



MEMORANDUM

To: Bill Keegan (BK) and Paul Homsy (PCH)

From: PJ Homsy (PJH)

Date: 10-28-2009

Re: Overview and Key Stats on Islamic Finance

- Sukuk asset class issuance = US \$11.1 B for the first seven months of 2009
- Combined 57 Muslim countries with a GDP total of US \$4.7 TRN and 24% of the world's population
- According to Thompson Reuters mutual fund division there were a total of 528 Islamic funds in June 2009, with 269 or 51% equity funds and total assets under management (as of end-2008) at US \$25 B
- Islamic Finance has become a global phenomenon in the last 5 to 6 years on the back of rising oil prices
- Between 2000 and 2008 the sukuk market had reached US \$111.9 B, according to the International Islamic Finance Market. A further figure of US \$ 69 B could be added for 2008 to 2009
- UAE estimated 4% and 4.4% GDP growth for 2009 and 2010 respectively
- Islamic finance industry is active in more than 50 countries worldwide. The annual growth of the sector is estimated at 15% with the majority of the sukuk supply often sold to non-Muslim investors in the West
- According to the 2007 World Wealth Report, published by CapGemini and Merrill Lynch, there is an estimated private liquidity of \$1.4 trillion in the GCC region, most of it in Saudi Arabia, UAE, Qatar and Kuwait
- In the United Arab Emirates high net worth individuals grew by 15.6% to 79,000, with total wealth growing 17.5% to \$91 billion. In Saudi Arabia, \$182 billion is held by 101,000 HNWI's
- Wealth held by HNWI's in the Gulf region of \$1 million or more, is expected to grow to \$3.8 trillion by 2012, according to management consultancy firm Oliver Wyman

- The growth of private wealth in the Middle East is estimated to be increasing by 11.9% every year, thus fuelling a strong demand for wealth management and private banking
- Islamic finance has grown rapidly since its inception in the early 1970's. It has experienced growth in both the industry as whole, and in the demand for new investment products that are Shari'ah-compliant. The Islamic finance industry is now valued at over \$800 billion. The growth can be attributed to such factors as the increase in the Muslim population, the wealth that this population controls particularly in the Gulf Cooperation Council (GCC) states, the growth of demand for Shari'ah-compliant investments, and innovations with regards to product development. A wider range of asset classes has now been developed that are considered Shari'ah-compliant
- The DIFC Gate, home to the world's newest financial centre and wealth management hub, has emerged as one of New Dubai's iconic landmarks. Most leading international private banks, securities firms, fund managers, investment bankers and hedge funds have taken advantage of the DIFC to open offices dedicated to serve the ultra HNWIs, family offices, sovereign investment agencies and institutional investors in the GCC
- Takaful in Arabic means joint guarantee