

FINAL REPORT
OIC MEMBER STATES' STOCK EXCHANGES FORUM
9TH MEETING

ISTANBUL, NOVEMBER 19, 2015

The Marmara Hotel
Istanbul, November 2015

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FINAL REPORT
OIC MEMBER STATES' STOCK EXCHANGES FORUM
9TH MEETING
(Istanbul, November 19, 2015)

1. The Ninth Meeting of the OIC Member States' Stock Exchanges Forum convened in Istanbul on November 19, 2015.
2. The Forum Meeting was held in conjunction with "Second International Islamic Finance and Economics Conference" in partnership between Borsa İstanbul and Marmara University, which took place on the same day.
3. This year, also a conference on "Mobilizing Islamic Finance for Long –Term Investment Financing" preceded the Forum Meeting, which was held on November 18-19, 2015 in cooperation with the World Bank Group, Undersecretariat of Treasury, Capital Markets Board of Turkey and Borsa İstanbul.
4. The Meeting was attended by the representatives of the following capital market institutions of the OIC Member States:

A. EXCHANGES OF THE OIC MEMBER STATES

1. Bolsa de Valores de Moçambique, Mozambique
2. Borsa İstanbul, Turkey
3. Dubai Financial Market, United Arab Emirates
4. Dubai Mercantile Exchange, United Arab Emirates
5. Douala Stock Exchange, Cameroon
6. Iran Fara Bourse Company, Iran
7. Iraq Stock Exchange, Iraq
8. Kazakhstan Stock Exchange, Kazakhstan
9. Qatar Stock Exchange, Qatar
10. Saudi Stock Exchange, Saudi Arabia
11. Tehran Stock Exchange, Iran

B. CENTRAL DEPOSITORIES, CLEARING AND REGISTRY INSTITUTIONS OF THE OIC MEMBER STATES

1. Central Depository Company of Pakistan, Pakistan
2. National Clearing Company of Pakistan Limited, Pakistan
3. Central Securities Depository of Iran, Iran
4. Maroclear, Morocco
5. Takasbank, Turkey

C. OTHER ORGANISATIONS

1. The Organization of Islamic Cooperation
2. COMCEC Coordination Office
3. Arab Federation of Exchanges
4. S&P Dow Jones Indices
5. S360

Opening and Seminar Session

1. Following a brief introduction of the program, the meeting was opened by Mr. Tuncay DİNÇ, Forum Chairman and CEO of Borsa İstanbul, who welcomed all delegates to Istanbul on the occasion of the ninth meeting of the OIC Member States' Stock Exchanges Forum and expressed his honour and contentment for opening the OIC Member States' Stock Exchanges Forum for the first time. Mr. DİNÇ has stated: "Islamic capital markets can be seen as dispersed and fragmented globally. However, if we can all work together to establish networks between our markets, we can turn this network of branches to our advantage when serving the 1.6 billion community all around the world. This is the very reason that we are here today, to extend our network and set up the relevant action plans to move forward". Afterwards, Mr. DİNÇ gave the floor to Mr. Ali İŞLER, Expert at COMCEC Coordination Office. Mr. İŞLER gave a welcome speech and briefed delegates on the activities of COMCEC and the COMCEC Financial Cooperation Working Group.
2. Mr. DİNÇ gave the floor to Mr. Mustafa Kemal YILMAZ, Executive Vice President of Borsa İstanbul to moderate the meeting.
3. Mr. Mustafa Kemal YILMAZ invited Mr. Murat Mazıbaş to give a background of Forum activities and current projects, and some ideas on future activities. Mr. MAZIBAŞ then made a

presentation on the OIC Exchanges Statistics Report, which was shared with Forum Members on the occasion of this Meeting. The presentation summarized key statistics of the OIC markets on equity, debt instruments and derivatives.

(A copy of the presentation by Dr. Murat MAZIBAŞ is herewith attached as Annex 1)

4. Ms. Şenay PEHLİVANOĞLU gave information on the activities of Task Force on Indices.

(A copy of the presentation by Ms. Şenay PEHLİVANOĞLU is herewith attached as Annex 2)

5. Mr. Oğuzhan ALOĞLU, Director of Precious Metals & Diamond Market at Borsa İstanbul, delivered a presentation entitled “Report on Gold Trading in the OIC Countries”.

(A copy of the presentation by Mr. Oğuzhan ALOĞLU is herewith attached as Annex 3)

6. Mr. Charbel S. AZZI, Head of Middle East, Africa & CIS S&P Dow Jones Indices delivered a presentation entitled “Potential OIC Sub Indices”.

(A copy of the presentation by Mr. Charbel S. AZZI is herewith attached as Annex 4)

7. Mr. Sertac Fuad KARAAĞAOĞLU, Group Director of Listing and Private Market at Borsa İstanbul delivered a presentation entitled “SME Finance in Stock Exchange”.

(A copy of the presentation by Mr. Sertac Fuad KARAAĞAOĞLU is herewith attached as Annex 5)

8. Mr. Rashid Ali AL-MANSOORI, CEO of Qatar Stock Exchange, delivered a presentation entitled “The Challenges that Exchanges Face amid Circumstances in the Islamic Countries”.

(A copy of the presentation by Mr. Rashid Ali AL-MANSOORI is herewith attached as Annex 6)

9. Mr. Kerem OKUMUŞ, Managing Director of S360, delivered a presentation entitled “Pioneering Role of the Exchanges in Sustainability”.

(A copy of the presentation by Mr. Kerem OKUMUŞ, is herewith attached as Annex 7)

10. Dr. Mohammad Reza MOHSENI, Chief Executive Officer and Board Member of Central Securities Depository of Iran, delivered a speech about “The Role of the CSDs in Opening Up the Market”.

DECISIONS

The following decisions were taken at the meeting:

1. The Forum mandates the Task Force on Indices to collaborate with S&P DJ Indices teams in exploring the level of demand for sub-indices in the markets. If there is sufficient demand for product creation, the Task Force will then work on launching and promoting the sub-indices, which will include companies from the emerging OIC markets. Forum members agree to make their best effort to promote the S&P OIC COMCEC Sharia 50 Index and the potential sub-indices in their markets. The task force is also mandated to assess the feasibility of a sustainability index.
2. The Forum appreciates the feasibility report on the establishment of a Gold Exchange among the OIC Member States prepared by Borsa İstanbul as the Forum Coordinator—as requested in the 31th Session of the Follow up Committee of COMCEC. The Forum considers that this issue needs to be further studied and forming a task force that consist of leading Member States on gold trading will be beneficial. To this end, the Task Force on Commodities is renamed as “Task Force on Precious Metals” and will be led by Borsa Istanbul. The Task Force will work on steps to be taken to integrate the gold markets among member states by removing barriers and aligning regulations to harmonize the precious metals trading ecosystems concerning trading and post-trade services. To this end, the task force is expected to determine the technical and regulatory infrastructure requirements and formulate the most effective trading model among the OIC Member States. The Forum mandates Forum Coordinator to make a call to the volunteering OIC Exchanges and if necessary to the post-trade institutions to take a part in this task force
3. The Forum appreciates the 2nd issue of the OIC Member States’ Stock Exchanges Integrated Statistics Report prepared by the Forum Coordinator. All Forum Members are encouraged to actively participate in the survey sent by the Forum Coordinator. The Forum encourages Members to publish and distribute the report in any convenient event.
4. The Forum mandates the Forum Coordinator to explore potential areas of cooperation with SESRIC on the formation of OIC capital markets database.
5. The Forum Coordinator will continue publishing the quarterly newsletter to update members on the recent developments in OIC markets and Islamic finance.
6. The conclusions of the meeting will be reported to the 31th session of COMCEC, which will be held in Istanbul on 23-26 November 2015.
7. The next annual meeting of the Forum is planned to be held on Oct - Nov 2016 in Istanbul.



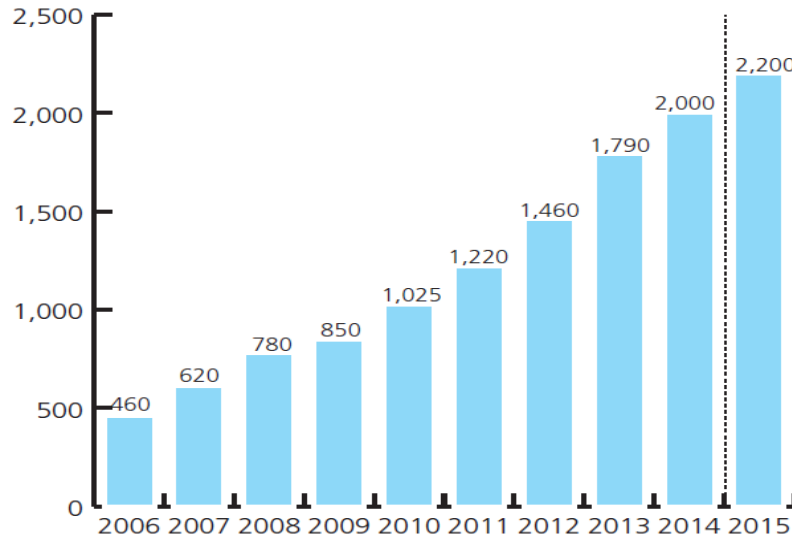
**BORSA
İSTANBUL**

Benchmark for Investment

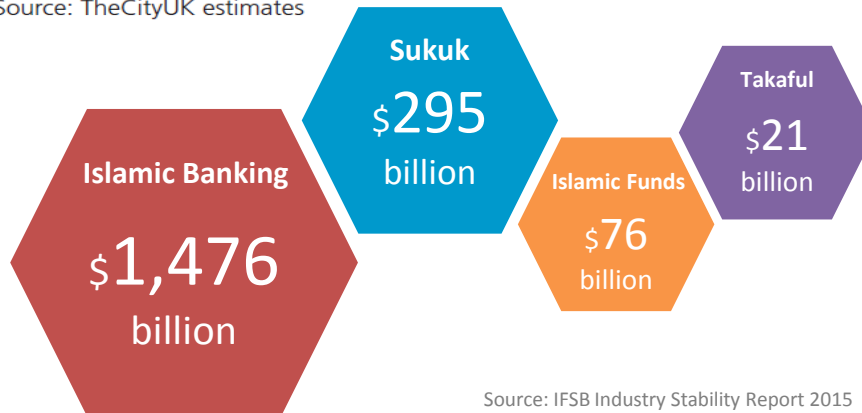
OIC Member States'
Stock Exchanges Forum
9th Meeting
November 19, 2015

Islamic Finance

Global Assets of Islamic Finance (USD billion)

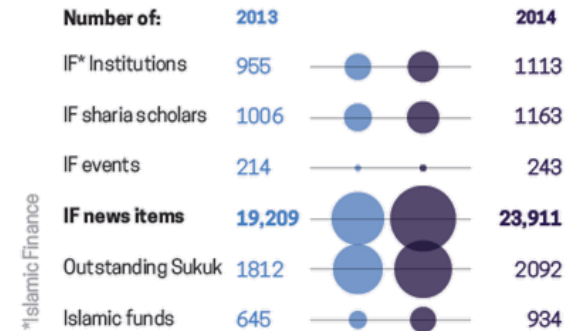


Source: TheCityUK estimates



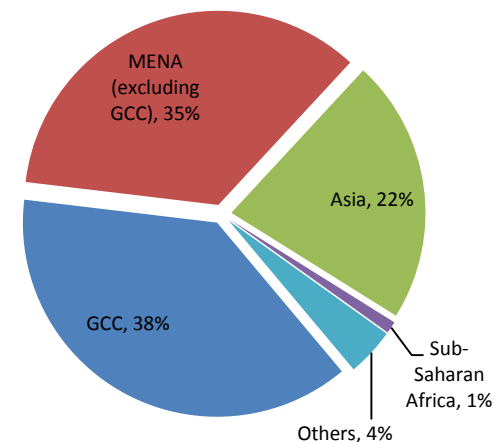
Source: IFSB Industry Stability Report 2015

Select Growth Indicators



Source: Reuters

Islamic Finance by Region

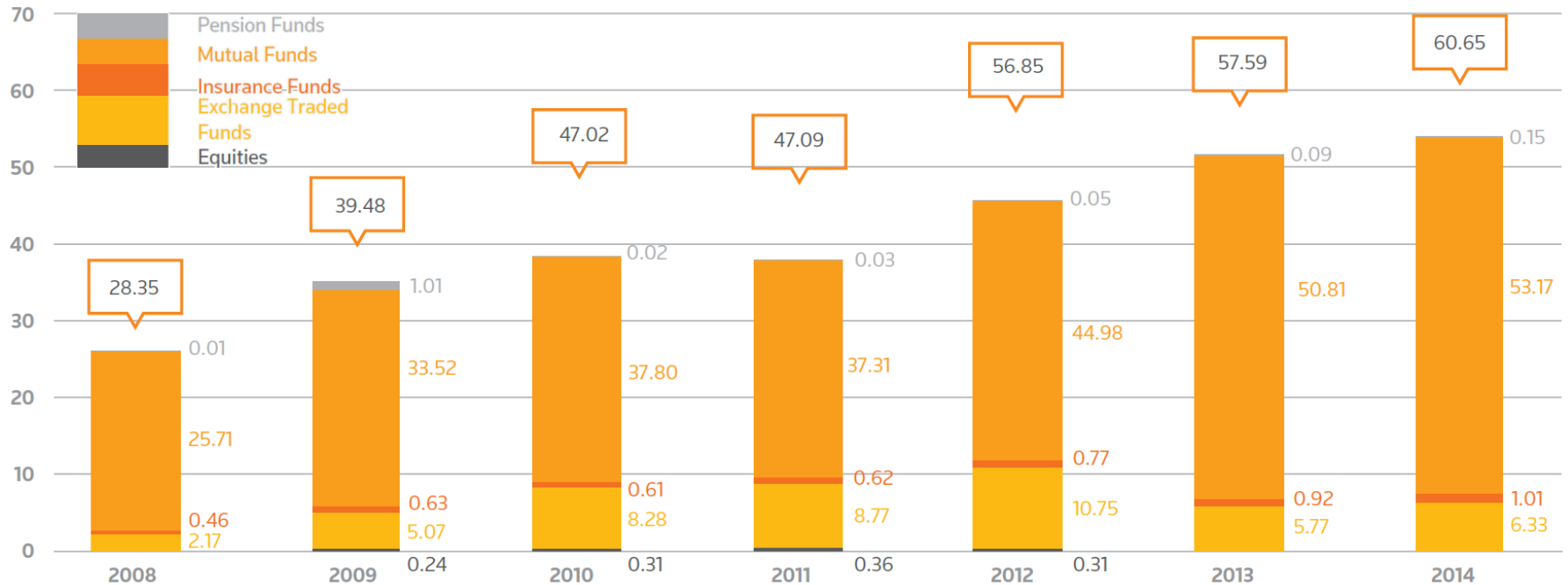


Source: TheCityUK estimates based on IFSB Industry Stability Report 2015



Islamic Funds

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

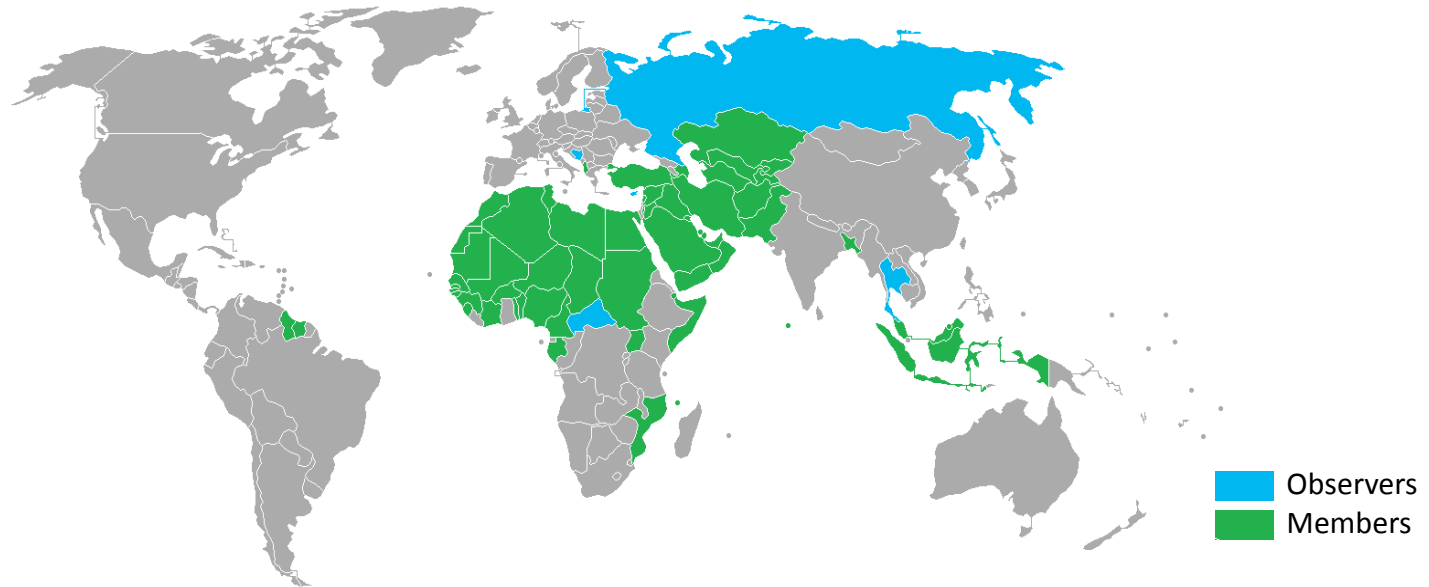


The Forum will continue to work on the introduction of Islamic products (Sukuk, Exchange Traded Funds, etc) in coordination with international organizations such as IIFM and IFSB , World Bank Global Islamic Finance Development Center

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.)

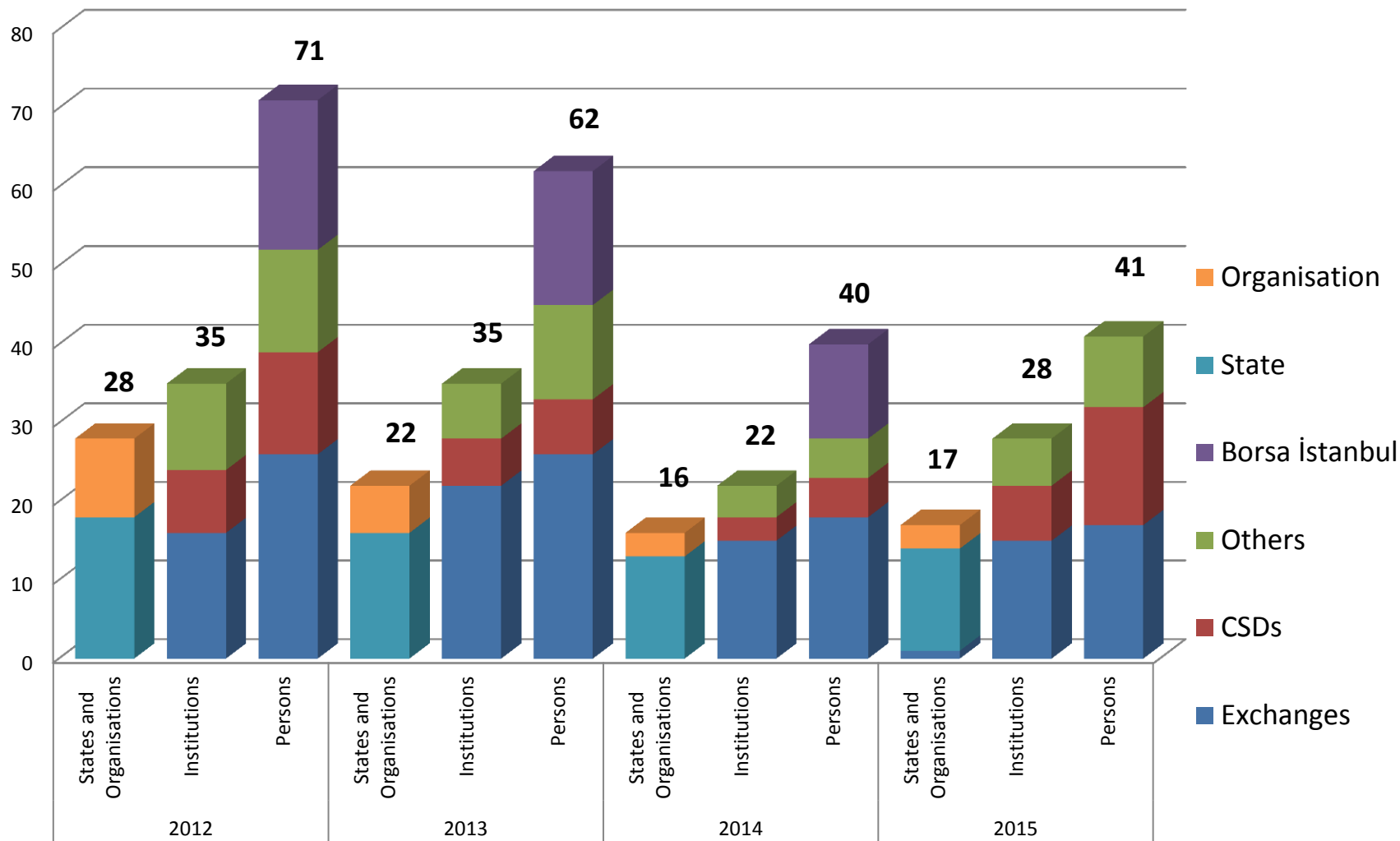


Meetings

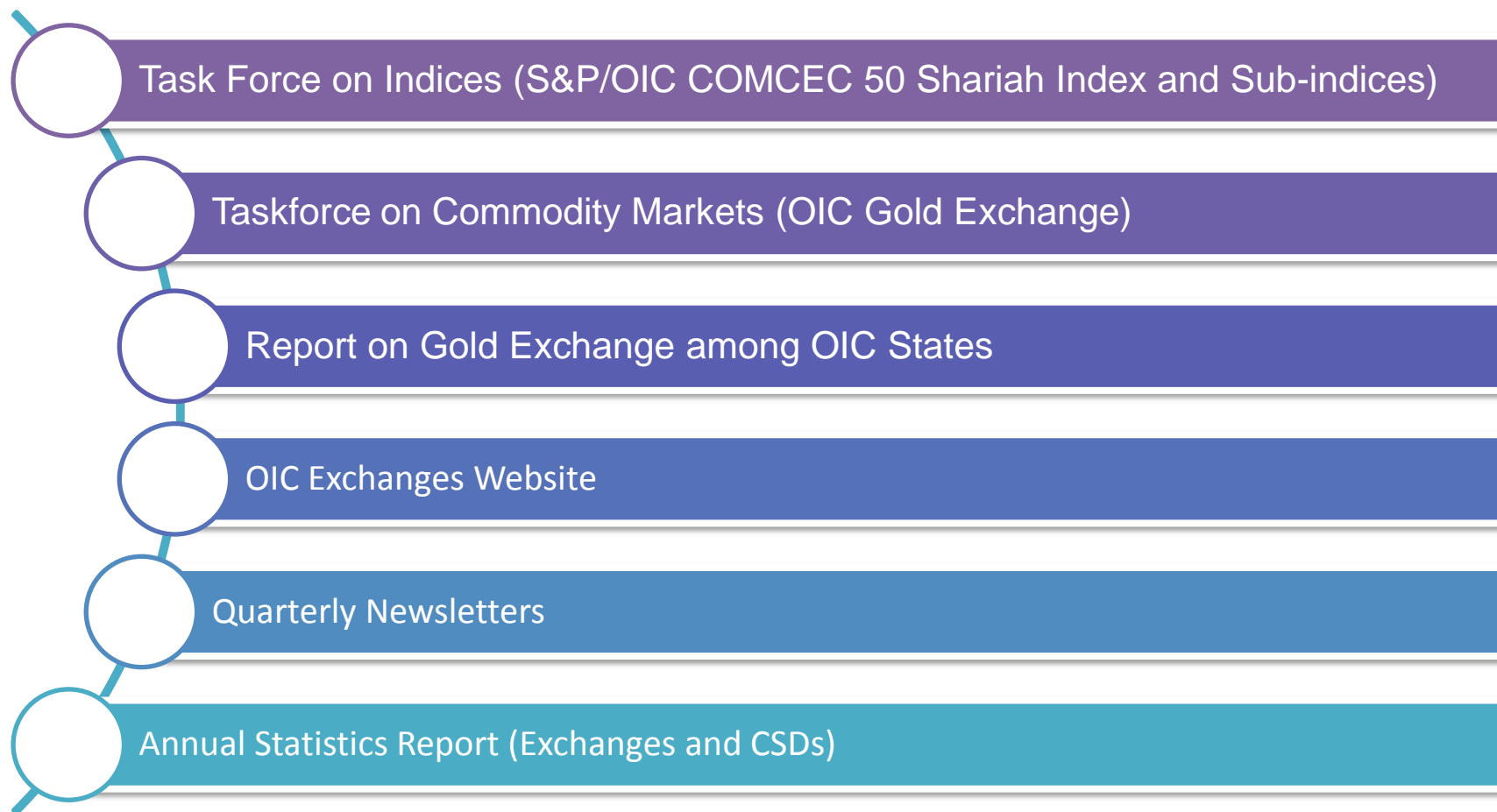
- ▶ First Round-table Meeting, Istanbul – March 2005
- ▶ Second Annual Meeting, Istanbul – October 2008
 - ✓ A working committee and four task forces established
- ▶ First Working Committee Meeting, Tehran – May 2009
- ▶ Third Annual Meeting, Istanbul – October 2009
 - ✓ Task forces renamed and new tasks 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

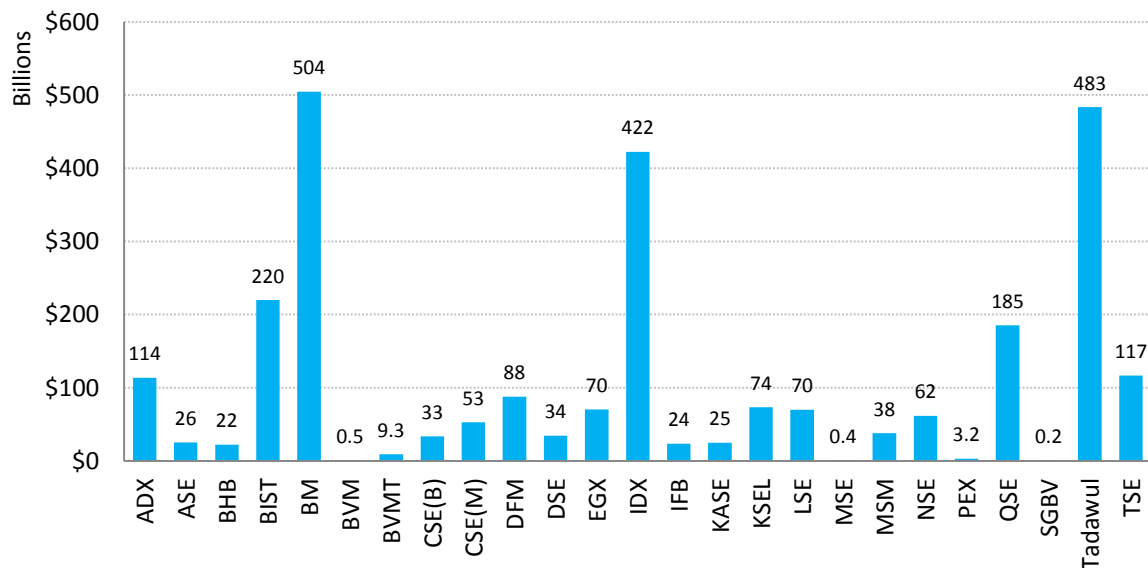
Central Securities Depositories			
State	Name	Acronym	Source
Algeria	Algérie Clearing	AC	Survey
Bangladesh	Central Depository Bangladesh Limited	CDBL	Survey
Pakistan	Central Depository Company of Pakistan Ltd	CDCPL	Survey
Iran	Central Securities Depository of Iran	CSDI	Survey
Kazakhstan	Kazakhstan Central 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

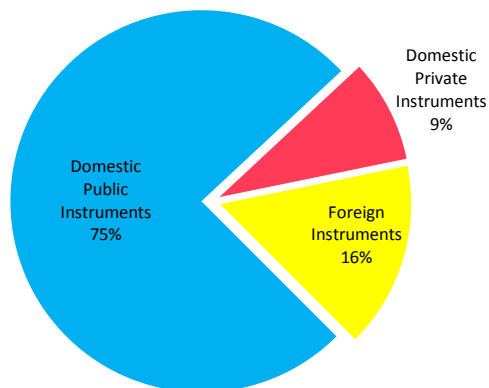


Survey: Debt Instruments

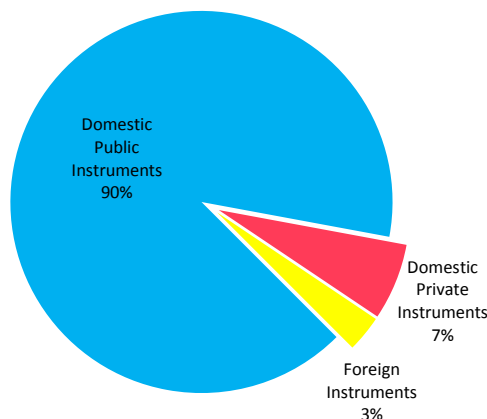
	ADX	ASE	BHB	BIST	BM	BVM	BVMT	CSE (B)	CSE (M)	DFM	DSE	EGX	IDX	IFB	KASE	KSEL	LSE	MSE	MSM	NSE	PEX	QSE	SGBV	Tadawul	TSE
Domestic Public	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Domestic Private	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	
Foreign				•											•					•					
REPO				•									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

- 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



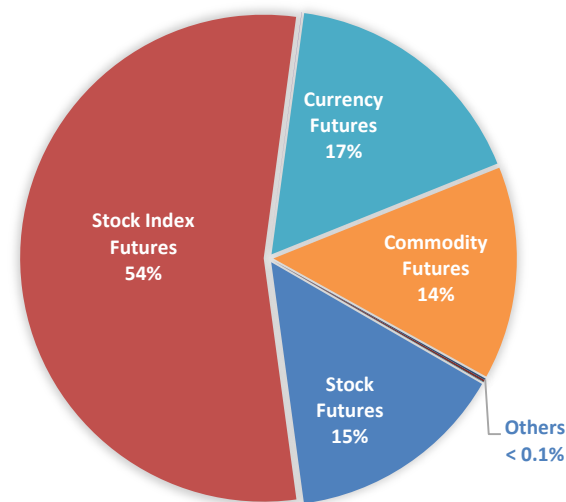
Value of Trades, 2014



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.

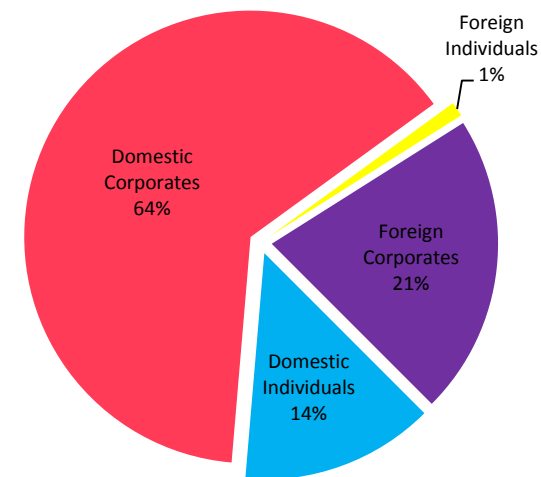


Survey: CSDs

	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!



Task Force on Indices

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

Şenay Pehlivanoğlu, Chief Auditor
Audit and Surveillance Board

S&P/OIC COMCEC 50 Shariah Index

- **Starting point:**
 - There are numerous Islamic indices in the world, however, most of them include equities from non-Islamic countries.
- **Priorities:**
 - Facilitating the collaboration among the OIC Exchanges.
 - Promoting the OIC Member States' Stock Exchanges Forum and highlighting the OIC Brand.
 - Creating different investment alternatives.



S&P/OIC COMCEC 50 Shariah Index

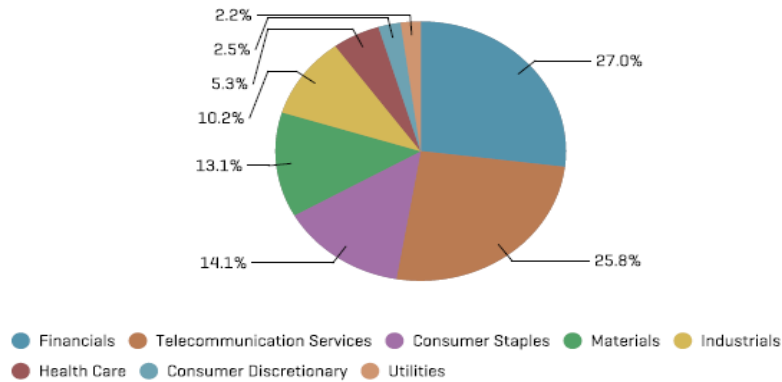
- The S&P/OIC COMCEC 50 Shariah Index has successfully been launched in 2012.
- The Index includes 50 leading Shariah-compliant companies from 19 countries that are covered by S&P DJ Indices, namely:

Bahrain, Bangladesh, Côte d'Ivoire, Egypt, Indonesia, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia, Turkey and the United Arab Emirates.



S&P/OIC COMCEC 50 Shariah Index Factsheet

Sector Breakdown
[as of 30-Oct-2015]



Historical Performance
[as of 08-Nov-2015]



Index Characteristics
[as of 30-Oct-2015]

Launch Date	15-Jun-2012
Number of Constituents	50
Constituent Market Cap [USD Millions]	
Mean Total Market Cap	9131.37
Largest Total Market Cap	66047.19
Smallest Total Market Cap	80.00
Median Total Market Cap	6294.26

Performance
[as of 08-Nov-2015]

Index Level	Returns				Annualized Returns		
	1 Day	MTD	QTD	YTD	1 Year	3 Year	5 Year
TOTAL RETURNS							
168.96	-0.83%	-0.98%	2.61%	-16.52%	-21.84%	-2.12%	-1.37%
PRICE RETURNS							
128.87	-0.83%	-1.04%	2.50%	-19.08%	-24.39%	-5.51%	-4.99%



The 8th Forum Meeting Decisions

November 11th, 2014

- The Task Force on Indices was mandated to collaborate with index providers and work on the creation of sub-indices for the S&P/OIC COMCEC 50 Shariah Index.
- Forum Members are invited to show their best effort to promote the index in their markets.



Creation of Sub-Indices

- Alternative sub-index models have been discussed with S&P DJ Indices.
- Considering a higher demand potential from the investors, a new index proposal has been designed and shared with institutions such as Citibank, HSBC and BlackRock in order to get their feedback.



Creation of Sub-Indices

- The proposed index focuses on emerging OIC markets.
- By including less countries, the new index could help to reduce operational difficulties (differences in settlement and trading days etc.) and costs of product creation, which could stimulate the market demand for OIC indices.
- Sub-indices and structured products could also increase awareness on the parent index.





Thank You



Study on Gold Trading in the OIC Member States

The Organisation of Islamic Cooperation
Member States' Stock Exchanges Forum 9th Meeting
November 19, 2015
The Marmara Hotel, İstanbul

Overview

- ④ Objective
- ④ Facts & Figures
- ④ Data Tables
- ④ Project Fundamentals
- ④ Challenges & Strengths & Actions to be Taken



Objective of the Study

- ④ Evaluating the gold market project among OIC Member States.
 - ④ Assessment has been made within framework of;
 - «executing gold trades among OIC Member States in an organized and transparent manner»,
 - «conducting such trades over a common structure»,
 - «getting access to more investors» and
 - «ensuring effective pricing».
- ④ Expectation is;
 - «enhancing cooperation among OIC Member States, economies and economic institutions»



Facts & Figures



Facts & Figures about gold

- ④ **2/3** of the world's annual **physical gold** supply from **mines**; and the **remaining 1/3** from **scrap**
- ④ Top gold producer continents: **Asia, Africa** and **South America**
- ④ Top 5 gold producer countries: **China, Australia, Russia, USA** and **Peru** (account for 44% of the world).
- ④ OIC Member States within top 20 gold producers: **Indonesia, Uzbekistan, Kazakhstan** and **Mali** (9,36% of the world)
- ④ Mine production in OIC Member States: **15,7%** of the world total by **520** tonnes/year
- ④ **73** refineries in LBMA Good Delivery List (Japan 11, China and Russia 8 each, Switzerland 6 etc) and their production was 6,601 tonnes in 2013.

*Source: GFMS; LBMA



Facts & Figures about gold

- ④ 9 out of 73 refineries in GDL based on OIC Member States.
- ④ Switzerland's refineries' capacity is over 3,000 tonnes/year (the highest in the world)
- ④ Top 5 demanding countries: **China, India, USA, Germany and Turkey** (respectively)
- ④ Total demand of China and India is half of the world demand.
- ④ **UAE (Dubai)** and **Turkey** stand out among OIC Member States, through their organized markets

*Source: GFMS; LBMA



Data Tables



Dealings at World Exchanges

Exchanges	2012	2013	2014
COMEX (futures)	136,522	147,093	126,024
SHFE (futures)	5,917	20,088	23,858
SGE (futures)	2,113	3,347	4,724
TOCOM (futures)	11,895	12,225	8,745
MCX (futures)	10,324	8,945	3,972
SGE (Spot)	950	2,003	2,560
ICE Futures US (futures)	1,177	1,116	508
DGCX (Futures)	497	426	426
BORSA ISTANBUL (Spot)	312	438	239

- Data are in tonnes
- Source: GFMS



Supply & Demand

tonnes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Supply										
Mine production	2.561	2.496	2.499	2.429	2.612	2.742	2.846	2.875	3.061	3.133
Scrap	903	1.133	1.006	1.352	1.728	1.713	1.675	1.677	1.287	1.125
Net Hedging Supply	-92	-434	-432	-357	-234	-106	18	-40	-39	103
Total Supply	3.372	3.195	3.072	3.424	4.106	4.349	4.539	4.513	4.310	4.362
Demand										
Jewellery	2.722	2.302	2.426	2.308	1.819	2.033	2.034	2.008	2.439	2.213
Industrial Fabrication	449	480	487	471	422	476	468	426	419	400
Electronics	294	325	331	318	283	333	330	295	289	279
Dental & Medical	62	61	58	56	53	48	43	39	36	34
Other Industrial	92	94	98	97	86	95	95	92	93	87
Net Official Sector	-663	-365	-484	-235	-34	77	457	544	409	466
Retail Investment	416	428	436	916	830	1.221	1.556	1.343	1.775	1.079
Bars	261	236	236	659	548	934	1.230	1.039	1.394	829
Coins	155	192	200	257	283	287	326	304	380	251
Physical Demand	2.923	2.845	2.864	3.460	3.038	3.807	4.515	4.321	5.041	4.158
Physical Surplus / Deficit	448	350	208	-36	1.068	542	25	192	-732	204
ETF Inventory Build	208	260	253	321	623	382	185	279	-880	-160
Exchange Inventory Build	29	32	-10	34	39	54	-6	-10	-98	1
Net Balance	212	58	-35	-391	406	106	-154	-78	246	363
Price (London PM, US\$/Oz)	444,45	603,77	695,39	871,96	972,35	1.224,52	1.571,52	1.668,98	1.411,23	1.266,40

Source: GFMS



Official Reserves

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
USA	8.135,08	8.133,46	8.133,46	8.133,46	8.133,46	8.133,46	8.133,46	8.133,46	8.133,46	8.133,46
Germany	3.427,79	3.422,51	3.417,37	3.412,58	3.406,77	3.400,95	3.396,29	3.391,34	3.387,14	3.384,19
IMF	3.217,32	3.217,32	3.217,32	3.217,32	3.005,32	2.814,04	2.814,04	2.814,04	2.814,04	2.814,04
Italy	2.451,84	2.451,84	2.451,84	2.451,84	2.451,84	2.451,84	2.451,84	2.451,84	2.451,84	2.451,84
France	2.825,79	2.719,76	2.603,06	2.492,15	2.435,41	2.435,41	2.435,41	2.435,38	2.435,38	2.435,38
Russia	386,86	401,48	450,34	519,58	649,03	788,62	882,96	957,76	1.035,21	1.208,17
China	599,98	599,98	599,98	599,98	1.054,09	1.054,09	1.054,09	1.054,09	1.054,09	1.054,09
Switzerland	1.290,10	1.290,10	1.145,19	1.040,09	1.040,09	1.040,06	1.040,06	1.040,06	1.040,06	1.040,00
Japan	765,20	765,20	765,20	765,20	765,20	765,20	765,20	765,20	765,20	765,20
Netherlands	694,94	640,94	621,44	612,45	612,45	612,45	612,45	612,45	612,45	612,45
India	357,75	357,75	357,75	357,75	557,74	557,74	557,74	557,74	557,74	557,74
Turkey	116,11	116,11	116,11	116,11	116,11	116,11	195,33	359,65	519,74	529,10
ECB	719,87	639,86	562,71	533,62	501,45	501,45	502,10	502,07	502,07	503,19
World Total	30.832,76	30.467,70	29.963,20	29.981,12	30.505,65	30.840	31.206,03	31.681,19	31.853,97	32.028,74

* Data are in tonnes

* **Source:** World Gold Council



Gold Quantity per Person

Countries; Gr.	2013	2014
UAE*	6,25	8,54
Kuwait*	-	8,09
Hong Kong	8,31	6,14
Singapore	5,48	4,94
Qatar*	-	2,43
Saudi Arabia*	2,47	2,25
Belgium	1,95	1,97
Canada	1,65	1,64
Germany	1,88	1,6
Turkey*	2,29	1,55
Thailand	2,52	1,4
Taiwan	1,44	1,22
Australia	1,56	1,21
South Korea	1,05	1,1
Iran*	1,32	1,02
Japan	1,03	0,94
Vietnam	1,07	0,77
USA	-	0,76
India	0,8	0,69
Egypt*	0,72	0,68

* OIC Member States ; **Source:** GFMS



Foreign Trade

Country	Import	Export	Total	Net Balance
China (incl. Hong Kong)	243.393,05	374.667,16	618.060,21	131.274,10
USA	98.085,99	182.253,07	280.339,06	84.167,08
India	246.221,81	5.643,18	251.864,99	-240.578,64
United Kingdom	77.015,93	164.306,15	241.322,08	87.290,22
Australia	53.824,41	114.217,78	168.042,20	60.393,37
Canada	59.368,97	105.346,64	164.715,61	45.977,67
UAE**	93.473,78	69.617,24	163.091,02	-23.856,54
Thailand	72.019,93	36.405,35	108.425,28	-35.614,58
Italy	48.121,48	44.056,93	92.178,42	-4.064,55
Turkey**	58.501,69	33.460,19	91.961,88	-25.041,50
Germany	39.413,73	48.653,53	88.067,26	9.239,80
Peru	16,69	58.922,83	58.939,52	58.906,15
Japan	8.275,92	47.113,82	55.389,74	38.837,90
Mexico	2.057,85	41.531,62	43.589,47	39.473,77
Singapore	17.218,49	16.113,85	33.332,35	-1.104,64
South Africa	26,96	30.633,89	30.660,85	30.606,92
South Korea	11.311,79	16.080,54	27.392,34	4.768,75
Asia (other)	14.150,24	9.562,71	23.712,95	-4.587,54
Austria	16.601,92	6.325,32	22.927,24	-10.276,60
Ghana	0,10	21.681,19	21.681,30	21.681,09
Malaysia**	16.891,59	2.261,30	19.152,89	-14.630,29

Data are cumulative of the decade between 2003-2014.

** OIC Member States;

Source:
comtrade.un.org/data/



Scrap Gold Supplies of OIC Member States

Country ; tonnes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
Turkey	67,7	82,5	71,5	199	217,2	122	78	72,3	56,3	41,4	100,79
Indonesia	67	71,9	67,9	72,5	79,9	64,9	58,3	49	36,2	36,3	60,39
UAE	28,2	34	43,8	59,4	70,6	110	71,4	73,4	57	51,4	59,92
Saudi Arabia & Yemen	92,5	133,7	56,4	69,4	57,3	44,1	37,1	33,5	23,6	20,8	56,84
Egypt	72,7	77,5	56,5	35,8	65	48	47,6	53,6	43,2	39,9	53,98
Pakistan & Afghanistan	30,9	33,4	31,7	35,5	53,8	50,4	42,7	47,2	37,2	28,8	39,16
Iran	16,1	21,9	23	25,9	32,1	32,7	32,4	32,9	24,3	22,1	26,34
Iraq & Syria	14,4	23,9	19	21,9	35,6	36,7	36	33,1	25,3	15,5	26,14
Malaysia	11	19,1	16,4	18,4	19,2	22,2	19,2	16,6	13,2	12,3	16,76
Libya	4,6	9,7	9,4	10,4	13,4	15,7	16,6	14,4	8,8	8,2	11,12
Lebanon	6,6	9,9	4,8	6,2	15,1	19,7	14,9	12,6	9,6	8,5	10,79
Kuwait	12,4	21,8	9,7	10,2	10,4	8,5	7,7	6,2	5	4,5	9,64
Morocco	5,9	6,3	6,2	6,3	9,7	9,3	12	11,3	9,3	8,9	8,52
Jordan	4,6	8,7	7	5,6	9,2	12,7	10,8	9,7	7,2	7,4	8,29
Algeria	2,7	2,8	3,3	3,6	5,8	6,1	7,9	7,5	6,8	6,6	5,31
Oman & Qatar	3,1	6,1	5,7	6,4	7,3	6,7	5,4	4,9	3,9	3,6	5,31
Bahrain	1,8	3,8	3,8	3,8	4,7	4,5	4	3,5	2,6	2,5	3,5
Uzbekistan	2,2	2,2	2,2	2,4	3,1	2,9	3	3,2	2,9	2,7	2,68
Kazakhstan	2,2	2,2	2,2	2,4	3,1	2,9	3	3,2	2,9	2,7	2,68
Total	446,6	571,4	440,5	595,1	712,5	620	508	488,1	375,3	324,1	508,16
World Total	903	1.133	1.006	1.352	1.728	1.713	1.675	1.677	1.287	1.125	1.360
Share of OIC (%)	49,5	50,4	43,8	44,0	41,2	36,2	30,3	29,1	29,2	28,8	37,4



Jewelry Fabrication of OIC Member States

Country ; tonnes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
Turkey	251,1	184,9	219,7	183,2	80	73	77	73,8	87,1	114,8	134,46
Saudi Arabia & Yemen	124,6	89,6	99,5	85	53,5	46,5	36,8	32,5	41,4	37,3	64,67
Indonesia	86	64,2	62,7	60,8	45,5	38,4	38,7	43,5	51	43,9	53,47
Malaysia	74,1	58	60,9	56,2	44,9	43,6	37,1	34,7	44,6	40,7	49,48
Egypt	70,8	50,3	56,5	62,4	44	42,1	28,7	37,4	40,6	40,6	47,34
UAE	53,2	45,4	48,1	44,6	34	31	26,3	24,7	34,4	33,1	37,48
Pakistan & Afghanistan	64,2	53,9	50,3	43,8	29,6	26,1	22,1	20,6	24,6	20,9	35,61
Iran	36,5	32,2	36,2	35,6	30	29,9	27,8	27,7	31,3	24	31,12
Iraq & Syria	21,2	20	22,4	19,6	15,1	14,7	11,4	8,7	8,7	7,3	14,91
Uzbekistan	9,1	10	10,6	9,6	7,5	9,1	10,2	9,6	9,9	10	9,56
Kazakhstan	9,1	10	10,6	9,6	7,5	9,1	10,2	9,6	9,9	10	9,56
Bangladesh (incl. Nepal)	13,6	11,8	11,7	10,3	8,1	7,7	7,1	7,2	8,1	5,7	9,13
Morocco	13,8	10,6	10,3	9,4	7,6	7	6,8	6,5	6,4	6,7	8,51
Kuwait	12,3	9,7	8,9	9,5	7,4	6,6	6,2	5,6	6,3	7	7,95
Oman & Qatar	11,3	9,9	10,3	8,7	6,6	5,9	5,2	4,8	5,8	5,5	7,4
Bahrain	11,4	9,6	9,9	8,6	6,4	5,7	5,1	4,5	5,8	5,6	7,26
Jordan	6,9	4,5	4,7	4,7	5,6	5,8	5,1	4,5	5,4	7,4	5,46
Lebanon	7,6	5,4	5,5	4,8	3,3	2,6	2,9	3,7	4,6	4,2	4,46
Libya	4,9	4,9	5,2	4,8	3,9	3,5	2,4	2,2	2,5	2,6	3,69
Algeria	3,9	3	3,4	3	2,5	2,4	2,1	2	2,2	2,3	2,68
Total of OIC Member States	885,6	687,9	747,4	674,2	443	410,7	369,2	363,8	430,6	429,6	544,2
World Total	2.721,8	2.302,2	2.425,7	2.308,1	1.819	2.032,7	2.033,9	2.008,4	2.439	2.213	2.230,38
Share of OIC (%)	32,5	29,9	30,8	29,2	24,4	20,2	18,2	18,1	17,7	19,4	24,4



Official Gold Reserves of OIC Member States

Country ; tonnes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Turkey	116,11	116,11	116,11	116,11	116,11	116,11	195,33	359,65	519,74	529,10
Saudi Arabia	142,95	142,95	142,95	322,91	322,91	322,91	322,91	322,91	322,91	322,91
Lebanon	286,83	286,83	286,83	286,83	286,83	286,83	286,83	286,83	286,83	286,83
Kazakhstan	59,75	67,34	69,55	71,94	70,45	67,31	81,99	115,30	143,70	191,78
Algeria	173,65	173,65	173,65	173,65	173,65	173,65	173,65	173,65	173,65	173,65
Libya	143,82	143,82	143,82	143,82	143,82	143,82	116,64	116,64	116,64	116,64
Kuwait	78,97	78,97	78,97	78,97	78,97	78,97	78,97	78,97	78,97	78,97
Indonesia	96,42	73,09	73,09	73,09	73,09	73,09	73,09	74,03	78,07	78,07
Egypt	75,64	75,61	75,61	75,61	75,61	75,61	75,61	75,61	75,61	75,61
Pakistan	65,29	65,32	65,44	65,44	65,44	64,38	64,41	64,45	64,45	64,48
Malaysia	36,39	36,39	36,39	36,39	36,39	36,39	36,39	36,39	36,39	35,77
Syria	25,91	25,91	25,91	25,82	25,82	25,82	25,82	25,82	25,82	25,82
Morocco	22,02	22,02	22,02	22,02	22,05	22,05	22,05	22,05	22,05	22,05
Afghanistan	-	-	-	21,87	21,87	21,87	21,87	21,87	21,87	21,87
Jordan	12,78	12,72	14,28	12,75	12,75	12,75	12,75	13,84	15,55	19,28
Bangladesh	3,51	3,51	3,51	3,51	3,51	13,50	13,53	13,53	13,50	13,78
Qatar	0,59	0,59	12,41	12,41	12,41	12,41	12,41	12,41	12,41	12,41
Total	1.340	1.325	1.341	1.543	1.542	1.548	1.614	1.814	2.008	2.069
World Total	30.832	30.467	29.963	29.981	30.505	30.840	31.206	31.681	31.853	32.028
Share of OIC (%)	4,3	4,3	4,5	5,1	5,1	5,0	5,2	5,7	6,3	6,5

Source: World Gold Council



Project Fundamentals



Project Fundamentals

- ④ The simplest strategy;
 - «**seeking for** an environment of **consensus** over basic interests to a possible extent» and
 - «**receiving support of gold exchanges and markets** based on OIC Member States»
- ④ The most fundamental starting point;
 - «Integration of existing gold exchanges electronically»
 - «enhancing friendship among OIC Member States»
 - «enhancing friendship/relationships among financial institutions of OIC Member States» and
 - «enabling banks and intermediaries to execute gold trades over the market»



Project Fundamentals

❶ All-important factors for success of the project:

«Gold mine reserves, production quantities and production costs»,

«Adequate number and production capacity of refineries»,

«Compliance by institutions storing gold and conducting secure delivery»,

«Use of high technology in trading platform as well as simplicity and usefulness of it»,

«Offering multilingual services»,

«Advanced financial markets, and diversity of gold and other precious metals-backed financial instruments»,

«Wide corporate investor base and advanced banking sector».



Challenges & Strengths & Actions to be Taken



Challenges & Strengths

CHALLENGES

- ③ Only 4 OIC Member States in top 20 gold producers and only 9% share (all-OIC Member States' share is 16% in world total)
- ③ Only 9 refineries, with lower capacity, in LBMA GDL.
- ③ Only Dubai and Turkey have a noteworthy position in gold markets
- ③ Lower corporate investors
- ③ Lower gold reserves of central banks by 5,2% of the world total.
- ③ Lower gold bar demand by 11,2% of the world total.

STRENGTHS

- ③ Higher scrap supply by 37.4% of the world total (twice than mines supply)
- ③ Higher jewelry production demand by 24.4% of the world total.
- ③ Higher individual/retail demand.



Actions to be Taken

- ④ Standard unprocessed 1 kg and above 995/1.000 fineness gold bars or large bars (as well as silver, platinum and palladium)
- ④ Platinum- and palladium-backed murabaha and similar Islamic financial products
- ④ Sharia board
- ④ Keeping gold in official reserves
- ④ Beside spot market, also gold futures contracts with physical delivery
- ④ Easy-to-understand legislation
- ④ Central banks gold transactions via the market
- ④ Connection of refineries, vaults and custodian institutions electronically
- ④ Evenly distribution of custody and delivery centers, built with the-state-of-the-art technology,
- ④ International membership acceptance, beside OIC Member States' institutions
- ④ European Union acquis
- ④ OECD Guidance on Responsible Supply Chains of Gold



Offer

It is tremendously important to integrate OIC Member States and assure coordination through one center which could be a «task force».





Thank You...

S&P/OIC COMCEC Emerging Shariah Index *(Index Concept)*

CHARBEL AZZI

HEAD OF MIDDLE EAST, AFRICA AND CIS

November 2015

S&P/OIC COMCEC EMERGING SHARIAH INDEX – OVERVIEW

- Shariah-compliant benchmark measuring the performance of the largest, most liquid companies from OIC-member states that are classified as emerging markets
- Designed to be a more replicable version of the S&P/OIC COMCEC 50 Shariah due to the exclusion of frontier markets
- Encapsulates in one index the performance of investable Shariah-compliant stocks from Islamic countries
- Designed to serve as the basis for index-linked investment products
- To be created jointly by S&P Dow Jones Indices and the OIC

S&P/OIC COMCEC EMERGING SHARIAH INDEX METHODOLOGY

Eligibility and Constituent Selection

- Must be a constituent of the S&P/OIC COMCEC 50 Shariah Index
- Any companies domiciled in frontier markets are removed
 - Includes Egypt, Indonesia, Malaysia, Qatar, Saudi Arabia*, Turkey & UAE are eligible
 - One stock from each country must be included
 - Maximum of eight stocks from each country

Index Weighting

- Float adjusted market capitalization weighting

Index Maintenance

- Quarterly rebalancing for adds/drops, share changes and weight capping
- Shariah-compliance changes are implemented monthly

**Saudi Arabia is included although it is considered a standalone market*

S&P/OIC COMCEC 50 SHARIAH INDEX – METHODOLOGY SUMMARY

Eligibility

- Domiciled in OIC-member state and covered by S&P DJI
- Must be Shariah-compliant per S&P Shariah Indices Methodology
- Minimum US\$ 1 million 3-month average daily value traded

Constituent Selection

- The largest 50 stocks by float-adjusted market cap subject to:
 - 1 stock from each country must be included
 - Maximum of 8 stocks from each country

Index Weighting

- Capped market capitalization weighting scheme
 - Single stock cap: 5%
 - Country cap: 20%

Index Maintenance

- Quarterly rebalancing for adds/drops, share changes and weight capping
- Shariah-compliance changes are implemented monthly

S&P SHARIAH METHODOLOGY – BUSINESS ACTIVITY SCREENS

Companies generating more than 5% of revenue from the below activities are considered non-compliant:

- Advertising and Media, with the following exceptions
 - Newspapers
 - News Channels
 - Sports Channels
 - Media and advertising companies generating revenues in excess of 65% of total income from the GCC countries.
- Alcohol
- Financials, with the following exceptions
 - Islamic Banks
 - Islamic Financial Institutions
 - Islamic Insurance Companies
- Cloning
- Gambling
- Pork
- Pornography
- Tobacco
- Trading of gold and silver as cash on deferred basis

For more information on the S&P Shariah Indices, please see the methodology document available at www.spindices.com

S&P SHARIAH METHODOLOGY – ACCOUNTING SCREENS

Leverage Compliance:

- Debt / Market Value of Equity (36 Month average) < 33 %

Cash Compliance:

- Accounts Receivables / Market value of Equity (36 Month average) < 49 %
- (Cash + Interest Bearing Securities) / Market value of Equity (36 Month average) < 33%

Revenue Share from Non-Compliant Activities:

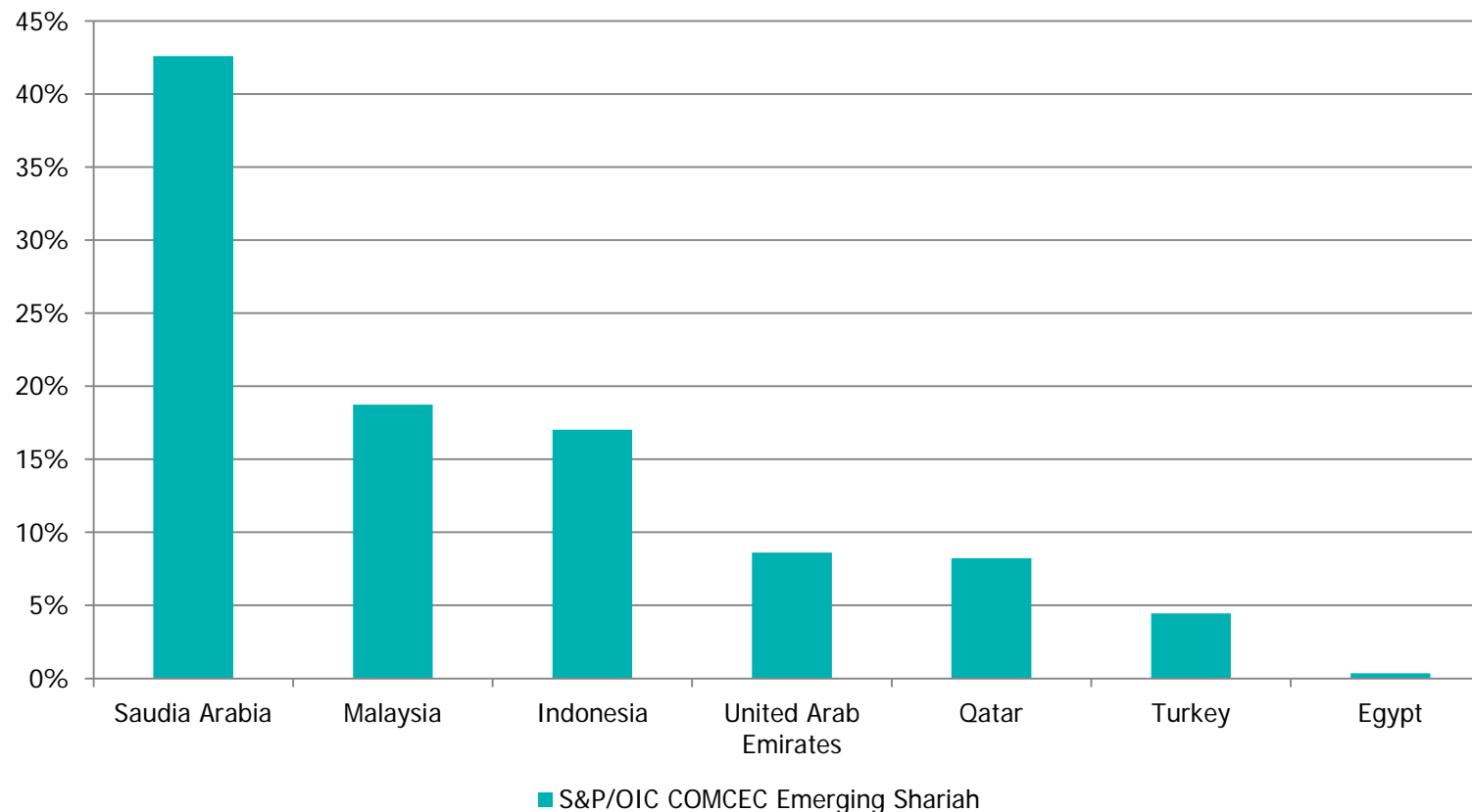
- Revenue from non-complaint activities can be tolerated, if they comply with the following threshold:
 - (Non Permissible Income other than Interest Income) / Revenue < 5%

Dividend Purification Ratio:

- This ratio is provided to market participants for purification purposes, it is calculated as:
 - Dividend * (Non Permissible Revenue / Total Revenue)

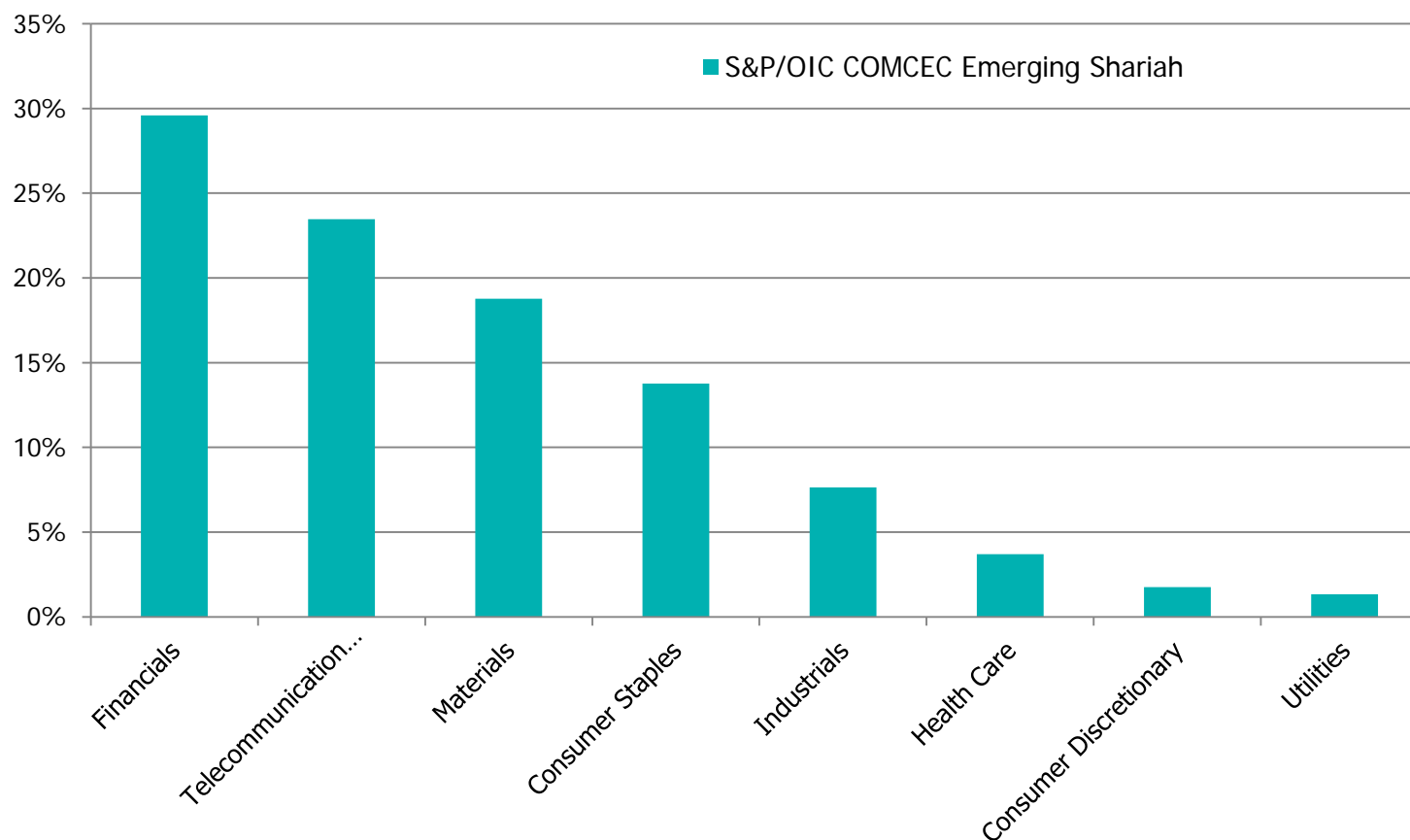
For more information on the S&P Shariah Indices Methodology, please see the index methodology at www.standardandpoors.com/indices

S&P/OIC COMCEC EMERGING SHARIAH – COUNTRY WEIGHTS



Source: S&P Dow Jones Indices. Data as of September 30, 2015. Charts are provided for illustrative purposes. Please see the Performance Disclosure at the end of this document for more information on some of the inherent limitations associated with back-tested (hypothetical) index data.

S&P/OIC COMCEC EMERGING SHARIAH – SECTOR WEIGHTS



Source: S&P Dow Jones Indices. Data as of September 30, 2015. Charts are provided for illustrative purposes. Please see the Performance Disclosure at the end of this document for more information on some of the inherent limitations associated with back-tested (hypothetical) index data.

S&P/OIC COMCEC EMERGING SHARIAH – TOP 10 CONSTITUENTS

Company	Weight	Country	Sector
Al Rajhi Banking & Investment Corp.	12.1%	Saudi Arabia	Financials
SAUDI BASIC INDUSTRIES CORP	11.2%	Saudi Arabia	Materials
Telekomunikasi Indonesia Tbk PT	6.6%	Indonesia	Telecommunication Services
Emaar Properties	4.6%	United Arab Emirates	Financials
Saudi Telecom	3.9%	Saudi Arabia	Telecommunication Services
Alinma Bank	3.4%	Saudi Arabia	Financials
SAVOLA Group	3.4%	Saudi Arabia	Consumer Staples
Masraf Al Rayan Bank	3.2%	Qatar	Financials
Sime Darby Bhd	3.2%	Malaysia	Industrials
Saudi Arabian Fertilizer Company	3.1%	Saudi Arabia	Materials

Source: S&P Dow Jones Indices. Data as of September 30, 2015. Charts are provided for illustrative purposes. Please see the Performance Disclosure at the end of this document for more information on some of the inherent limitations associated with back-tested (hypothetical) index data.

PERFORMANCE DISCLOSURE

The S&P/OIC COMCEC Emerging Shariah Index is a hypothetical index concept that has not been launched. Therefore, all data shown is hypothetical. Back-tested performance is not actual performance, but is hypothetical.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency on their products. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the Index is set at a fixed value for calculation purposes. The Launch Date designates the date upon which the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its datafeed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Past performance of the Index is not an indication of future results. Prospective application of the methodology used to construct the Index may not result in performance commensurate with the back-test returns shown. The back-test period does not necessarily correspond to the entire available history of the Index. Please refer to the methodology paper for the Index, available at www.spdji.com for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

The Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices LLC maintains the Index and calculates the Index levels and performance shown or discussed, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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THANK YOU

SME FINANCE IN BORSA ISTANBUL

19th November 2015



**BORSA
İSTANBUL**

Benchmark for Investment

Investment Behaviour vs Funding Behaviour

(billion \$)	2010	2014	Change (%)
Total Financial Investments	579	671	16
Equity Investments in BIST	107	107	-
GDP	731	800	9

«WEAK EQUITY INVESTMENT»



Investment Behaviour vs Funding Behaviour

Balance Sheet Structure of the Largest Industrial Companies in Turkey

Share %		2010	2014	Change
1st 500	Liability	51	57	+6
	Equity	49	43	-6
2nd 500	Liability	55	60	+5
	Equity	45	40	-5

Last 289 companies of the largest 1.000 industrial companies in Turkey are SMEs according to EU criterion.

«DETERIORATING FINANCIAL STRUCTURE»



Investment Behaviour vs Funding Behaviour

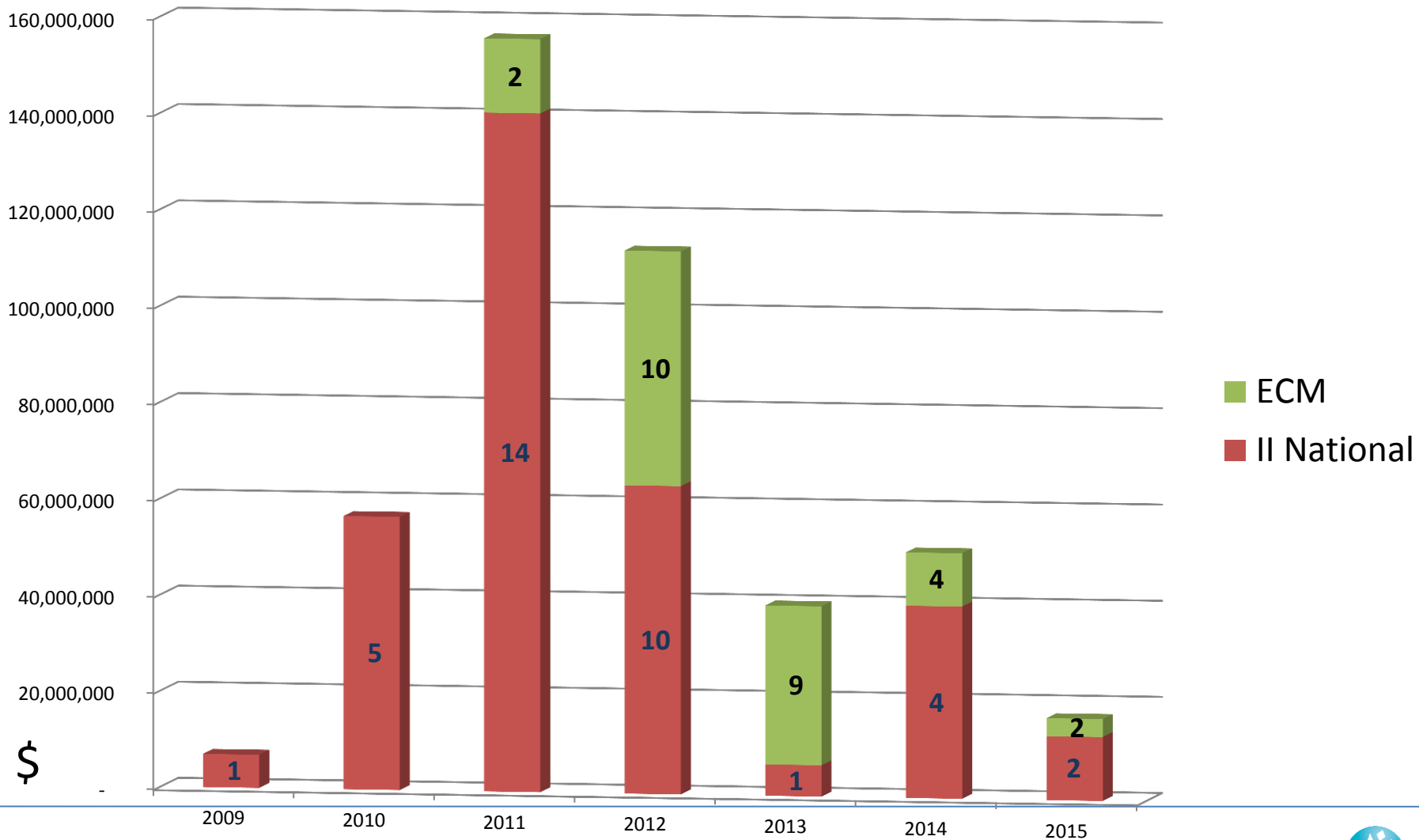
Funding Preferences of SMEs

Banking Sector (billion \$)	2010	2014	Change (%)
All Credits	343	536	56
Sme Credits	86	149	73
Deposits and Funds	402	454	13

«INCREASING FUNDING NEED»



SME IPOs in BIST



Emerging Companies Market for Easy Access

- Flexible regulation for Application and Admission
- Market Advisor System
- Reduced Listing Fees (only for free floating shares)
- KOSGEB Support Program (Covering ECM IPO costs up to \$33.000)
- Less strict regulation for Financial Tables Disclosure (no audit in semiannual financials)
- Alternative Trading Methods - Continuous Auction with Market Maker or Call Market
- Open to all investors



SMEs in BIST

Year	Number of SMEs	Total Market Value of SMEs (Million USD)	Market Value per SME (Million USD)	Funds Raised from SME IPOs (Million USD)
2010	6	233	39	57
2011	22	838	38	156
2012	42	1.177	28	113
2013	52	998	19	40
2014	55	1.270	23	51

BIST Private Market

A web-based private marketplace for venture capitals, private equities, qualified investors and certified angel investors with equity investment opportunities in growing companies and start-ups,
Offering:



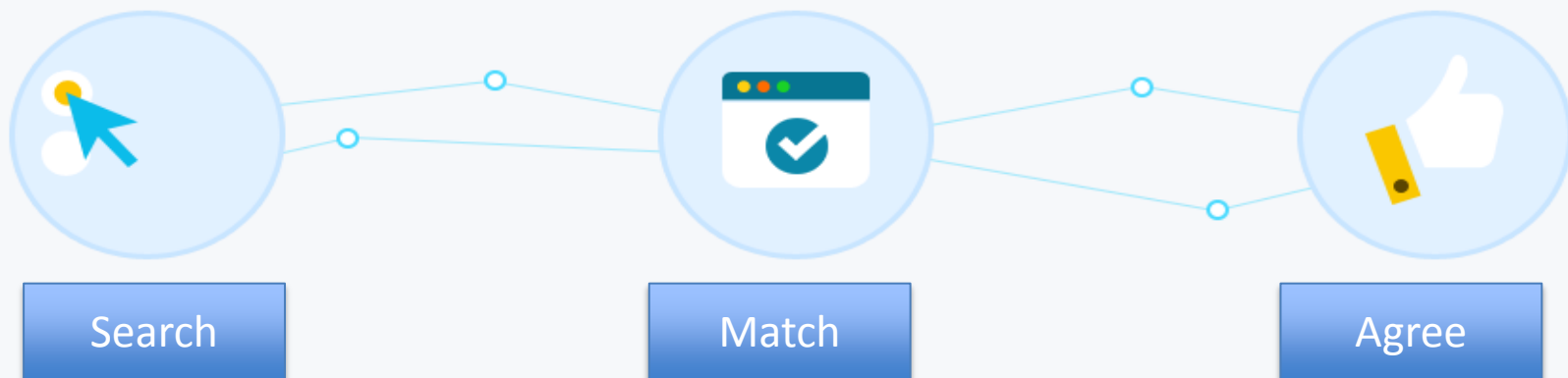
Primary Capital Raising for SMEs

Liquidity programs and exit opportunity for existing shareholders

Seeking new investment opportunities for qualified investors (both corporate or private)

Services provided by brokers, law firms, audit and consultancy companies

BIST Private Market Step by Step



Find the counter party you are interested in from the suggestion list or search engine. In order to contact the counter party directly, send an “Indication of Interest (IoI)”

Upon acceptance of your Indication of Interest by the counter party, you will be accredited to get access to more detailed information. You can start using the secure “Data and Deal Room” for due diligence, document management and negotiations

Upon agreement of both parties on the terms and conditions submit an electronic “notification of agreement”.

In this process, intermediaries and service providers provide professional brokerage, independent audit, legal and financial consultancy services. Members also benefit from low-cost services offered by our solution partner service providers.

BIST PRIVATE MARKET: Benefits

- ✓ Open to international investors and companies
- ✓ Easy membership procedure.
- ✓ Exit opportunity from existing investments through Liquidity Programs
- ✓ Exemption from the Capital Market Law
- ✓ Finding new profitable investment opportunities
- ✓ Access to strategic partnerships
- ✓ Access to know how, mentorship
- ✓ Confidentiality: Tiered information sharing and control of information flow
- ✓ Flexible infrastructure suitable for international cooperations
- ✓ A secure virtual data room: No fussy paper work, encryption of communications
- ✓ Networking
- ✓ Co-investment



BIST PRIVATE MARKET: Statistics

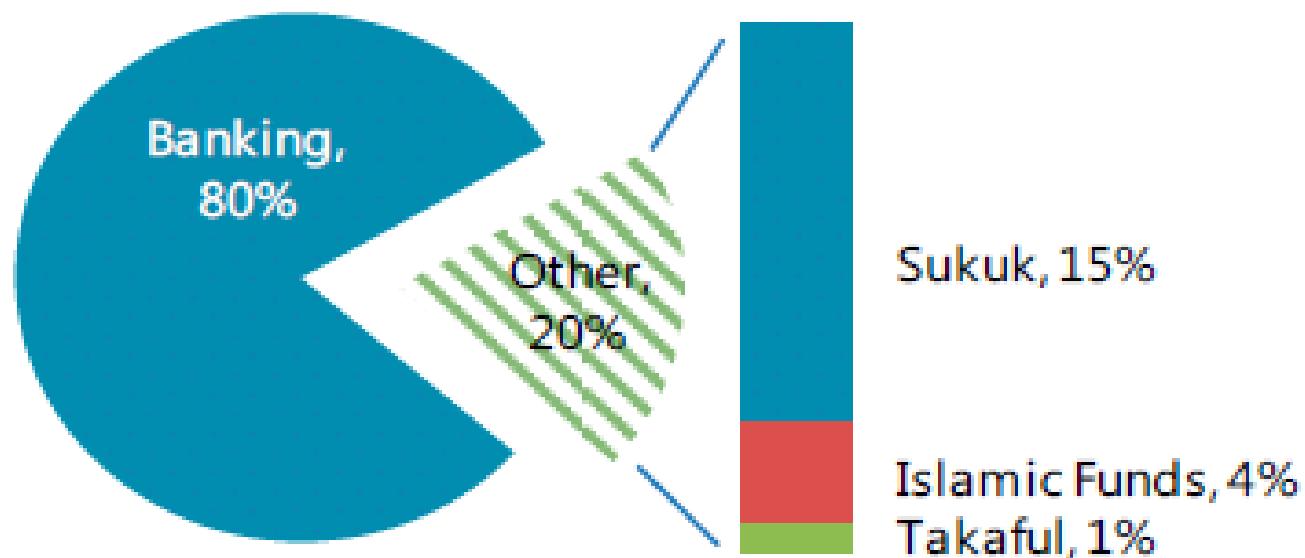
- 260 members
- 100 investors (Total funds to be invested: + 185m Euros)
- 90 Start-Ups
- 60 Pre-IPOs (Total funds sought: + 260 M Euros)
- 10 brokers and service providers
- 20 Due diligences
- The first deal between STC Ventures of Saudi Telecom and Modanisa of 5,5 M USD

The challenges that Exchanges face amid circumstances in the Islamic Countries



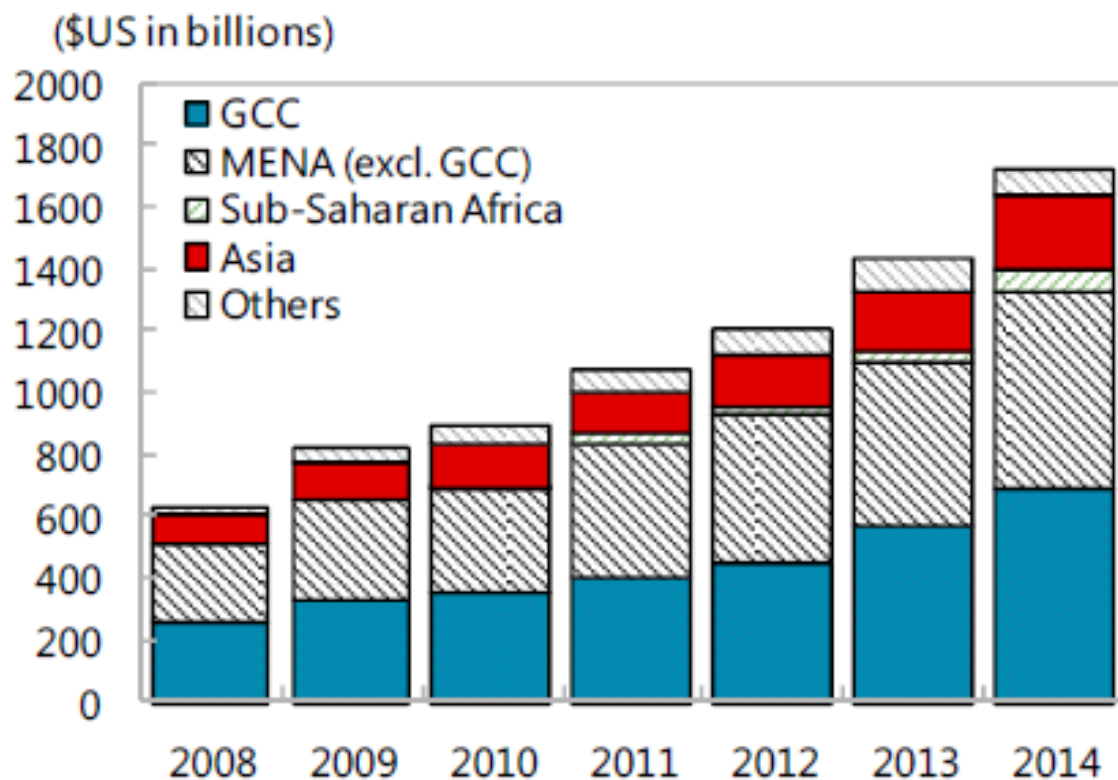
Rashid Al Mansoori

Composition of Islamic Assets



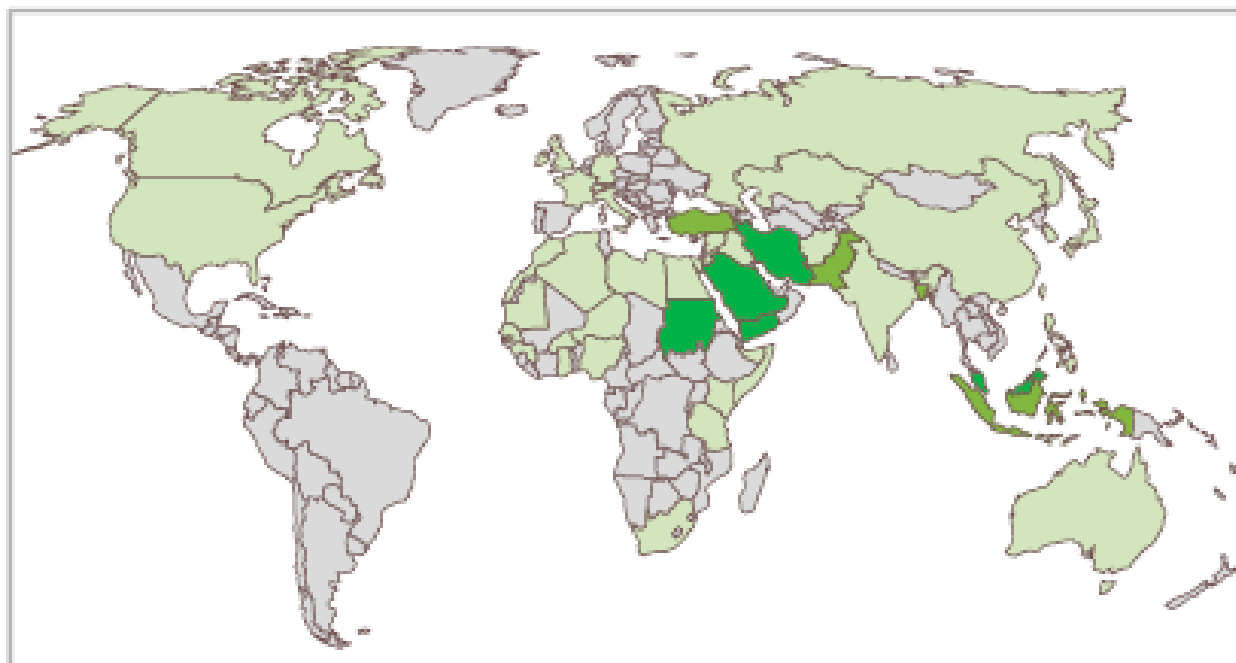
IMF, Islamic Finance: Opportunities, Challenges and Policy Options (April 2015)
Data: 2013 Estimate

Islamic Assets Growth Trend (2008 – 2014)



Source: IMF, Islamic Finance: Opportunities, Challenges and Policy Options (April 2015)

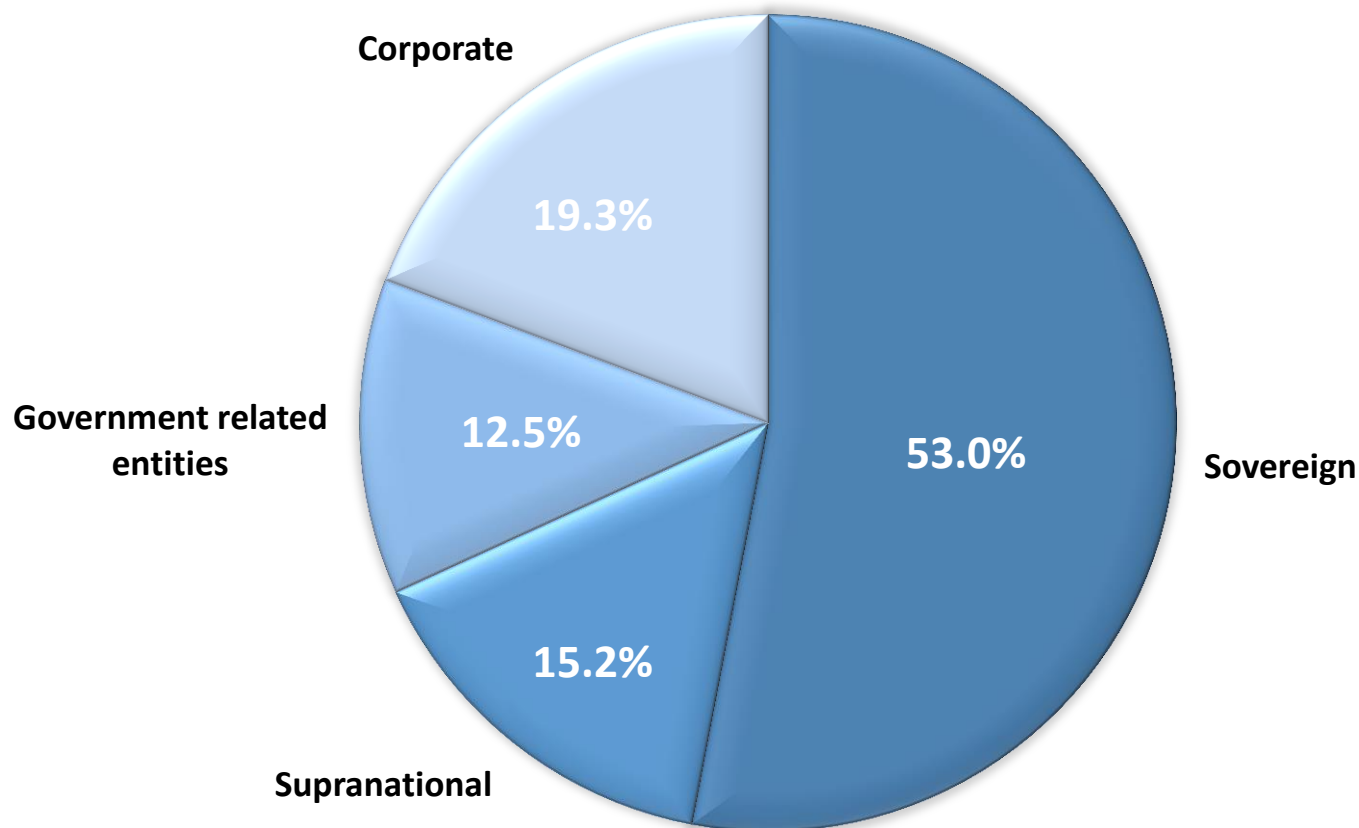
Islamic Markets by Systemic Significance



- Systemic Importance
- Potential Systemic Importance in Medium-Term Given Current Growth
- Present, but nonsystemic

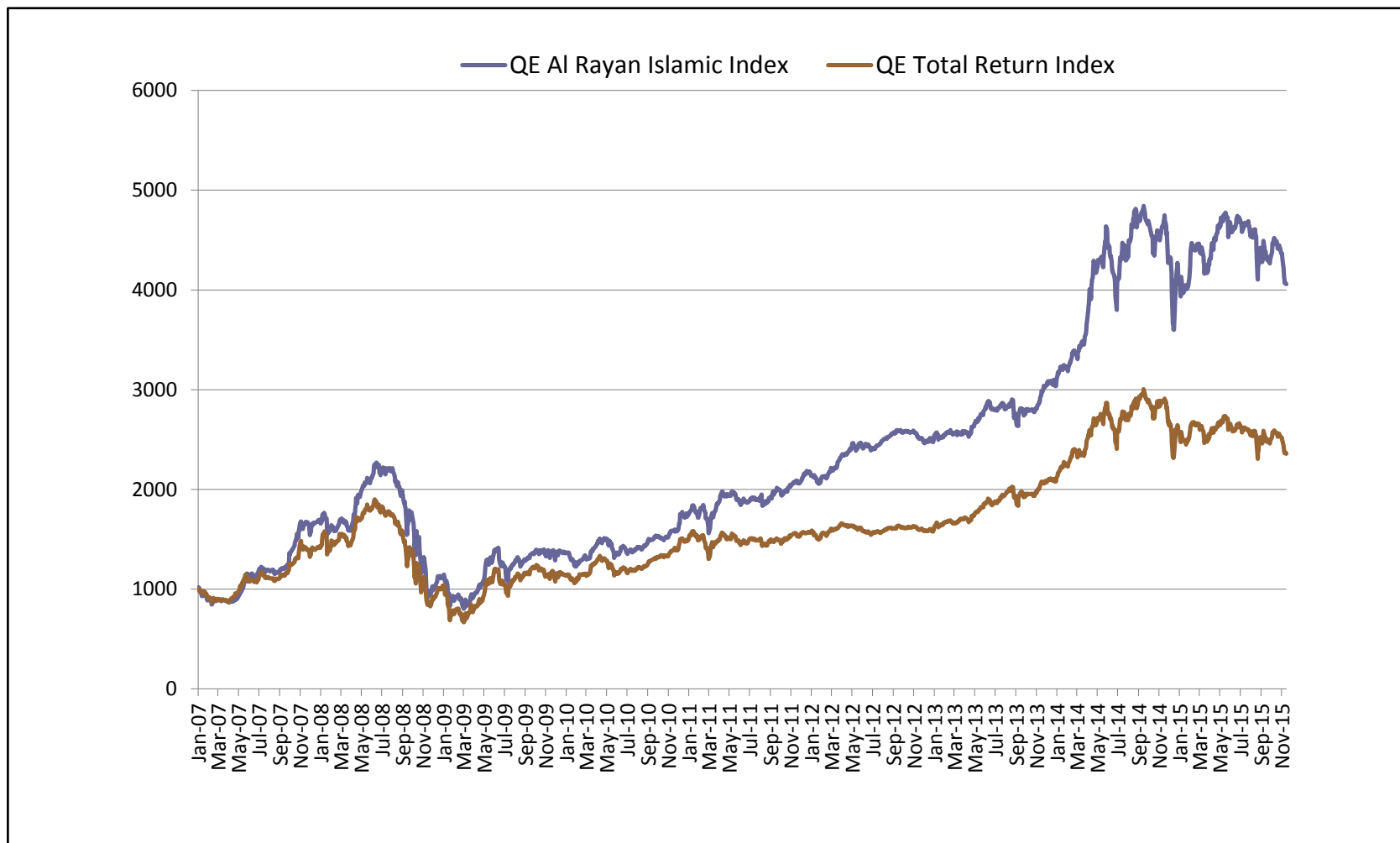
Source: IMF, Islamic Finance: Opportunities, Challenges and Policy Options (April 2015)

Sukuk Issues by Issuer Type



Source: ISRA databases, IFIS, Zawya, Bloomberg

QE AI Rayan Islamic Index Performance



ETFs on the MSCI and S&P Shari'a indices

MARKETING MATERIAL

Deutsche Asset
& Wealth Management

db x-trackers S&P 500 Shariah UCITS ETF

Fund information	
Fund name	db x-trackers S&P 500 Shariah UCITS ETF
ISIN	LU0328475362
UCITS IV compliant	Yes
Fund currency	USD
Investment Methodology	Indirect Replication
Portfolio Structure	Portfolio + Swap (unfunded)
Fund launch date	07 July 2008
All-in fee*	0.50% p.a.
Financial year end	31 December
Income treatment	Reinvestment
NAV per Share	USD 21.23 (27 February 2015)
Total Fund Assets	USD 13,373,829 (27 February 2015)
Reporting Fund	Yes

iShares MSCI World Islamic UCITS ETF

October Factsheet

Performance, Portfolio Breakdowns and Net Asset information as at: 31-Oct-2015

All other data as at 06-Nov-2015

KEY FACTS

Asset Class	Equity
Fund Base Currency	USD
Inception Date	07-Dec-2007
Benchmark	MSCI World Islamic Index
ISIN	IE00B27YCN58
Total Expense Ratio	0.60%
Distribution Type	Semi-Annual
Domicile	Ireland
Methodology	Optimised
Product Structure	Physical
Rebalance Frequency	Quarterly
UCITS	Yes
ISA Eligibility	Yes
SIPP Available	Yes
UK Distributor/Reporting Status	Yes/Yes
Use of Income	Distributing

Net Assets	USD 100,159,422
Number of Holdings	593
Shares Outstanding	3,600,000
Benchmark Ticker	NIWO
Distribution Yield	0.71%

iShares
by BLACKROCK®

ISWD

Thank you



بورصة قطر
Qatar Stock Exchange



Pioneering Role of Exchanges

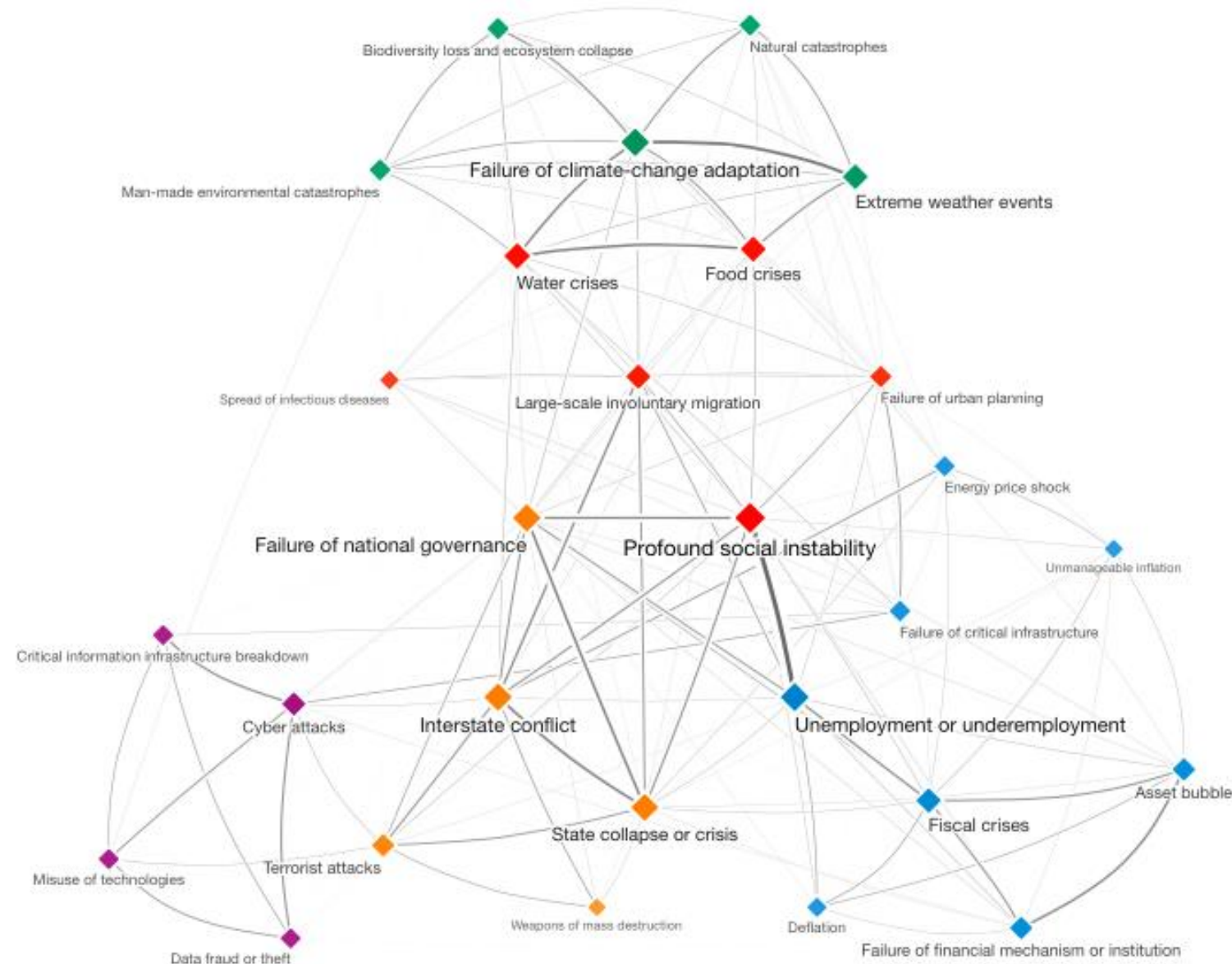
Kerem Okumus, S360 Sustainability, 19.11.2015, Istanbul

The Global Risks 2015 Interconnections Map

How are global risks interconnected?

Mega trends such as climate change, population growth, poverty, migration and urbanisation all putting strain on our planet

Investors and asset owners are exposed to sustainability risks unless system-wide action is taken to address the risks



How Future-proof Are Your Stocks?

Can a company survive and thrive in a world reshaped by environmental and social shifts?



Global asset managers are changing the way they value stocks to find out.

Strategy

Risk Management

Innovation

WATCH "DOOMSDAY PREPPERS" ON NATIONAL GEOGRAPHIC CHANNEL

FREE POSTER Mauna Kea: Taller Than Everest

NGM.COM SEPTEMBER 2012

NATIONAL GEOGRAPHIC

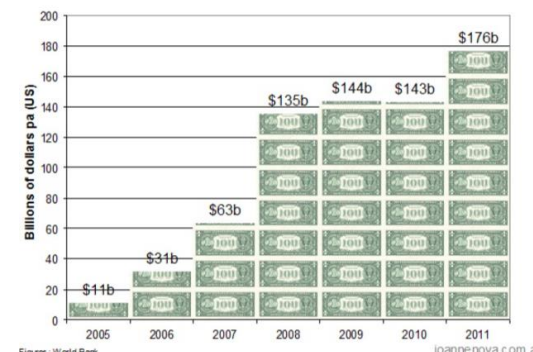
RUMAN FRONTIERS

WHAT'S UP WITH THE Weather

- SUMMER IN MARCH
- RECORD FLOODS
- ENDLESS DROUGHT
- SNOWMAGEDDON



Global Carbon Markets



World's richest
sovereign wealth fund

NORWAY DUMPS COAL & TAR SAND COMPANIES BECAUSE OF HIGH RISK TO CLIMATE

Impact on current market system

- Risks to investment
 - E.g. University of Cambridge experts said global investment portfolios could see losses of up to 45% from Climate Change impacts in the short term

Chipotle Share Price - July 2012 - October 2012

■ Chipotle Mexican Grill Total Return Price



 The Motley Fool

Jan 13 2014, 2:34AM UTC. Powered by Y

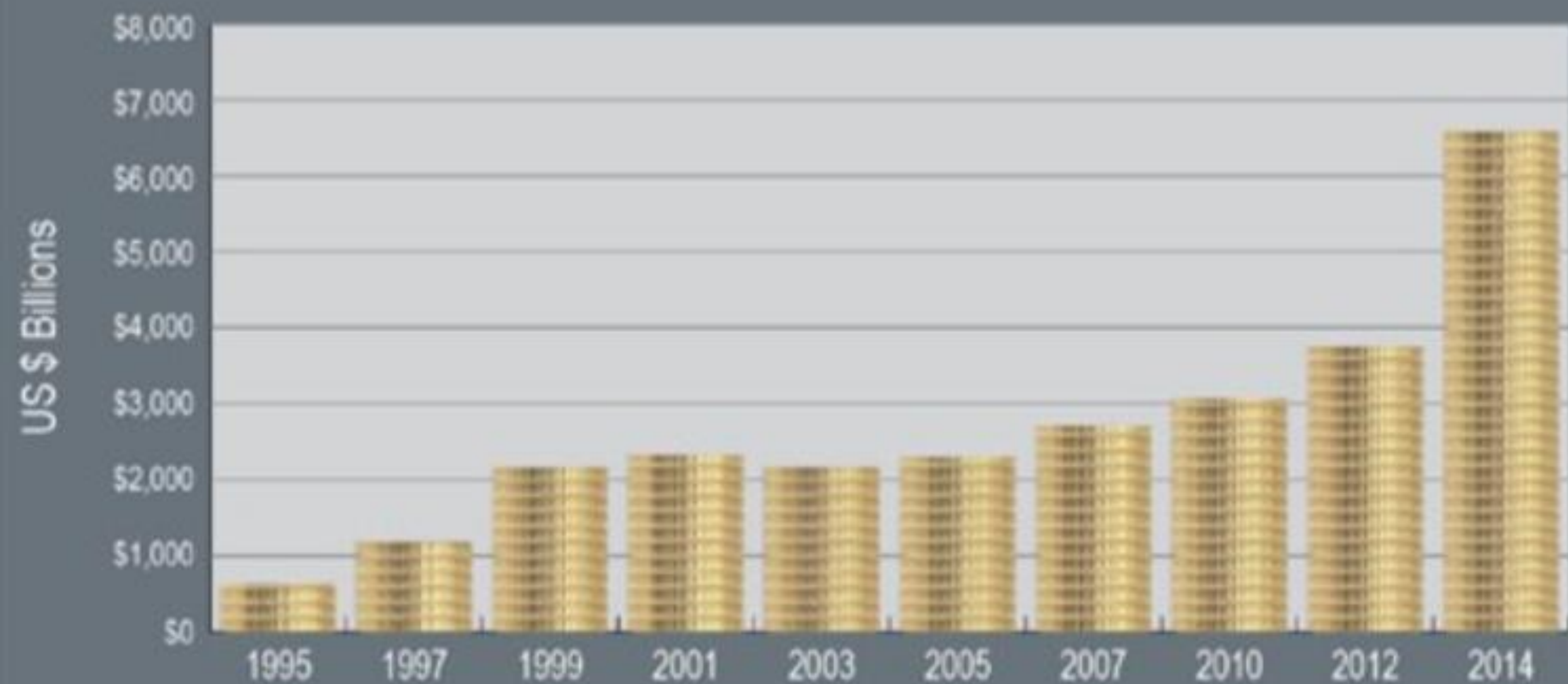


stock analysts
incorporated
global warming's
heat and drought
impacts upon;

**restaurant food
costs,
profit margins
and sales if
*higher menu
prices trigger a
consumer search
for lower cost
options***



*Growth of SRI Assets 1995-2014

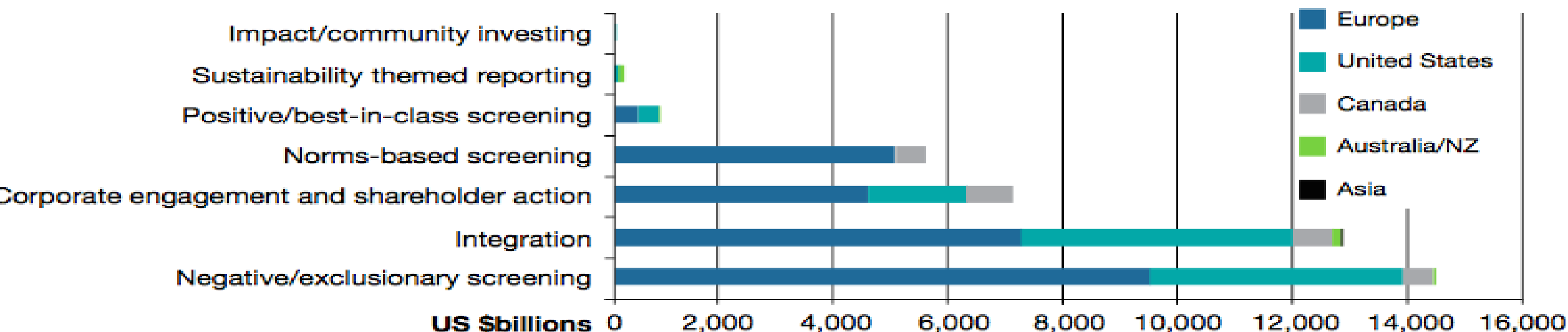


* Source: US SIF 2014 Trends Report

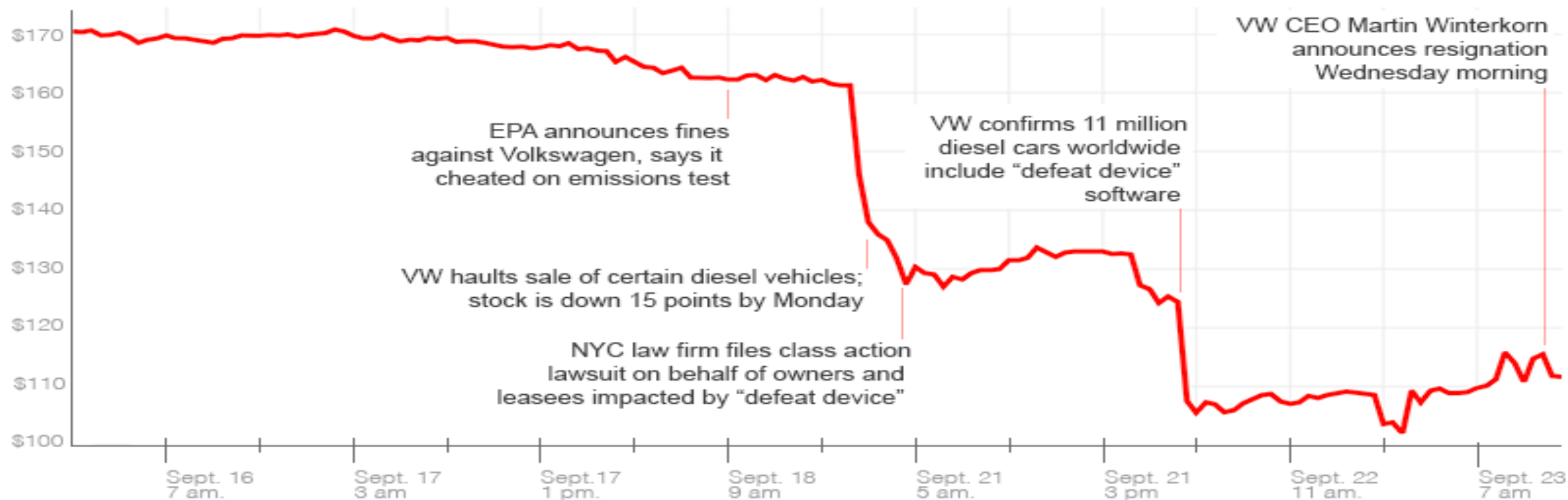
Growth of SRI Assets by Region 2012–2014

	2012	2014	Growth
Europe	\$8,758	\$13,608	55%
United States	\$3,740	\$6,572	76%
Canada	\$589	\$945	60%
Australia/NZ	\$134	\$180	34%
Asia	\$40	\$53	32%
Total	\$13,261	\$21,358	61%

Figure 2: SRI Assets by Strategy and Region



Investors' reaction to Volkswagen emissions saga



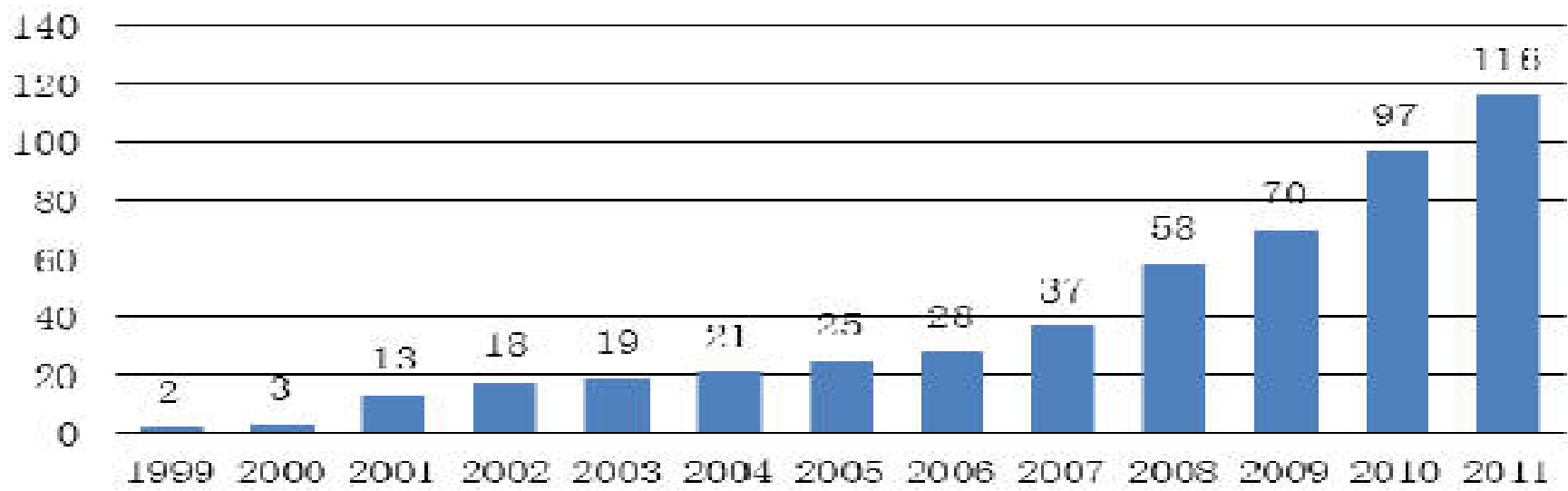


Figure 1. The number of SRI index in the world.



FTSE4Good



Listed Index Fund
FTSE Japan Green Chip 35
Code: 1347



Number of GRI Reports





Islamic Reporting Initiative

Social investment

Youth engagement

Nationalization of the workforce (within global multicultural framework)

Promotion of the knowledge based economy

Development of STEM skills and knowledge transfer

Creation of long-term business values

Organizational philanthropy

Environmentally sustainable measures

Economical Contribution (e.g. Sustainable employment)



Critical role of stock exchanges – Leapfrogging

- Support innovative financial instruments, products and services like Green Bond markets and sustainability indices
- Define ESG reporting expectations and use the guidance already available to help improve transparency and quality. Require disclosure on key material sustainability issues
- Encourage companies to move from growth in financial return only to growth of multiple capitals
- Help enable investors to make better decisions by seeking tools and approaches that simplify complex issues
- Incentivise longer term investing and disincentivise short term trading
- Include ESG issues in listing rules

Kerem Okumuş, Founding Partner

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