

IFN FORUM

US

2016

#IFNUS16

POST-FORUM ANALYSIS REPORT

12TH OCTOBER 2016
PricewaterhouseCoopers, New York

HOSTED BY



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New opportunities for Islamic finance in the US

The US not only offers significant opportunities for Shariah compliant finance across multiple asset classes including inward investment into real estate and private equity but also highlights the developing interest in debt transactions and diversification from overseas investors chasing solid yield in a safe environment. On the 12th October, IFN returned to the US for the first time in eight years to an enthusiastic welcome from domestic players and international investors alike, with a comprehensive exploration of the opportunities available in this vast yet fragmented market.



The event was launched with a keynote address from Brooklyn State Senator Kevin Parker, who was vocal in his support for Islamic finance both within New York State and across the US. “My interest in Islamic finance grew out of an interest in serving my community,” he emphasized. The US hosts the fourth-largest Pakistani community outside of Pakistan, many of whom live in the Tri-State area and especially in Brooklyn, along with a significant population of Muslims from Bangladesh, the Caribbean and other countries.

Senator Parker has been instrumental in proposing an Alternative Investment Bond bill to the State Senate which would allow the New York State Common Retirement Fund to issue Sukuk — as well as working closely with the Dormitory Authority of the State of New York (which provides public construction, financing and allied services) to look at infrastructure financing opportunities. “Getting a state Sukuk [facility] through is important,” stressed the senator. “But there are multiple other opportunities already available. New York is open for business — and people like to make money. If we show people in New York that they can make money, the rest of the US will not be far behind.”

One issue that was raised despite its sensitive nature was the issue of Islamophobia in the US, and this was a question that participants were keen to tackle. Currently, there are 27 states with bills in place that suggest banning or restricting Shariah or Islam in some shape or form. “This is a real issue,” highlighted Parker. “We need to be vocal and active about beating back Islamophobia. This is a country built on religious freedom and we must be the drum majors in the march for justice. In this kind of battle, silence equals consent — and it doesn’t just hurt those who are attacked, it hurts us as a nation.”

This strong support was echoed by other participants — although the topic of branding for Islamic finance was a repeated point. “We need to face political reality and work with the authorities to get around these issues without scaring people through an unfamiliar lexicon,” pointed out one panelist. “We can make this a reality by arguing on its merits, not on its religious principles.” However, opinions on the subject varied. “Rebranding is a misnomer,” suggested Ibrahim Mardam-Bey, the principal and chief commercial officer with Taylor De Jongh. “There needs to be an evolution through



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organic growth, not an artificial branding. I think this will happen, and it is happening, because it simply makes more sense."

The theme of driving growth through opportunity was also consistent throughout the day. Ahmed Al Qassim, CEO of Emirates NBD Capital, stressed in his panel session on industry growth that: "There is a large investment pool, and significant capital in the Middle East that is looking to be deployed. We are seeing plenty of appetite."

Michael Orzano, the director of global equity indices with S&P Dow Jones Indices, agreed. "There is a lot of demand from investors seeking income yield," he noted. "The US is providing a very strong opportunity for Islamic finance that has not been seen before," added Patrick Drum, a portfolio manager for Saturna Capital. He noted that due to the rapid growth of negative yield assets, major capital market investors who have mandates not to obtain negative rates have been looking elsewhere for yield — particularly to emerging markets and especially toward Sukuk

and Islamic securities allocation. "A large part of our client base are not of the Muslim faith," added Drum. "They are attracted to the returns."

Anxiety around the US elections was of course much-discussed, but on the whole the attitude was positive. "When the dust settles, this concern should fade away," said Nasr El Hage, the managing director of the Ritz Banc Group. "It won't affect the appetite long-term. In fact, the major challenge we have today is finding enough products. There is a lot of capital-chasing, not enough deals." Anup Patel, the president and chief investment officer with Arch Street Capital, agreed — and stressed the importance of trust and strong relationships with local partners. "We are in an environment where there is more capital than there are good opportunities. And to get access to the best transactions you have to have access to a US-based counterparty that is able to move rapidly and negotiate the best terms."

Hosted by PwC and sponsored by Emirates NBD, King & Spalding, Talyor De Jongh, Moody's, Guidance Residential and the Financial Accreditation Agency, the event saw upwards of 120 delegates, with a strong atmosphere of positivity and excitement for the future. With growing activity from both overseas and domestic players and increasing expressions of interest toward Islamic alternatives as challenging market conditions drive players to seek more creative methods of raising capital, the US looks once again to be a market on the rise. IFN looks forward with anticipation to returning next year.

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09:30 – 10:20 **What's Driving Industry Growth?**

Given current market conditions, what does the future hold for the Islamic debt and equity capital markets and retail finance? What can we expect in terms of new asset classes, sector-specific development and trends? Are there opportunities for cross-border transactions and what role will US market makers play?

Moderator:

Rizwan Kanji — Partner, King & Spalding, the UAE

Panelists:

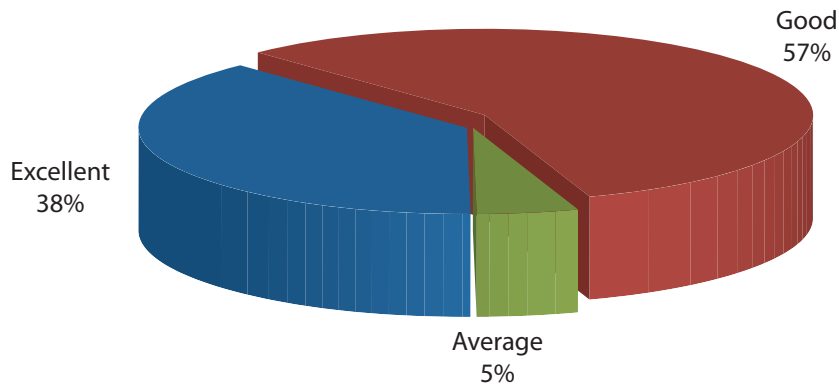
Ahmed Al Qassem — CEO, Emirates NBD Capital, the UAE

Bashar Qasem — Founder and CEO, Azzad Asset Management

Ibrahim Mardam-Bey — Principal and Chief Commercial Officer, Taylor De Jongh

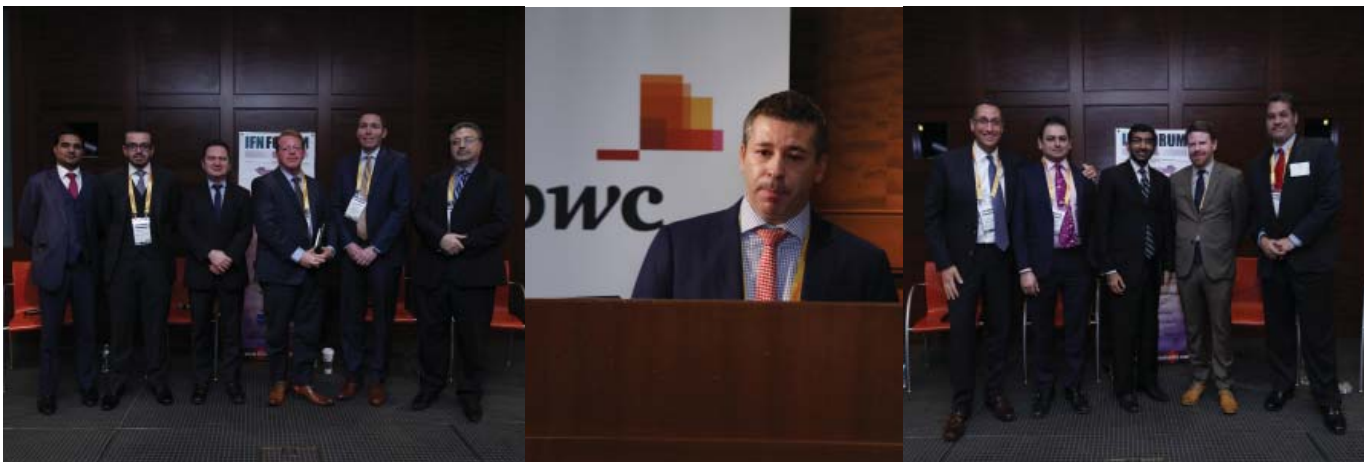
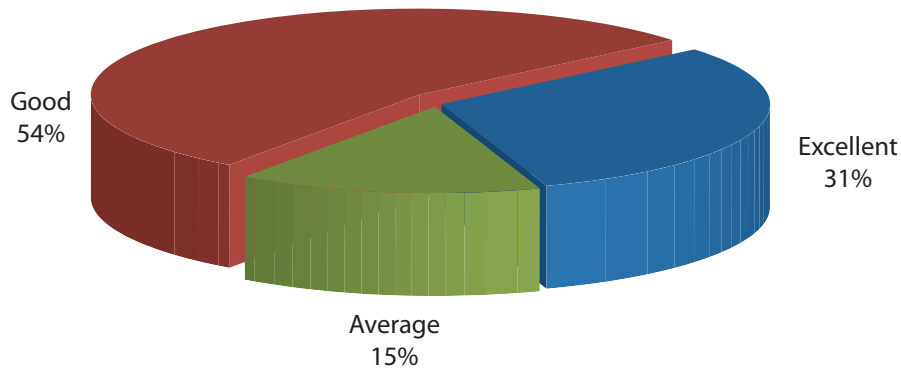
Michael Orzano — Director, Global Equity Indices, S&P Dow Jones Indices

Patrick Drum — Portfolio Manager, Saturna Capital



10:20 – 10:40 **Presentation: US Tax Regulations Impacting Capital Flows from the Middle East**

Oliver Reichel — Partner, Real Estate Tax, PwC



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11:10 – 12:00 **Tapping the Middle East and Other Key Markets**

- The US and Middle East markets both hold great promise for potential investors seeking solid and innovative assets. We ask investment experts from each market what sectors are likely to yield the best returns. How can US market players access liquidity in the Middle East and other key markets, and likewise how do their Gulf counterparts attract US investors?

Moderator:

Jawad Ali — Managing Partner, Middle East Offices, King & Spalding, the UAE

Panelists:

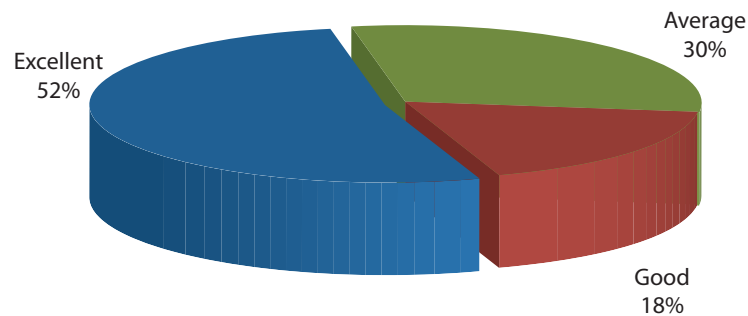
Aamir Rehman — Managing Director, Fajr Capital, the UAE

Gabriel Torres — Vice-President and Senior Credit Officer, Moody's Investors Service

Hdeel Abdelhady — Principal, MassPoint Legal and Strategy Advisory, Washington DC

Hitesh Asarpota — Managing Director, Capital Markets, Emirates NBD Capital, the UAE

Thom Polson — CEO, Falah Capital



12:00 – 12:30 **Deal Dialogue: 45 Park Place**

Moderator:

Lauren McAughtry — Group Managing Editor, REDmoney Group, the UK

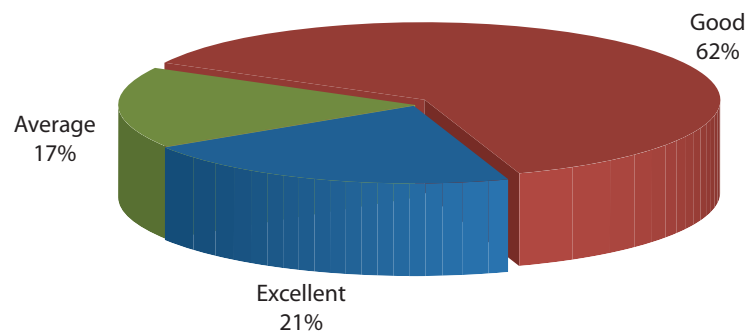
Panelists:

Adam Malik Azlan — Managing Director, Conglomerates and Institutions, Maybank Investment Bank, Malaysia

Amro Nahas — Head of Real Estate Investment, MASIC, Saudi Arabia

Mona Dajani — Partner, Baker McKenzie

Sharif El-Gamal — Chairman and CEO, Soho Properties



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12:30 - 13:00 **Equity Investment into US Real Estate**

- Outlook for the flow of Gulf-based capital into US real estate investments
- Tax treatment of equity capital from the Gulf
- Post-Brexit opportunities

Moderator:

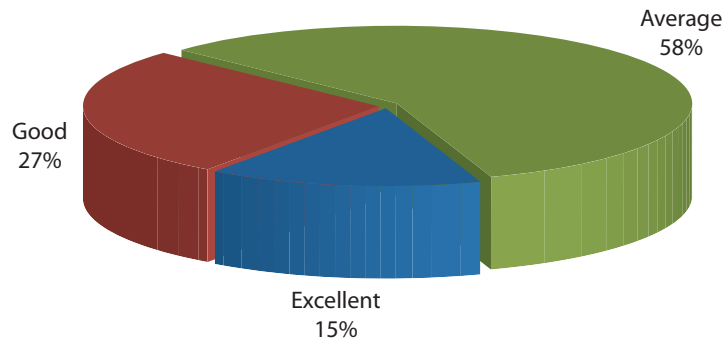
Andrew Metcalf — Partner, Middle East and Islamic Finance Practice Group, King & Spalding

Panelists:

Anup Patel — President and Chief Investment Officer, Arch Street Capital Advisors

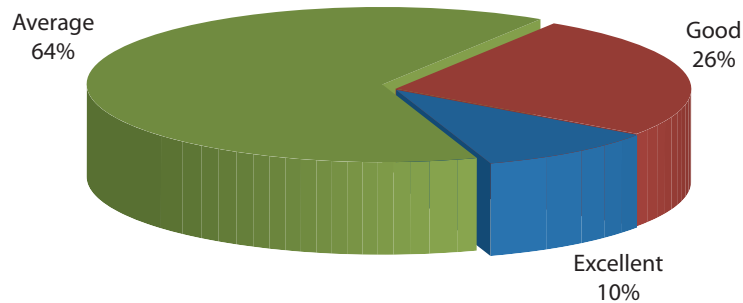
Khaled Elsayed — President and CEO, Guidance Residential

Nasr El Hage — Co-Founder and Managing Director, Ritz Banc Group



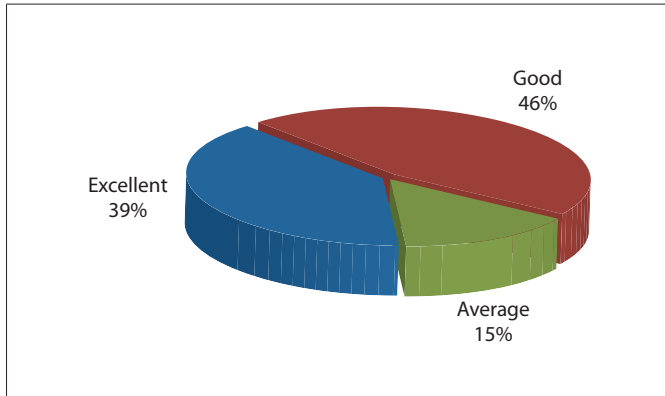
13:00 – 13:15 **Presentation: Quality Talent Development for the Financial Services Industry**

Ulrika Brunner — Director, Strategic Corporate Relations, Finance Accreditation Agency

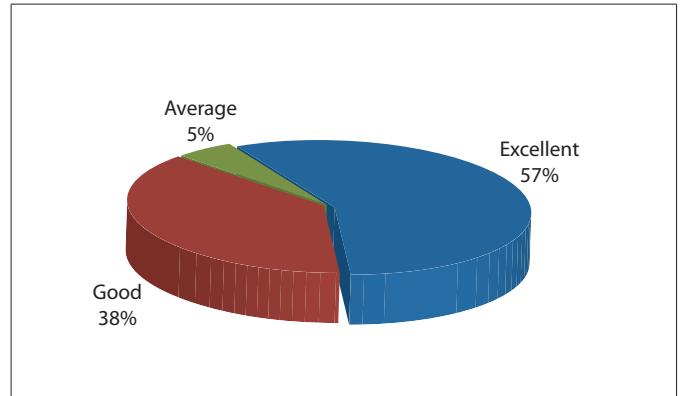


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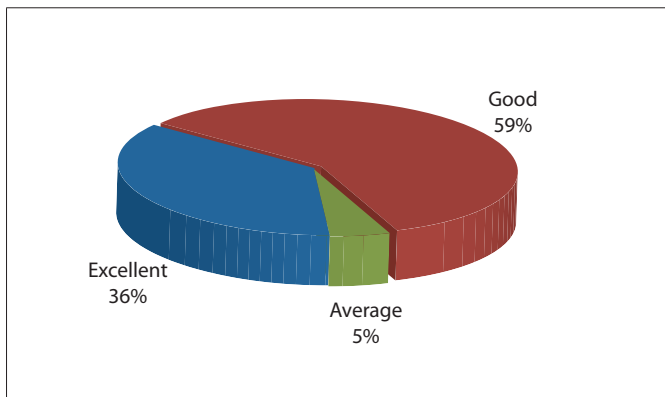
Pre-event Contact



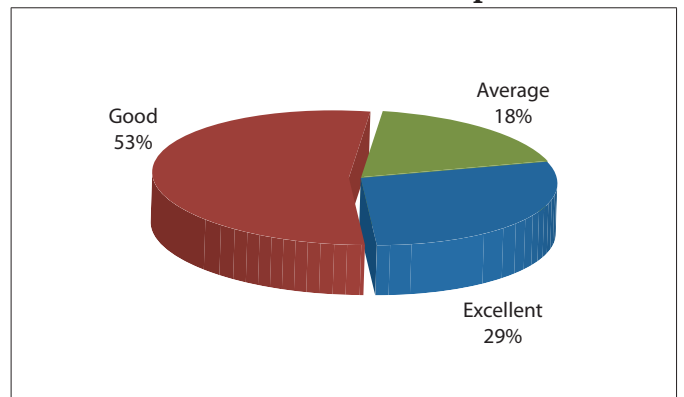
Overall Evaluation of the Event



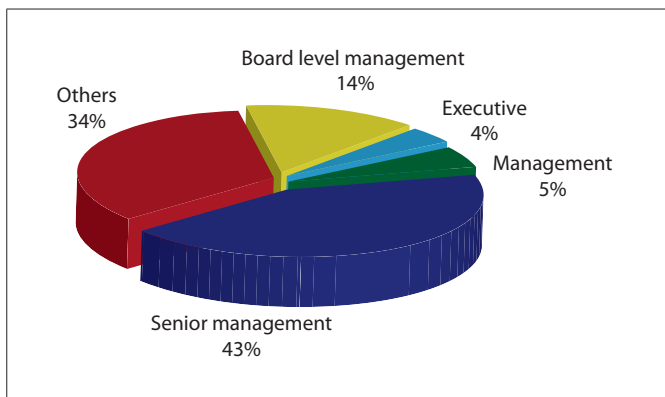
Venue and Facilities



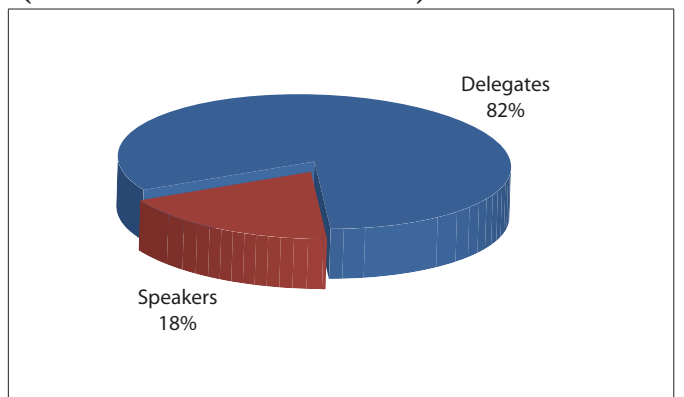
Overall Evaluation of the Speakers



Delegate Job Title Breakdown



Delegate Breakdown (International and local)



Board level management	16
Senior management	49
Management	6
Executive	4
Others	38
Total	113

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To view what it was like on the day of our event, view the photo gallery on our website:
<http://redmoneyevents.com/main/event.asp?IFN=Turkey2016>

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SPEAKERS

COMPANY	NAME	JOB TITLE
Arch Street Capital Advisors	Anup Patel	President and Chief Investment Office
Azzad Asset Management	Bashar Qasem	Founder and CEO
Baker Mckenzie	Mona Dajani	Partner
Emirates NBD Capital	Ahmed Al Qassim	CEO
Emirates NBD Capital	Hitesh Asarpota	Managing Director, Capital Markets
FAA	Ulrika Brunner	Director, Strategic Corporate Relations
Fajr Capital	Aamir Rehman	Managing Director
Falah Capital	Thom Polson	CEO
Guidance Residential	Khaled Elsayed	CEO
King & Spalding	Andrew Metcalf	Partner
King & Spalding	Jawad Ali	Managing Partner, Middle East Offices
King & Spalding	Rizwan Kanji	Partner
Masic, Saudi Arabia	Amro Nahas	Head, Real Estate Investment
Masspoint	Hdeel Abdelhady	Principal
Maybank Investment Bank	Adam Malik Azlan	Managing Director, Conglomerates and Institutions
Moody's Investors Service	Gabriel Torres	Vice-President and Senior Credit Officer
New York State Senate	Sen. Kevin Parker	
PwC	Oliver Reichel	Partner, Real Estate Tax
REDmoney Group	Lauren McAughtry	Group Managing Editor
Ritz Banc Group	Nasr El Hage	Co-Founder and Managing Director
S&P Dow Jones Indices	Michael Orzano	Director, Global Equity Indices
Saturna Capital	Patrick T Drum	Research Analyst and Portfolio Manager
Soho Properties	Sharif El-Gamal	Chairman and CEO
Taylor De Jongh	Ibrahim Mardam-Bey	Principal and Chief Commercial Officer

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IFN US Forum 2016 sessions would be broadcast on IFN-TV. For more info, visit <http://ifn-tv.com/>. IFN-TV Channel is a fresh new media platform video content. All IFN Forums are filmed session by session and uploaded to IFN-TV, allowing you to revisit your favorites, catch up on sessions you missed or share clips of interest with others — and offering those unable to attend a vital alternative to access invaluable industry insights. The channel will also host exclusive interviews with industry leaders, along with discussions, roundtables, seminars and much more.

COMPANY LISTING

Aasis Financial Holdings | Abana | Abdullah & Associates | Abu Dhabi Equity Partners | Abu Dhabi Islamic Bank | ACR Retakaful | Al Rayan Bank | Allied Asset Advisors | American University | Andalus Capital | Arch Street Capital Advisors | Arent Fox | Babson Capital | Baker & McKenzie | Bena Capital | Beninvest & Associates | BJM International | Blackwater Construction Group | Bloomojo Ventures | Booz Allen Hamilton | Boston Consulting Group | C3 International | City University of New York | Columbia University | Consul Capital | Consulate General of Egypt | Dexter Capital | Dhaka Bank | Eaton & Van Winkle | Elite Emirates Associates | ENA Consulting | Ernst & Young | FAA | FAB Capital | Fajr Capital Advisors | Fariz Halim & Co | Fujisankei Communications | Ghana Institute of Islamic Finance | GNF Foundation | Guidance Residential | Gulf Credit Opportunities | HAB Bank | Hammad Al Mehdar & Co | Hoopoe Capital | Illumination Asset Management | INCEIF | Independent Comettee of Islamic Finance | Investments & Securities Tribunal | Irfan Chattha Law Associates | Islami Bank Bangladesh | Jones Day | JP Morgan | K&L Gates | Kabbage | Kargex Consultants | KDA | Kinesis Capital & Investment | King & Spalding | Lanehoney | Linklaters | Madison Marquette | Maybank | Maybank New York | Medici Firma | Merchants Financial Group | Monex | Moody's Investors Service | Moore Capital | Morgan Stanley | Morgan, Lewis & Bockius | Motiva Refining Enterprises | NQFS | Orvil Conseillers | Oylayan School of Business | Pakistan Stock Exchange | Partner Capital | Piedmont Fund Services | PricewaterhouseCoopers | Qarz al-Hasanah Mehr Iran Bank | Quorum Center | Ramesses | Reed Smith | Ritz Banc Group | Ruchelman Law Firm | Rutsaert Legal | S&P Dow Jones Indices | Saker Capital | Salihu Shehu & Co | SAS Asset Recovery | Saturna Capital | Sepehr Saderat Financial Group | Six Sigma Services | Social Islami Bank | Societe Generale CIB | Soho Properties | Standard & Poor's | Stanford Grad School Business | Straightway Ethical Advisory | Stroock & Stroock & Iavan | Sturbridge Finance | Taiba Co. | Takaful Outsource | The Bentley Group | Thompson Hine | Thunderbird | University Islamic Financial | University of Warwick | US Reo Fund | Vistra | Wafra | Wells Fargo | Willow Capital Advisors | York College | Zerba |