Development of Sukuk Markets:
Practitioners' Perspectives

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Adnan Ahmed Yousif
President and Chief Executive
Al Baraka Banking Group, Bahrain
Good Morning, Ladies and Gentlemen...

Mr. Abayomi Alawode, distinguished panel speakers and participants:

It is a great pleasure to be here with you today in an effort to understand the growing dynamics of the Sukuk markets, and to share some personal thoughts and reflections on the subject.

Let me first thank Dr. Mahmoud Mohieldin, Managing Director of The World Bank for his kind invitation. I must also congratulate Dr. Mohieldin and his capable team on organizing this important workshop, and also on selecting a topic that is not commonly discussed within the context of Islamic finance in general and with reference to Sukuk in particular.
After being here today, I am quite sure that I am not the only one to expect even more from Dr. Mohieddin and his team for their contributions to Islamic finance.

Ladies and Gentlemen,

We are quite fortunate to have some of the most prominent Islamic bankers here today. It is quite educational to listen to their perspectives on how the Sukuk market is developing and what potential lies for the Sukuk market. I would keenly like to defer to what my other colleagues may want to share with you on the current market trends and how they see various important developments taking place in the Sukuk markets.
Ladies and Gentlemen,

I often face questions such as whether Islamic finance is truly Islamic. I have also heard people asking whether Islamic finance is a cut-and-paste version of the conventional finance. I am sure you would find many explanations of such questions as well. What I mean here is that these criticisms generate a healthy debate that has helped the Islamic finance industry keep gradually evolving. A good number of such debates have actually taken place on and around the Sukuk structures. As a result, the Sukuk markets have transformed significantly. In fact, the Islamic finance industry encourages criticism from within itself. That is, the entire process of seeking guidance and approval from the Shariah scholars reflects self-assessment. To me, this signifies that the Sukuk markets do possess the dynamism that is essential for further growth.
Ladies and Gentlemen,

Islamic finance draws upon values of the Islamic economic and social ethics, or we may call them the values of Islamic finance. Let me clarify what I mean by these values.

These values revolve around the individual and the society. One of the main purposes of these values is to ensure maximum welfare for the maximum number of people in the society. Borrowing a term from Islamic law, we call this *Maslaha Aamnah*. Although I am not a scholar of Islamic law, but as a student I understand that *Maslaha*, in its wider meanings, includes all what provides ease and convenience to the people at large.

The values of Islamic finance help develop a unique social support system built upon, for instance, *Sadaqaat* and *Zakah*. I sincerely hope that the Islamic financial services
industry offers more of its innovative contributions to increase the efficiencies of this social support system.

In the meantime, looking at the intersection of Islamic finance and *Maslaha*, I still see a lot of optimism. I see a good number of Sukuk (mostly domestic Sukuk) being used for infrastructure financing, which serves an important social purpose.

Does that mean that the Sukuk markets conform to all the core values of Islamic social and economic ethics? My answer would be ‘NO’. Are the Sukuk markets gradually moving toward a greater conformity with such values? My answer would be ‘YES’.

Then what remains to be seen is whether the Sukuk markets are moving towards the right direction. I would
like to invite you to answer that for yourselves based on what you hear during the entire workshop.

For the actual and potential contribution of Islamic finance and Sukuk markets to the development sector in general, I would like to mention a couple of points before concluding.

We all know that Islamic finance today represents an industry with over a trillion dollars, and growing. The Sukuk markets alone have grown over 200 billion dollars. I know that these numbers sound quite fascinating. At times, the promise of these numbers tells a little about some other important aspects.

As an Islamic banker, I would also like to see and present answers to the following:
- How much poverty we have been able to eliminate
- How many jobs we have been able to create
- How much difference Islamic finance has made in the life of a common man
- How much of the social good we have been able to achieve in the countries we operate in

Ladies and Gentlemen,

I am confident that the Islamic financial services industry would proudly present answers to the above questions in a few years to come. Leading by example, we at Al Baraka soon look forward to sharing our part of the humble contribution.

For example, I am pleased to note that we have recently developed the Al Baraka Development and Microfinance Strategy to become the first Islamic banking network for doing so. Our approach in microfinance, for instance, is
quite simple: (1) reducing the cost of microfinance to the customer; and (2) providing more than just financing to the customer by offering a comprehensive package, which may enable the customer to graduate out of the poverty. As we commence implementation of this strategy across our global network, we look forward to sharing more details in the near future.

With this, Ladies and Gentlemen, I conclude. Thank you everyone.
The primary focus (1) is to analyse the extent of opportunities to improve economic and (2) in terms of determining the financial adequacy. To this end, the first step has been the preparation of the financial statement for the current year. We are confident in the presentation of our financial statements and the information they contain. We have taken care to ensure the accuracy and completeness of the financial data, and we believe that they provide a fair and true view of the company's financial position.