

Seoul Asian Financial Forum 2013
Session 1: Asia, Next global finance landscape

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Agenda

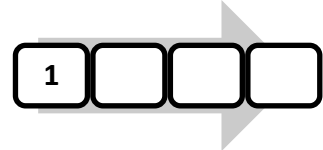
1. Asia is pivotal
2. The Global financial crisis
3. What do we need to do – Awareness, Education and Talent Development
4. Where do we go from here

Asia is pivotal



Islamic finance market

From niche to mainstream



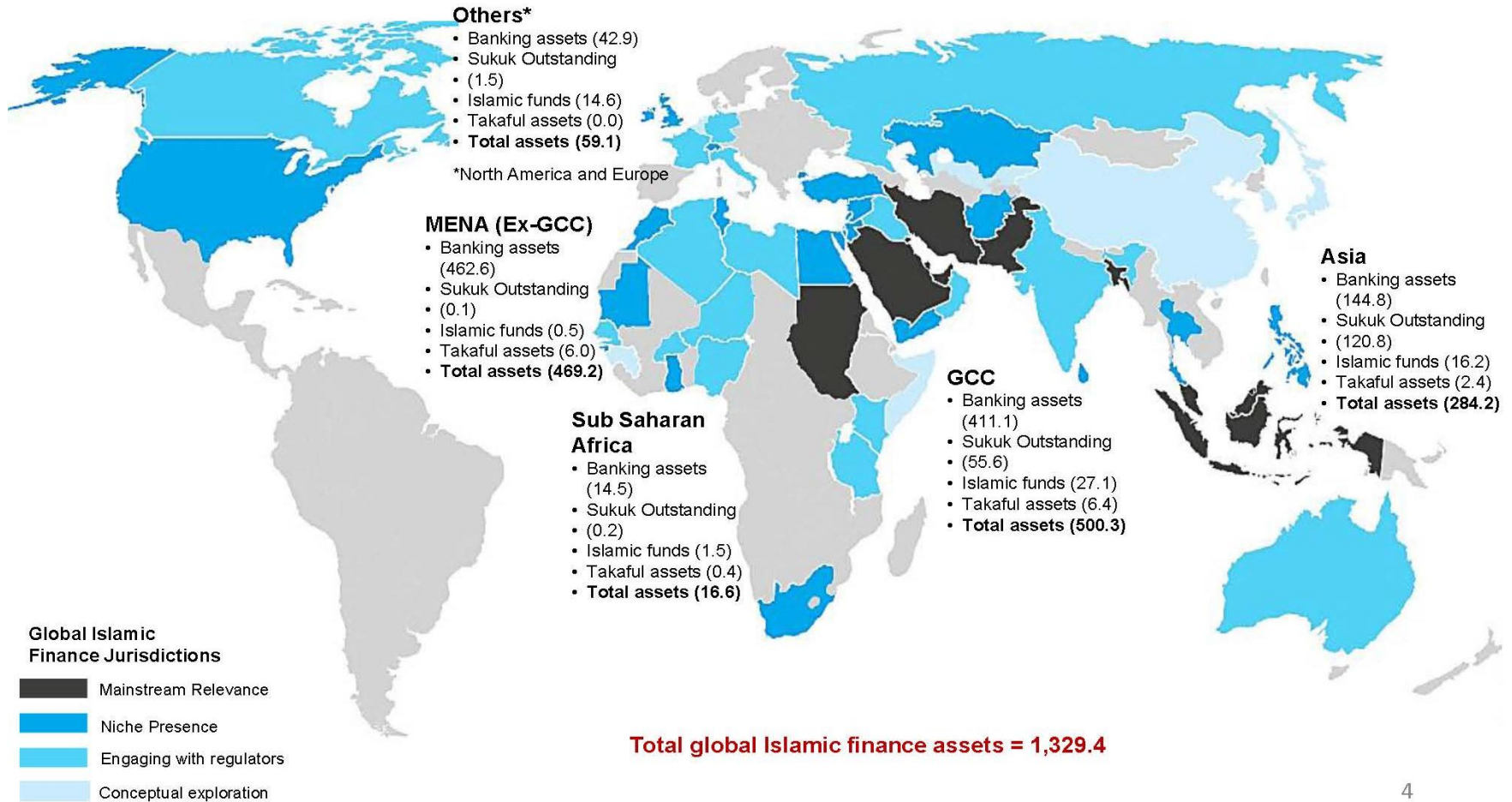
BEFORE

Muslim Population	<ul style="list-style-type: none"> •21% of total world population of 6.8 billion •About 1.4 billion (<i>CIA fact book ,2008</i>) •Islam the fastest growing religion 1.8 %/year
Asset Size	<ul style="list-style-type: none"> •Mid 1990 = USD 150 Billion (<i>KFH, 2008</i>) •2011 = USD 1.086 trillion
Growth Rate	<ul style="list-style-type: none"> •29.7 % in 2006 (<i>thebanker.com</i>)
Market focus	<ul style="list-style-type: none"> •Islamic countries of the MENA and South-east Asia (SEA)
Market share	<ul style="list-style-type: none"> •Islamic Finance represents 1% of global assets •2003 :the GCC 13%, Malaysia 9%, Indonesia 1,2 %
Infrastructure	<ul style="list-style-type: none"> •More than 300 Islamic Financial Institutions •IFIs 50 countries (<i>S&P – IF Outlook 2006</i>)
Product Innovation	<ul style="list-style-type: none"> •Retail financing •Vanilla & simple products
Government & Regulation	<ul style="list-style-type: none"> •Reliance on domestic conventional regulatory

NOW

<ul style="list-style-type: none"> •24% of total world population •Estimated at about 1.6 billion
<ul style="list-style-type: none"> • IFSB expects the Global Islamic finance asset to reach USD1.6 trillion by 2012
<ul style="list-style-type: none"> • annual growth rate of > 30 % since 2000 (<i>Bankscope & Oliver Wyman</i>)
<ul style="list-style-type: none"> •Muslim-minority e.g. US, UK and Germany, France, China, Japan, Canada, South Korea
<ul style="list-style-type: none"> •In 201 estimated: the GCC 19% , Malaysia 23%, Indonesia 5.1%
<ul style="list-style-type: none"> • Over 1000 IFIs currently • operating in about 75 countries worldwide
<ul style="list-style-type: none"> • Complex products & structures
<ul style="list-style-type: none"> • Development of International Standard • Increasing support of Government & Regulators

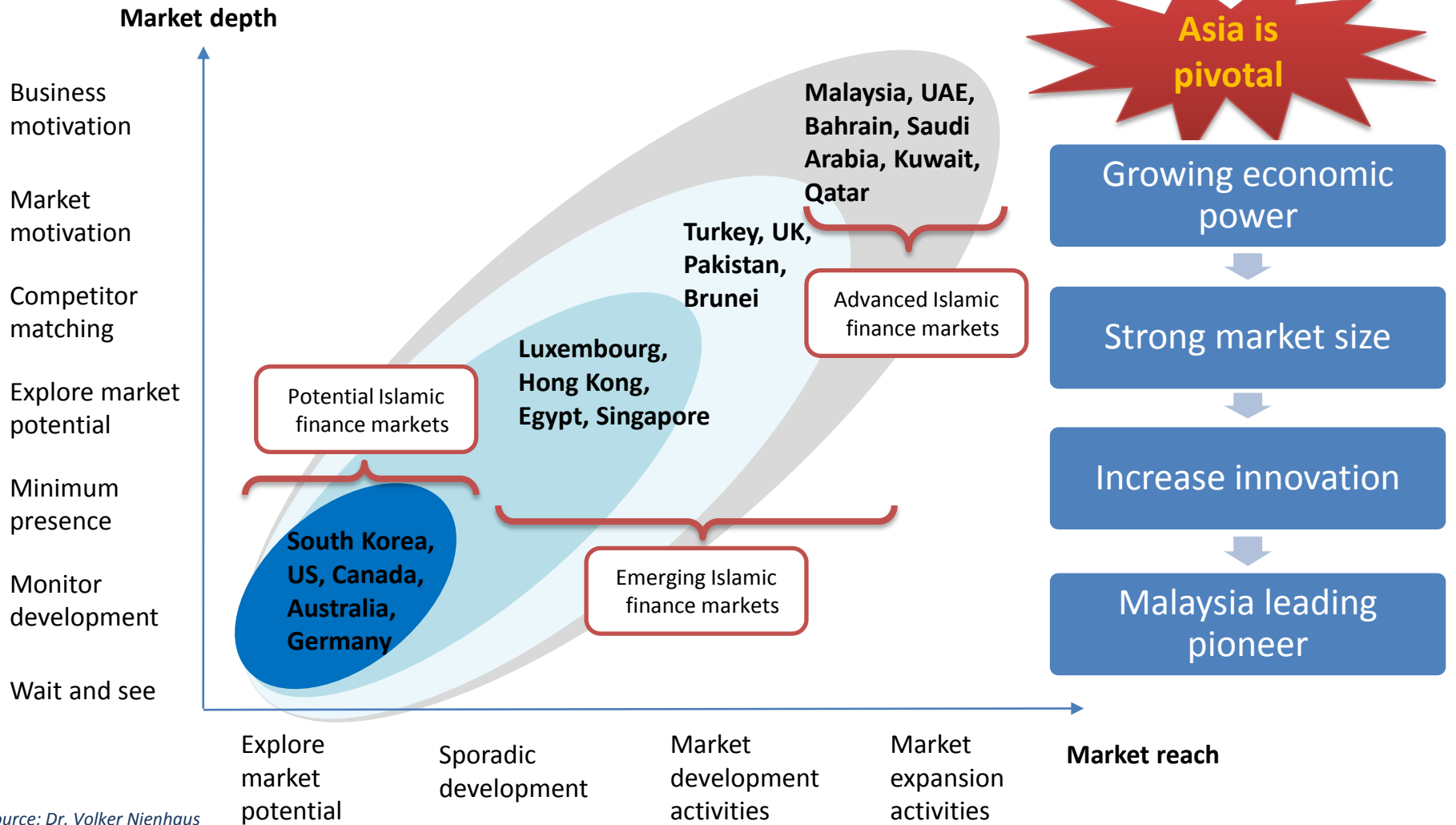
Global Islamic Finance Assets, 2011 (USD Billion)



Source: Central banks, individual institutions, IFIS, Bloomberg, Zawya, World Insurance Directory 2012, KFHR

Market potential

At which stage is each country?



Source: Dr. Volker Nienhaus

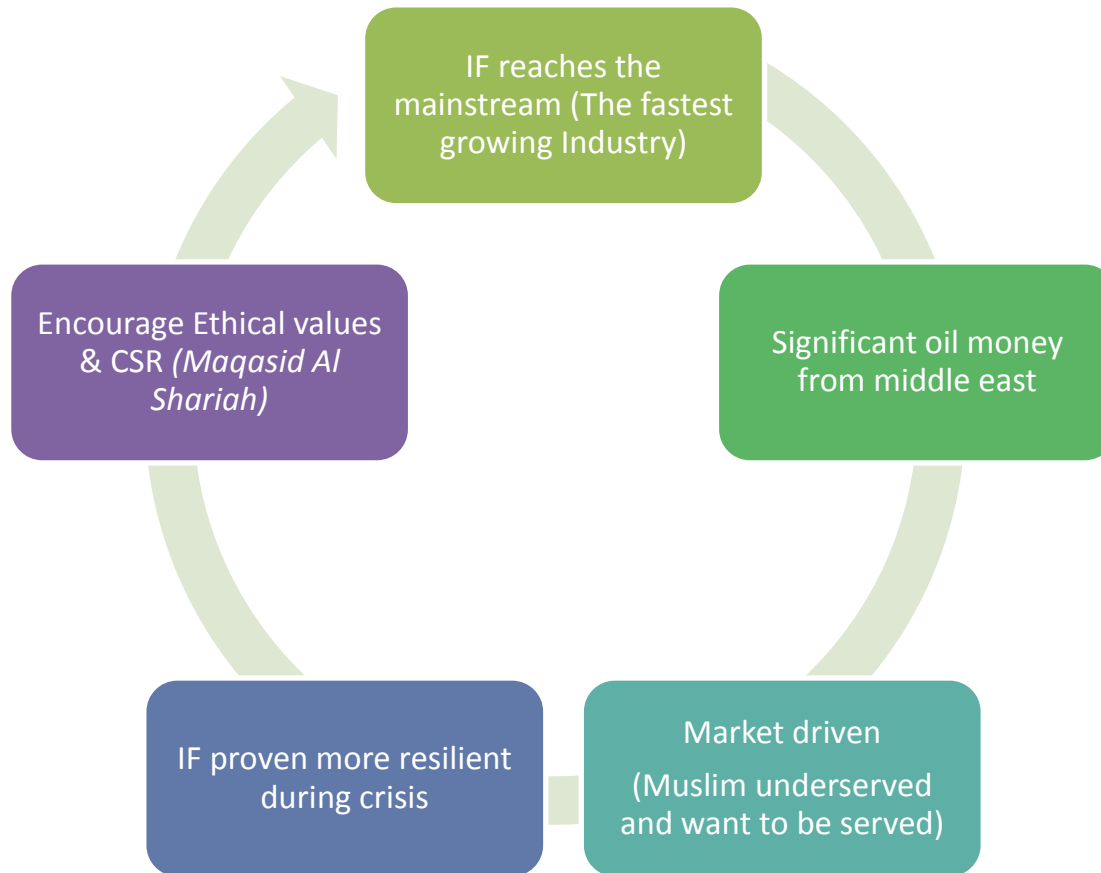
The Global Financial Crisis



The global financial crisis

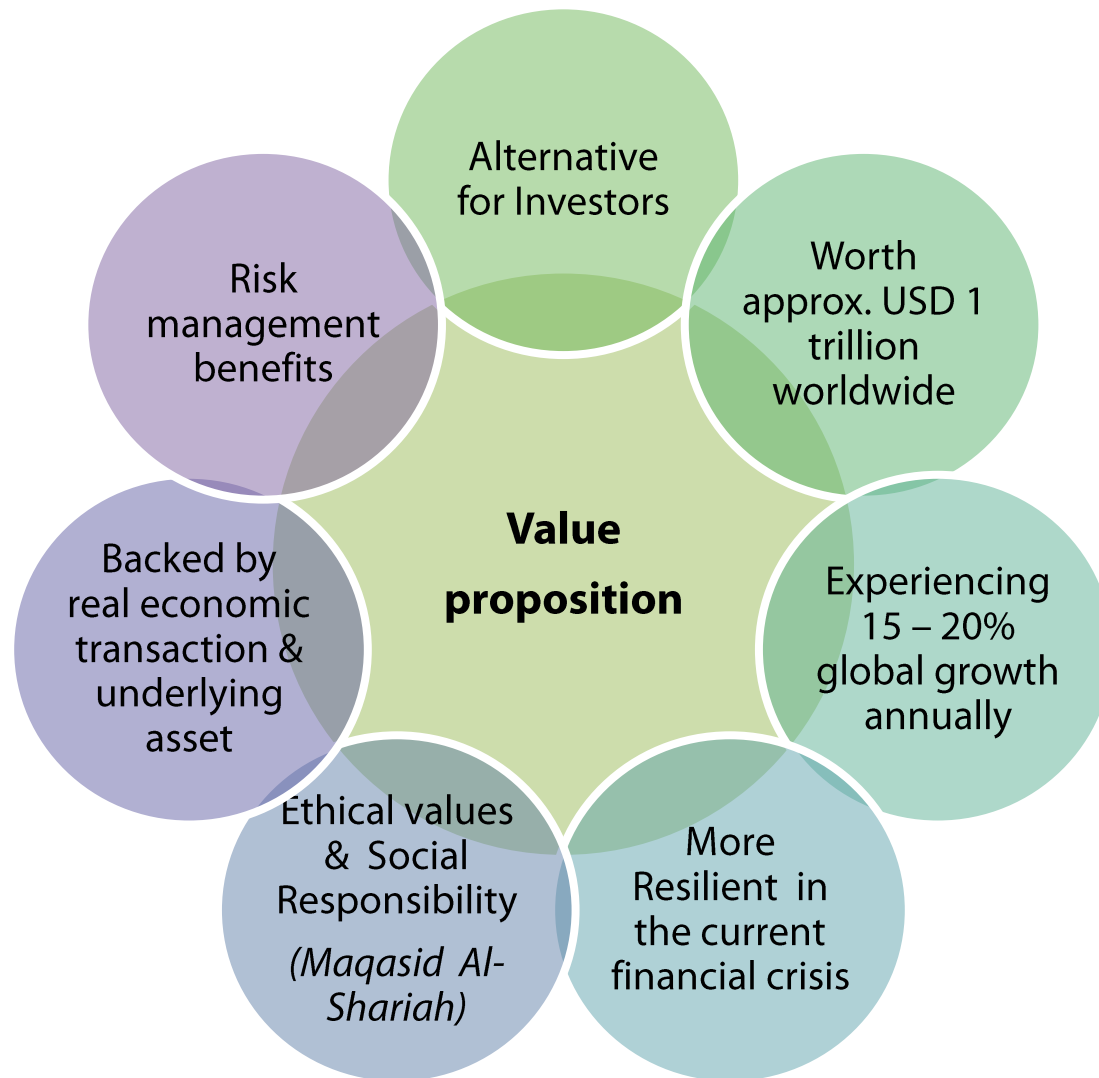
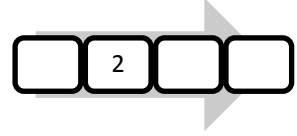
Islamic finance as an alternative

Islamic financial sector is in a unique position to promote financial innovation and bring stability to global finance, as long as it is correctly nurtured and developed internationally.



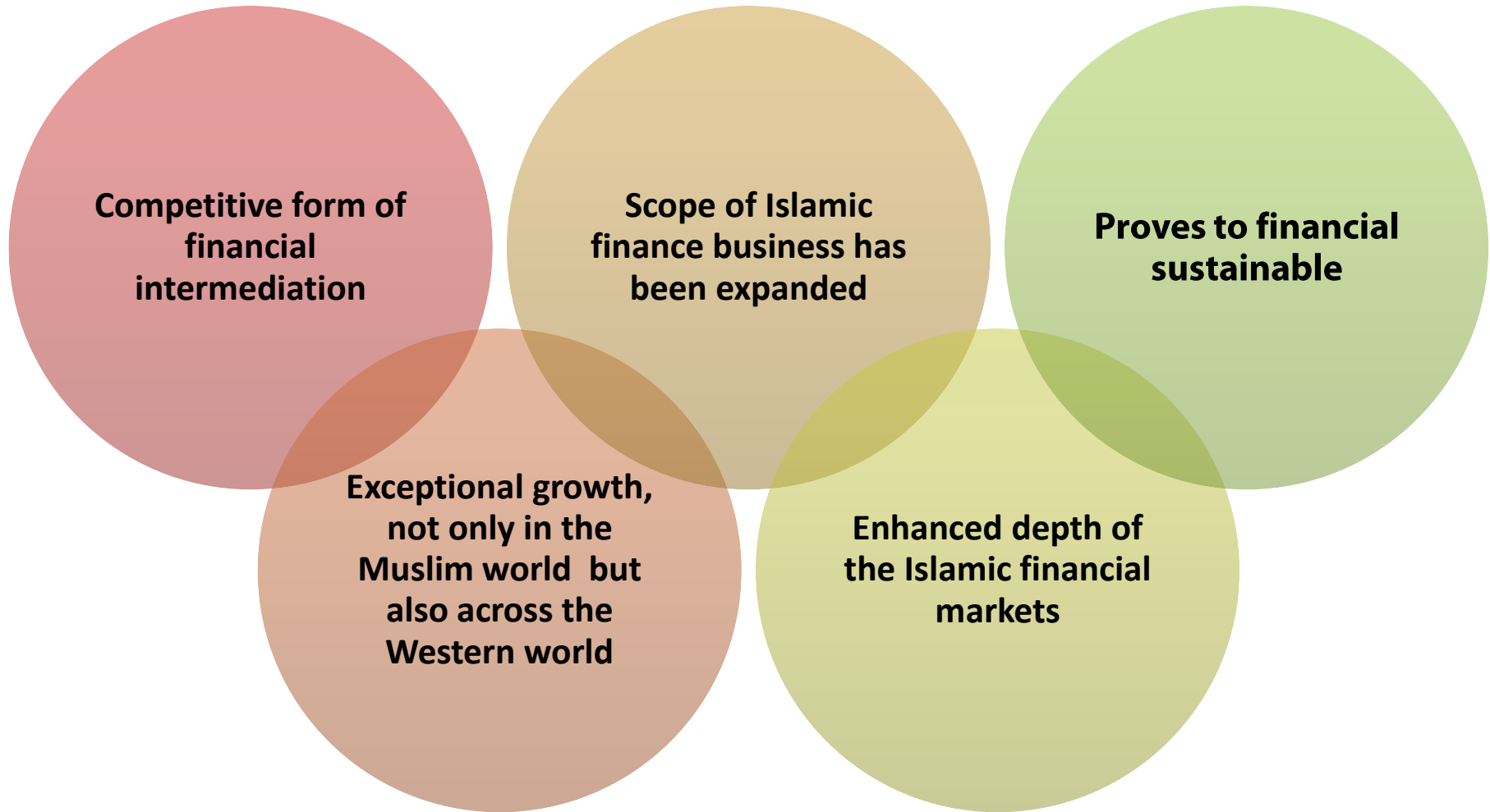
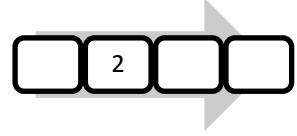
Improving value proposition

Showing off advantages



Islamic finance

Another credible asset class



What do we need to do?



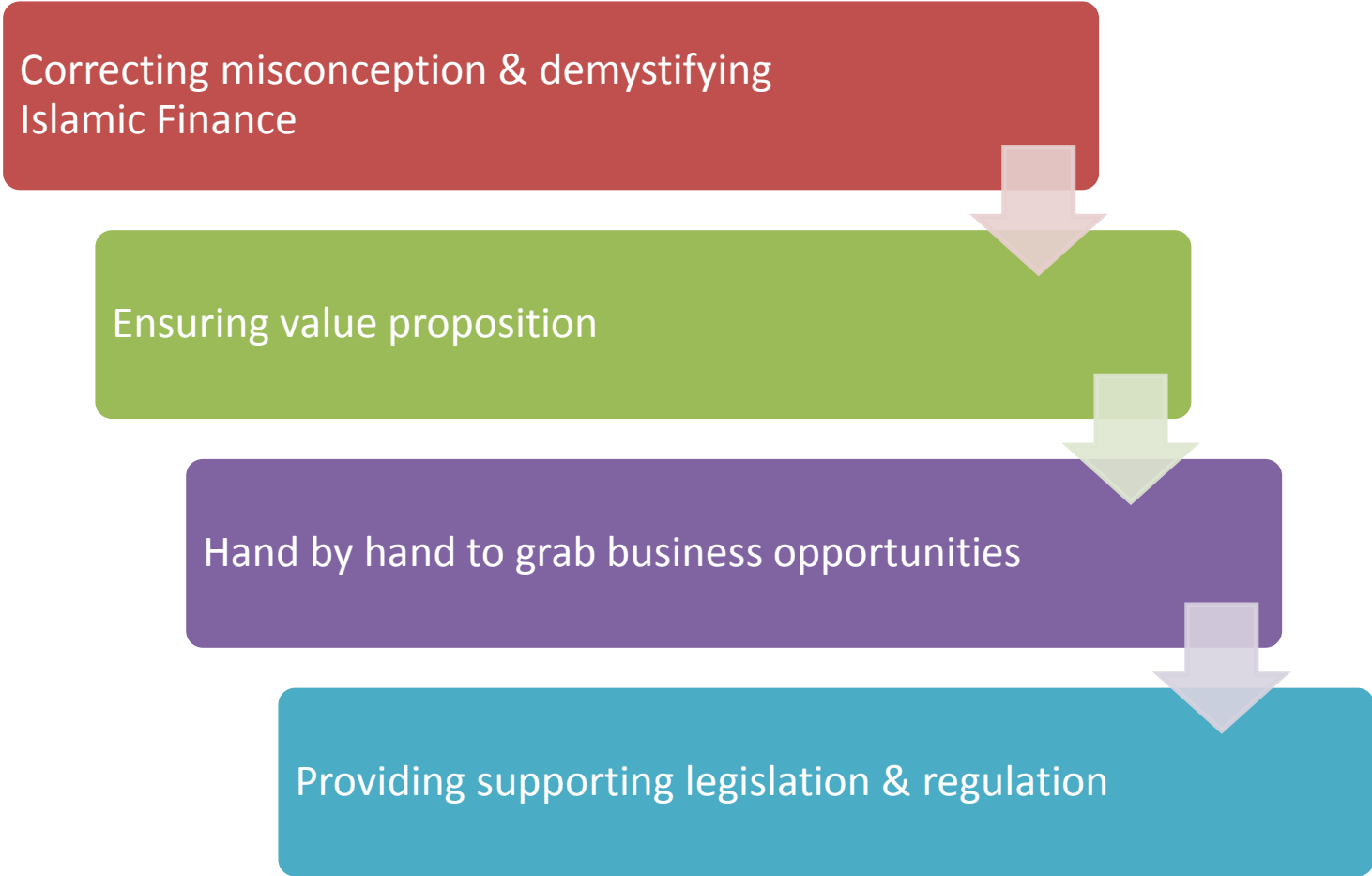
Islamic finance

Understand key areas for its strong growth



Demystifying Islamic finance

Changing the mindset of the masses

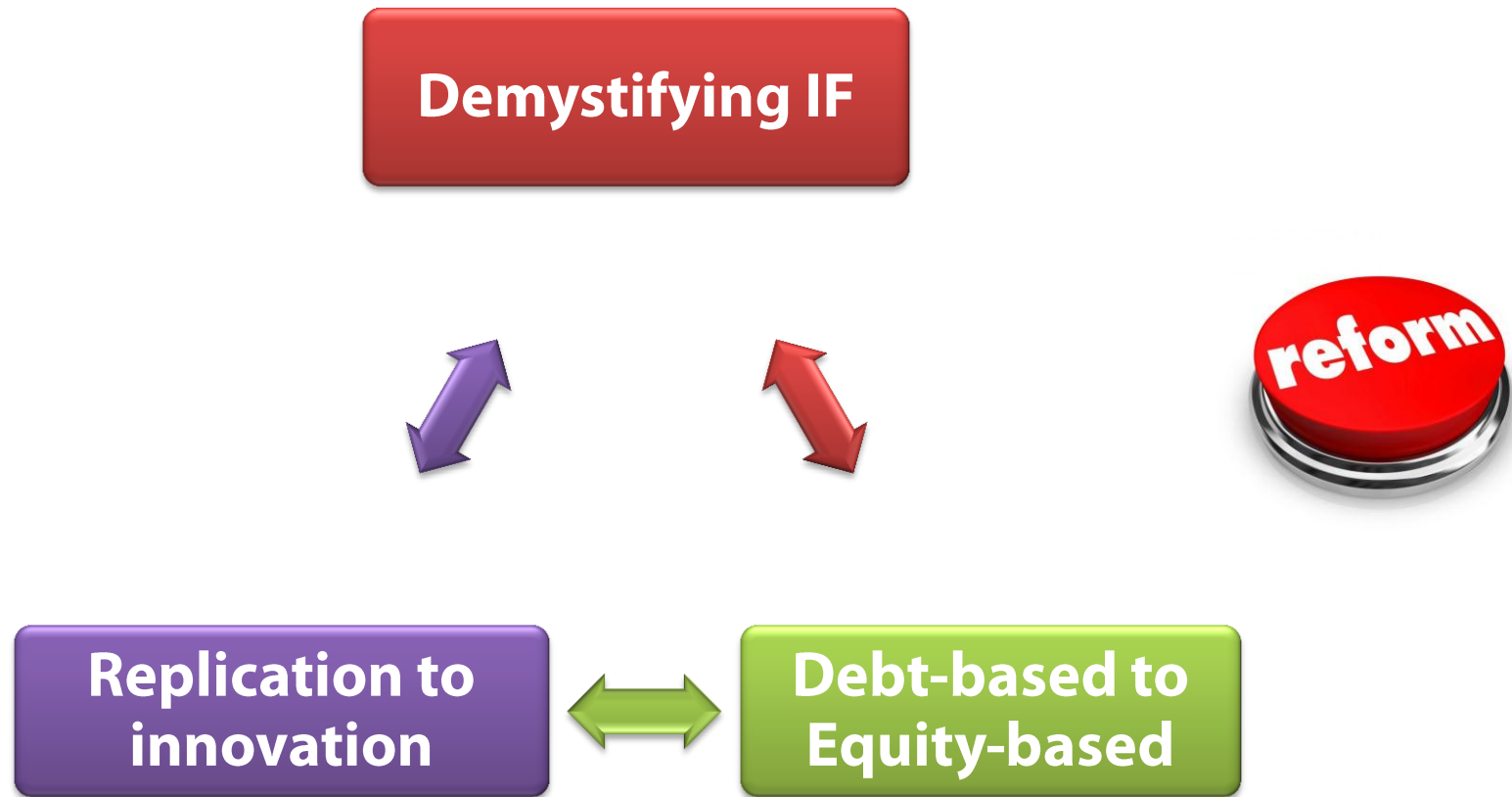


Where do we go from here?



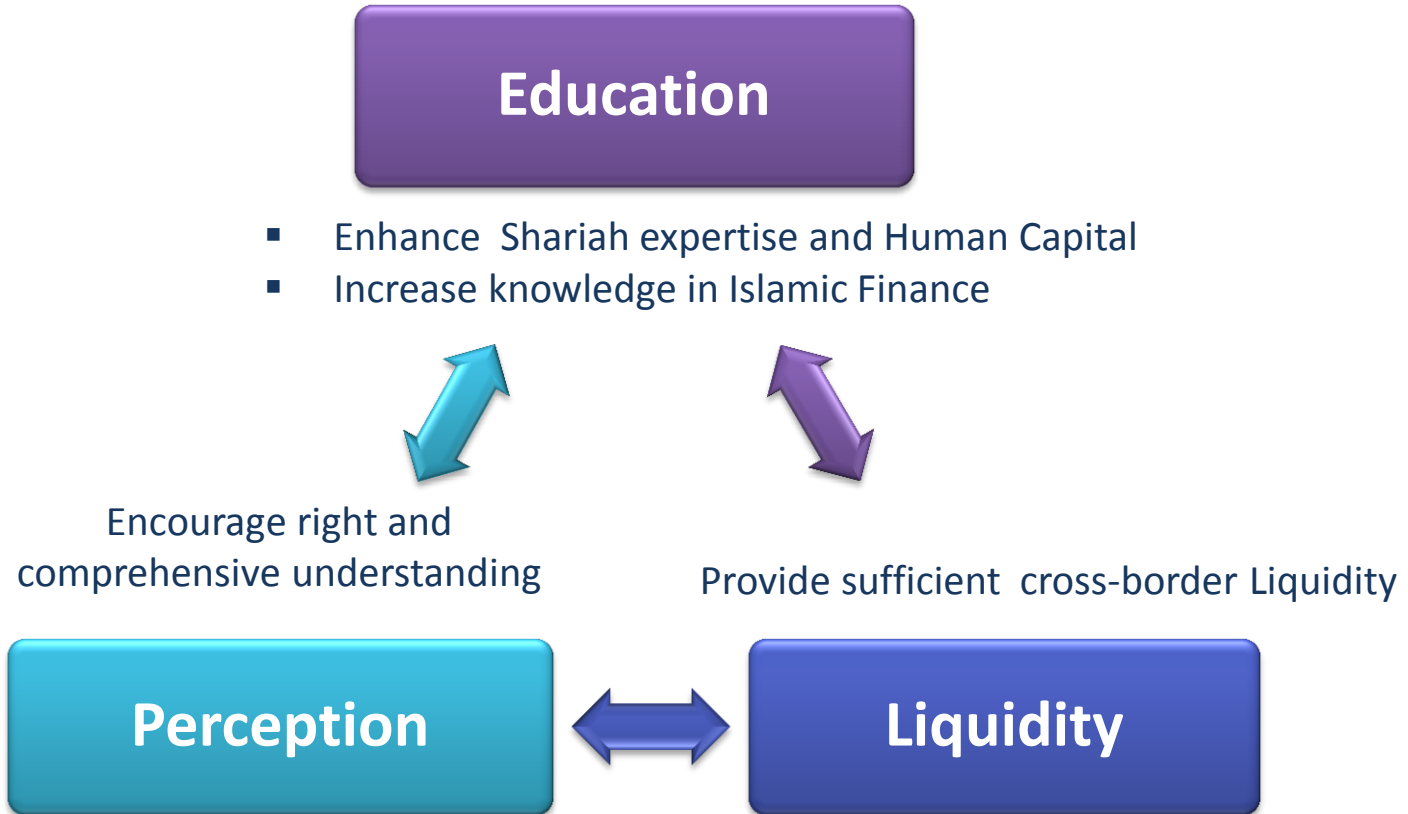
Paradigm shift

Key points



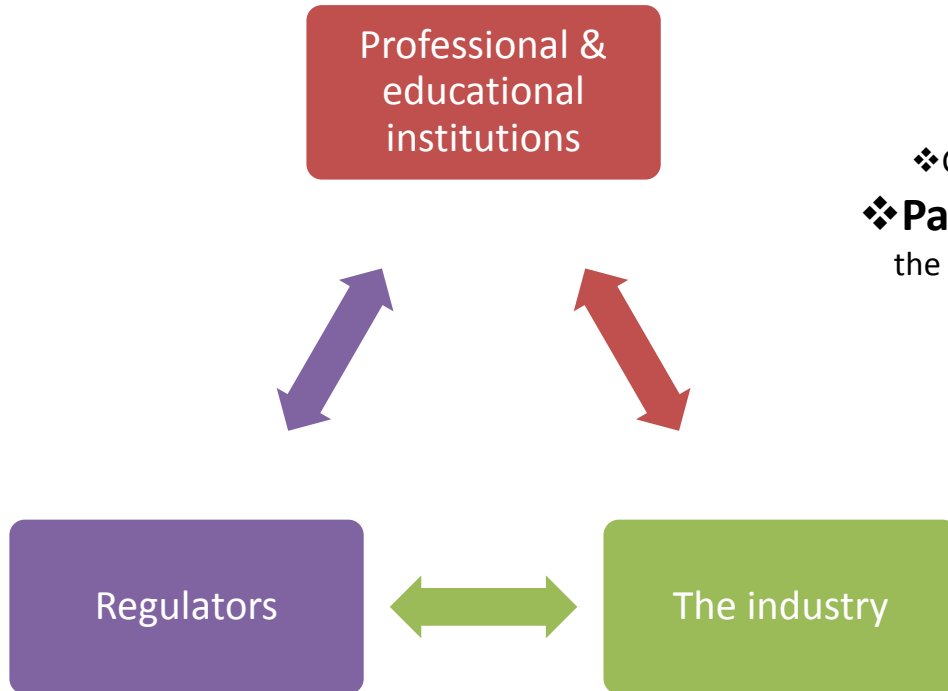
Talent Development

Bringing our talent up to speed



Talent Development

Collaboration & communication

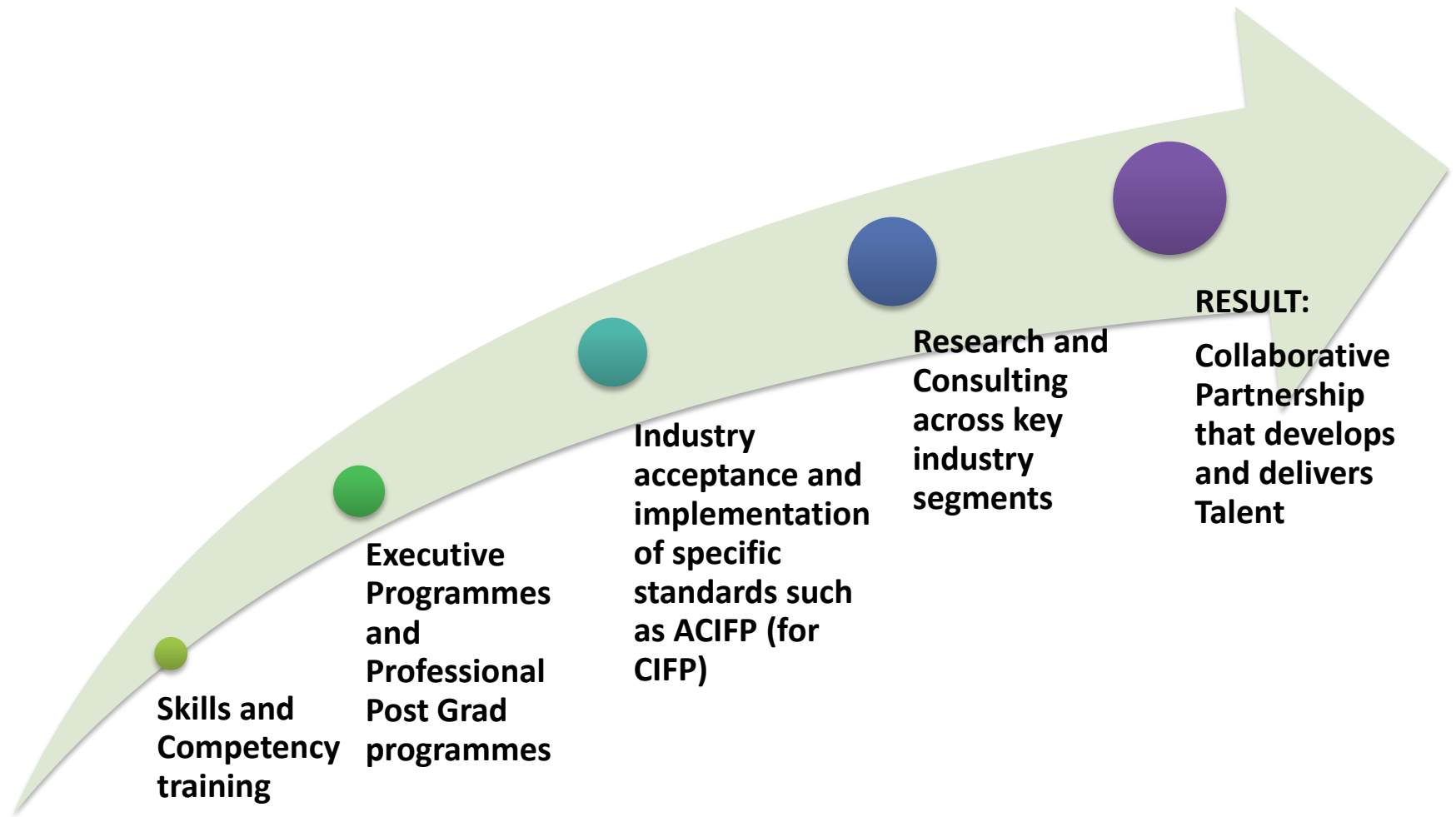


- ❖ Cross border **alliance**
- ❖ **Collaboration** at global level
- ❖ Constructive & more frequent **dialogue**
- ❖ **Partnership** between academic institutions & the industries comprising of research operations, internships, project consulting, etc.



Dedicated to human capital

Education, training, consulting, research and collaboration



***There is much to do
&
Not a moment to lose***

Thank You

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