

Citation Speech for Tan Sri Rashid Hussain, Doctor of Business (Honoris Causa)

*– read by Tan Sri Andrew Sheng, Chairman of International Advisory Board,
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It is with great honour and privilege for me as a friend and admirer of Tan Sri Rashid Hussain to read his citation for the degree of Doctor of Business (Honoris Causa) today.

Tan Sri Rashid was the youngest son of Mohammed Hussain, who hailed from Penang, but moved to Singapore to start a successful business there. He was educated in London and was one of the first Malays to obtain a stock broking qualification there. He began his career in finance with Strauss Turnbull, a family-owned brokerage in London, and in 1975, joined Bumiputera Merchant Bankers Berhad, one of the first four merchant or investment bank licences granted by Bank Negara.

During this period, he was seconded to various positions in Rothschild & Sons in London, Daiwa Securities in Tokyo and Salomon Brothers in New York, an experience that enabled him to connect the most important capital markets of the 1980s to Malaysia. No one who is not familiar with the rise of the Malaysian stock market can forget the seminal role that Tan Sri Rashid played in the development of Malaysia's capital markets, since the Kuala Lumpur Stock Exchange (today Bursa Malaysia) was only separated from the Singapore Stock Exchange in 1973.

In 1983, showing his entrepreneurship and still in his thirties, he left to establish Rashid Hussain Securities (RHS) with only 12 staff, one of the first stock brokers to list on Kuala Lumpur Stock Exchange. RHS was the first to do serious corporate research and to develop institutional clients, as most stock brokers in Malaysia and Singapore then were focused on the retail trade. For many years running, RHS won numerous industry accolades by AsiaMoney as the best research house in Malaysia and the region.

The 1980s to 1990s were the boom years of the Malaysian stock market, as it became the first of the emerging stock markets to be taken seriously by global investors in London, New York and Tokyo, then the largest institutional markets in the world. Malaysia caught the global attention because she emerged as a major producer of electronic products, palm oil, timber and oil and gas during this period. At the same time, the developed markets were looking for new opportunities to invest their surplus capital.

To illustrate how capital markets developed in Malaysia, the stock market capitalization grew from 51.8% of GDP in December 1982 to a peak of 321% of GDP in December 1993, when the banking system assets were smaller at 221% of GDP. The market cap of Bursa was 113% of GDP at the end of 2018. Malaysia was unusual amongst the emerging markets to have a far more sophisticated stock market relative to the banking system and that served as a great "spare tire" when Malaysia was hit by the 1997/1998

financial crisis. Put it this way, without the deep stock market to absorb the shocks and to facilitate the debt/equity restructuring, the impact of the Asian financial crisis on Malaysia could have been worse.

It was during this period that Tan Sri Rashid put his mark on the financial developments. Realising that securities companies can effectively play the role of investment banking as well as asset management, he was in the forefront of capital raising/IPO, as well as mergers and acquisition activities.

Under his leadership as Executive Chairman, RHB became the centre of a fully integrated financial services group in Malaysia and the ASEAN region, employing more than 10,000 people and serving over 3 million customers in Malaysia and regionally. The RHB Group of companies comprised the third largest commercial bank (today the RHB Bank), the largest securities firm, the second largest investment bank, a world renowned research institute and the largest private fund management company in Malaysia. Tan Sri Rashid helped steer RHB's regionalization initiatives by establishing securities firms in key ASEAN centres.

In addition, he has contributed significantly to public service. From 1994 to 1998, Tan Sri Rashid served on the first board and chaired the Executive Committee of Khazanah Nasional Berhad, the national development fund chaired by the Prime Minister. His vision and pioneering initiatives led in no small way to the emergence of KNB as one of the leading sovereign wealth funds in the world, respected for its professionalism and market skills.

Furthermore, from 1995 to 2000, he was Chairman of Putrajaya Holdings Sdn Bhd, which implemented the creation of the new administrative hub in Putrajaya.

Tan Sri Rashid has also been a leading and active advocate and supporter of Islamic finance in Malaysia. He established Islamic banking services in RHB in 1993, Islamic Brokerage Services in 1994, and launched the first Islamic Equity Index (first globally) in 1996. Furthermore, he launched a Mudarabah fund through the RHB Unit Trust in 1996 and was a leader in the launch of Mudarabah sukuks in Malaysia. From 2000 to 2018, he was a member of the Advisory Board of the Islamic Corporation for the Development of the Private Sector, established by the Islamic Development Bank, Jeddah.

Tan Sri Rashid was recently appointed as a member of the Board of Governors of the International Islamic University Malaysia and Chairman of the Trustees of the International Institute of Islamic Thought and Civilization (ISTAC) Trust Fund.

Today, Malaysia is the leading sukuk market and a leader in global Islamic finance, thanks to Tan Sri Rashid's broad vision and deep commitments to the development of Malaysia's capital markets.

Tan Sri Rashid could not have achieved all these without an eye for talent. Some of the top bankers and investors in Malaysia have worked for RHB Group of companies. These would include Datuk Ooi Sang Kuang, former Chief Economist and today Chairman of OCBC Bank, Datuk Yvonne Chia, first woman CEO of a major bank in Malaysia, and Datuk Charon Mokhzani, investment banker and today CEO of MIDF Berhad.

The other side of Tan Sri Rashid is his active involvement in corporate governance and philanthropy. Few people know that he was a founding member of the Asian Corporate Governance Committee, founded in 1999 with the aim of promoting good corporate governance in Asia. He is a founding member and still chairs the Prime Minister of Malaysia's Fellowship Exchange Foundation, founded in 1993 to promote education and learning in all fields.

On a personal note, I can vouch for the fact that Tan Sri Rashid is man of high integrity and professionalism, well known and respected for his dedication to quality financial services with good corporate governance at its core. He achieved his status with sheer hard work, leadership of a strong team and a charming and disarming sense of humour that is always delivered with a twinkle in his eye.

This Doctor of Business (Honoris Causa) from Wawasan Open University is an acknowledgement and recognition of Tan Sri Rashid Hussain's distinguished achievements as a visionary, dynamic and pioneering leader in Malaysian and Asian regional capital markets and banking development, who helped paved the way for Malaysia's advancement into the ranks of the leaders of the Emerging Capital Markets that today form a valuable asset class for all global portfolios.

It is with great pleasure and a tremendous measure of pride and honour that we invite you, Tunku Chancellor, to confer the degree of Doctor of Business (Honoris Causa) on Tan Sri Rashid Hussain in recognition of his exceptional leadership and lifelong contributions in the field of asset management, banking and capital markets, as well as the his dedication to financial education, particularly in Islamic finance.