



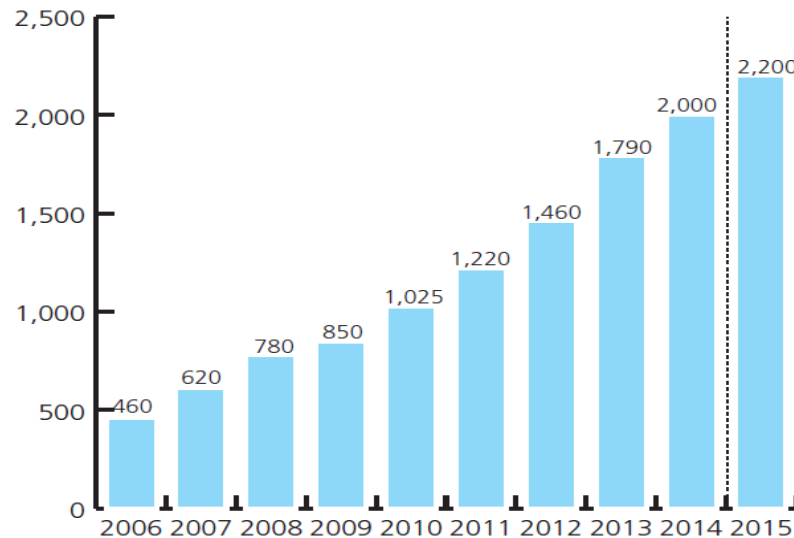
**BORSA
İSTANBUL**

Benchmark for Investment

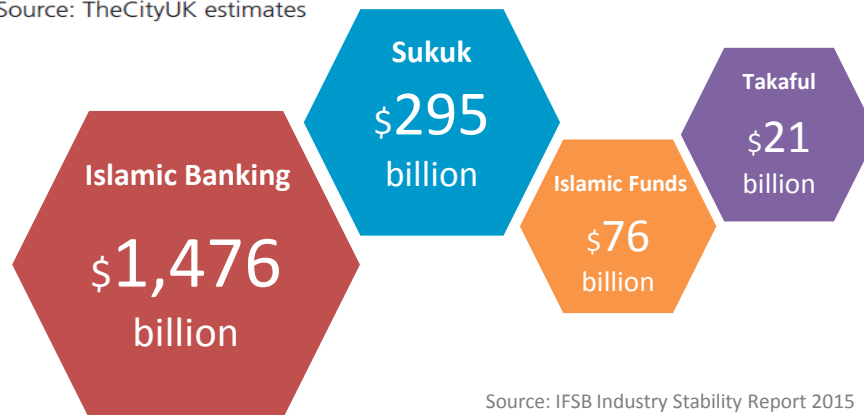
OIC Member States'
Stock Exchanges Forum
9th Meeting
November 19, 2015

Islamic Finance

Global Assets of Islamic Finance (USD billion)

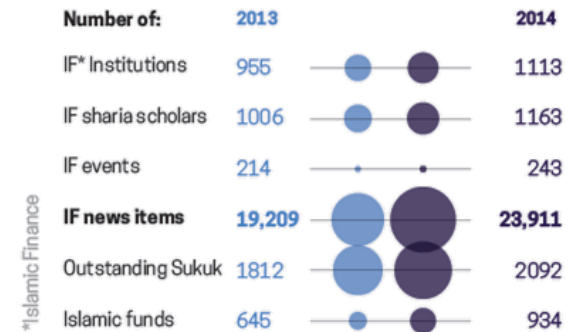


Source: TheCityUK estimates



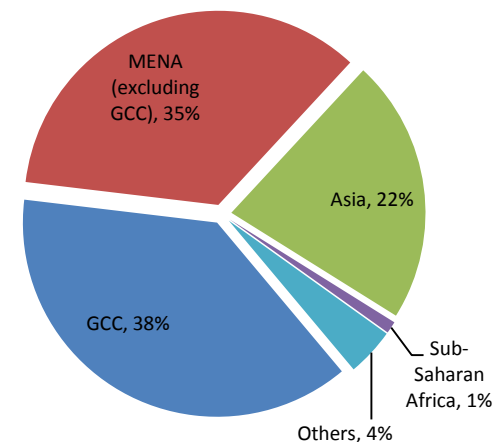
Source: IFSB Industry Stability Report 2015

Select Growth Indicators



Source: Reuters

Islamic Finance by Region

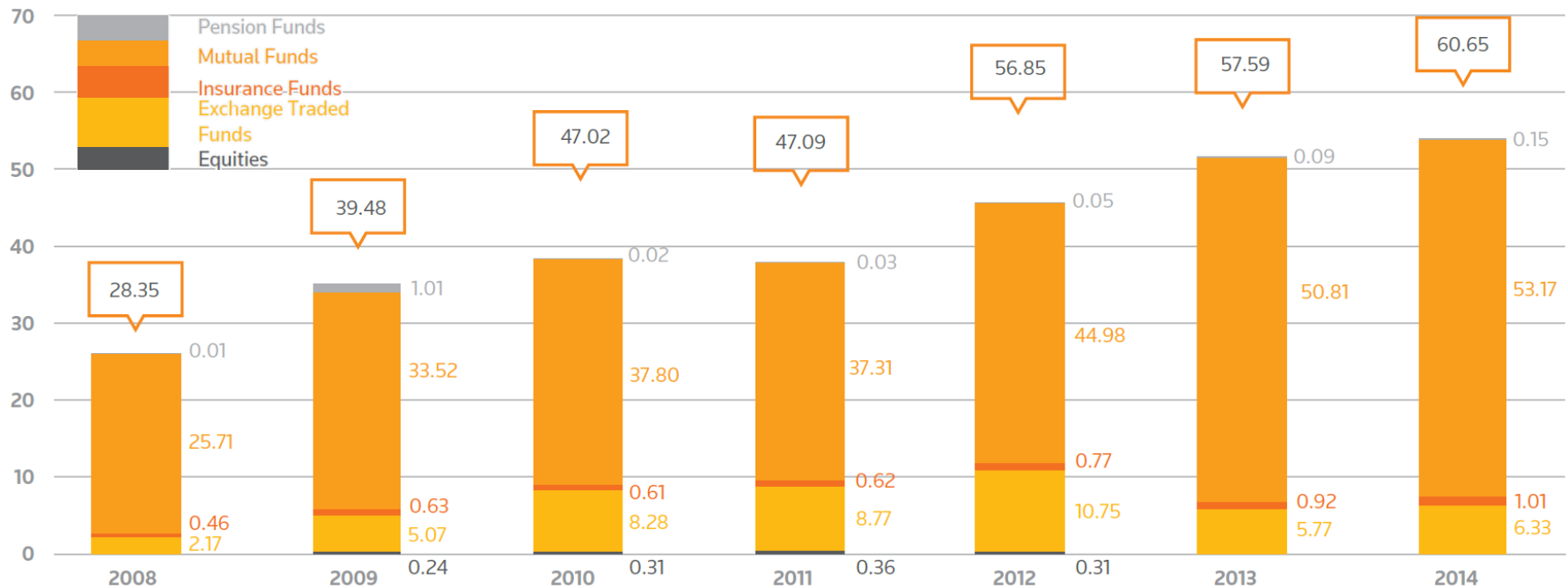


Source: TheCityUK estimates based on IFSB Industry Stability Report 2015



Islamic Funds

AUM of Global Islamic Funds Outstanding, Breakdown By Universe (2008 – 2014, USD billion)

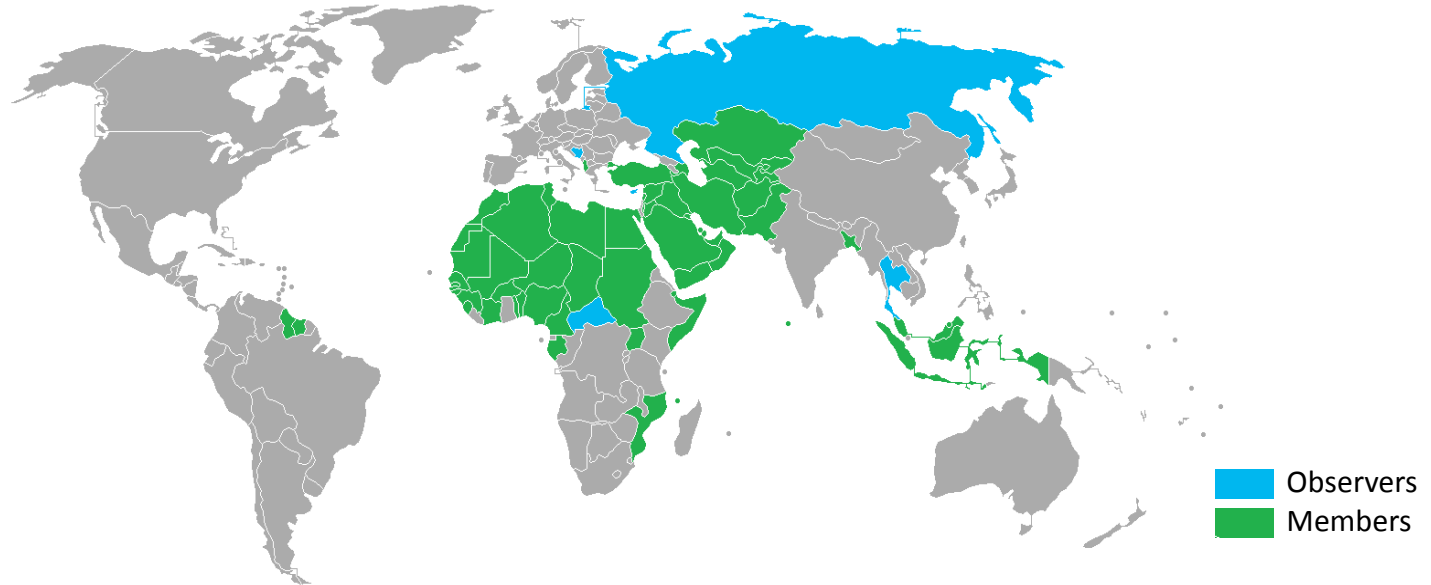


The Forum will continue to work on the introduction of Islamic products (Sukuk, Exchange Traded Funds, etc) in coordination with international organizations such as IIFM and IFSB , World Bank Global Islamic Finance Development Center

Source: Thomson Reuters Global Islamic Asset Management Outlook 2015



Background



- ▶ Initiated at the 20th session of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) in 2004
- ▶ Dedicated platform and communication channel for the members
- ▶ Currently 57 exchanges from 47 countries:
 - 43 national and 2 regional stock exchanges
 - 11 commodities and 1 currency exchange
 - 22 clearing, settlement, registry and depository institutions
 - 11 related organizations (SESRIC, IIFM, IFSB etc.)

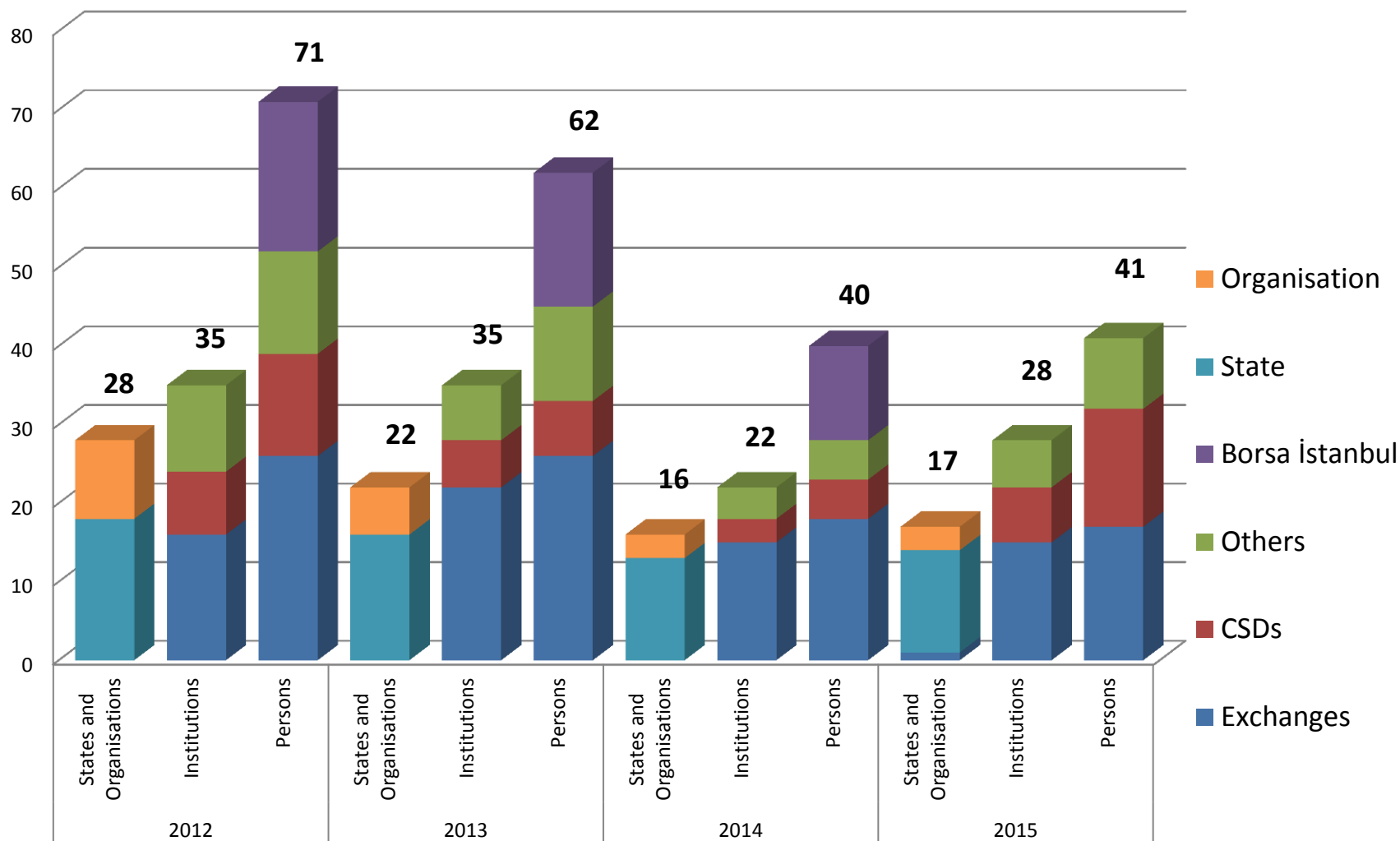


Meetings

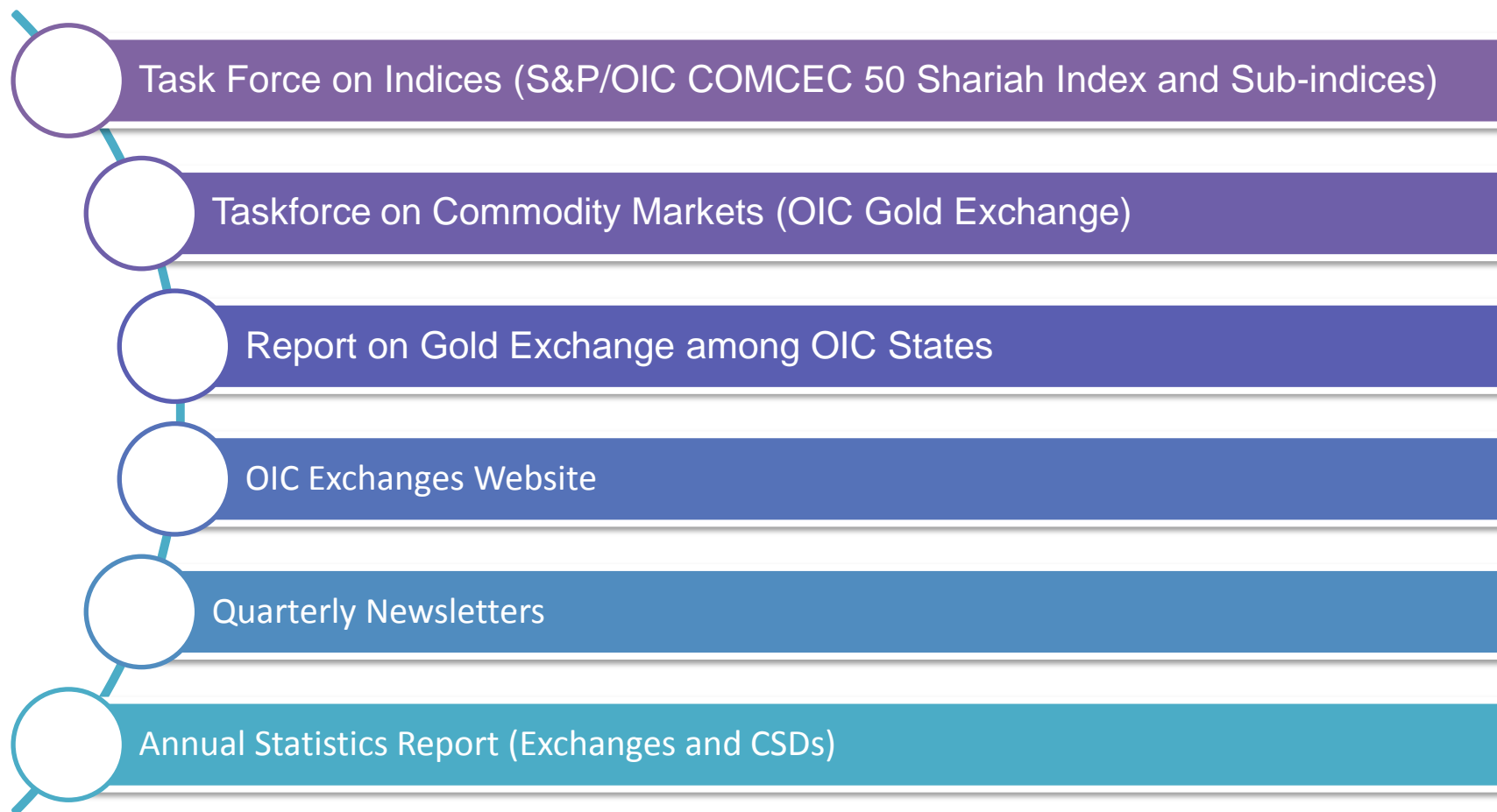
- ▶ First Round-table Meeting, Istanbul – March 2005
- ▶ Second Annual Meeting, Istanbul – October 2008
 - ✓ A working committee and four task forces established
- ▶ First Working Committee Meeting, Tehran – May 2009
- ▶ Third Annual Meeting, Istanbul – October 2009
 - ✓ Task forces renamed and new tasks assigned
 - ✓ Final Report submitted to the COMCEC
 - ✓ In the COMCEC meeting, regulatory bodies of the OIC member states requested to establish a similar platform to boost cooperation efforts
- ▶ Third Working Committee Meeting, Abu Dhabi – April 2010
- ▶ Fourth Annual Meeting, Istanbul – October 2010
- ▶ Fourth Working Committee meeting – April 2011
 - ✓ Cancelled due to the conflicts in the MENA region
- ▶ Fifth Annual Meeting, Istanbul – September 2011
- ▶ Sixth Annual Meeting, Istanbul – September 26, 2012
- ▶ Seventh Annual Meeting, Istanbul – September 16, 2013
- ▶ Eight Annual Meeting, Istanbul – November 11, 2014



Forum Participation



Current Activities of the Forum (including decisions of the Eight Annual Meeting held on November 11, 2014)



Task Forces

▶ Task Force on Indices

- ✓ S&P/ OIC COMCEC 50 Shariah Index launched on June 25, 2012
- ✓ Measures performance of 50 leading Shariah-compliant companies from 19 OIC member states
- ✓ Screened for Shariah compliance by S&P in accordance with S&P Shariah Indices

▶ Commodity Task Force

- ✓ Established by a decision taken at the 7th Forum Meeting
- ✓ Bursa Malaysia, Borsa Istanbul and Dubai Merchantile Market are the members
- ✓ A teleconference was made since the last meeting



Task Forces

- ▶ At the thirty-first meeting of the Follow-Up Committee of the COMCEC, which was held in Ankara on 13-14 May, 2015, following decision was made:
 - ✓ *Recalling the proposal made in the statement of H.E. Recep Tayyip ERDOĞAN, Chairman of the COMCEC, in the 30th Session of the COMCEC, on establishing a Gold Exchange among the OIC Member Countries, the Committee requested the Secretariat of the OIC Stock Exchange Forum to conduct a study on the feasibility and the ways and means of realizing the proposal and submit it to the 31st Session of the COMCEC.*
- ▶ Report on the OIC Gold Exchange was prepared. It will be presented today and at the next 31st COMCEC Ministerial Meeting on 23-26 November.



**OIC MEMBER STATES'
STOCK EXCHANGES
INTEGRATED STATISTICS REPORT
2014**

OIC Exchanges Survey

- ▶ As decided at the 7th meeting of the OIC Member States' Stock Exchanges Forum in 2013, Borsa İstanbul as the Forum Coordinator presents the second issue of the Integrated Statistical Report, which covers 2013-2014 periods of the exchanges and the central securities depositories of the OIC Member States
- ▶ 20 stock exchanges, 1 commodities exchange and 8 central securities depositories have responded to the survey
- ▶ The patterns, trends, and other results presented in this report are based on the sets of 25 exchanges and 12 depositories. Therefore, these sets will be referred as “OIC Exchanges” and “OIC CSDs” collectively
 - ✓ The data for 5 more exchanges were collected from WFE, FEAS, and the exchange's official website



Survey: Participants

Stock Exchanges			
State	Name	Acronym	Source
United Arab Emirates	Abu Dhabi Securities Exchange	ADX*	Survey
Jordan	Amman Stock Exchange	ASE	Survey
Bahrain	Bahrain Stock Exchange	BHB*	FEAS
Turkey	Borsa İstanbul	BIST	Survey
Malaysia	Bursa Malaysia Berhad	BM*	Survey
Mozambique	Bolsa de Valores de Moçambique	BVM	Survey
Tunisia	Bourse des Valeurs Mobilières de Tunis	BVMT	Survey
Bangladesh	Chittagong Stock Exchange	CSE(B)	Survey
Morocco	Casablanca Stock Exchange	CSE(M)	WFE
United Arab Emirates	Dubai Financial Market	DFM*	Survey
Bangladesh	Dhaka Stock Exchange Limited	DSE	Survey
Egypt	The Egyptian Exchange	EGX	Survey
Indonesia	Indonesia Stock Exchange	IDX	WFE
Iran	Iran Fara Bourse Company	IFB	Survey
Kazakhstan	Kazakhstan Stock Exchange	KASE	Survey
Pakistan	Karachi Stock Exchange Limited	KSEL	Survey
Pakistan	Lahore Stock Exchange	LSE	FEAS
Maldives	Maldives Stock Exchange Pvt Ltd	MSE	Survey
Nigeria	Nigerian Stock Exchange	NSE	Website
Oman	Muscat Securities Market	MSM	Survey
Palestine	Palestine Securities Exchange	PEX	Survey
Qatar	Qatar Stock Exchange	QSE	Survey
Algeria	Société de Gestion de la Bourse des Valeurs Mobilières Spa	SGBV	Survey
Saudi Arabia	Saudi Stock Exchange	Tadawul*	Survey
Iran	Tehran Stock Exchange	TSE	Survey



Survey: Participants

Commodities Exchanges			
State	Name	Acronym	Source
Pakistan	Pakistan Mercantile Exchange	PMEX	Survey

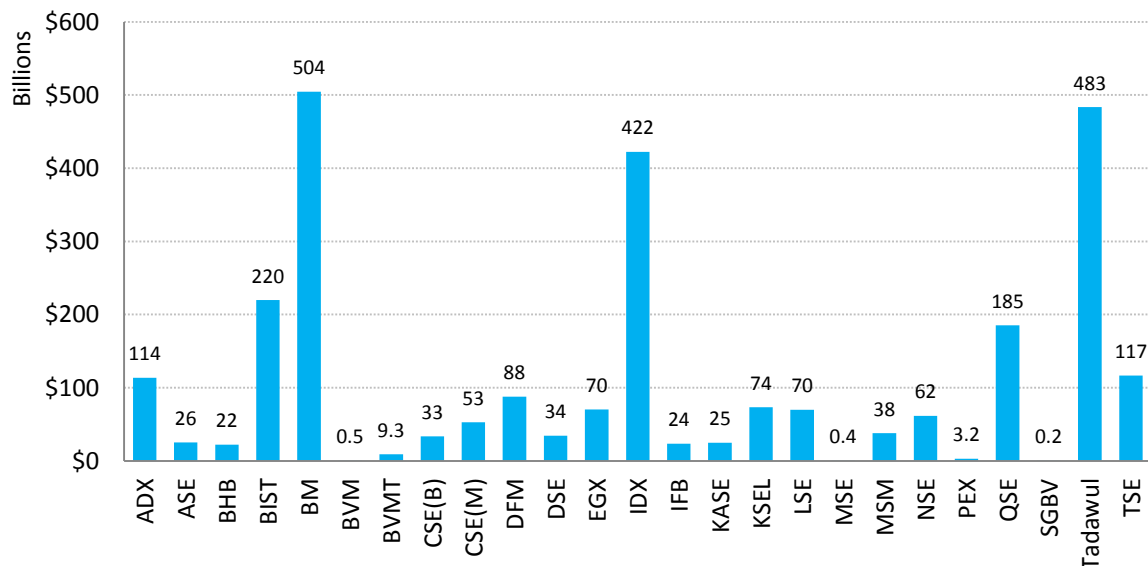
Central Securities Depositories			
State	Name	Acronym	Source
Algeria	Algérie Clearing	AC	Survey
Bangladesh	Central Depository Bangladesh Limited	CDBL	Survey
Pakistan	Central Depository Company of Pakistan Ltd	CDCPL	Survey
Iran	Central Securities Depository of Iran	CSDI	Survey
Kazakhstan	Kazakhstan Central Securities Depository	KACD	Survey
Turkey	Central Registry Agency	MKK	Survey
Jordan	Securities Depository Center of Jordan	SDC	Survey
Tunisia	Tunisie Clearing	TC	Survey



Survey: Equities

	ADX	ASE	BHB	BIST	BM	BVM	BVMT	CSE (B)	CSE (M)	DFM	DSE	EGX	IDX	IFB	KASE	KSEL	LSE	MSE	MSM	NSE	PEX	QSE	SGBV	Tadawul	TSE
Shares	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Securitized Derivatives				•	•									•											•
ETFs	•			•	•								•	•						•				•	•
Investment Funds			•	•	•			•			•	•			•				•	•				•	
Other Products														•											•

Market Capitalization, 2014



- OIC Exchanges have represented \$2.7 trillion of the world equities markets in 2014 with an 8% annual increase in the market capitalization and a 25% annual increase in the value of trading for all equities products, compared to 6% and 18% of the WFE averages respectively.

ETFs

- ADX, BIST, BM, IDX, IFB, NSE, Tadawul, and TSE have 43 ETF products, with the value of trading of \$1.8 billion in 2014, which is a 53% decrease from 2013
- 91% of the value traded was executed at Borsa İstanbul with 15 products

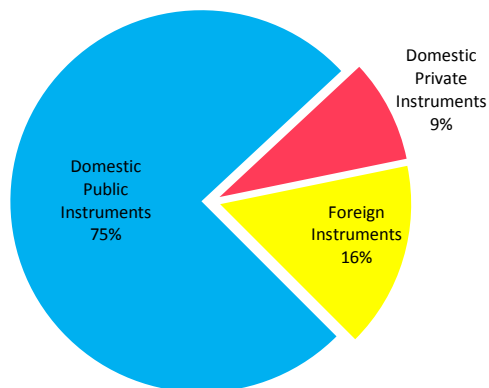


Survey: Debt Instruments

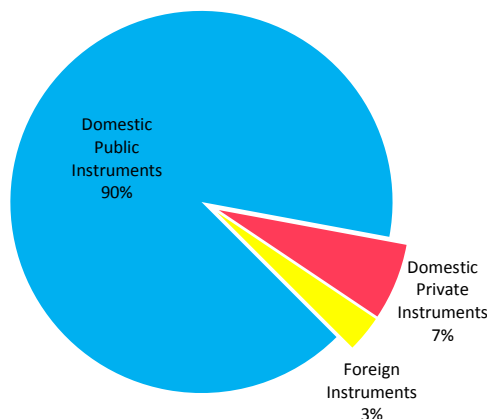
	ADX	ASE	BHB	BIST	BM	BVM	BVMT	CSE (B)	CSE (M)	DFM	DSE	EGX	IDX	IFB	KASE	KSEL	LSE	MSE	MSM	NSE	PEX	QSE	SGBV	Tadawul	TSE
Domestic Public	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Domestic Private	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	
Foreign				•											•					•					
REPO				•											•										

- The outstanding value of debt instruments listed at the OIC Exchanges was \$511.6 billion
- The value of trading for the 2,112 instruments listed by 455 issuers was \$312.6 billion
- Borsa İstanbul is leading the exchange in OIC debt securities markets with 41% of the value of instruments listed, 40% of the raised funds from debt securities, and 85% of the value of trades.
- Domestic public instruments are leading the markets; private and foreign bonds are relatively illiquid.

Value of Instruments Listed, 2014



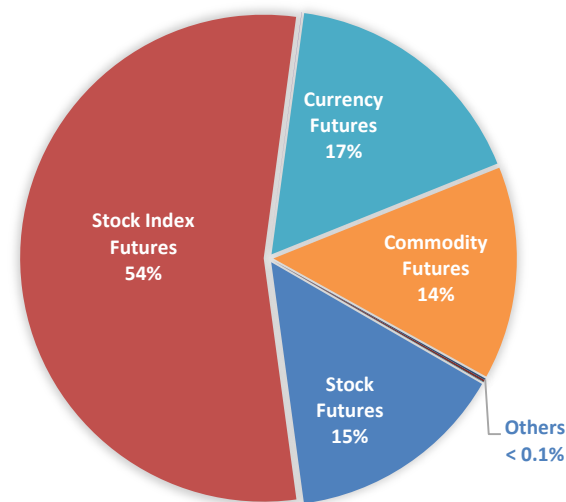
Value of Trades, 2014



Survey: Derivatives

	ADX	ASE	BHB	BIST	BM	BVM	BVMT	CSE (B)	CSE (M)	DFM	DSE	EGX	IDX	IFB	KASE	KSEL	LSE	MSE	MSM	NSE	PEX	PMEX	QSE	SGBV	Tadawul	TSE
Stock Futures				•	•										•	•										•
Stock Index Futures				•	•										•	•										
ETF Futures																										
Interest Rate Futures						•																•				
Currency Futures				•											•											
Commodity Futures				•	•																	•				
Stock Options				•																						
Stock Index Options				•	•																					
ETF Options																										
Interest Rate Options																										
Currency Options				•																						
Commodity Options				•	•																					
Other Contracts																						•			•	
																						21			22	

Five exchanges had derivatives contracts available for trading with a total of 264.4 million contracts traded in 2014, which is about two and a half times as much as the contracts traded in 2013.

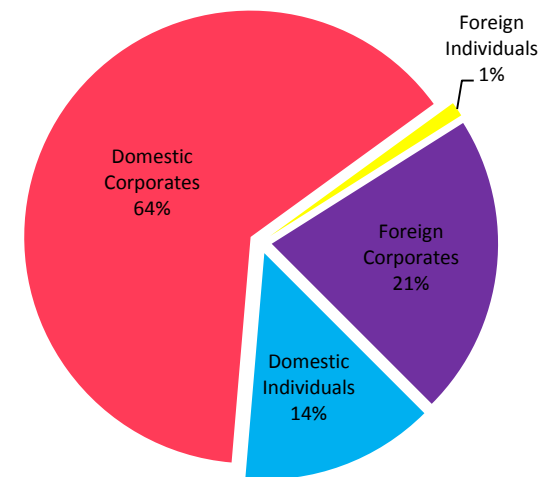


Survey: CSDs

	AC	ADX	BMD	CDBL	CDCPL	CSDI	DFM	KACD	MKK	SDC	Tadawul	TC
All Listed Securities			•	•								
Equities / Shares	•	•		•	•	•	•	• ²⁴	• ²⁵	•	•	•
Investment Funds				•								•
- ETFs						•	•		•		•	
- Mutual	•				•				•			
- Unit Investment Funds								•				
Securitized Derivatives												
- Rights							•		•		•	•
- Warrants							•		•			
- Certificates									•			
Debt Instruments	•			•		•						•
- Government Bonds and T-Bills, Municipal Securities					•	•	•	•				•
- Corporate ²⁶					•	•	•	•	•	•		•
- Sukuks					•	•	•		•	•	•	
- Covered Bonds									•			
- Asset Backed Securities									•			
- International Bonds (Euro notes, Eurobonds)								•				
Mudarabaha Certificates					•							

- 58% of the participating OIC CSDs have omnibus accounts at the participant level
- 92% have beneficial ownership accounts on an end-investor basis
- 83% mandates the accounts to be segregated on an end-investor basis
- Dematerialization is mandatory at 83% of the CSDs.

Value of Holdings, 2014



The Way Forward





Thank you!