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IFN Non-Banking Financial Institutions Poll 2022: Industry giants maintain stature



Non-banking financial institutions (NBFIs) are a diverse community of financial intermediaries with systemic importance to the global Islamic financial industry. During such a tumultuous period, NBFIs continue to prove themselves as valuable alternatives to the banking sector.

In its third year, the IFN Non-Banking Financial Institutions Poll, which recognizes and rewards the industry's leading Islamic NBFIs as voted by our readers, received 2,999 votes from all over the world across seven categories.

Best Islamic Financial Cooperative



Winning the title of Best Islamic Financial Cooperative for the third consecutive year, Al Barakah Multi-Purpose Co-operative Society (Al Barakah MCSL) proves it is worth its salt, attracting over one-third of the votes.

Celebrating its 24th anniversary this year, Al Barakah MCSL continues to fill a much-needed financial gap in the Mauritius created by the absence of Islamic banks.

The Mauritian market may be small – less than 18% of the approximately 1.2 million population are Muslims – however, this only amplifies the crucial role Al Barakah MCSL plays in serving the painfully underserved market. Through its nine offices nationwide, the cooperative offers an impressive array of Shariah compliant financial products including home financing, auto financing, property financing, trade financing, Hajj savings account as well as Qard Hasan facilities. It also

has an internal Takaful fund to support members struggling to service their financing.

After being displaced from the top three last year, California's Ameen Housing Co-operative made it back to the podium coming in as first runner-up, followed by Islamic Co-operative Finance Australia.

Best Islamic Leasing Provider



Grabbing almost 40% of the votes, Sri Lanka's LOLC

Al-Falaah is the undisputed Best Islamic Leasing Provider of 2022, retaining the crown again since the IFN Non-Banking Financial Institutions Poll was introduced in 2020.

LOLC Al-Falaah's victory is in the backdrop of a stellar year for the leasing provider, which has been serving the Sri Lankan market over the last 15 years. In August this year, the company further catapulted its Islamic finance leadership by merging with CLC-Islamic Finance, the Shariah business unit of Commercial

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Leasing and Finance. As a result, it became the nation's largest Islamic NBFI entity.

The merged entity commands almost 60% of the NBFI market share by total financing portfolio which stood at approximately LKR23 billion (US\$62.33 million) at the end of July 2022. By deposit base, it holds about 55% of the market share at LKR12 billion (US\$32.52 million). It also boasts a 210-strong branch network with an active customer base of over 50,000.

Amanah Leasing Public Company came in second again, followed by Guidance Residential in third.

Best Islamic Microfinance Institution



Ramping up its momentum in serving the nation's B40

(bottom 40% income earners) segment with new initiatives and reliefs, Amanah Ikhtiar Malaysia (AIM) retained its title as the Best Islamic Microfinance Institution for the third year running.

Established as a trust in 1987 by the Malaysian government, the Islamic microfinance institution has benefited over 339,000 individuals as at the end of September 2022. In the state of Selangor and the Kuala Lumpur region alone, AIM disbursed over RM144.59 million (US\$30.74 million) to 22,709 individuals. In September, AIM signed an MoU with the Social Security Organization to expand the social safety net to at least 340,000 entrepreneurs receiving financing from AIM.

AIM dialing up its financing and protection for microentrepreneurs has delivered significant impact to the B40 microentrepreneur community, particularly as small business owners have suffered greatly from COVID-19-related restrictions which translated to economic loss.

Bangladesh's Grameen Bank, and Palestine for Credit and Development maintained their respective second and third rankings.

Best Islamic Private Equity/Venture Capital Firm



In the biggest shake-up of the IFN Non-Banking Financial Institutions Poll, two-time winner

Gulf Islamic Investments (GII) was unseated by Fajr Capital as this year's Best Islamic Private Equity/Venture Capital Firm.

Led by The Royal Award for Islamic Finance recipient Iqbal Khan, one of the industry's foremost luminaries, Fajr Capital has built a name for itself in the Middle Eastern and Southeast Asian regions, with its impact-driven and partnership-based philosophy. According to the firm, it employs over 15,000 individuals across growth markets in MENA and Southeast Asia through its portfolio companies.

Sustainability, impact and Shariah compliance are central to Fajr Capital's identity and reflected in its investment

strategies as well as the establishment of Fajr Capital Foundation, an independent non-profit foundation. The foundation carries a mandate of developing innovative and sustainable models for the democratization of wealth, knowledge and philanthropy in its constituent communities.

Doha Venture Capital, which was second last year, came in as first runner-up, followed by GII which came in as second runner-up.

Best Islamic Real Estate Financier



Anchoring its unmovable position as

the industry's Best Islamic Real Estate Financier is Michigan's UIF Corporation (University Islamic Financial), which won by a large margin, attracting over two-thirds of the votes. UIF, the US's

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first faith-based banking subsidiary to run entirely in compliance with Shariah principles, has been serving the country's Muslim community across at least 26 states with its residential and commercial real estate financing solutions. UIF also forayed into vehicle financing, providing a more comprehensive range of services to the North American market.

Amanah Islamic Finance from Australia and US-based Guidance Residential held on to their respective first runner-up and second runner-up titles.

Best Takaful Company



In the Best Takaful Company category, the

competition was neck to neck, but Abu Dhabi National Takaful Co (ADNTC) remained triumphant taking home the crown for the second year running.

The win comes as ADNTC is pursuing inorganic growth opportunities. It is in discussions to potentially acquire Dubai Islamic Insurance and Reinsurance Co's life insurance portfolio, which would expand its market share and strengthen its balance sheet.

Founded in 2003 and as one of the earliest Takaful operators in the Emirates and the first in Abu Dhabi, ADNTC offers an expansive range of products across the family, general and medical segments, clocking in a five-year (2017–21) average return-on-equity ratio of 17.3%. Its strong balance sheet, solid operating performance, limited business profile and prudent enterprise risk management secured the firm an 'A-' financial strength rating and an 'a-' long-

term issuer credit rating from AM Best in early November.

While ADNTC managed to edge its competitors by a hair's breadth to retain its gold medal, the race for second and third place was a whirlwind, with last year's runner-ups — Zurich Takaful Malaysia and FWD Takaful — booted out and replaced by Islamic Arab Insurance Company in second place and Takaful Malaysia in third.

“ This year's lineup of winners demonstrates the resilience of our worthy winners who have persevered through turbulent times to maintain their market-leading positions ”

Best Re-Takaful Company



The excitement of the nail-biting race for second and third was also seen in the Best Re-Takaful Company category this year, with 2021's Saudi Re and Reinsurance

Group of America exiting the league to make way for EmiratesRE (first runner-up) and Swiss Re Retakaful (second runner-up).

Amid the fierce competition, reigning champion Malaysian Reinsurance and Retakaful nonetheless managed to hang on to the title of Best Re-Takaful Company for the third consecutive year, having secured 21% of the votes. Despite seeing its yearly profit for the year ending the 31st March 2022 about halved year-on-year, the reinsurer continues to maintain its top investment grade rating: 'A' by Fitch Ratings and 'A-' by AM Best, reflecting its 'very strong' capital buffer and 'sustained financial performance'. The wholly-owned subsidiary of MNRB Holdings commands about 58% of the re-Takaful market share in Malaysia, while actively underwriting businesses overseas across Asia Pacific, Europe and the Middle East.

Heartiest congratulations!

Just as the industry is adjusting to a post-COVID-19 world, it is dealt with the heavy hand of a potential global recession amid skyrocketing inflation, deepening cost of living crisis and climbing interest rates. Islamic NBFIs have not been insulated by such macroeconomic challenges, and in fact, have proved to be a vital vehicle in addressing today's financial challenges and in driving social and financial inclusion.

This year's lineup of winners demonstrates the resilience of our worthy winners who have persevered through turbulent times to maintain their market-leading positions, as well as the tough fight other contenders are putting up for the big prize. Our heartiest congratulations to all winners! 🎉

Table 1: IFN Non-Banking Financial Institutions Poll 2022 winners

Category	Winner	First runner-up	Second runner-up
Best Islamic Financial Cooperative	Al Barakah Multi-Purpose Co-operative Society	Ameen Housing Co-operative	Islamic Co-operative Finance Australia
Best Islamic Leasing Provider	LOLC Al-Falaah	Amanah Leasing Public Company	Guidance Residential
Best Islamic Microfinance Institution	Amanah Ikhtiar Malaysia	Grameen Bank	Palestine for Credit and Development
Best Islamic Private Equity/Venture Capital Firm	Fajr Capital	Doha Venture Capital	Gulf Islamic Investments
Best Islamic Real Estate Financier	UIF Corporation (University Islamic Financial)	Amanah Islamic Finance	Guidance Residential
Best Takaful Company	Abu Dhabi National Takaful	Islamic Arab Insurance Company	Takaful Malaysia
Best Re-Takaful Company	Malaysian Reinsurance and Retakaful	EmiratesRE	Swiss Re Retakaful