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Sulaiman Al-Rajhi's life a rags to riches story



Saudi Arabia's rags-to-riches billionaire Sulaiman Al-Rajhi is also a world-renowned philanthropist. He is the founder of Al-Rajhi Bank, the largest Islamic bank in the world, and one of the largest companies in Saudi Arabia. As of 2011, his wealth was estimated by Forbes to be \$7.7 billion, making him the 120th richest person in the world. His flagship SAAR Foundation is a leading charity organization in the Kingdom. The Al-Rajhi family is considered as one of the Kingdom's wealthiest non-royals, and among the world's leading philanthropists.

Al-Rajhi is a billionaire who chose last year to become a poor man at his own will without having any cash or real estates or stocks that he owned earlier. He became

penniless after transferring all his assets among his children and set aside the rest for endowments. In recognition of his outstanding work to serve Islam, including his role in establishing the world's largest Islamic bank and his regular contribution toward humanitarian efforts to fight poverty, Al-Rajhi was chosen for this year's prestigious King Faisal International Prize for Service to Islam.

In an interview with Muhammad Al-Harbi of Al-Eqtisadiah business daily, Al-Rajhi speaks about how he was able to succeed in convincing chiefs of the leading central banks in the world, including that of the Bank of England, nearly 30 years ago that interest is forbidden in both Islam and Christianity, and that the Islamic banking is the most effective solution to activate Islamic financing in the world and make it a real boost to the global economy.

The story of Al-Rajhi is that of a man who made his fortunes from scratch, relying on grit and determination. Al-Rajhi threw away his huge wealth through two windows — distributed a major part of his inheritance among his children and transferred another portion to endowments, which are regarded as the largest endowment in the history of the Islamic world. He had to fight poverty and suffering during his childhood before becoming a billionaire through hard work and relentless efforts, and then leaving all his fortunes to become penniless again.

Al-Rajhi is still very active and hardworking even in his 80s with youthful spirits. He begins his work daily after morning prayers and is active until Isha prayers before going to bed early. He is now fully concentrated on running the endowment project under his SAAR Foundation, and traveling various regions of the Kingdom managing activities related with it. He always carries a pocket diary containing his daily programs and activities and he is accustomed to stick on to the schedule he had prepared well in advance.

Al-Rajhi scored excellent performance results in almost all businesses in which he carved out a niche for himself. In addition to establishing the world's largest Islamic bank, he founded the largest poultry farm in the Middle East. The credit of activating the organic farming experiment in the Kingdom mainly goes to him through launching a number of farming projects, including Al-Laith shrimp farming. He also established real estate and other investment projects.

Excerpts:

Sheikh Suleiman, have you become a poor man again?

Yes. Now I own only my dresses. I distributed my wealth among my children and set aside a portion for endowment to run charity projects. As far as I am concerned, this situation was not a strange one. My financial condition reached zero point two times in my life, and therefore I have had the feeling and understanding (about poverty) well. But now the feeling is accompanied by happiness, relaxation and the peace of mind. The zero phase in life this time is purely because of my own decision and choice.

Why did you choose this path?

All wealth belongs to Allah, and we are only those who are entrusted (by God) to take care of them. There were several reasons that prompted me to distribute the wealth and that resulted in performing this virtue. Most important among them is to foster brotherhood and love among my children and safeguard their harmonious relationship. This is more significant than any wealth in this life. I was also keen not to be instrumental in wasting the precious time of courts in case of any differences of opinion among them with regard to partition of inheritance. There are several examples that everybody could see when children entered in dispute over wealth and that led to the collapse of companies. Nation has lost many large companies and their wealth that we could have been saved if we tackled the matter in a right manner. Apart from this, every Muslim should work on some endowments that could benefit him in the life after death. Likewise, I prefer my children to work on developing wealth, which they inherit after my death, during my lifetime itself rather than I continue working to increase them.

Are you getting enough free time after the distribution of wealth?

As earlier I am still working on developing endowments. I will donate and give alms from it until Allah takes over this trusted deposit. I have worked out a meticulous scheme for this endowment and developed it with the support of specialist consultants and agencies. This idea struck me long before. Usually people in the Islamic world set aside one-third or one-fourth of their wealth for endowment and that will be effective only after their death. But in my case, I decided to implement this decision in my lifetime itself. So I invited my children to Makkah during the end of Ramadan and presented the idea in front of them. They readily agreed it and then I distributed my wealth among my children in addition to setting aside a part of it for endowment. I sought the help of consultants to facilitate the procedures for the distribution of all my assets including properties, real estates and stocks, and that was completed in a cordial atmosphere. All my children are now fully satisfied with my initiative and they are now working on these properties in my lifetime.

How much wealth you distributed among children and set aside for endowment?

He laughed without giving an answer.

How do you feel now about your projects?

I would like to point out that there were some factors that prompted me to make investments in certain specific areas. My experiment in money exchange was the temptation to set up a bank. The absence of any Islamic banking was also another factor in establishing Al-Rajhi Bank, which is now the world's biggest Islamic lender by market value. I began the experiment with opening an office in Britain where we introduced Islamic banking system at a greater level. The experiment was a success and it had received total backing of the Saudi Islamic scholars at that time. I still recall the application made for getting license for the bank was turned down in the beginning. This was because the concerned British officials did not have any idea about Islamic banking. Therefore, I went to London and met with the manager of the Bank of England and two of his deputies. I told them that Muslims and Christians see interest as forbidden (haram), and the Muslim and Christian religious people are unwilling to make transactions with banks based on interest and instead prefer to keep their cash and other valuables in boxes at their homes. I tried to convince them that (if we establish Islamic banks) this money would be helpful to strengthen the world economy. These talks were helpful in convincing them and they agreed to open Islamic banks. Then I traveled widely throughout the world in the West and East, and met with the chiefs of central banks in various countries and explained to them about the salient features of the Islamic economy. We started working and achieved success through launching it in the Kingdom and implementing it in London. When I returned to the Kingdom from London, I met the late Grand Mufti Sheikh Abdul Aziz bin Baz and Sheikh Abdullah bin Humaid, and informed them about the plan saying: 'We would reach, by the grace of Allah, the Islamic banking within a stipulated period of time.' They praised me for the initiative. We started aggressively implementing the project and that is in the form of Al-Rajhi Bank as you see now. Regarding Al-Watania Poultry, the idea of establishing such a venture struck me after my visit to a poultry project abroad. I saw that the way of slaughtering chicken was not proper. Then I decided to make investments in the field of poultry after considering it as a duty to my religion and nation. I started the project even though making investments in poultry involved high risks in those days. Now Al-Watania has become a mega Saudi project that is instrumental in achieving food security in many respects. The company enjoys a 40 percent market share in the Kingdom, and Al-Watania chickens are naturally fed and halal slaughtered in accordance with the Shariah principles.

What about your insistence on introducing organic farming through Al-Watania agricultural projects?

As you see, now I am 85 and still enjoy good health. If we pursue organic farming as our healthy food style, we can bring down cost of treatment to a great extent. We made several experiments in the field of organic farming. Our numerous experiments met with setbacks in the beginning. This prompted many engineers and workers to reach a conclusion that it is impossible to have organic farming and profit together. In the beginning, they were firm in their view that this would not at all be successful. But I insisted that it would work and continued compelling them to proceed with the venture. At one time, I took a firm position and told them either to do organic farming or quit. Now we are reaping the fruits of this lucrative business in line with my vision to provide only the healthiest, safest and most trustworthy food to consumers. Al-Watania Agricultural Company stopped using chemicals and artificial fertilizers and focused exclusively on organic methods such as the use of pest insect repellants and animal manure.

Your austerity and thriftiness on spending are well known. Please comment?

I am not a miser. But I am always vigilant against extravagance. I always try to impart this lesson to all those working with me whether it is in banking or poultry or other projects, and I am more concerned about it when it is coming to the case of my children. In the past, I never gave money to my children when they were young in return for nothing. When any one of them approached me to give them cash, I asked them to do some work in exchange for it. In our life, we practice some extravagance without being aware of it. But it affects our whole life, exhausting us and putting a burden on our country. For example, there is no logic in putting heavy curtain on our windows and then lighting lamps in daytime when we get sunlight free of cost while electric lamps are costly.

Despite all your wealth, why don't you still have a private aircraft?

Let me tell you that I have many planes but they belong to various airlines. I have ownership in all of them to the tune of the ticket fare that I pay for each travel. I always travel in economy class with the conviction that Allah bestowed us wealth not for showing arrogance or spend extravagantly but to deal with wealth as a trusted property.

What about the recreation and hobbies of Sheikh Al-Rajhi? How do you spend free time?

I have not any special recreations. However, I find happiness and enjoyment while making a trip to the desert. I never went out of the Kingdom on a tourism trip.

What about your will? What are its salient features?

Regarding my will related with wealth, I have already implemented it in my lifetime. As for the remaining aspect of my will, it is a public matter and also involves certain private matters, besides encouraging my children to maintain their kinship and always reminding them about the life after death.

How do you see your children's private investments? Are there any directives to them?

A number of them are doing an excellent work in accordance with their knowledge and experience. Most often, I try to guide them when I noticed anything undesirable even if it is in their private investments. Regarding my younger children, I always guide them, especially in the case of their investments. This is purely out of my keenness that they should be honest in their work as well as in spending wealth given by God as a trusted property. I am also eager to hear about my children that they are interacting with the society in the best possible manner, and that they are serving their religion and nation.

In what way you like to spend your time? What are the places that you like most?

I used to travel between Riyadh, Qassim, Al-Jouf, and Al-Laith to oversee my projects there. I always prefer to visit the farms in Qassim and Al-Jouf.

How could you preserve many old and precious things and antiques at Suleiman Al-Rajhi Museum?

A long time ago when I was in Jeddah, I was keen on preserving heritage pieces and gathered them together, especially those related with money exchange. There would be a history with every human being. The museum tells the story of money exchange. I particularly kept registers and cash boxes that were used when I started the money exchange business. The first cash box was made of wood, and there was a huge treasure box in which we kept our gold and silver. The artifacts kept at the museum tells the evolution of currency in the Kingdom through issuance of bank notes, as well as some currencies and coins that were in circulation among the Haj pilgrims. A major factor that prompted me to set up the museum was the visits made by a large number of officials from various countries to know more about these old coins and currencies. We have had to exhibit these rare collections in front of them to explain about our history and heritage, especially those related with money. I was keen to furnish the museum with historic and heritage pieces, especially with the same materials used for construction in the past. Hence, the roof of the museum was made of palm branches, and that was the case with the seating arrangements at the museum.

Al-Rajhi's punctuality

The interview also sheds light on many qualities of Al-Rajhi, including his punctuality. "In the beginning of my business career, I had appointments with several top European company executives and officials. I still remember that I reached late for such an appointment due to an unavoidable reason. My delay was only a few minutes but the official excused himself for the interview. Later, after expansion of the projects, the same official came late for an interview with me so I excused myself for the interview. I always carry a paper to note down the schedule of meetings and stick to the schedule at any cost."

Al-Rajhi continued: I am always keen to strictly adhere to the Islamic principles throughout my life. Once I received an invitation from an Arab government to attend an investment conference there. On the sidelines of the conference, I was invited to take part in a dinner reception. When I reached there, I found a recreational program, which is contrary to our religious customs and traditions, taking place. So I quit the place immediately and, Abdul Aziz Al-Ghorair from the UAE also joined me. Soon minister plenipotentiary rushed to us, and we explained to him that the function is against our Islamic tradition. So he informed us that the recreational party would be cancelled. When they canceled that party, we participated in the dinner.

Tackling crises

Al-Rajhi said: There was a huge fire that gutted down one of my factories managed by my son. When he came to inform me about it, I told him: Say praise be to God. I asked him not to submit any report about the losses to the authorities seeking compensation. In fact, the compensation is from Allah and it is essential for us to be satisfied with What Allah destined for us. Assam Al-Hodaithy, financial director of Al-Watania Poultry, said: "When the fire broke out at the factory, we decided not to hurt Sheikh Al-Rajhi by informing about it at that moment. Later, when we met him next morning, he told us to shift the factory to another place and remove the debris until completion of reconstruction." There was a similar fire at Al-Watania Poultry project in Egypt. The company incurred losses worth SR 10 million Egyptian pounds. When the concerned factory official contacted Al-Rajhi to inform about the fire, he was surprised to hear an instant reply from him: "AlHamdulillah."