

Message from Secretary General

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Welcome to the 16th edition of the InFocus, CIBAFI newsletter, that aims to keep our stakeholders informed about our activities and initiatives.

2020 has a tough start not only for the industry but for most if not all of the humanity. In addition to the global economic and health concerns, travel restrictions and many other effects of the novel coronavirus (COVID – 19) outbreak are impacting the way we work. It is not a secret that CIBAFI, along with many other institutions in various industries, face new challenges illustrated in managing our activities and initiatives.

Amidst this pandemic, CIBAFI and the entire Islamic finance industry were also stunned by the sudden passing of H.E. Shaikh Saleh Kamel, Chairman of the Board of Directors of CIBAFI, in mid May 2020. Considered as one of the pillars and founders of Islamic financial services industry, his presence will surely be missed but his legacy will continue as the industry will strive for its further development and sustainability while serving the needs of our communities.

Moving on, CIBAFI is always committed to delivering excellent results while ensuring the safety of its members, stakeholders and the Secretariat. With an open mind and full spirit, we are excited to overcome the current challenges by using innovative solutions and implementing alternatives for virtual initiatives and activities in lieu of our physical events and gatherings.

The 39th CIBAFI Board of Directors' Meeting was held in February at the headquarters of Al Baraka Banking Group in Bahrain while the succeeding meetings such as the 20th CIBAFI Annual General Meeting and the Special Executive Committee Meeting were held remotely due to travel restrictions and social distancing measures caused by the current pandemic.

The 5th series of CIBAFI flagship publication, the Global Islamic Bankers' Survey (GIBS) 2020 Report with this year's theme "Beyond Digitalisation: Fintech and Customer Experience" was launched online via a webinar. In the same context, CIBAFI was also pleased to organise the first online series of its signature InFocus Session with the theme "Financial Technologies: Disruption or Growth Lever for Islamic Finance Industry". The session was hosted by our partner and member, the Astana International Financial Centre (AIFC) under the framework of the Online Astana Finance Days 2020.

During the Online Strategic Session for Professional Development for Islamic Finance Industry which was held on 23rd June 2020, CIBAFI was pleased to announce the completion of the translation of CIBAFI training materials in English and French languages as well as the inauguration of the online exam through its web portal.

CIBAFI as always, will continue to deliver outputs based on its three Strategic Objectives which are Advocacy of Islamic Finance Values and Related Policies and Regulations, Research and Innovation and Training and Professional Empowerment

We hope you will enjoy reading more details about CIBAFI activities and initiatives in this edition of the InFocus.

On behalf of CIBAFI, I would like to express our sincere thanks to our Board of Directors, members and other stakeholders for their continuous support and encouragements in achieving our mandate and initiatives for the betterment of the Islamic Financial Services Industry (IFSI).

Yours Sincerely,
Dr. Abdelilah Belatik
Secretary General

CIBAFI Meetings

39th CIBAFI Board of Directors Meeting



CIBAFI 39th Board of Directors Meeting was held on 24th February 2020 and was hosted by Al Baraka Banking Group in Manama, Bahrain. During the meeting, the BOD Members reviewed and approved the activities report as well as the audited financial statements for the year 2019. The meeting

also facilitated the discussions on the next CIBAFI Award 2021, among others. Finally, membership application from the International Islamic Bank – Iraq was also approved during the meeting.

CIBAFI Special Executive Committee Meeting

Due to the outbreak and continuing spread of the novel coronavirus (COVID-19) and its effects on the industry, CIBAFI organised a Special Executive Committee Meeting. The meeting was held remotely on 8th April 2020. During the meeting, the late Chairman H.E. Sheikh Saleh Kamel expressed his highest gratitude and appreciation to the various initiatives taken by governments and authorities in all CIBAFI members' jurisdictions to protect communities and mitigate the impact of the current pandemic on health, social and economic levels. The meeting was also

held to discuss recommendations received from CIBAFI members and stakeholders on ways how to mitigate the risks and impact of the pandemic in the economy, citing examples implemented by regulators and banks in their own jurisdictions. In the same context, His Excellency, the Chairman has encouraged the member banks and financial institutions to reach out to the Central Banks in their jurisdictions to work hand in hand and extend whatever help they can.

20th CIBAFI Annual General Meeting

CIBAFI held its 20th Annual General Meeting (AGM) on 7th May 2020.

The meeting was held remotely for the first time, due to the growing health concerns related to the Covid-19. The meeting was inaugurated and chaired by the late Chairman H.E. Sheikh Saleh A. Kamel. During his speech, His Excellency stressed on the growing concerns that the Covid-19 outbreak have on the global economy, which could be on its worst state since the 2008 global financial crisis. He pointed out that the current challenges need attention and should be analyzed to come up with solutions that Islamic banks and financial institutions can implement in cooperation with governments and regulatory authorities in their countries, to reduce the risks of the pandemic on the global economy and the Islamic financial sector. In the same context, the efforts of the governments and central banks in facing and accelerating the recovery from the impact of this health and economic crisis have been praised. CIBAFI 20th AGM also witnessed the presentation of the Activities Reports for the year 2019 as well as for the period January



– April 2020. The audited financial statements for the year 2019 were also approved during the meeting.

On the other hand, membership status report for the period 2019 showed the expansion coverage of CIBAFI membership geographically with the assistance of the Board of Directors and its other members in entering new markets of Islamic finance.

Strategic Objective 1: Advocacy of Islamic Finance Values and Related Policies & Regulations

CIBAFI – PCAF Signing of Memorandum of Understanding (MoU)

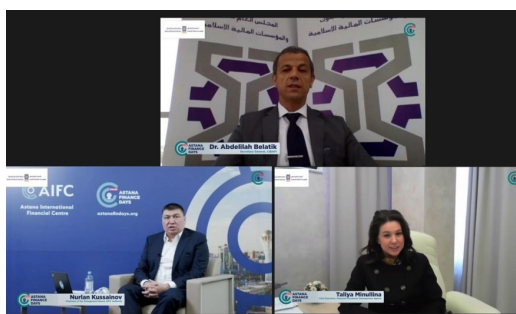


CIBAFI's strategic plan for the period 2019-2022 strives to reinforce the role of Islamic financial institutions in addressing global challenges such as reducing the risk and impact of climate change. Climate change is considered to be one of the main leading and primary challenges that need immediate and concrete action plans to ensure the sustainability of our planet's resources. To address the climate change challenge, the contributions from financial institutions, including Islamic financial institutions are necessary.

In this context, CIBAFI and the Partnership for Carbon Accounting Financials (PCAF) have signed on 27th February 2020, a Memorandum of Understanding (MoU) to enable Islamic banks to measure and disclose the greenhouse gas (GHG) emissions associated with their investments. CIBAFI and PCAF will collaborate in the development of a bespoke carbon footprint measurement methodology for Islamic banking. The methodology will be prepared by CIBAFI Secretariat with support from its members such as the Islamic Development Bank (IsDB), in collaboration with PCAF.

Through this collaboration, CIBAFI aims to have its members subscribe to the PCAF initiative, whereby they will commit to measure the carbon footprint of their investment portfolios. The MoU was signed by the PCAF Steering Committee and Dr. Abdelilah Belatik, Secretary General of CIBAFI, during the 11th Annual Meeting of the Global Alliance for Banking on Values (GABV), in Bern Switzerland.

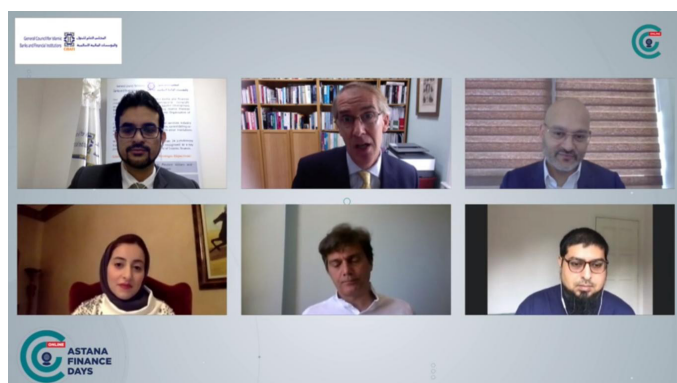
CIBAFI Virtual InFocus Session "Financial Technologies: Disruption or Growth Lever for Islamic Finance Industry"



CIBAFI Secretariat conducted its first Virtual InFocus Session, themed "Financial Technologies: Disruption or Growth Lever for Islamic Finance Industry", on 30th June 2020. This signature session led by CIBAFI during the Astana Finance Days 2020 was hosted by CIBAFI member, the Astana International Financial Centre (AIFC). The session gathered an international panel of distinguished speakers, Fintech enthusiasts, and Islamic finance industry stakeholders and discussed the significance of Fintech for the Islamic financial services industry as well as the current Fintech practices and areas of adoption in Islamic financial institutions.

In his welcoming remarks, Dr. Abdelilah Belatik presented the main findings of the recent CIBAFI Global Islamic Bankers' Survey (GIBS) 2020 based on the responses from 101 heads of Islamic banks from 35 countries. The session also witnessed keynote welcoming remarks from Mr. Nurlan Kussainov, the Chairman of the Management

Board of the AIFC Authority, Kazakhstan and Ms. Taliya Minullina, Chief Executive Officer, Tatarstan Investment Development Agency (TIDA), Tatarstan, Russia. Among the session panelists who discussed and shared their insights on the advantages of adopting Fintech solutions for Islamic financial institutions, the main challenges in adopting Fintech in financial operations and services as well as the fundamental strategies that Islamic financial institutions follow in integrating Fintech were: Ms. Yasmeen Al-Sharaf, Head of FinTech & Innovation Unit, Central Bank of Bahrain, Bahrain; Mr. Andrew Cunningham, Founder, Darien Analytics Ltd, United Kingdom; Mr. Umar Munshi, Co-founder of Ethis and President of Islamic Fintech Alliance, Singapore; Mr. Khalid Howladar, Chief Strategy & Risk Officer, Blossom Finance, Indonesia and Dr. Recep Bildik, Director of COMCEC Project Group, Borsa Istanbul, Turkey.



CIBAFI Comments on the Islamic Financial Services Board (IFSB) Exposure Draft No: 24 Guiding Principles for Investor Protection in Islamic Capital Markets



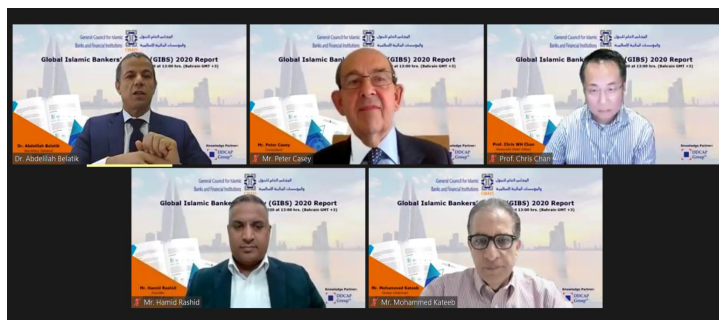
CIBAFI submitted its comments on 21st May 2020 to the Islamic Financial Services Board (IFSB) on the Exposure Draft No: 24 "Guiding Principles for Investor Protection in Islamic Capital Market". CIBAFI summarized and provided collective feedback from its member banks from over 34 jurisdictions.

In its comments, CIBAFI recommended to provide a timeline for the guiding principle's pre-implementation period to ensure effective implementation in different jurisdictions. Moreover, for wider accessibility and understanding, the ED should be issued in both Arabic and English languages, as a minimum. CIBAFI also stated that the ED should specify the local authority responsible to approve and ensure that the code of ethics governing the conduct of Islamic Capital Market (ICM) professionals covers all activities of market intermediaries.

Full comments submitted to IFSB are available on CIBAFI website: <http://www.cibafi.org>.

Strategic Objective 2: Research and Innovation

Online Launch of the 5th Edition of CIBAFI Global Islamic Banker's Survey (GIBS) 2020 Report "Beyond Digitalisation: Fintech and Customer Experience"



CIBAFI has launched the 5th series of its flagship publication on 16th June 2020, the Global Islamic Bankers' Survey (GIBS) Report with this year's theme "Beyond Digitalisation: Fintech and Customer Experience". GIBS 2020 Report was launched online via webinar. The GIBS 2020 Report reflects the views of 101 heads of Islamic banks from 35 countries regarding Fintech adoption and customer experience's elevation. The online launch of the report was inaugurated by welcoming remarks from Dr. Abdelilah Belatik, Secretary General of CIBAFI, followed by a video presentation of the main findings of the survey.

The findings of the survey showed up that Mobile Banking/ Payments ranked as the top adopted technology by Islamic banks with (64%) approval rate, followed by Open Banking (60%) and Machine Learning (ML) & Big Data (44%). The survey also revealed that (61%) of Islamic banking officials favored buying services from Fintech companies as the main strategic approach to integrate Fintech solutions, followed by in-house development of Fintech applications (53%) then joint partnerships with Fintech ventures (51%). As a result, adopting Fintech solutions brings increased operational

efficiency and scale, enhanced customer experience and reduced operating expenses/cost, confirmed the Islamic banking heads.

In order to improve customer experience, the report revealed the top practices that Islamic banks are currently focusing on; product diversification was on the top with (87%) approval rate, followed by employee training and monitoring (73%) and offering of omni-channel banking (71%).

The online launch of GIBS report also witnessed a panel discussion that explored and shared different insights and experiences of the experts in the industry regarding the current practices and challenges faced for the adoption of financial technologies (Fintech) and elevating customer experience.

The panel speakers headed by Dr. Abdelilah Belatik included, Mr. Peter Casey, Consultant, CIBAFI; Mr. Mohammed Kateeb, Group Chairman & Chief Executive Officer, Path Solutions; Mr. Hamid Rashid, Founder, FINTERRA Group and Professor Chris WH Chan, Associate Dean (Asia), Ivey Business School.



CIBAFI 12th Briefing on “Infrastructure Financing: Investment Opportunities for Islamic Finance”

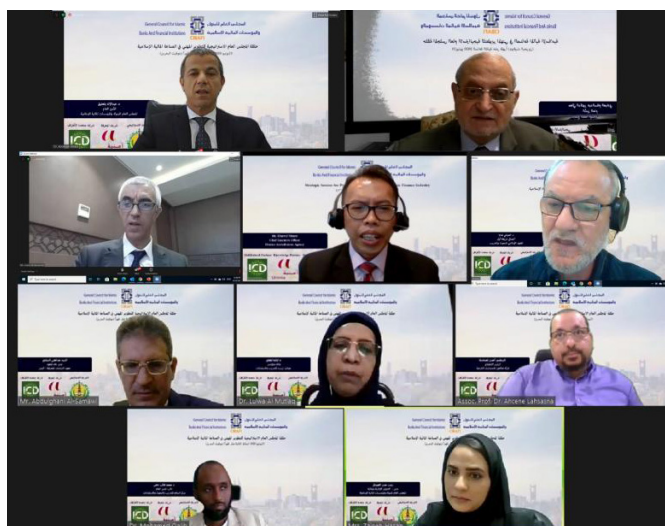


On 19th March 2020, CIBAFI issued its twelfth briefing on “Infrastructure Financing: Investment Opportunities for Islamic Finance”. This briefing shed light on the current challenges of infrastructure financing and how Islamic finance could contribute effectively in this investment opportunity. It investigated further the different Islamic finance structures that could be used for infrastructure projects. CIBAFI 12th Briefing also aimed to promote the role of Islamic finance through the results of a short survey and the demonstration of industry experiences, discussed the main opportunities and challenges of using Islamic finance in infrastructure financing and provided policy recommendations to overcome these challenges.

For more information on CIBAFI 12th Briefing, please visit www.cibafi.org.

Strategic Objective 3: Training and Professional Empowerment

Online Strategic Session for Professional Development in Islamic Finance Industry



CIBAFI Secretariat organised its 3rd Strategic Session for Professional Development in the Islamic Finance Industry on 23rd June 2020. The session was held online.

The session was opened by welcoming remarks from Dr. Abdelilah Belatik, Secretary General of CIBAFI, H.E. Prof. Dr. Abdulsalam Al Abadi, Secretary General, International Islamic Fiqh Academy, Saudi Arabia; Dr. Layachi Feddad,

Senior Researcher, The Islamic Research and Training Institute (IRTI), Saudi Arabia; Mr. Abdessamad Issami, President Du Directoire, Umnia Bank, Morocco; Mr. Khairul Nizam, Chief Executive Officer, Finance Accreditation Agency Berhad, Malaysia.

The online strategic session also witnessed the launch of the translated training materials in English and French languages as well as the inauguration of the online exam platform for CIBAFI certification. The session discussed the challenges in implementing Islamic finance training programmes in some countries and how to overcome them. It also addressed how to continue providing these programmes in the current challenges with the spread of COVID – 19 and witnessed sharing successful agent experiences in facilitating physical training and distant learning programmes. The speakers who shared their experience and insights included; Dr. Lulwa Al Mutlaq, Founding President, Golden Trust Training and Consultancy, Bahrain; Mr. Abdulghani Al-Samawi, General Manager, Institute of Banking Studies, Yemen; Assoc. Prof. Dr. Ahcene Lahsasna, Chief Executive Officer, Salihin Shariah Advisory Services Sdn Bhd, Malaysia; Dr. Mohamed Qalib, Deputy General Manager, Salaam Center for Training, Research and Consultancy, Djibouti and Ms. Zainab Al Owainaty, Director - Administration and Finance, CIBAFI.

Translation of CIBAFI Professional Development Training Materials

In response to the increasing requests from non-Arabic speaking finance professionals, CIBAFI Secretariat was pleased to announce that it has completed the translation of the following training materials from the existing Arabic language to English and French languages:

- Certified Islamic Banker
- Certified Islamic Specialist in Risk Management
- Certified Islamic Specialist in Trade Finance
- Certified Islamic Specialist in Capital Market

CIBAFI wishes to thank its strategic partner, the Islamic Development Bank (IsDB) and knowledge partner, Umnia Bank – Morocco for their financial support in translating the above materials.

Training material translation sponsorship opportunities are available. Please contact CIBAFI Secretariat for more details at cibafi@cibafi.org or at telephone number +973 17357300.

CIBAFI – Ivey Business School Executive Programme



Following the successful organisation of the Executive Programme in five consecutive years, CIBAFI and Ivey Business School, continue their productive collaboration to prepare for the sixth series of the Executive Programme to be held in November this year.

CIBAFI – Ivey Executive Programmes aim to introduce specific leadership concepts using a high engagement learning pedagogy, with the help of cases and current materials that link best practices to the context of the Islamic financial services industry.

Over the years, CIBAFI – Ivey Executive Programmes have been well attended by senior executives and board members from finance and banking sectors, international and government organisations, as well as members of regulatory bodies.

Stay tuned to find out more about this year's theme.

CIBAFI Network of Global Professional Development Agents' Update: January – June 2020

CIBAFI offers its professional certifications through its network of 20 Global Professional Development Agents in 18 countries. We are pleased to announce that from January to June, CIBAFI accredited agents have organised 12 training sessions which provided professional certifications for 187 trainees.

About CIBAFI

CIBAFI is an international non-profit organisation founded in 2001 by the Islamic Development Bank (IDB) and a number of leading Islamic financial institutions. CIBAFI is affiliated with the Organisation of Islamic Cooperation (OIC).

With over 130 members from more than 34 jurisdictions all around the world, CIBAFI is recognised as a key piece in the international architecture of Islamic finance.

Its mission is to support the IFSI by providing specific activities and initiatives, aiming to strengthening the growth of the industry, deepening Shariah objectives in financial dealings and transactions, and facilitate cooperation between members and institutions of common interest.

CIBAFI is guided by its Strategic Objectives, which are:
1) Advocacy of Islamic Finance Values and Related Policies & Regulations; 2) Research and Innovation; and 3) Training and Professional Empowerment.

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CIBAFI Upcoming Events and Activities

September | October | November
Technical Webinar Series (TWS)

October | 40th CIBAFI Board of Directors Meeting

November | 15th Accreditation Board Meeting

November | CIBAFI – Ivey Business School
Executive Programme

December | Training of Trainers (ToT) Programme

Get to know more about CIBAFI's activities



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