

Unleashing the Core Drivers of Islamic Economic Growth: Empowering Youth, Capital, and Innovation



SPECIAL INTERVIEW

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“Digitalization, Artificial Intelligence, and the rise of Fintechs in Islamic countries offer tremendous opportunities.... The youth understand technology and can harness these tools to grow Islamic finance globally”

MR. NOORUR RAHMAN ABID

Member of the Board of Directors, Kuwait Finance House

INTRODUCTION

Islamic finance is increasingly seen as a key player in reshaping the global financial landscape. As markets evolve, the sector's potential to drive sustainability and foster inclusive growth becomes more apparent. With a growing emphasis on ethical investments, Islamic finance is poised to lead the way in offering solutions that align with global economic and environmental goals.

On the sidelines of the 2nd Global Islamic Economy Summit in Istanbul—held under the theme “Islamic Economics Strategies: Path to Influential Global Economy”—we conducted a Special interview with Mr. Noorur Rahman Abid, Member of the Board of Directors, Kuwait Finance House. In this interview, he explores the present landscape and future prospects of Islamic finance, highlighting its contribution to financial inclusion, the strengthening of global collaboration, and the expansion of its influence through innovation and unified standards.

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Question 1:

As a prominent banking leader in the region, how do you view the current standing of Islamic finance within the shifting global financial landscape? Do you believe Islamic finance is positioned to refine international financial norms?

Mr. Noorur Rahman Abid:

Let me start by being positive. The opportunity for Islamic banking to become globally relevant and truly a substantial part of global finances, businesses, and assets is real and huge. But currently, we are not in that position. Yesterday, as we saw, we account for just 1.1% of global traditional assets, which is very small. Moving from 1.1% to a meaningful number will take a huge effort. The opportunity is there, and the means are there as well. What is required is leadership to play a positive role in taking Islamic finance to new horizons.

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Billions of dollars in waqf funds are sitting idle. This is a tremendous opportunity to create jobs, build factories, and spur growth

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Question 2:

This year's summit is held under the theme "Islamic economics strategies: path to influential global economy." In your view, what are the most critical strategies and priorities that Islamic financial institutions and decision-makers should pursue to enhance the global influence of the industry?

Mr. Noorur Rahman Abid:

The first and foremost requirement, in my opinion, is for practitioners to recognize the potential and impact of Islamic banking and economics. As discussed, there are vast opportunities to alleviate poverty, empower marginalized communities, and support both Muslim and non-Muslim populations. Yet, we have yet to play a significant role in this regard. To advance the economy, foster businesses, and invest in startups and small businesses is highly relevant.

This is low-hanging fruit that we can easily capitalize on. Islamic banks should focus on this sector and also utilize zakat and waqf funds more effectively and productively. Currently, billions of dollars in waqf funds are sitting idle. This represents a tremendous opportunity to channel these funds into productive initiatives that can create jobs, build factories, and spur economic growth. This is a vital step forward for us.

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KFH aspires to be a global bank...The only way you're going to do it is by mergers and acquisitions

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Question 3:

Kuwait Finance House is recognized as a flagship institution in global Islamic finance. How do you assess KFH's journey of general and international expansion? What lessons from its experience can be applied to support similar growth in other emerging markets?

Mr. Noorur Rahman Abid:

Kuwait Finance House wants to be a global bank. In the past, we were restricted to one region. Two years ago, we decided to be a global bank and to play a role globally. We identified that it's not

possible to grow organically. The only way to achieve this is through mergers and acquisitions. We found that Ahli United Bank, which had a presence in Egypt, the UK, UAE, Oman, and Iraq, presented the opportunity. This merger allowed us to grow exponentially in a very short time. Our advice for those who want to play a global role is to look for opportunities to merge, acquire, and grow. Size matters, and to grow organically is difficult. Mergers and acquisitions are the way forward.

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Digital banks don't have a big capital cost base, they can survive, grow on smaller capitals. This is a huge opportunity

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Question 4:

You are well-known for advocating international cooperation within the industry. What role do you see young professionals playing in driving the next phase of Islamic finance? What capabilities and mindsets must the next generation of leaders develop to respond effectively to a rapidly changing environment?

Mr. Noorur Rahman Abid:

The youth of the Muslim world can play a very significant and positive role by utilizing the tools that are currently available. Digitalization, artificial intelligence, and the rise of fintechs in Islamic countries offer tremendous opportunities. The youth understand technology better than my generation, and they can harness these tools to grow Islamic finance globally. Digital banks, with lower capital costs, can thrive and grow, and this is where the youth can contribute significantly.

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I think what is being held here is a proof that with a large extent, Al Baraka Group has achieved and realized the dream of their founder

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Question 5:

You had the opportunity to meet the late Sheikh Saleh Kamel, a pioneering figure in Islamic economics. What do you remember most from that encounter? How can today's leaders draw inspiration from his vision to confront the challenges facing the Islamic economy today?

Mr. Noorur Rahman Abid:

I had several opportunities to meet Sheikh Saleh Kamel. He was a visionary. One of his big dreams was to create a mega bank. He was convinced that unless we form a global mega bank, we will not be relevant. Islamic finance is based on ethics, and real economies grow out of Islamic banking. He believed that if we shared the values of Islamic Sharia relevant to the economy and finance, we could educate people globally. He wanted to share our ideas, our Sharia, and our concepts through summits and conferences, and today's event is proof that Al Baraka Group has realized his dream. May he rest in peace.

