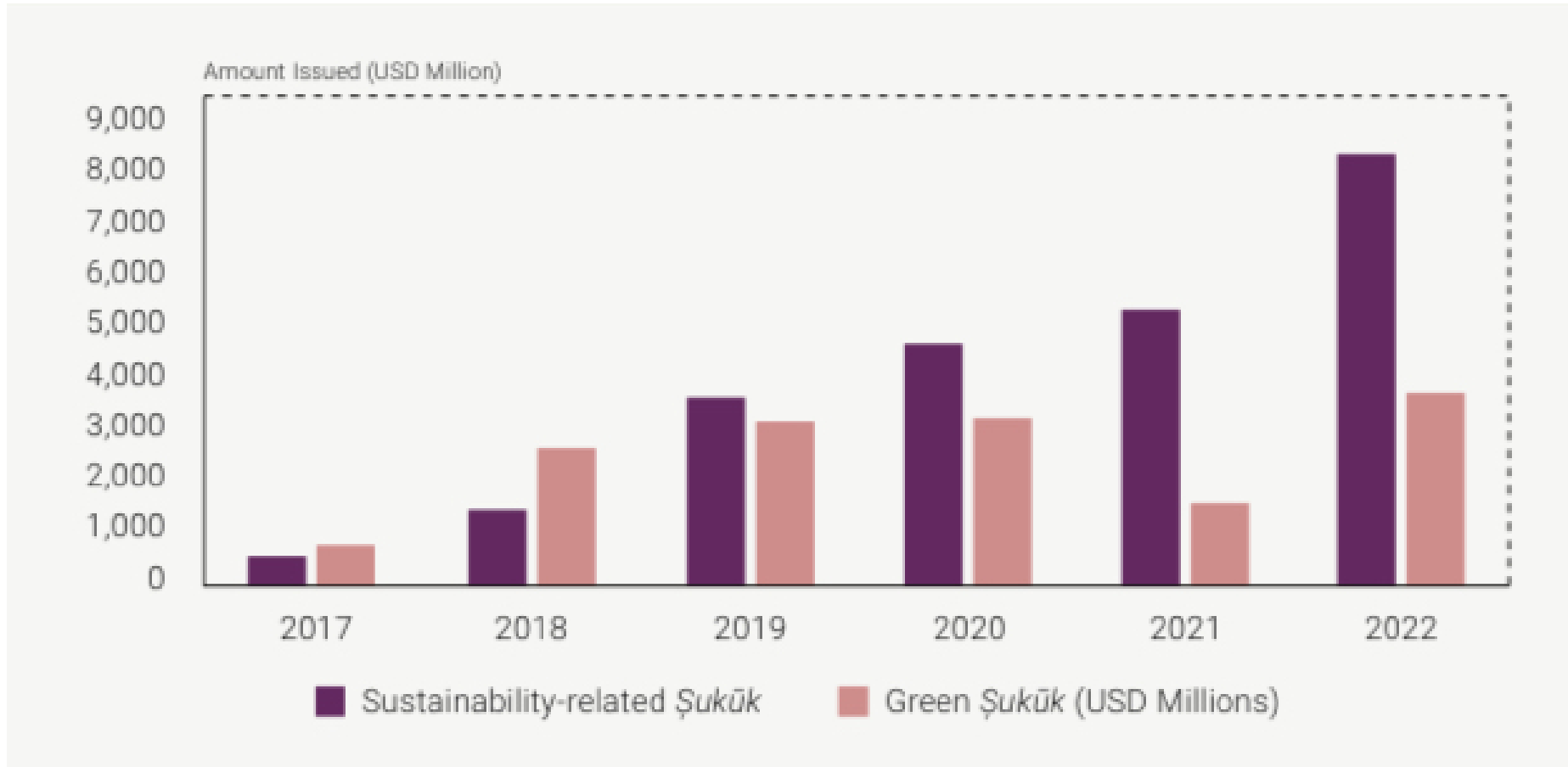
SOVEREIGN ŞUKŪK ISSUANCES BY JURISDICTION OF THE ORIGINATOR (2022)



CORPORATE ŞUKŪK ISSUANCES BY JURISDICTION OF THE ORIGINATOR (2022)

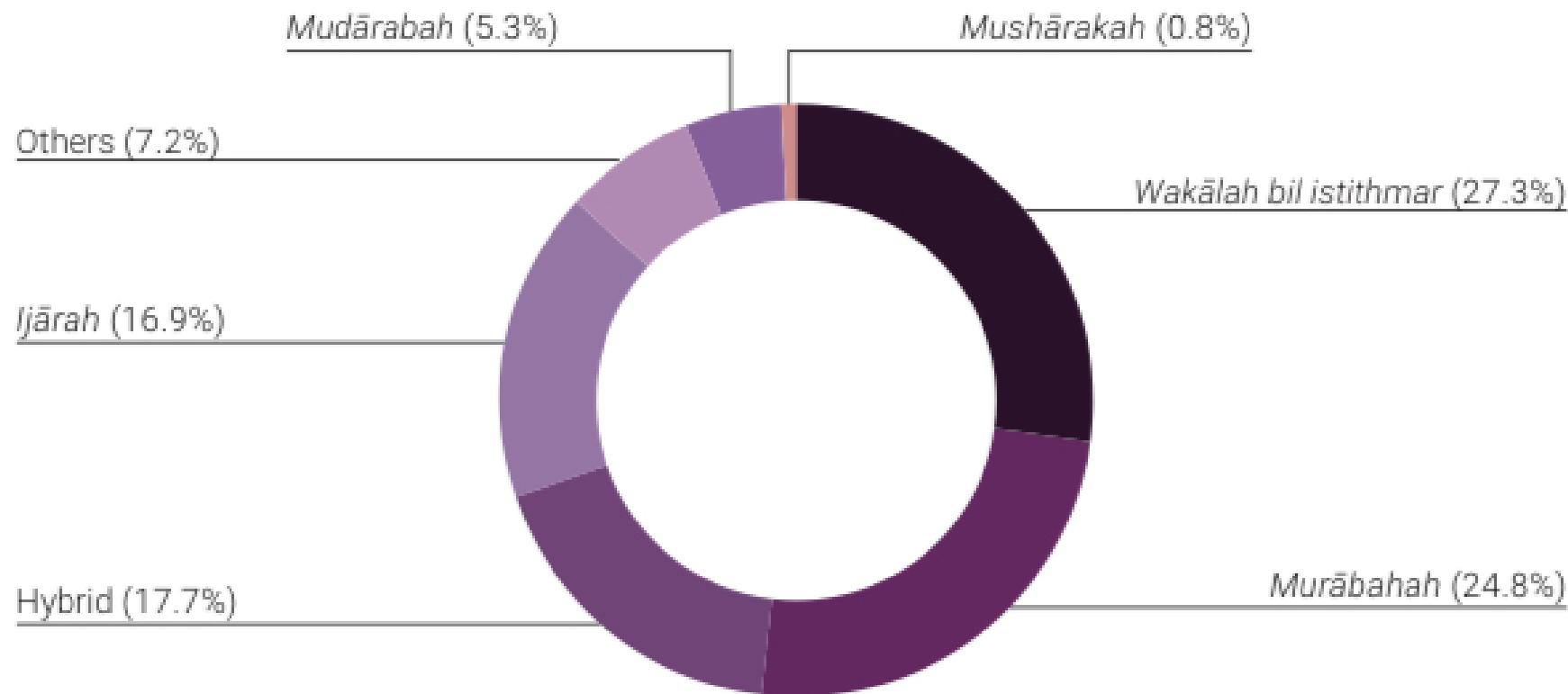


SUSTAINABILITY-RELATED AND GREEN ŞUKŪK ISSUANCES (2017–22)



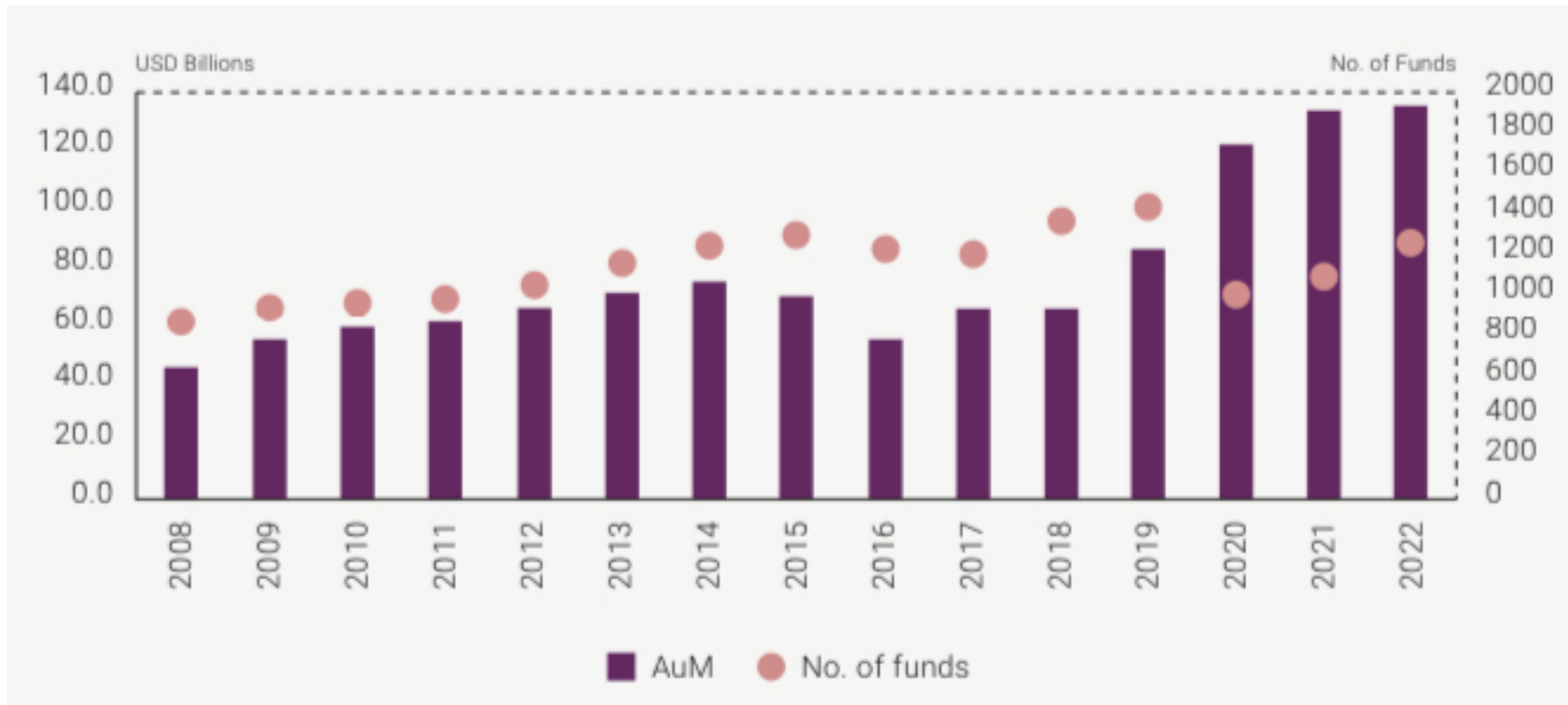
Sustainability-related şukūk issuances increased in 2022, amounting to a total of USD 8.4 billion, of which USD 3.7 billion or 68% were green şukūk. Again, bucking the trend, green şukūk issuances saw an increase in total volume compared to 2021, whereas green bond issuances saw a 19% decrease from 2021 levels.

ŞUKŪK ISSUANCE BY STRUCTURE (2022)



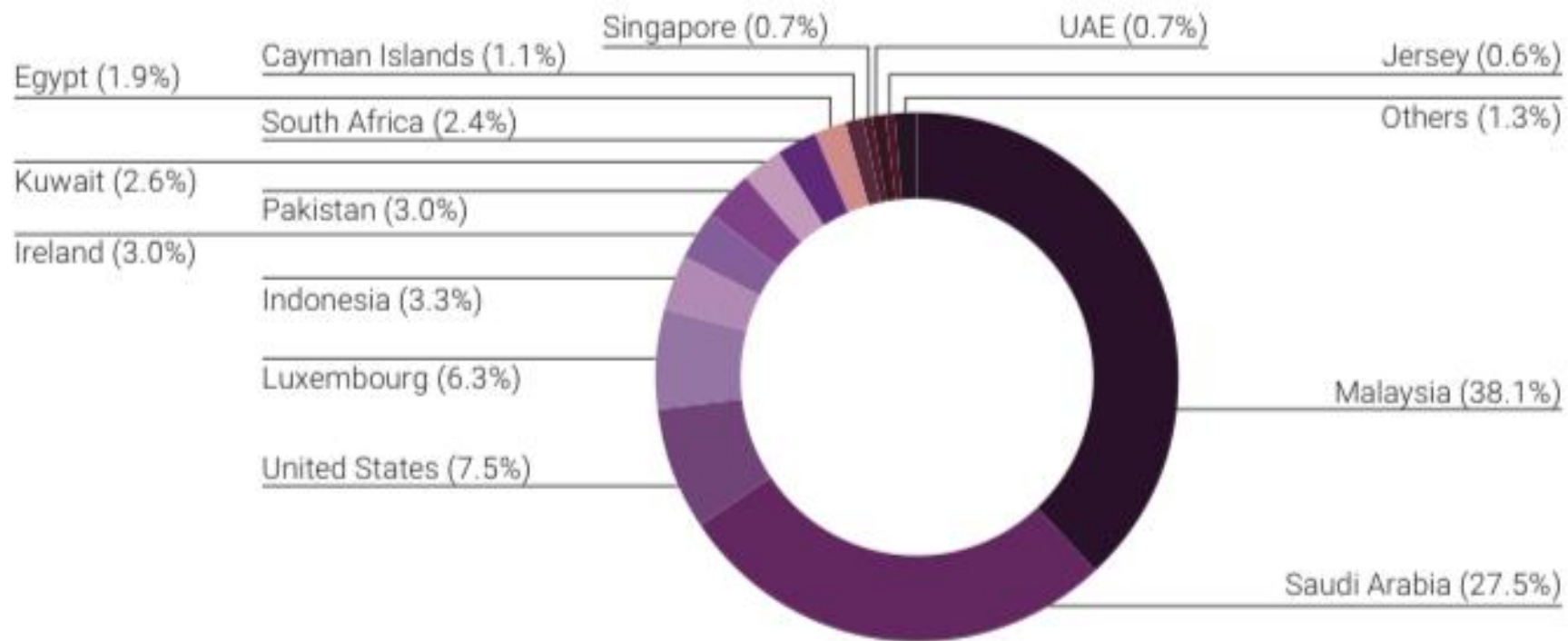
The types of Sharī'ah-compliant contracts remain largely dominated by debt-based contract types rather than equity-based contracts, the latter comprising about 6% of total issuances

GROWTH IN ASSETS UNDER MANAGEMENT AND NUMBER OF ISLAMIC FUNDS (2008–22)



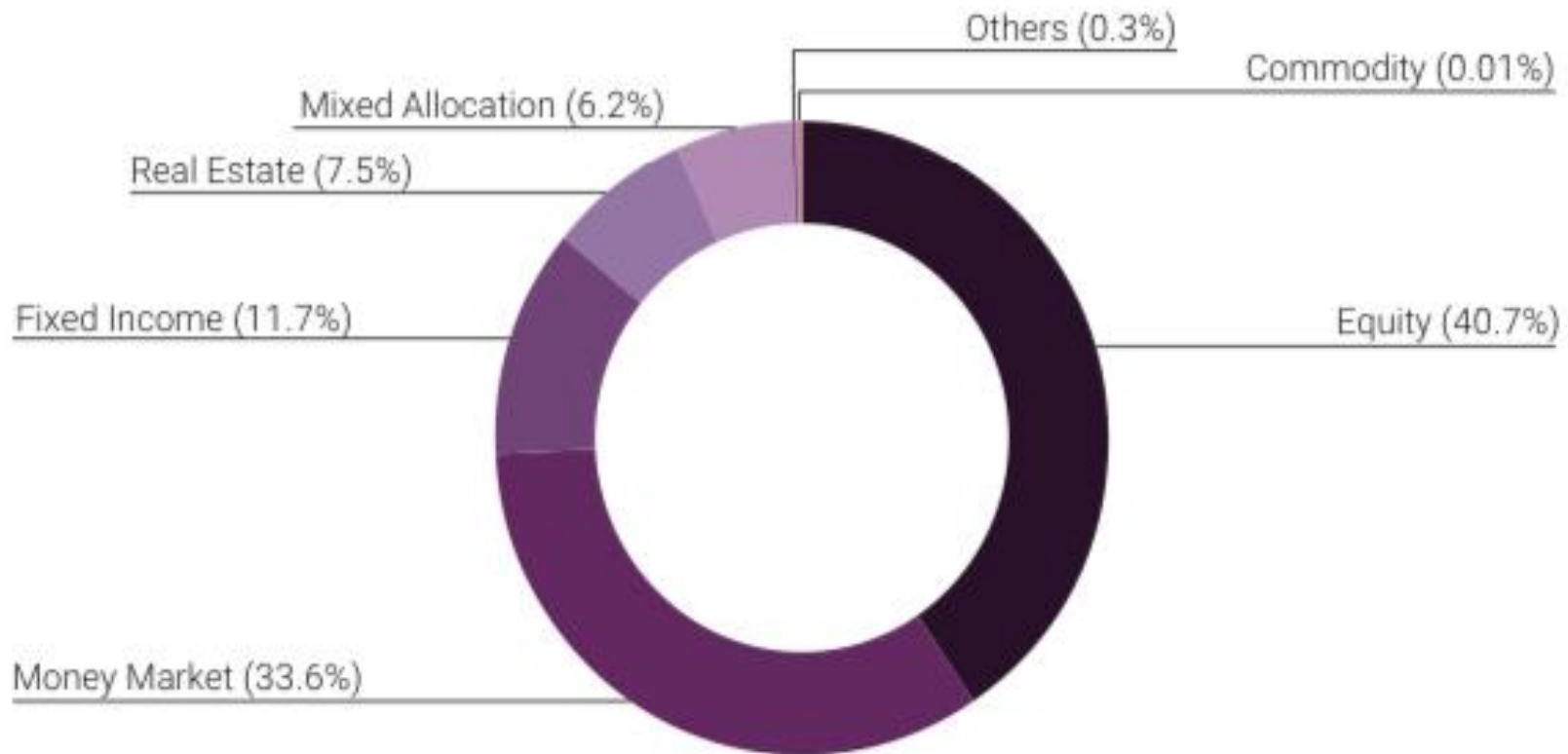
Growth of assets under management slowed down even further, with only 1% y-o-y growth in total assets under management in 2022 (2021: 6%). In terms of the scale of funds, some contraction in the size of funds was observed. Islamic funds holding total net assets of over USD 1 billion comprised 1% of funds, which accounted for 18% of total AUM in 2022 (2021: 0.1% of funds accounted for 38% of AUM).

ISLAMIC FUND ASSETS BY DOMICILE (2022)



Malaysia and Saudi Arabia remain the largest Islamic fund domiciles globally, Malaysia overtook Saudi Arabia in 2022 as the domicile with the largest market share of Islamic assets under management (2021: Saudi Arabia - 35.2%; Malaysia - 27.7%)

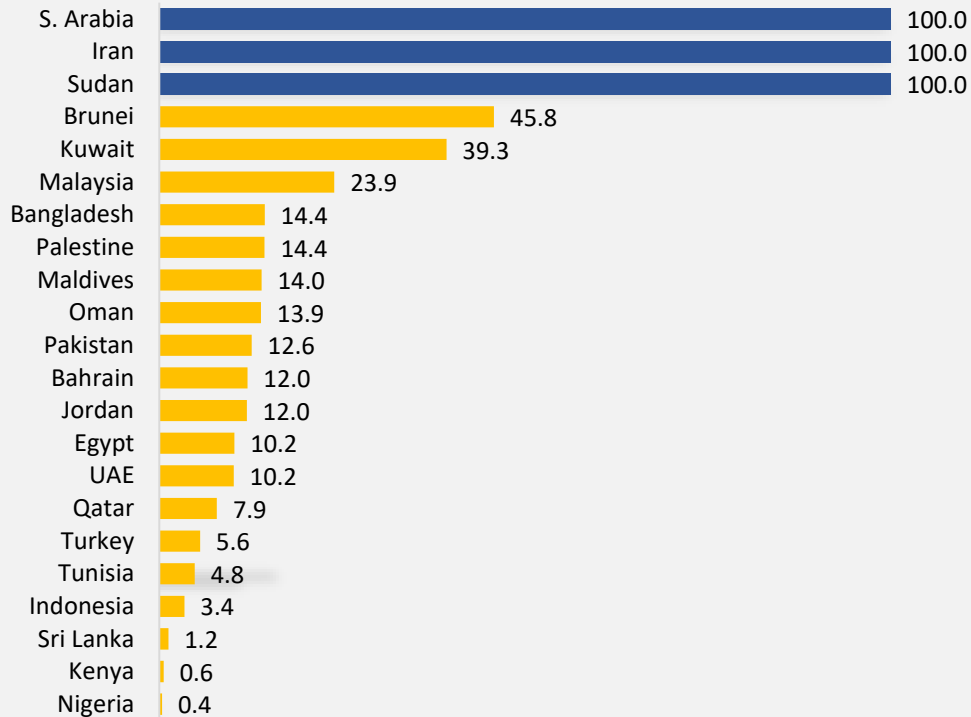
ISLAMIC FUND ASSETS BY ASSET CLASS (2022)



Equity and Money Market funds made up the largest proportion of Islamic fund types, with equity funds being the largest and the most prevalent, domiciled across 26 out of the 29 domiciles that have Islamic AUM. Money market funds (MMFs) were the second largest Islamic fund type but were domiciled in only five jurisdictions - Saudi Arabia, Malaysia, Pakistan, Indonesia, and Egypt

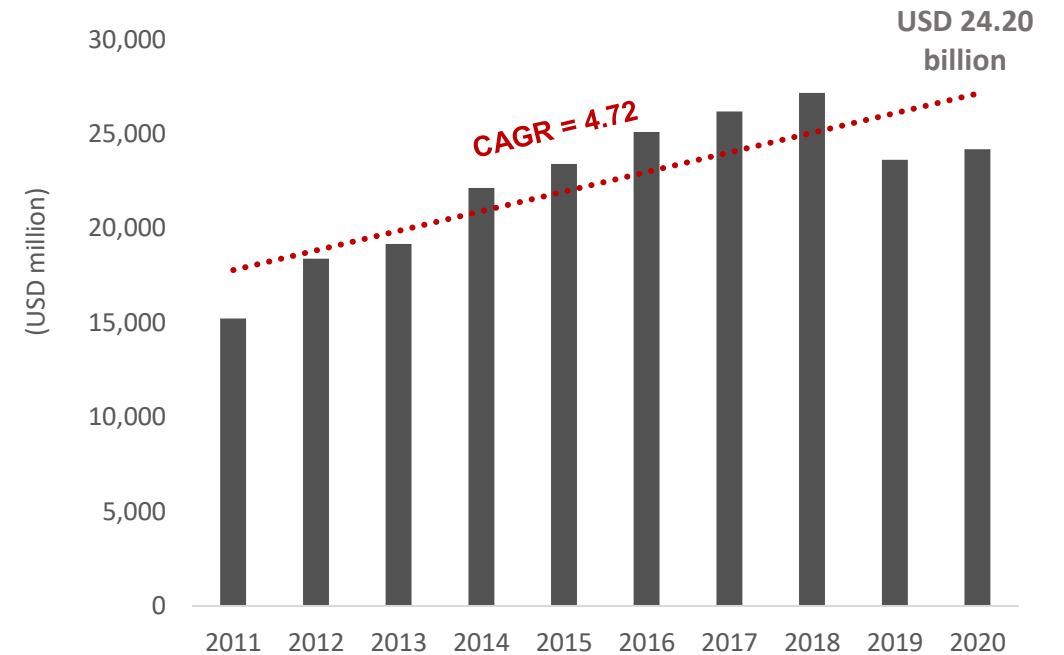
KEY HIGHLIGHTS – TAKĀFUL SEGMENT

Share of Takāful Sector's Business Relative to Insurance Sector in (%) (2020)



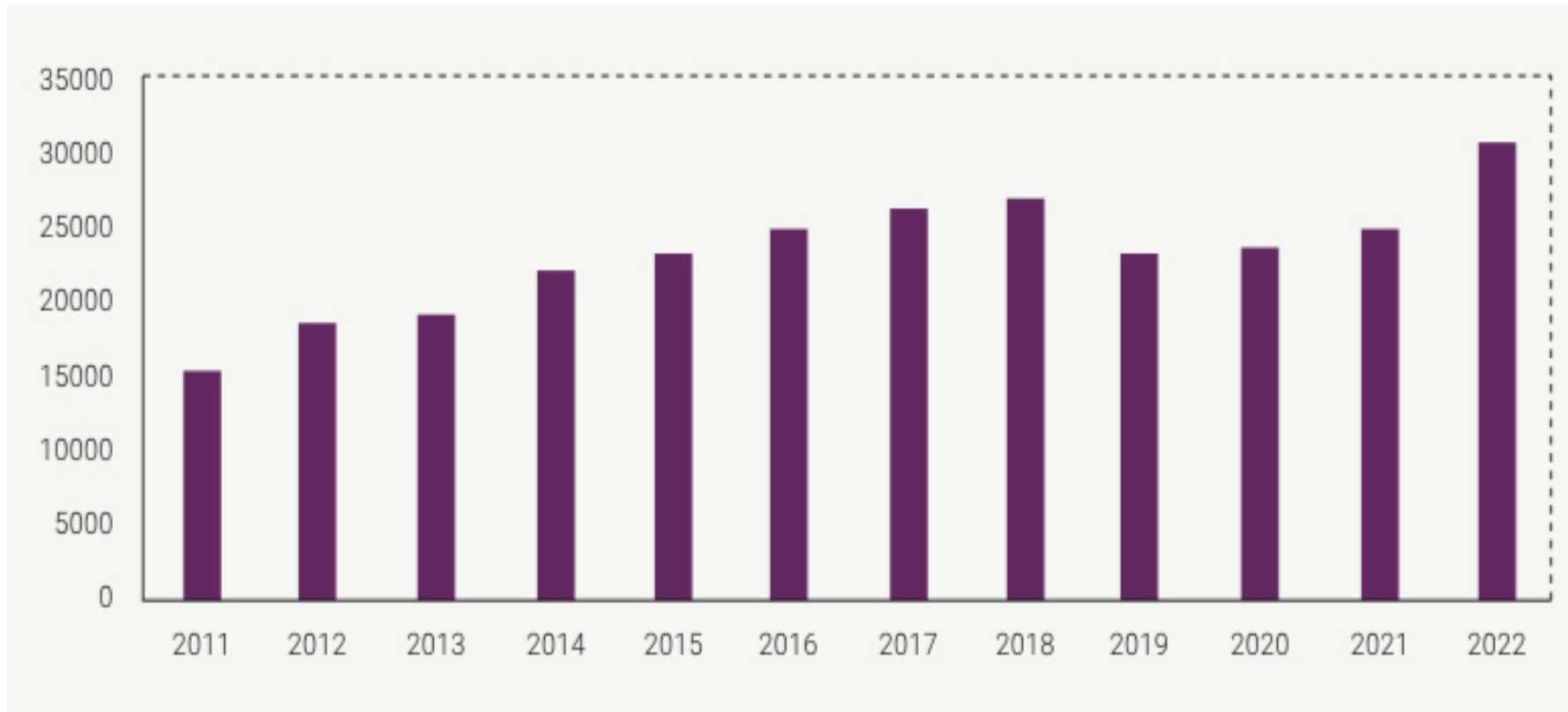
While COVID-19 posed considerable threats to the *takāful* sector's efficiency and stability in 2020, it has shown flexibility and resilience in facing the pandemic.

Trend of Global *Takāful* Contributions (USD million) (2011 – 20)



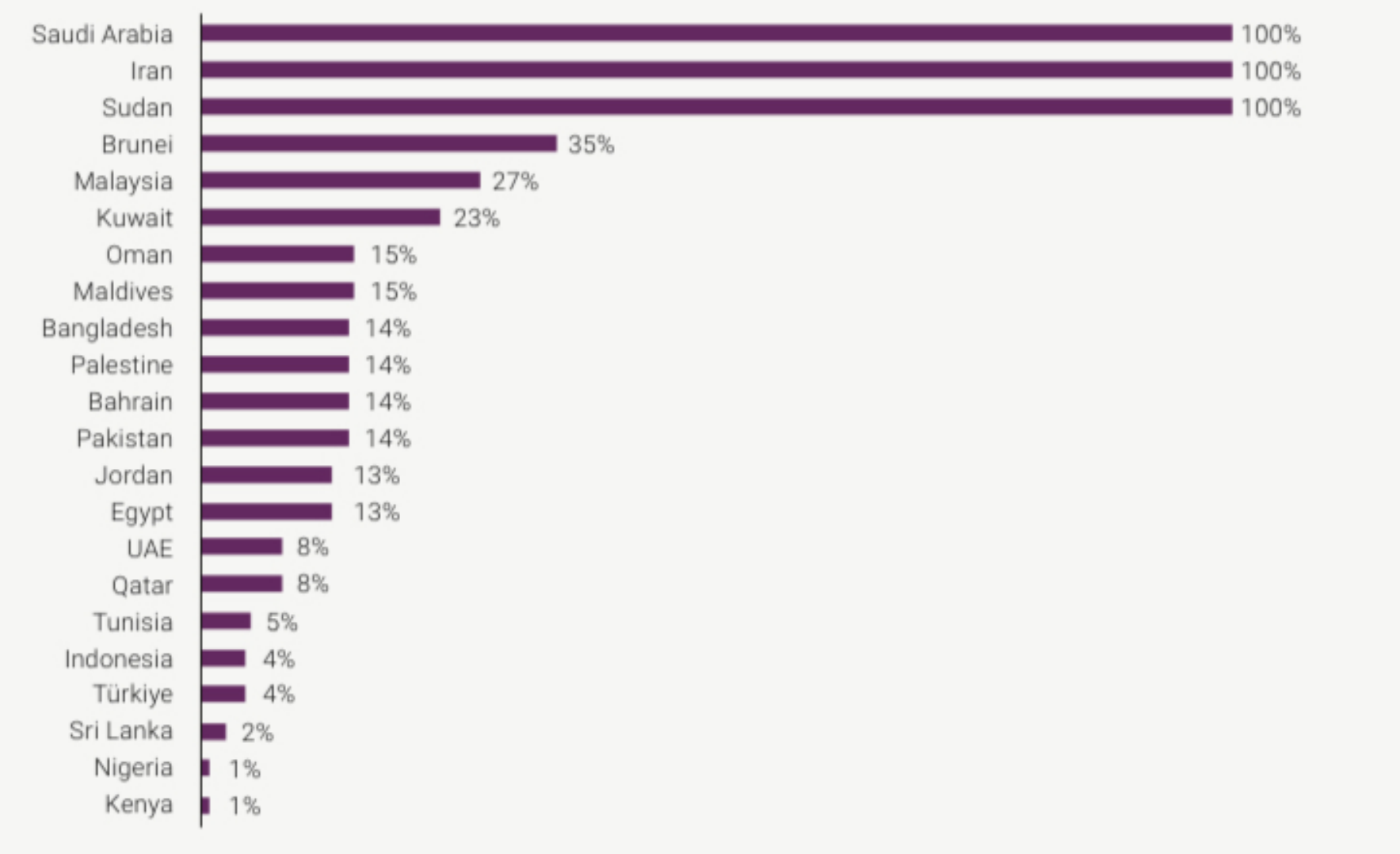
The overall *takāful* sector's direct contributions increased by 4.8% y-o-y to USD 24.2 billion, after a significant decline.

TREND OF GLOBAL TAKĀFUL CONTRIBUTIONS (USD MILLION) (2011–22)



The global takāful industry recorded a year-on-year contributions growth of 16.1% in 2022 to reach USD 30 billion, far exceeding the annual growth of 5.4% attained in 2021. Over the past 12-year period (2011–22), the industry has grown at a compound average growth rate of 6.4%

SHARE OF TAKĀFUL SECTOR'S BUSINESS RELATIVE TO INSURANCE SECTOR (%) (2022)



Countries where takāful contributions as a percentage of the insurance sector's total premium were at least 1% in 2022. The top seven markets, which generated roughly 95% of global contributions, are Saudi Arabia, Iran, Sudan, Brunei, Malaysia, and Indonesia

KEY MEGATRENDS SHAPING THE LANDSCAPE



Economic conditions

Uneven global economic recovery, alongside other uncertainties (e.g. virus path, global supply chain shifts)



Demographics

Risks of financial exclusion amid ageing population and other persistent gaps (e.g. socioeconomic disparities, financial literacy)



Technology

Promise of better financial services but with new regulatory challenges amid shorter innovation cycles, new skillsets required and blurred boundaries

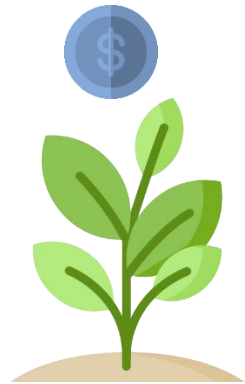


Climate and environment

Need for a just and orderly transition to greener, more climate-resilient economy and financial sector

(Reference: BNM Financial Sector Blueprint 2022-2026)

HIGHLIGHTS ON IFSI IN MALAYSIA



ISLAMIC FINANCING GROWTH

Stay healthy at 10% of credit expansion in 2022 (2021: +8.2%), riding on better economic conditions. Islamic financing constitutes 41% of total banking sector's loans.

(Reference: RAM's Islamic Banking Insight 2022)



DIGITALIZATION (E.g: DIGITAL BANKS)

BNM announced the awarding of digital bank licenses to 5 consortiums. Digital Banks are expected to enable wider financial inclusion



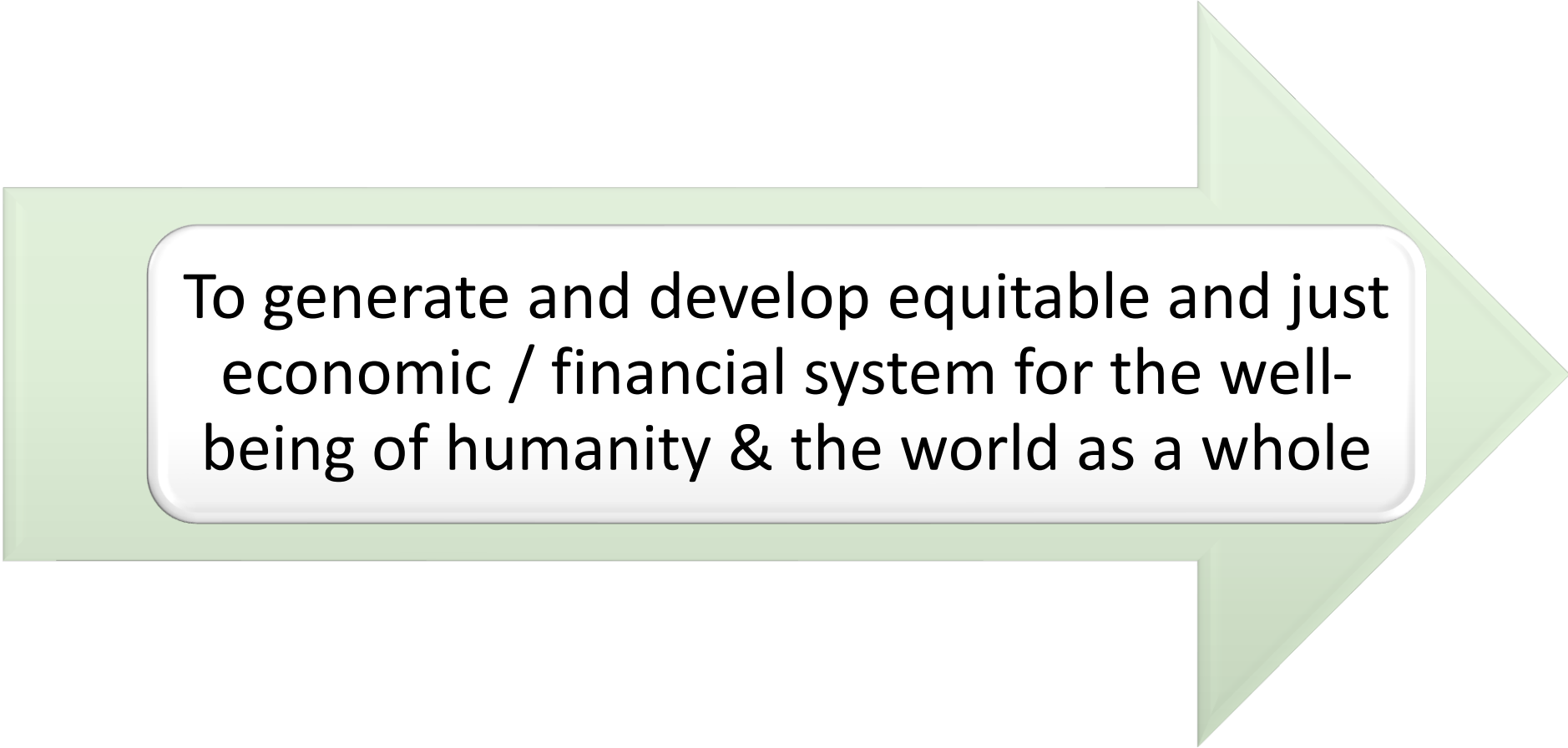
SUSTAINABILITY (E.g: VBI)

Wider adoption of VBI. This puts IFIs in a good position to meet the requirements of BNM's Climate Risk Management & Scenario Analysis (effective 1 June 2022)



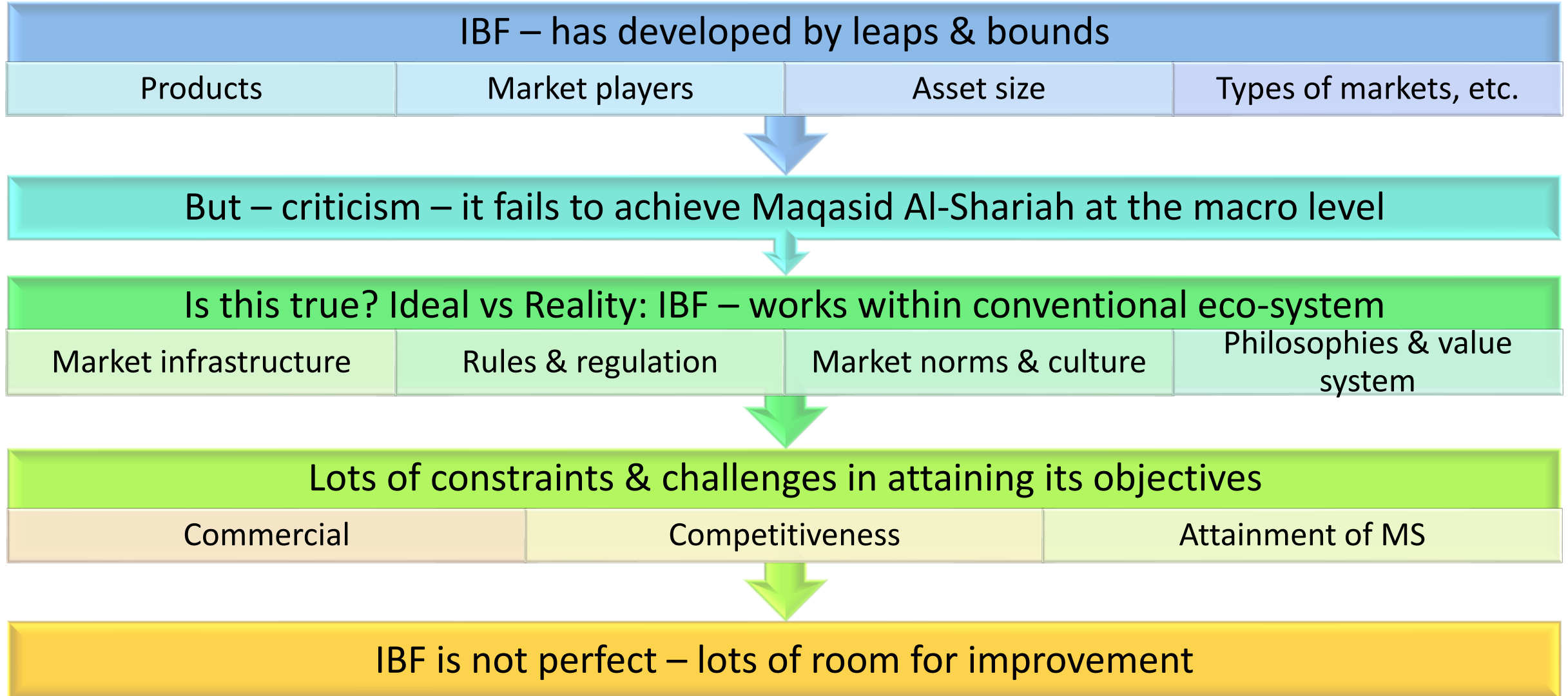
STRATEGIC OUTLOOK

ISLAMIC FINANCE – LONG-TERM GOALS



To generate and develop equitable and just economic / financial system for the well-being of humanity & the world as a whole

SELF-EVALUATION...



REALIGNMENT WITH GENERAL MAQASID

Realignment with the general objectives of Islamic Law
(Maqasid al Shari`ah)



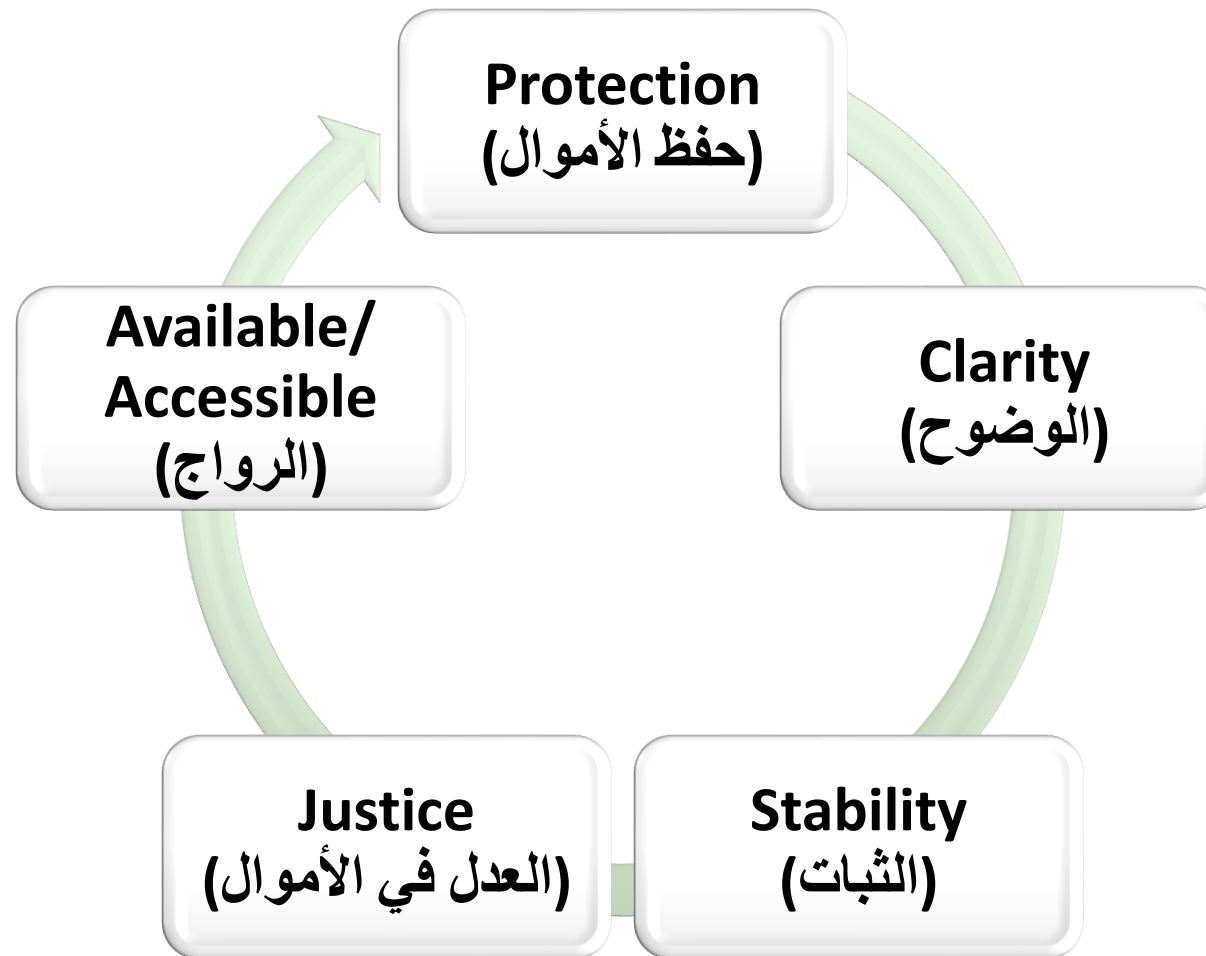
Safeguarding of the welfare of people, either of their religion, life, intellect, posterity & wealth, based on three levels of priority:

Necessity (daruriyyat)

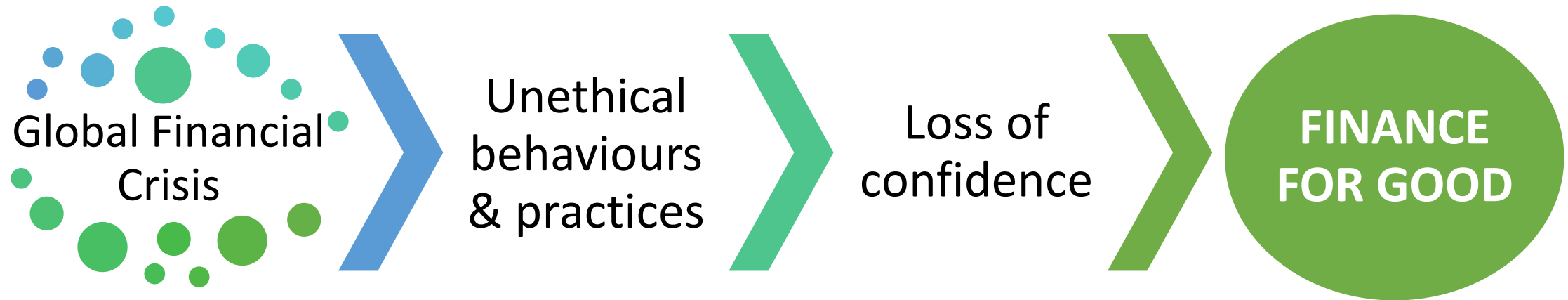
General need
(hajiyyat)

Complimentary
(tahsiniyyat)

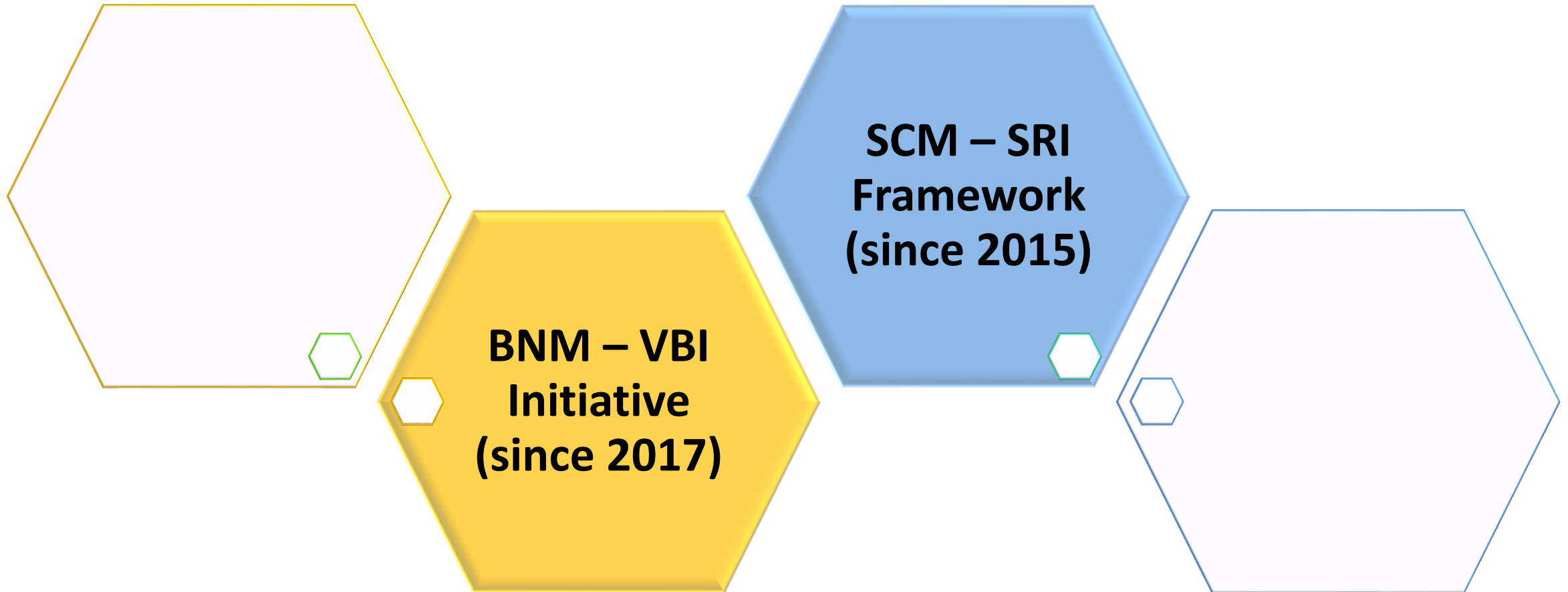
REALISING THE SPECIFIC MAQSAD OF HIFZ AL-MAL?



THE MOVE TOWARDS “FINANCE 4 GOOD” POST GLOBAL FINANCIAL CRISIS 2008



ISLAMIC FINANCE RESPONSE?



VBI INITIATIVE BY BNM

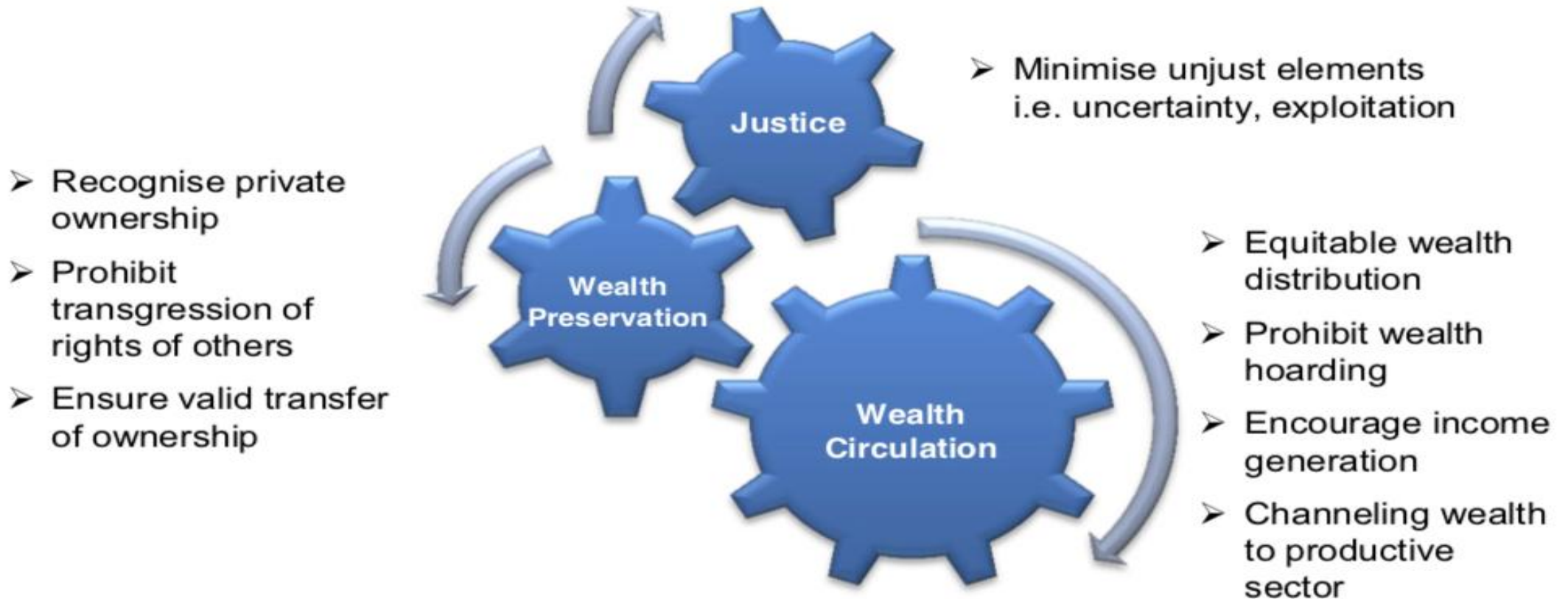
- July 2017 – BNM issued a strategy paper on VBI
- Further revised on 12 March 2018

Strategy Paper sets out the underpinning thrusts of VBI and proposed implementation approach and strategies in advancing **VBI as the next strategic direction** for Islamic banking industry

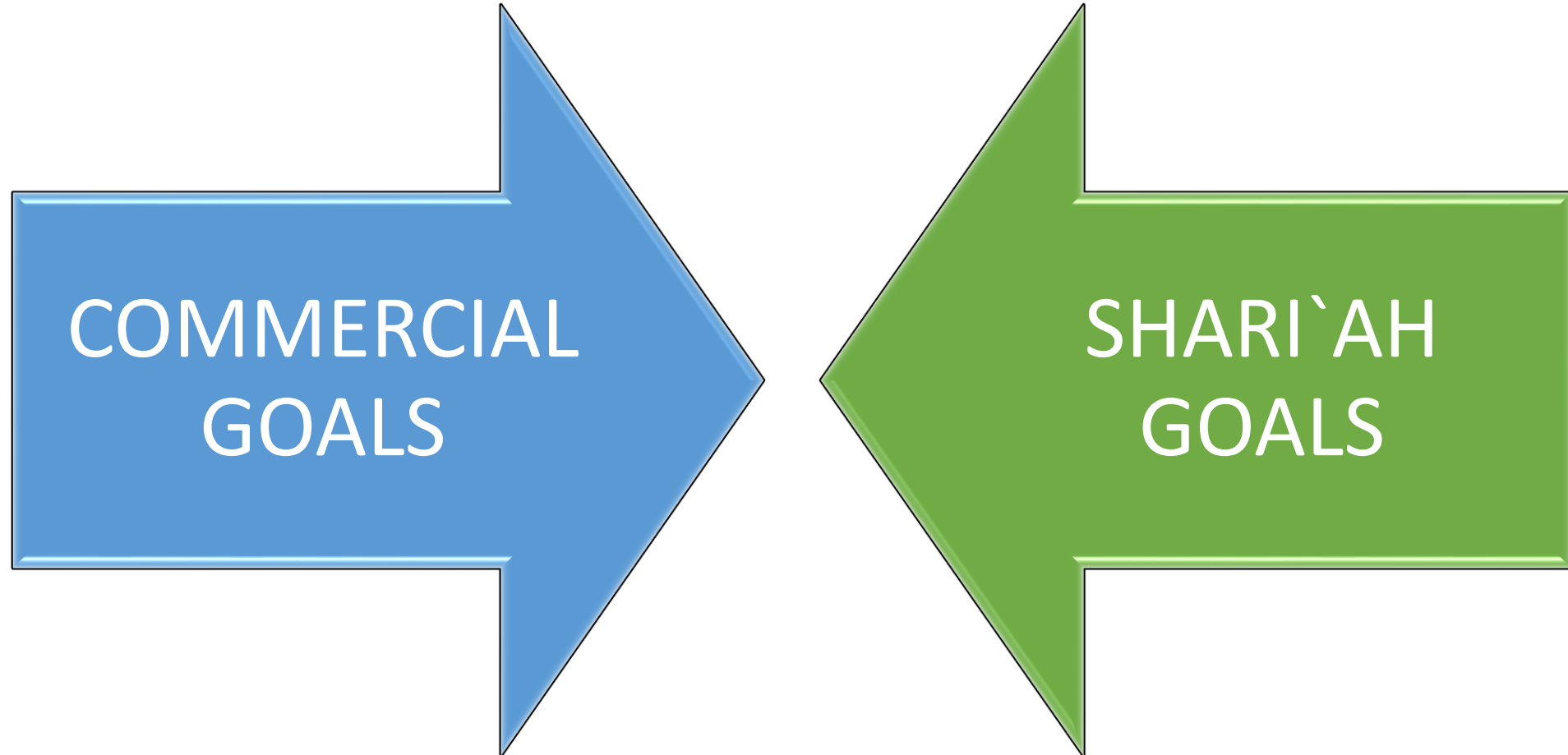
DEFINITION OF VBI

“An intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, without compromising the financial returns to shareholders”

INTENDED OUTCOME OF SHARIAH




VBI ENVISAGES CONVERGENCE BETWEEN SHARI`AH & COMMERCIAL GOALS



VBI: A PARADIGM SHIFT & BEHAVIORAL CONCERN

VBI – relook at the strategic future for IF – it is not just about profit – ethical dimension & responsible behaviour



VBI – integrate ethics into the behaviour of IF players:

Establish guidelines & code of ethics

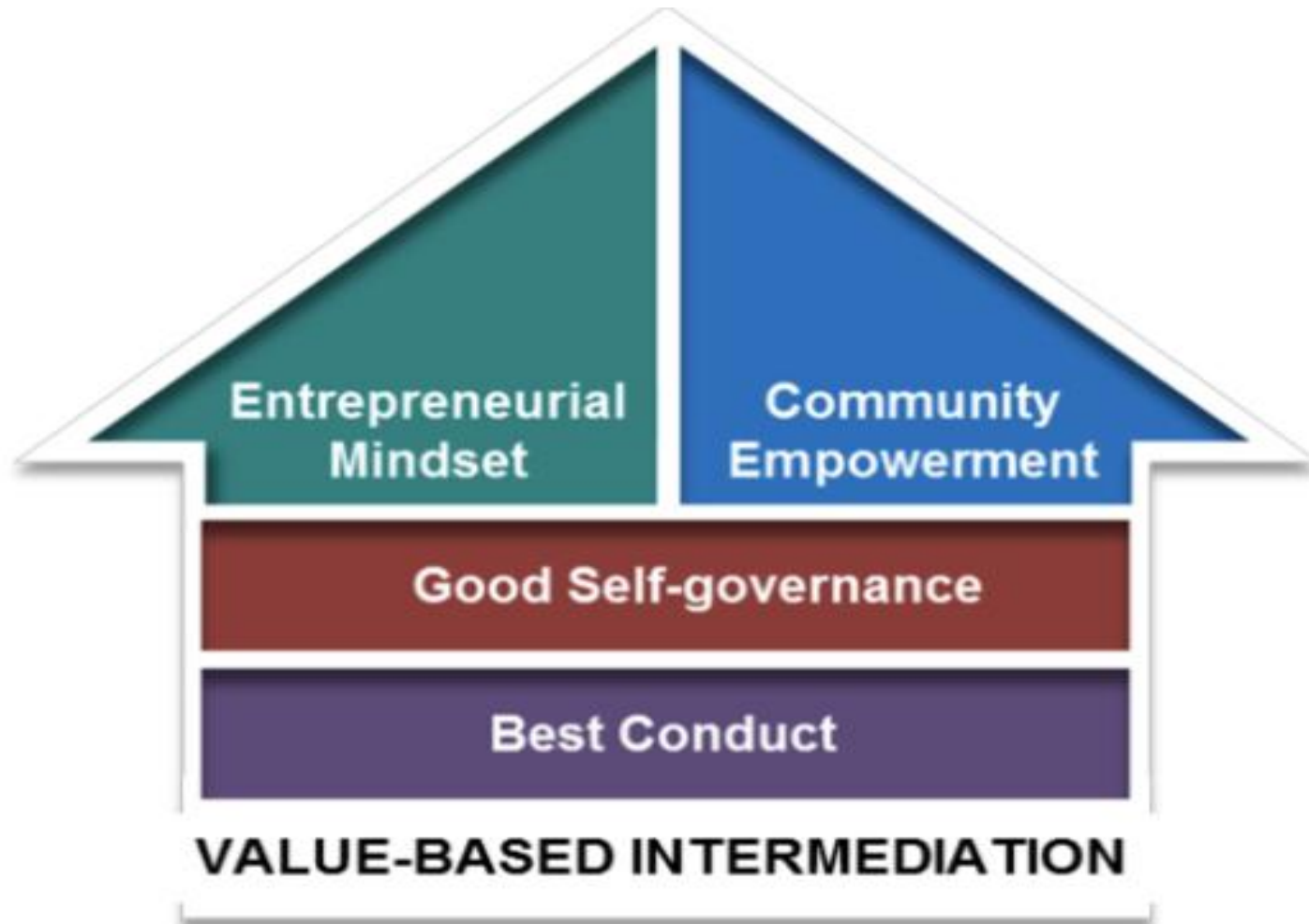
Ensure application of code of ethics

Develop ethical culture in IF



VBI is FINANCE 4 GOOD – positive impacts on economy, community & environment (3Ps)

UNDERPINNING THRUSTS OF VBI: BLENDED WITH MAQASID AL-SHARIAH



Maqasid Shariah

Sustainable way of providing financial services

Social Impact
VS
Profit Maximisation

INHERENT SHARIAH PRINCIPLES IN IF

SAC of BNM: key Shariah principles that are intrinsic to Islamic finance & should be embedded in Islamic financial services (BNM Annual Report 2019)

SHARIAH COMPLIANCE

Profit is justified through bearing & sharing of risk

Money is only a store of value & medium of exchange

Wealth creation is balanced with wealth transfer & circulation

Assurance of transparency & traceability

Fairness & attainment of Ihsan

Prevention of harm & attainment of benefits

THE EXPECTATIONS....

IF to address economic challenges posed by the pandemic & beyond



Focus – enhancing contribution of IF towards

facilitating
economic recovery

building social
resilience

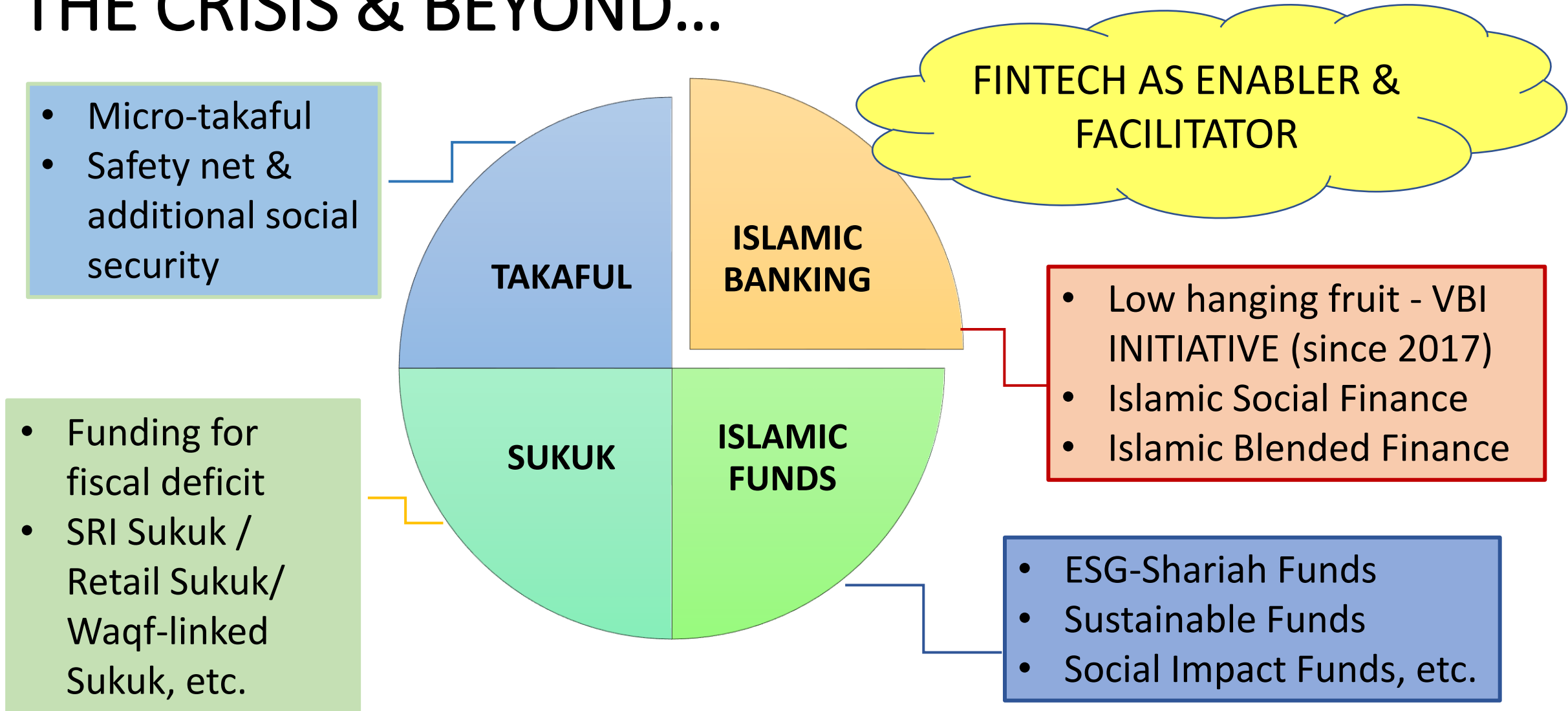
promoting climate
resilience

empowering trade,
business & digital
economy



Inclusive & diverse financial solutions

REPOSITIONING ISLAMIC FINANCE TO ADDRESS THE CRISIS & BEYOND...



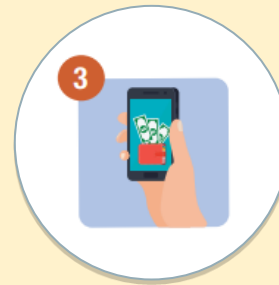
5 STRATEGIC THRUSTS FOR 2022 – 2026



**FUND MALAYSIA'S
ECONOMIC
TRANSFORMATION**



**ELEVATE THE
FINANCIAL WELL-
BEING OF
HOUSEHOLDS &
BUSINESSES**



**ADVANCE
DIGITALISATION OF
THE FINANCIAL
SECTOR**



**POSITION
FINANCIAL SYSTEM
TO FACILITATE AN
ORDERLY
TRANSITION TO A
GREENER
ECONOMY**



**ADVANCE VALUE-
BASED FINANCE
THROUGH ISLAMIC
FINANCE
LEADERSHIP**

(Reference: BNM Financial Sector Blueprint 2022-2026)

MyWAKAF (2020)

A form of Islamic Blended Finance

Partnership with State Islamic Religious Councils (SIRCs) and social enterprises & NGOs

Unique Expertise

Knowledge

Resources

MyWakaf – digital cash waqf platform

Piloted by 6 Islamic banks

Involving 8 SIRCs

Raise funds totalling RM7.6 million by end of 2020

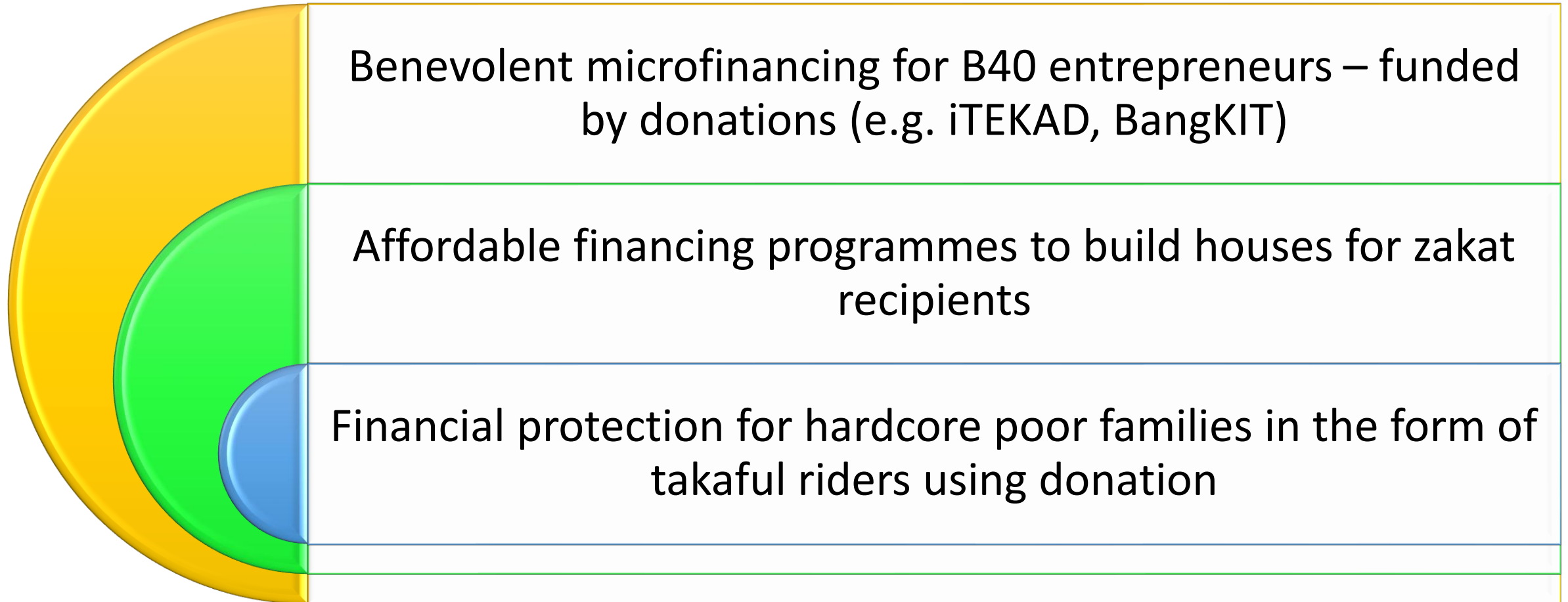
To finance impactful projects nationwide

Healthcare

Education

Community Empowerment

PRODUCTS FOR UNDERSERVED SEGMENT (2020)



ISLAMIC FINANCE PROMOTING CLIMATE RESILIENCE (2020)

Islamic finance driving sustainability & climate resilience agenda

Consistent with Shariah values – preventing harm & promoting attainment of benefits

Develop sectoral guides (finalised in 1Q 2021)

palm oil

renewable energy

energy efficiency

Financial system that supports sustainability & transition towards a low carbon economy

NEW PRODUCTS / SOLUTIONS: TAKAFUL

Adoption of VBI by Takaful Industry

Innovative product offerings & services amid COVID-19 challenges

Upgraded self-service customer touchpoints

Digitised system infrastructures

Expansion of digitally-enabled health care & preventive services

Telemedicine

Wellness Apps

Wearables

Digital offerings for traditionally excluded segments

Children with learning disabilities

Usage-based protection

Micro SMEs on e-commerce platforms

INHERENT SHARIAH PRINCIPLES: SUPPORTED BY UNIVERSAL VALUES IN ECONOMY & FINANCE

Economic & social aspirations towards SHARED PROSPERITY:
balanced, sustainable & inclusive economic growth

Other core values – e.g. Key thrusts of the VBI initiative

Best conduct & good self-governance

Entrepreneurial mindset & community
empowerment

Facilitate the attainment of the intended objectives of the Shariah (Maqasid al-Shari'ah)

Justice

Wealth preservation

Wealth circulation

CONCLUSION: REPOSITIONING ISLAMIC FINANCE

