



THE WORLD BANK

TREASURY  
THE WORLD BANK

# Islamic Finance as an Engine for Sustainable Economic Development

IFN Issuers and Investors Forum  
London  
May 28, 2013

**Michael Bennett**  
Head of Derivatives/Structured Finance  
The World Bank

# WHAT IS THE WORLD BANK?

An international organization owned by 188 member countries.

60 years of financing development projects

- ↳ US \$500 + billion in financing
- ↳ 130 countries approximately
- ↳ 5,000 + projects

Issues bonds in the capital markets to finance its activities

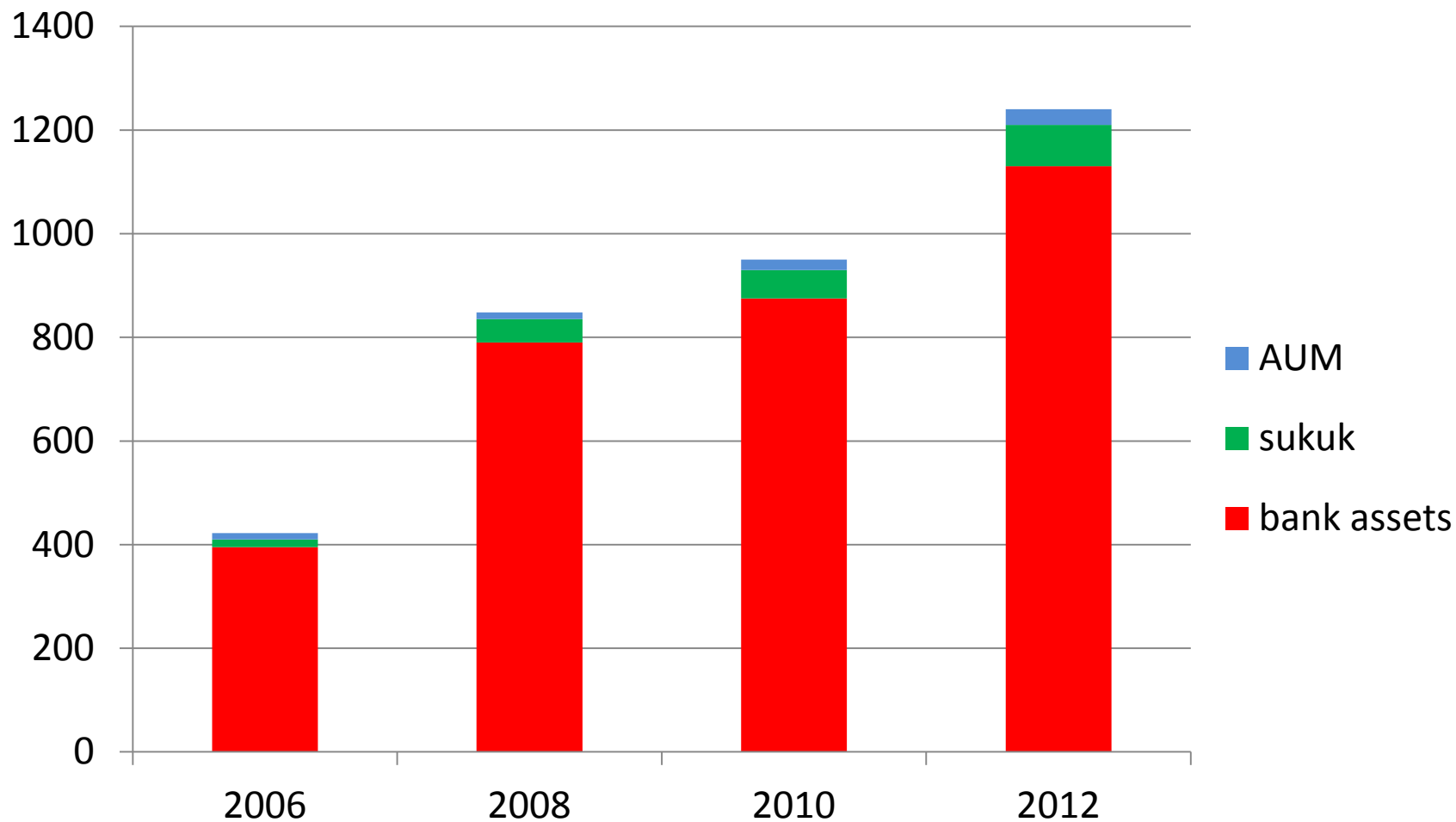
## Largest Shareholders

Percentage of total subscription as of June 30, 2012

- ↳ United States, 16.51%
- ↳ Japan, 9.72%
- ↳ Germany, 4.84%
- ↳ France, 4.33%
- ↳ United Kingdom, 4.33%

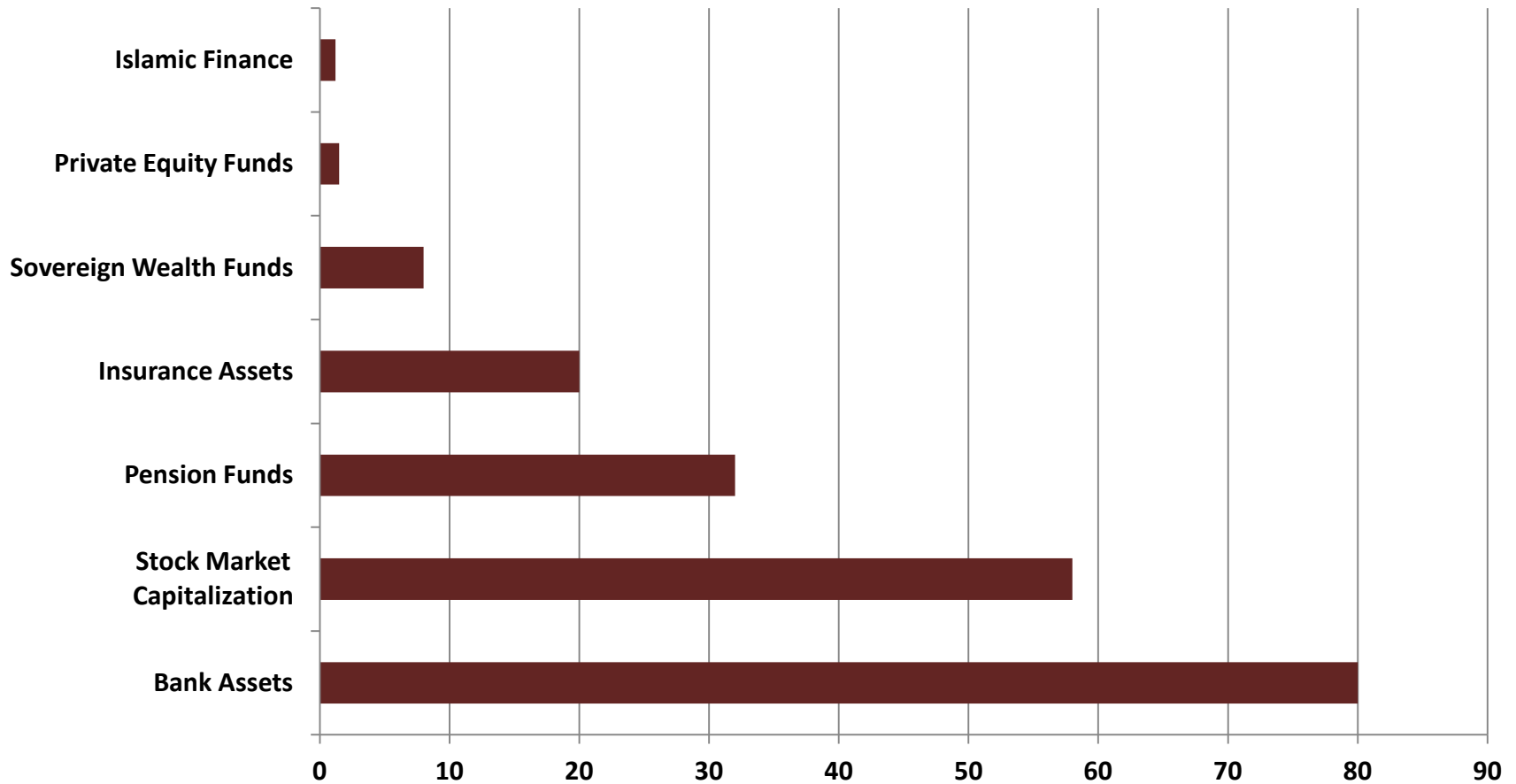


# Islamic Finance Growth



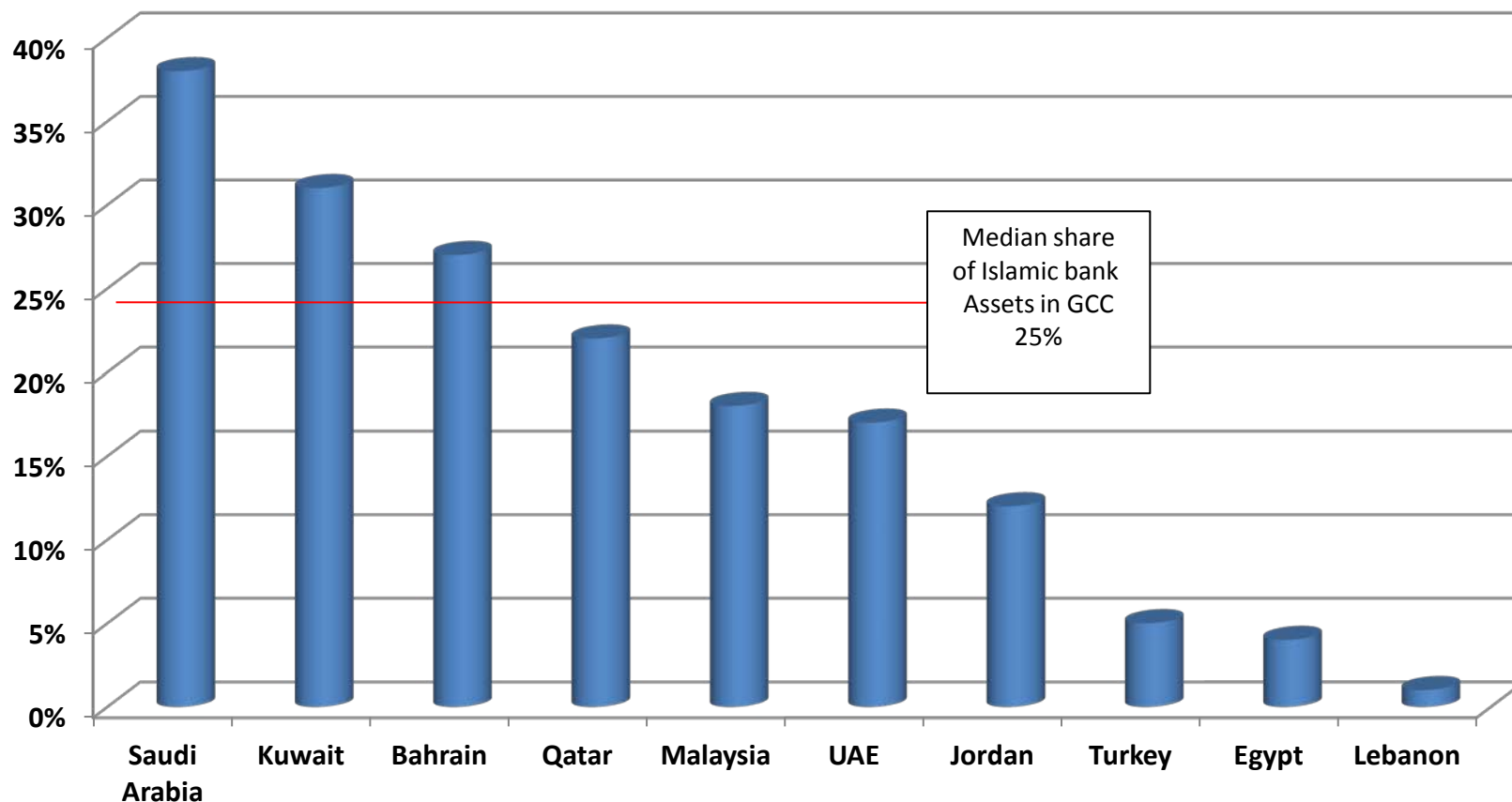
In US\$ billions

# Growth... but still relatively small



In US\$ billions

# Relative Size Islamic Bank Assets as % of Total Bank Assets



Source: Ernst & Young (2010)

# SRI and Islamic Finance Similarities



Deep historical precedents but only developed as major areas of finance since the 1980's



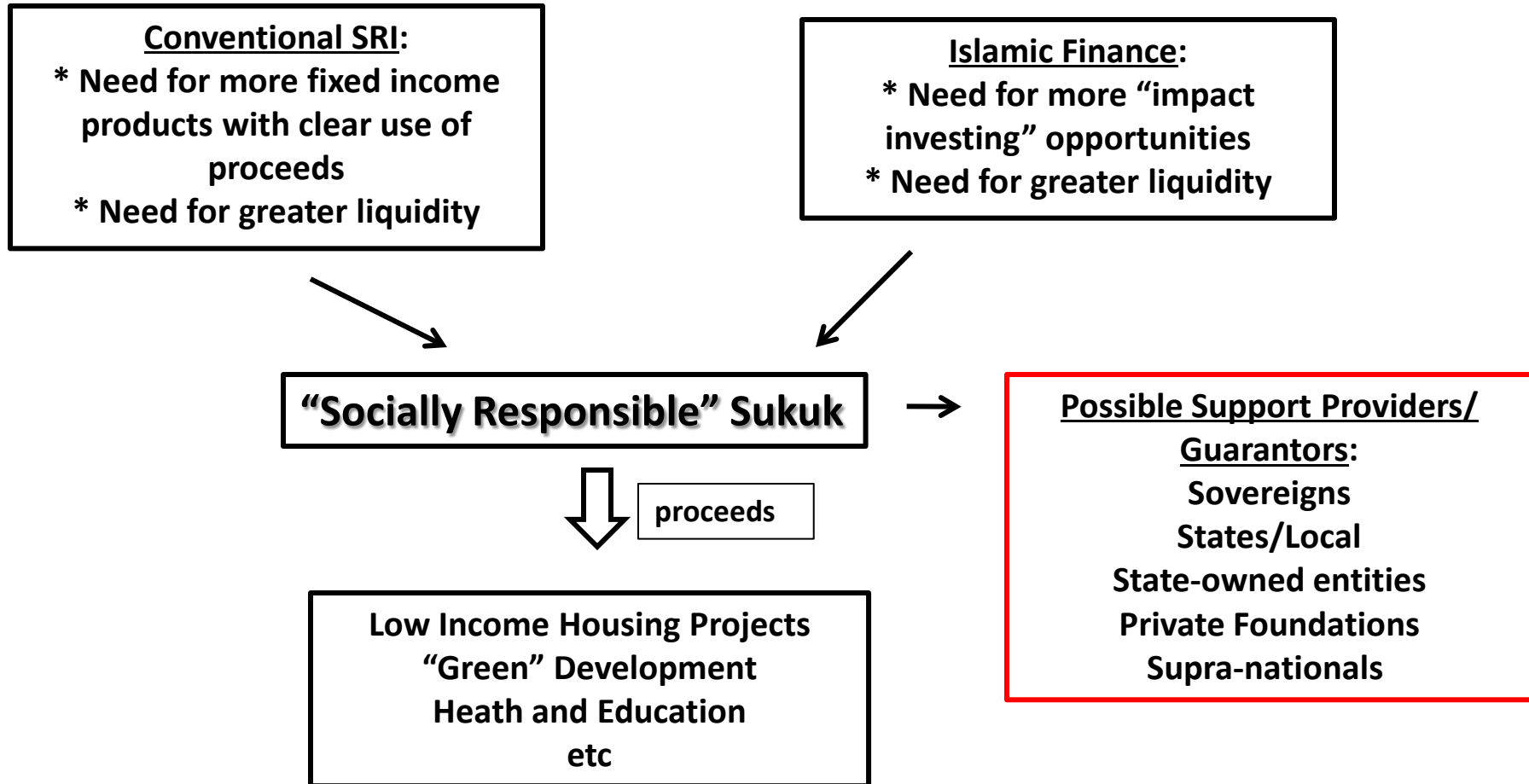
Focus on individuals using their money in a manner that conforms to their beliefs.

- Additional objectives beyond risk-adjusted return




Demand-driven / bottom up


# “Socially Responsible” Sukuk The Opportunity



# Disclaimers



The findings, interpretations and conclusions expressed herein are those of the presenter and do not necessarily reflect the views of the World Bank or its affiliated organizations.



This presentation has been prepared for informational purposes only, and the presenter makes no representations or warranties of any kind as to the accuracy or completeness of any of the information contained herein.