

Distinguished guests, ladies and gentlemen

Assalamu Alaikum

I am very honoured to have this opportunity to address the 2016 Islamic Banking & Investment Asia-Middle East Congress. It is always a great pleasure to be in this part of the world, a pleasure which is greatly enhanced by the warm welcome I have once again received in Singapore.

As I was flying into Singapore, I could not help but reflect on the similarities between our two countries. Both nations have quickly developed post-independence and have achieved significant economic progress. Our two nations have benefited from strong persuasive visionary leaders – for example the late Honourable Mr. Lee Kwan Yew, former Prime Minister in Singapore; and my beloved father, HRH Prince Khalifa bin Salman Al Khalifa, the Prime Minister of Bahrain. Neither country was endowed with a rich vein of natural mineral resources, but both were blessed with hard-working, open-minded people who were eager to engage with a broad spectrum, welcome new ideas; integrate them within the wider world; and create new partnerships which provided mutual benefit.

Bahrain was quick to establish a niche in the banking and finance industry, which it continues to nurture, develop and expand today. My father was the first to recognise this opportunity for our country to be the leading Arab centre for banking and finance as the dynamics of the sector changed in the late 1970's. His vision was to identify new opportunities to provide the first - and perpetual - real home for the fledgling Islamic banking sector through a balance of innovation and pragmatism. We are very proud that many of the ground-breaking initiatives which started in Bahrain, have been of significant benefit to a vastly expanded, international community.

These successes have been widely recognised in a tangible way by the number of financial institutions which have made Bahrain a central hub for their operations, and through the election of the Council for Islamic Banks and Financial Institutions (CIBAFI) and IIFM to locate their base and logistics in Bahrain. In addition, Bahrain has been the country of choice for the annual World Islamic Banking Forum for many years, an event which regularly attracts most of the leading participants in Islamic finance throughout the world.

This solid foundation was enhanced with the introduction of an educational and vocational training and development programme. These far-sighted initiatives put us in a unique position, to utilise the very best of our human talent; our financial and regulatory expertise; a mature business environment which is open to all; an advanced and modern infrastructure; a sophisticated technology platform; and above all, a clear vision for advancement.

The initial emergence of my country as the world's pre-eminent Islamic banking centre has been astutely embedded throughout the past 25 years. It is a testimony to our ability to develop and deliver visionary programmes. Our country has always been willing and able to go where others have "feared to tread" – and many are still uncertain how to tread. We did it with determination, focus, originality, a belief in ourselves, and a clearly defined purpose. This has always been, and remains, the defining spirit of the Bahraini people; it is the spirit that we are living in today and one that will push us forward yet again in an increasingly demanding, ever-changing, dynamic and innovative world. The dynamism is obvious in other sectors; for example it is one reason why a recent MasterCard report placed Bahrain

in the top 10 of the most popular destinations for Arab travellers within the Organisation of Islamic Co-operation countries, demonstrating further the growing attraction of our country as a place to be associated within a personal and professional capacity.

In this new phase, our country is continuously building upon and further embedding its leading position in the financial sector, we are doing it with the same fearlessness and ingenuity that characterised earlier successful epochs.

I want now to take a few moments of your time to illustrate **FIVE THEMES** that characterise Bahrain's vision of leadership of the increasingly important, but transient, global Islamic economy.

FIRSTLY, we will increasingly position ourselves, and be acknowledged as, the premium "Islamic Private Wealth Capital of the World".

We expect to see a far greater focus on private banking activities such as Asset Management in the near future. European institutions have traditionally been pre-eminent in this area but the last few years have witnessed an increase

in demand for private banking founded upon Islamic-structured products; Islamic juris prudence; and ethically acknowledged standards of excellence. This is an area which is poised to grow significantly.

The Islamic finance industry today is well placed to dominate the movement towards private equity and asset management. We embrace and encourage this movement, and in this regard, I am delighted to encourage so many investment managers from several parts of Asia and beyond to come and visit us. The rise of the family offices in the GCC region in particular is invaluable in demonstrating the positive benefits of the way private wealth is managed and invested today. We expect these trends to continue and to provide even greater opportunities to those who can provide added value to High Net Worth Individuals.

SECONDLY – Bahrain is rapidly becoming the foremost regional centre for trade finance in the Middle East. We are actively and successfully expanding and enhancing our connections within Asia. We have strong, established, connections with the Central Asian Republics and throughout South East Asia, making Bahrain ideally placed

to facilitate trade throughout the length and breadth of the “New Silk Route”, and to finance the increasing needs and demands of the emerging Asian markets. We are increasingly looking East – with an emphasis on training our young bankers in many aspects of the financial sector which will compliment the inter and intra-regional trading, for example documentary credits and international trade techniques. One of the reasons for our attendance here today at this venue is to further reach out to you and to offer our expertise as a means of facilitating your success.

THIRDLY – Bahrain is playing a leading role in the development of Islamic Insurance, both "takaful and re-takaful". As Gulf economies grow, and particularly as Shari’ah-compliant economies expand, there will be more demand for innovative Islamic insurance products which solve the challenges and mitigate the risks of international trading. We have developed and implemented a successful strategy which provides the best research into what products are required, and how innovation can be converted to mutual benefit. Critically, we have put a regulatory framework in place to address these issues.

FOURTHLY – Bahrain has placed an enormous emphasis on technology as a driver for the future. Our Government has long since delivered many of its public services on-line. Financial services are increasingly delivered through technologies or to use the jargon – FinTech - both internationally and regionally. Bahrain will remain at the forefront of these developments. We encourage and assist entrepreneurs, particularly the youth, to develop new systems that will add value to institutions and customers. Whether it is trading platforms, payments systems, such as smart cards or mobile apps – a whole spectrum of opportunity awaits if IT talent is directed to work in partnership with the financial sector.

FINALLY – I would like to reiterate some of the attributes which set Bahrain apart:

- We know and understand *Islamic banking*.
- We have a large concentration of fully fledged Islamic institutions (28), plus 90 Islamic funds.
- We are the gateway to the Gulf economies.
- A recent KPMG report confirms that we have the lowest operating costs in the region, making us much more competitive than our neighbours.

- We are acknowledged as having the best regulatory framework in the region, and we will continue to upgrade our rules to reflect international standards and implement best practices.

All of this is well-known, **but** what really sets Bahrain apart from its competitors is its enormous depth of human talent. We are very proud to have a financial sector in which 80% of personnel are Bahrainis.

We have the best training programmes in the region. Whether they are delivered by the internationally acclaimed Bahrain Institute of Banking and Finance, or whether it is “on the job” at one of our prestigious institutions - we have outstanding people at every level. And with a 25 year track record, those who were once juniors are now increasingly occupying senior management positions.

In conclusion, we are an integrated economy. At every level of our society you will find people who are engaged within the financial sector.

Crucially, our financial service providers support one another. Their people are knowledgeable, highly-skilled, and dedicated at their tasks.

We may not have the largest Muslim population in the world, but Bahrain's destiny is to be THE CENTRE OF EXCELLENCE for the Islamic financial sector. A place RENOWNED for its education; training; research; innovation; product development; market discipline, and above all, INTELLECTUAL LEADERSHIP.

Bahrain is the place where the leading Islamic bankers want to be. In my country we are proud to emphasise Islamic finance, whilst ensuring that our open-minded approach provides a platform in which investors are welcomed to do business. The Islamic economy is ROOTED in Bahrain and, INSH'ALLAH by the Grace of God, we will continue to PROSPER as the gateway for a new ERA.

Welcome to the Asia-Middle East Congress 2016.

I wish you a pleasant stay and productive conference and I do look forward to welcoming you in Bahrain soon!