



ISLAMIC FINANCE OUTLOOK

ICD Thomson Reuters Islamic Finance Development Indicator 2016

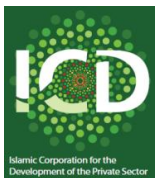
By: Mustafa Adil
Head of Islamic Finance, Thomson Reuters

FEATURED CONTENT

PARTNERSHIP OVERVIEW

The Indicator is a collaboration between, Islamic Corporation for the Development of Private Sector (ICD) and the Thomson Reuters. The Islamic Finance Development Indicator is in its fourth edition and aimed at supporting the development of the global Islamic finance industry through the provision of information and insights.

A JOINT INITIATIVE BY



ISLAMIC FINANCE DEVELOPMENT INDICATOR



IFDI represents the overall health and development of the Islamic finance industry across markets based on different quantitative metrics



The IFDI indicator is designed to represent the overall health and development of the Islamic finance industry worldwide using five indicators



Quantitative Development Indicator is a weighted index of Islamic Financial Institutions (IFIs), per country, that generate Islamic finance services



The Knowledge Indicator is a weighted index of education and research which are the main building blocks for any knowledge-based industry



The Governance Indicator is a weighted index of standards of good practice with regard to Regulations, Corporate Governance, and Shariah Governance



The Corporate Social Responsibility Indicator is a weighted index of CSR activities and amount of disbursed funds through zakat, qard hasan & charity

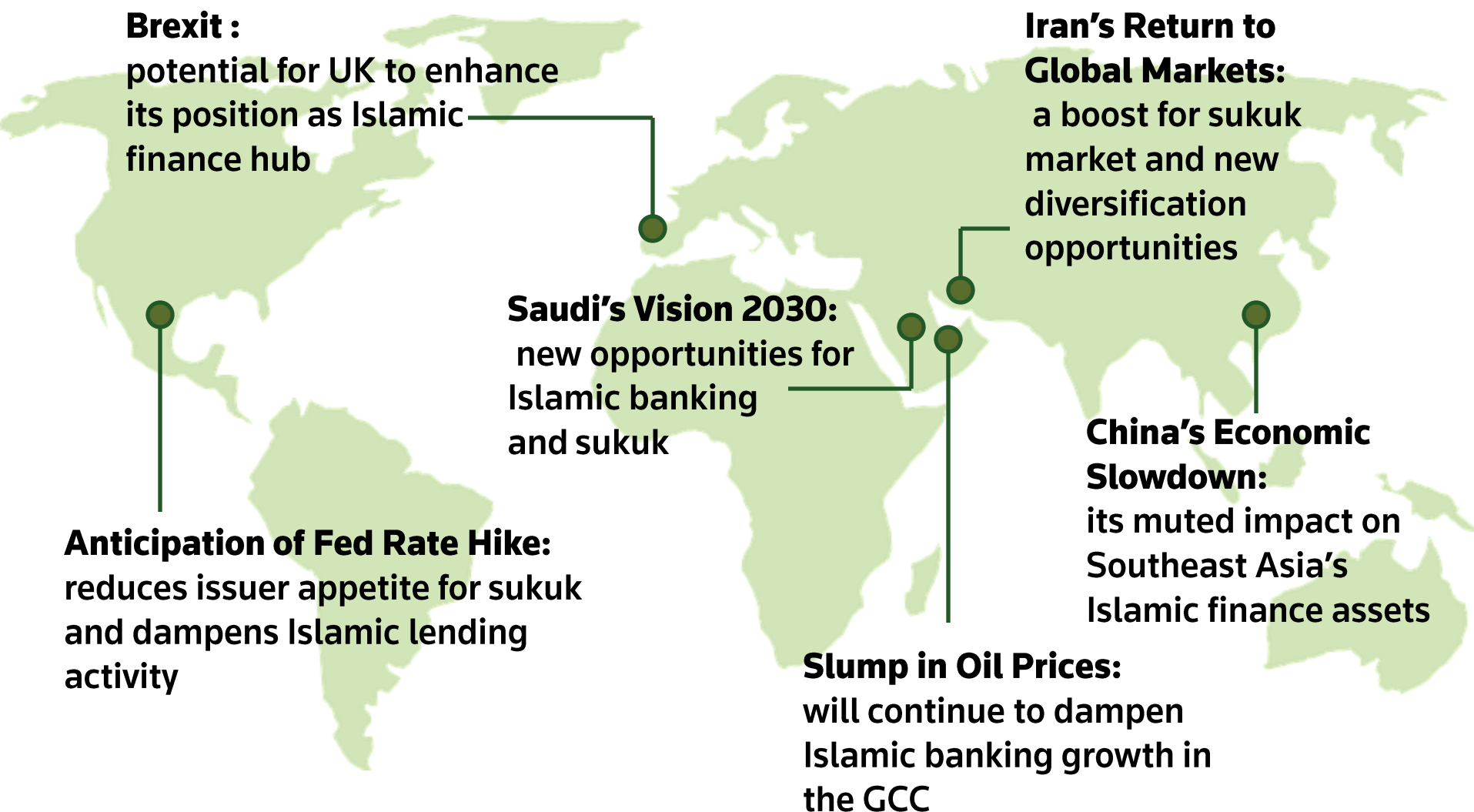


The Awareness Indicator is a weighted index of Islamic finance market awareness that assess three components: conferences, seminars and news

ECONOMIC EVENTS



Economic events around the world continue to have a major impact on the global Islamic finance industry



ISLAMIC FINANCE DEVELOPMENT INDICATOR



Malaysia, Bahrain and UAE maintain their lead and momentum despite slowdown in market performance

MOST DEVELOPED COUNTRIES IN 2016



South Africa, Morocco, Tanzania, Japan and Russia are among noteworthy emerging countries in Islamic finance

ISLAMIC FINANCE DEVELOPMENT INDICATOR



Islamic finance assets stood at \$2 trillion in 2015 and are expected to grow to \$3.5 trillion by 2021, with continued growth in all sectors



QUANTITATIVE DEVELOPMENT INDICATOR



Islamic banking remains the largest segment of the Islamic finance industry (72%), followed by sukuk (17%)

MOST DEVELOPED COUNTRIES

- 1 MALAYSIA
- 2 IRAN
- 3 SAUDI ARABIA
- 4 KUWAIT
- 5 BAHRAIN
- 6 QATAR
- 7 UAE
- 8 PAKISTAN
- 9 SYRIA
- 10 SUDAN

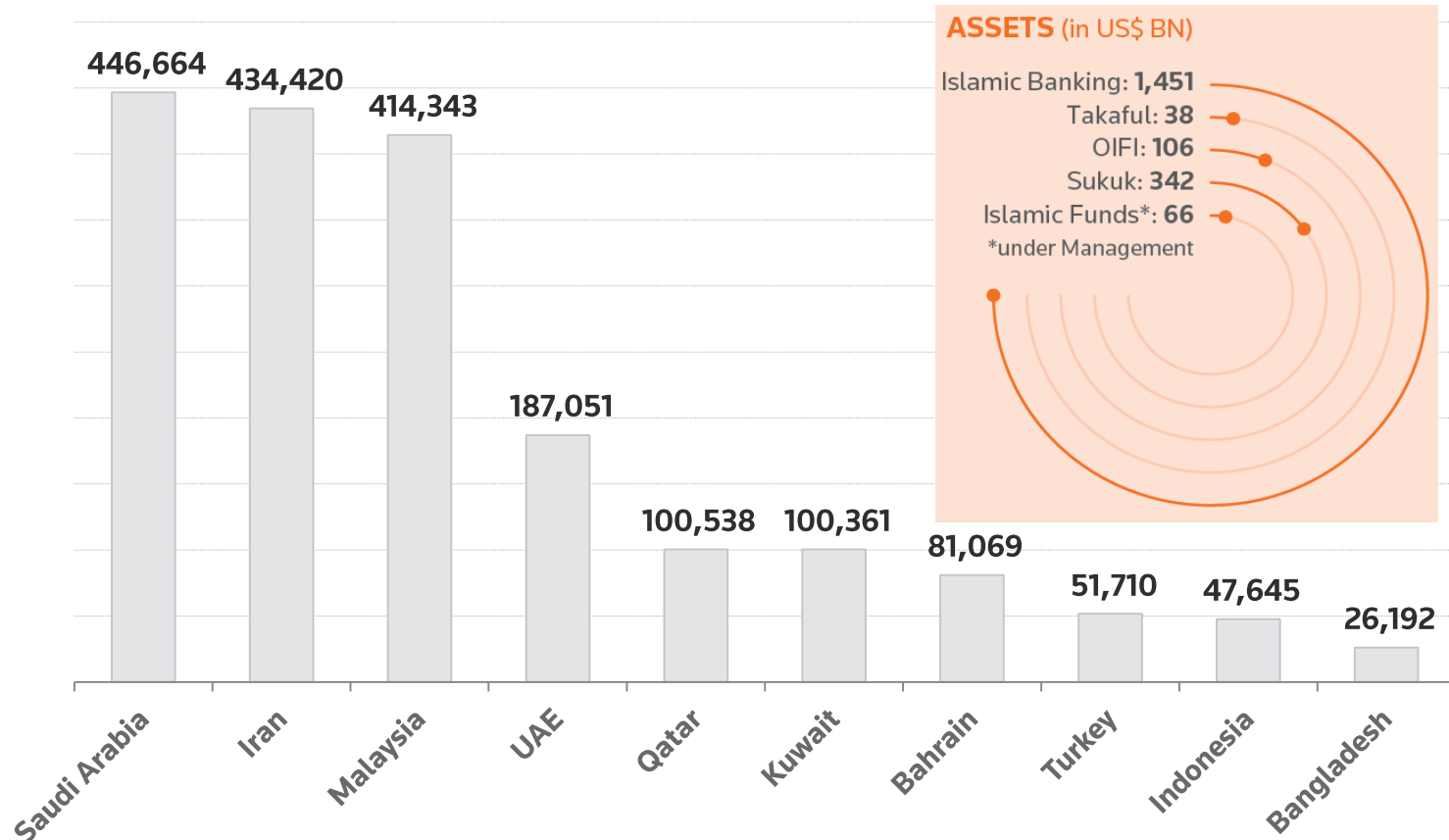
US\$ 2 Trillion

Total Islamic Finance Assets in 2015

US\$ 3.5 Trillion

Projected Total Islamic Finance Assets in 2021

TOP 10 COUNTRIES IN ISLAMIC FINANCE ASSETS (US\$ MN, FYE 2015)



QD - ISLAMIC BANKING



The ample liquidity and strong balance sheets that Islamic banks enjoy including Saudi banks allow them to weather economic risk

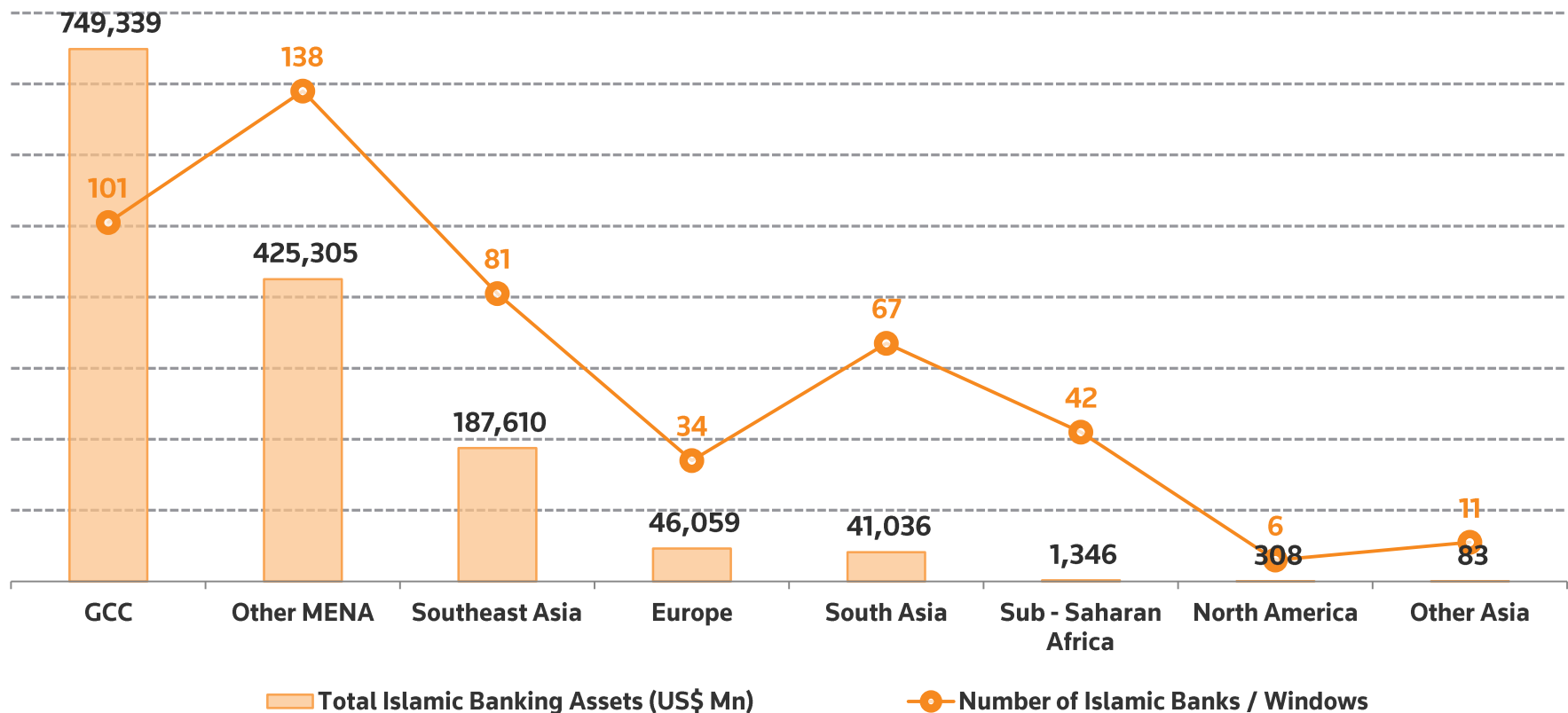
US\$ 1,451 Billion

Total Islamic Banking Assets

480

Number of Islamic Banks /
Windows

ISLAMIC BANKING ASSETS AND NUMBER OF INSTITUTIONS BY REGION
(FYE 2015)



QD - SUKUK



Despite the drop in sukuk issuance in 2015, Sukuk continued to be a key tool for sovereigns and financial institutions

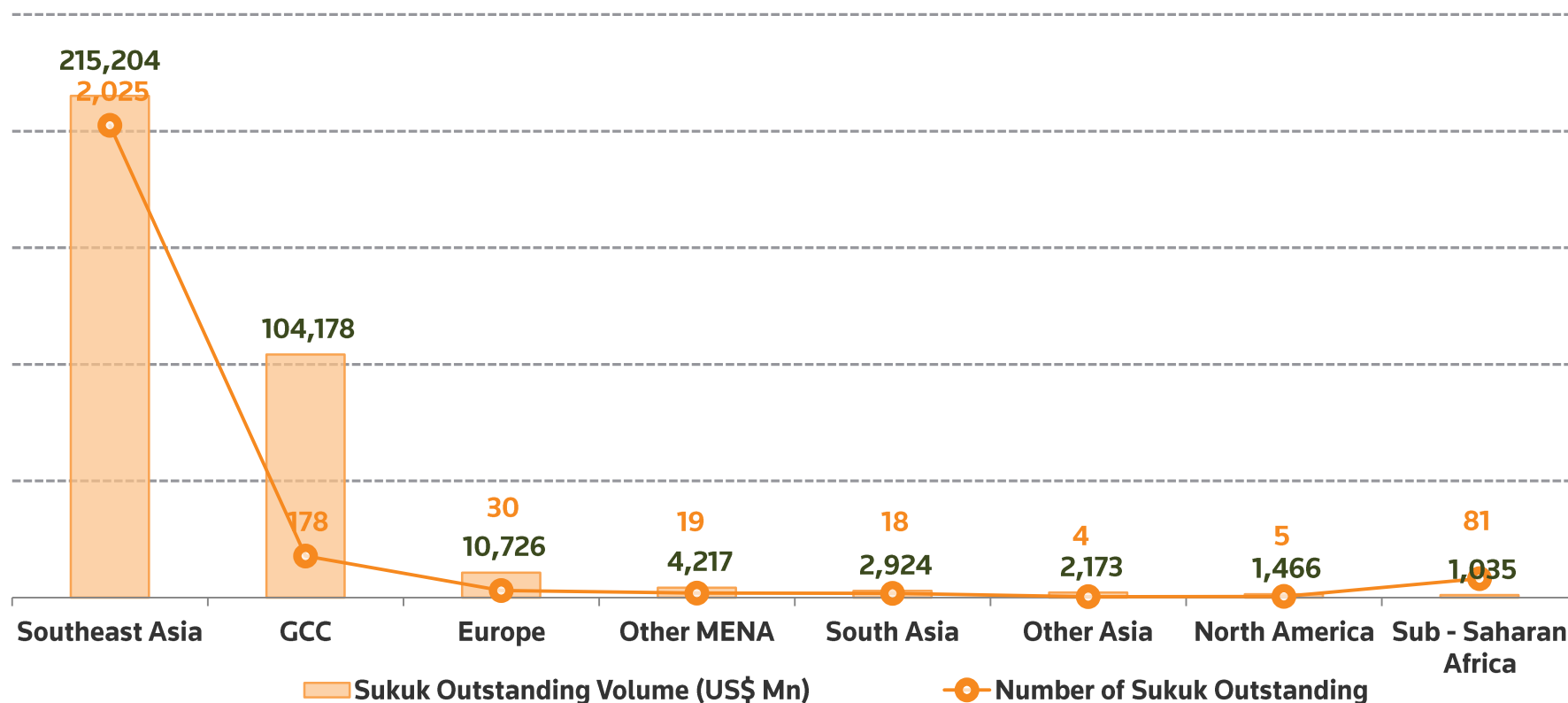
US\$ 342 Billion

Total Sukuk Volume Outstanding

2,360

Number of Sukuk Outstanding

SUKUK VOLUME AND NUMBER OF SUKUK OUTSTANDING BY REGION (FYE 2015)



QD - TAKAFUL AND ISLAMIC FUNDS



Despite the growth in Islamic finance assets, takaful and Islamic funds performance have slowed

US\$ 38 Billion

Total Takaful Assets

322

**Number of Takaful Operators/
Windows**

US\$ 66 Billion

Total Islamic Funds AuM

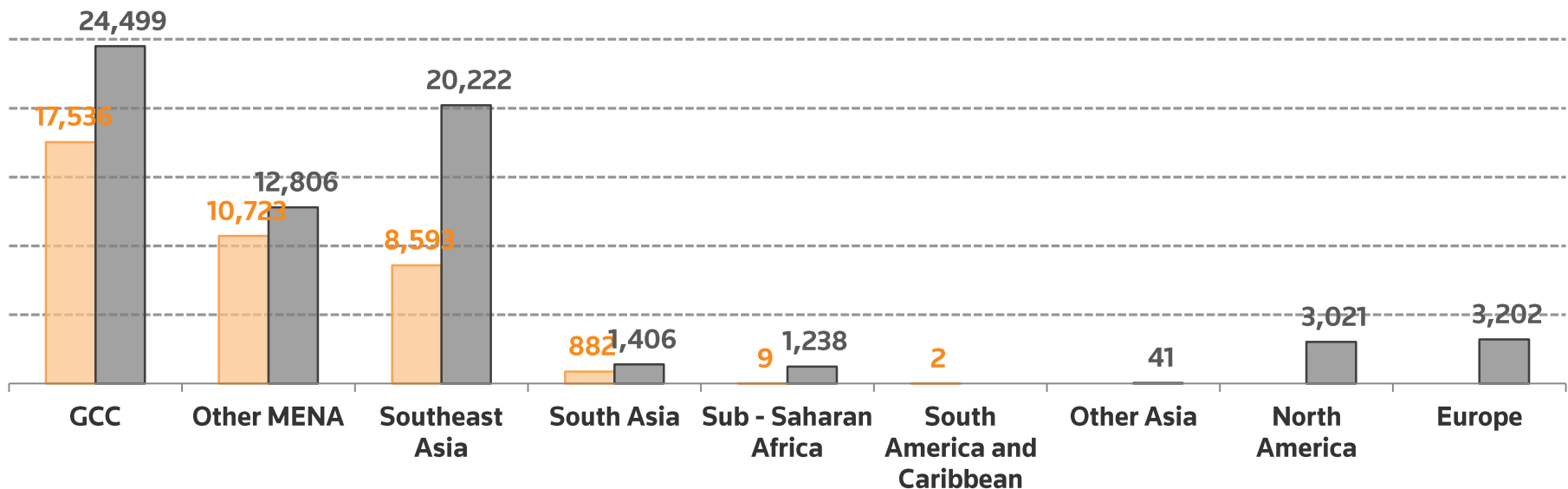
1,042

**Number of Islamic Funds
Outstanding**

TAKAFUL ASSETS AND AuM OF ISLAMIC FUNDS OUTSTANDING BY REGION (FYE 2015)

■ Takaful and Retakaful Assets (US\$ Mn)

■ AuM of Islamic Funds Outstanding (US\$ Mn)



KNOWLEDGE INDICATOR



Western countries are geared up for renewed Islamic finance presence through research & education including UK, Luxembourg & Belgium

MOST DEVELOPED COUNTRIES

- 1 MALAYSIA
- 2 JORDAN
- 3 TUNISIA
- 4 BAHRAIN
- 5 PAKISTAN
- 6 UAE
- 7 INDONESIA
- 8 SAUDI ARABIA
- 9 OMAN
- 10 LEBANON

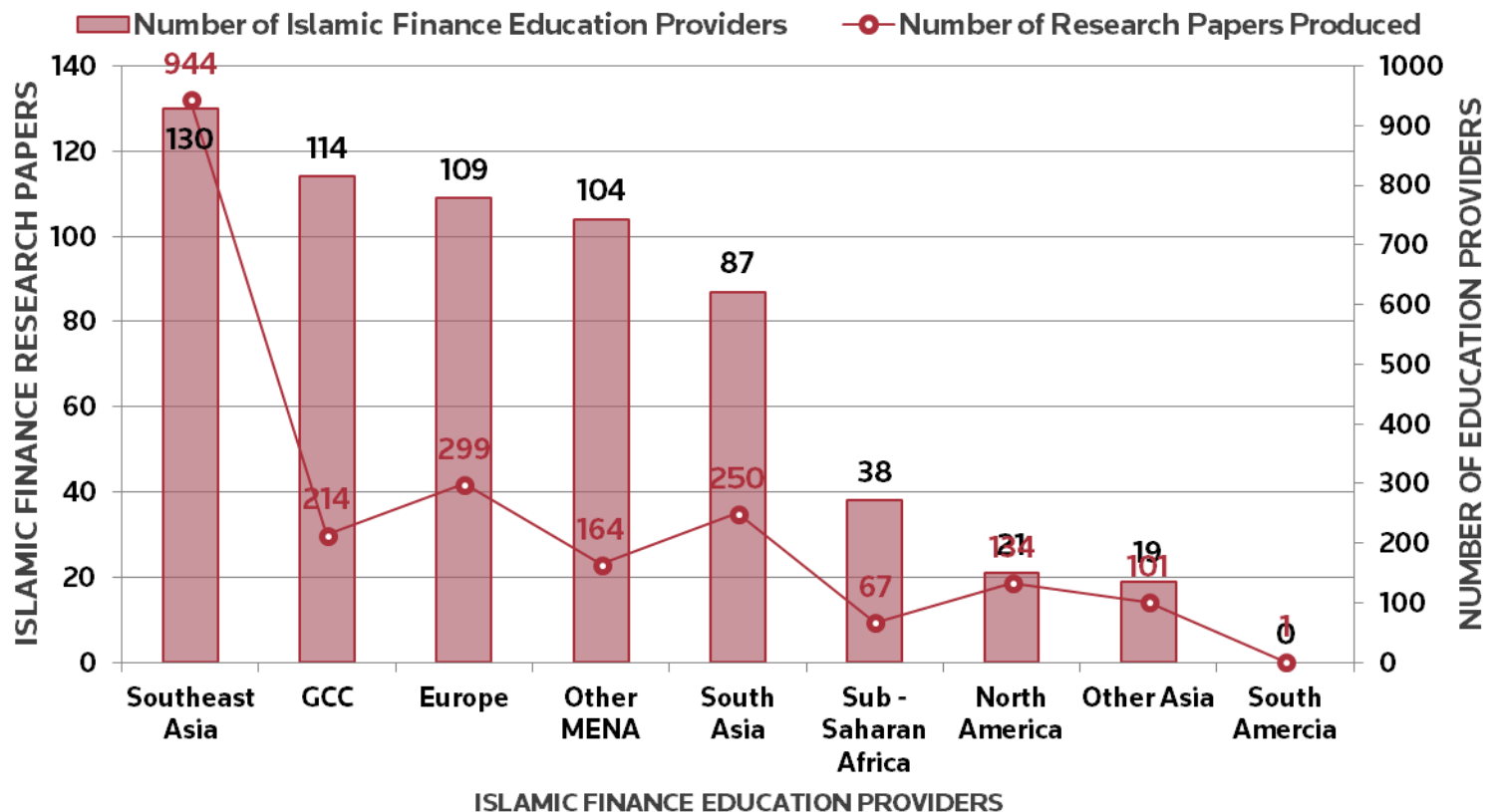
2,224

Total Published Research Papers

622

Total Institutions Providing Islamic Finance Education

ISLAMIC FINANCE EDUCATION AND RESEARCH PAPERS BY REGION (FYE 2015)



GOVERNANCE INDICATOR



There are 35 countries with some Islamic finance regulations, and over one thousand scholars supporting the industry

MOST DEVELOPED COUNTRIES

- 1 BAHRIAN
- 2 MALAYSIA
- 3 PAKISTAN
- 4 SUDAN
- 5 KUWAIT
- 6 UAE
- 7 INDONESIA
- 8 OMAN
- 9 MALDIVES
- 10 QATAR



1,068

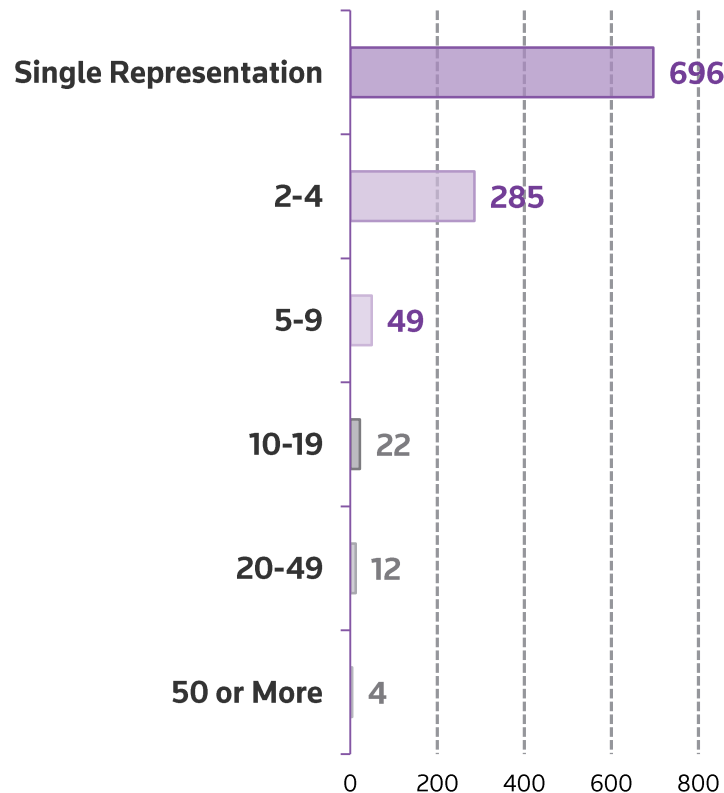
Total Shariah Scholars
Representing IFIs

35

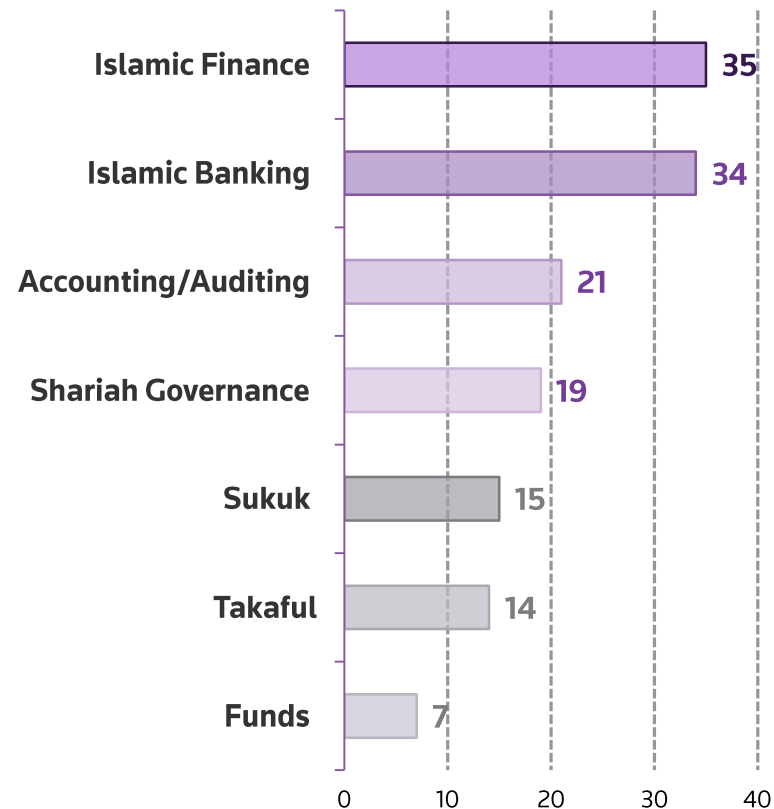
Countries with at Least One IF
Related Regulation



INSTITUTIONAL REPRESENTATION BY SCHOLARS GLOBALLY (FYE 2015)



NUMBER OF COUNTRIES PER TYPE OF REGULATION (FYE 2015)



CORPORATE SOCIAL RESPONSIBILITY INDICATOR



CSR disclosures remain weak across Islamic finance markets, with CRS funds being under reported globally

MOST DEVELOPED COUNTRIES

- 1 SAUDI ARABIA
- 2 SOUTH AFRICA
- 3 BAHRAIN
- 4 OMAN
- 5 PALESTINE
- 6 JORDAN
- 7 QATAR
- 8 UAE
- 9 MALAYSIA
- 10 KUWAIT

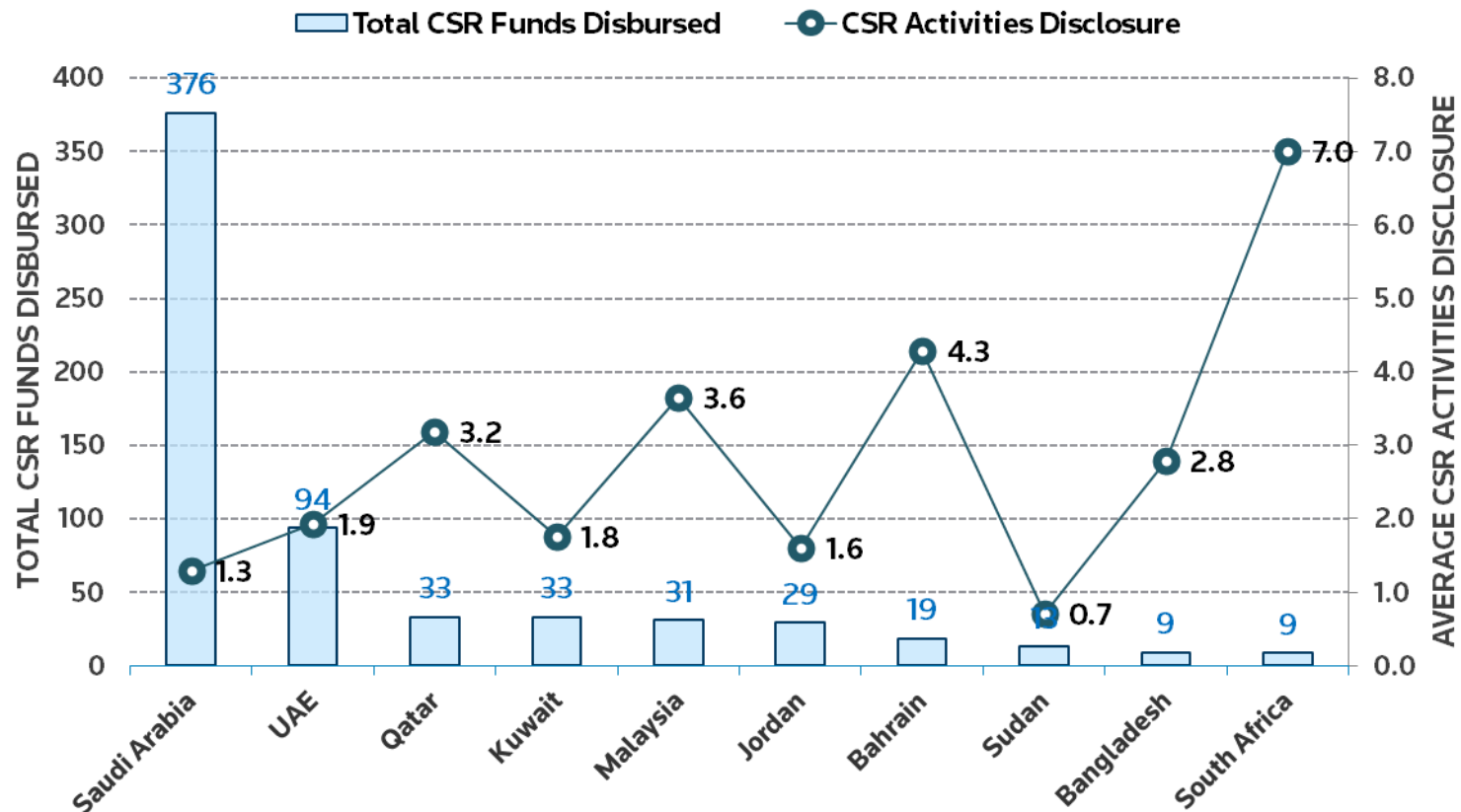
US\$ 672 Million

Total CSR Funds Disbursed by IFIs

2.82/11

Average CSR Disclosure by IFIs

CSR FUNDS AND CSR ACTIVITIES DISCLOSURE (FYE 2015)





AWARENESS INDICATOR

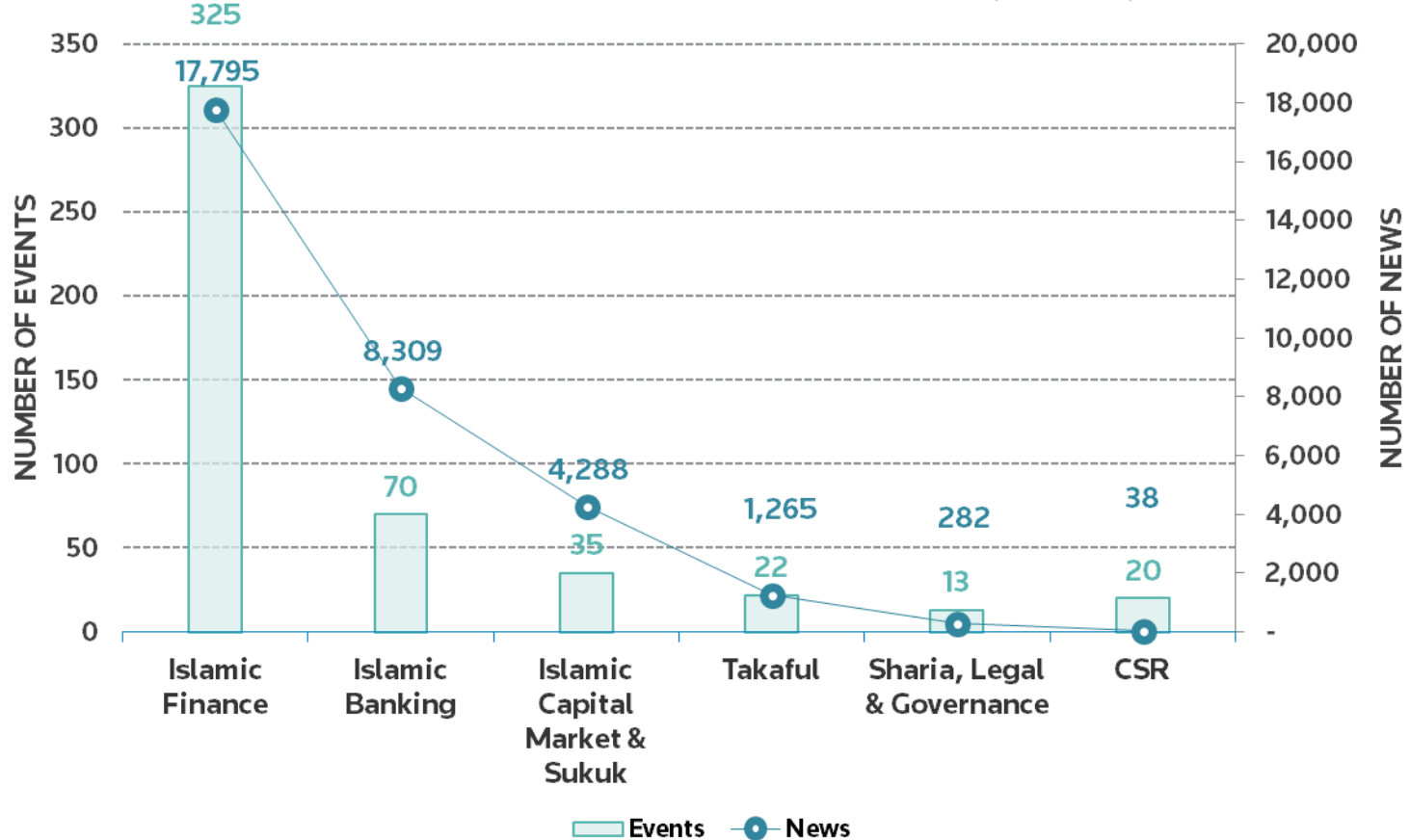
Buzz for Islamic finance diminishes slightly compared to previous years with lower number of events and news in the market

MOST DEVELOPED COUNTRIES

- 1 MALAYSIA
- 2 BAHRAIN
- 3 UAE
- 4 OMAN
- 5 PAKISTAN
- 6 KUWAIT
- 7 QATAR
- 8 JORDAN
- 9 SAUDI ARABIA
- 10 SRI LANKA



ISLAMIC FINANCE AWARENESS BY TOPIC (FYE 2015)





THANK YOU

TO LEARN MORE, PLEASE VISIT

<http://www.zawya.com/islamic-finance-development-indicator/>