

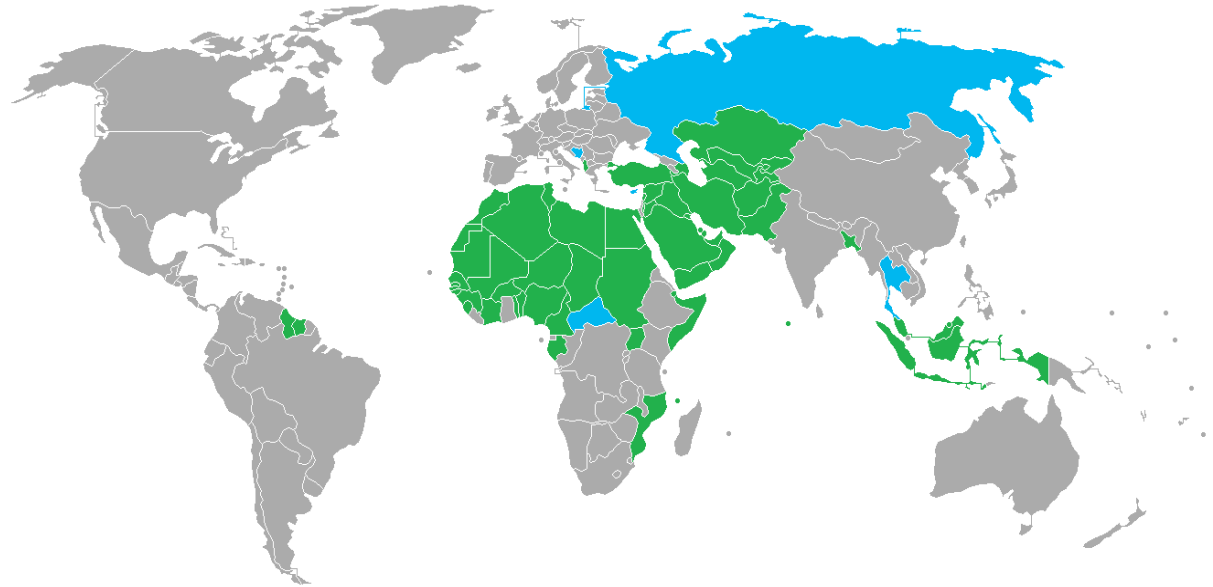


**BORSA  
İSTANBUL**

*Benchmark for Investment*

OIC Member States'  
Stock Exchanges Forum  
8th Meeting  
November 11, 2014

# Background



## The Forum;

- ▶ Initiated - 20th session of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) – 2004
- ▶ Dedicated platform and communication channel for the members
- ▶ Currently 57 members from 37 countries:
  - 42 stock exchanges
  - 7 clearing, settlement, registry and depository institutions
  - 8 related organizations (SESRIC, IIFM, IFSB etc.)

Note: Blue represents observers, green represents members



# Background



- ▶ 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 19, 2013



# Decisions of the Seventh Annual Meeting Istanbul- September 19, 2013

Task Force on Indices

Acceptance of Commodity Markets to the Forum

Task Force on Commodity Markets

Building knowledge and capacity on Islamic capital markets

Newsletter and Statistics Report



# Task Force on Indices

## Background:

- **S&P/OIC COMCEC 50 Shariah Index** launched on June 25, 2012
- Measures performance of 50 leading Shariah-compliant companies from OIC member states
- Companies from 19 countries
- Screened for Shariah compliance by S&P in accordance with S&P Shariah Indices Methodology
- Global investment banks, HSBC and Deutsche Bank, have been contacted and asked to work on issuing ETFs and alike financial instruments on the Index.

## Motive:

- Absence of a Shariah-compliant index constituting companies from OIC stock markets
- Rising demand for Islamic financial securities

## Purpose:

- Increasing awareness about OIC markets
- Facilitating collaboration among OIC Exchanges
- Promoting the Forum
- Creating different investment alternatives through structured products based on the Index
- Providing a benchmark for OIC markets' performances



# S&P/OIC COMCEC 50 Shariah Index

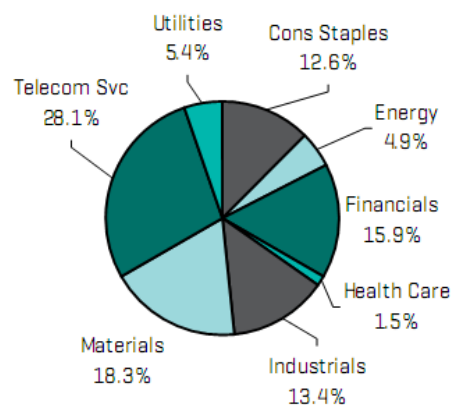
## S&P/ OIC COMCEC 50 Shariah Index;

- the Task Force continues its work with S&P Dow Jones, IDB Islamic Development Bank and fund managers
- work on the promotion of the Index
- approach investment banks in order to create structured products based on the Index

### Portfolio Characteristics

Number of Companies	50
Number of Countries	19
Adjusted Market Cap (USD Billion)	168.77
Company Size By Market Cap (Adj USD Billion):	
Average	3.38
Largest	18.55
Smallest	0.10
Median	2.73
% Weight Largest Company	5.29%
Top 10 Holdings (% Index Weight)	42.42%

### Sector Breakdown



### Country Breakdown

Country	Weights	Number of Companies
Bahrain	0.1%	1
Bangladesh	0.3%	1
Cote d'Ivoire	0.4%	1
Egypt	0.6%	1
Indonesia	19.7%	8
Jordan	0.1%	1
Kazakhstan	3.6%	2
Kuwait	9.0%	3
Lebanon	1.1%	1
Malaysia	20.4%	7
Morocco	2.4%	2
Nigeria	0.6%	1
Oman	0.6%	1
Pakistan	0.9%	1
Qatar	7.5%	3
Saudi Arabia	20.7%	8
Tunisia	0.1%	1
Turkey	11.7%	6
U.A.E.	0.3%	1



# Taskforce on Commodity Markets

## Background:

- Established by decision taken at the 7th Forum Meeting
- Bursa Malaysia, Borsa İstanbul and Dubai Mercantile Exchange are the members

## Motive:

- OIC countries are well-resourced, growing commodity markets
- Need for product development/standardization of Islamic derivatives.

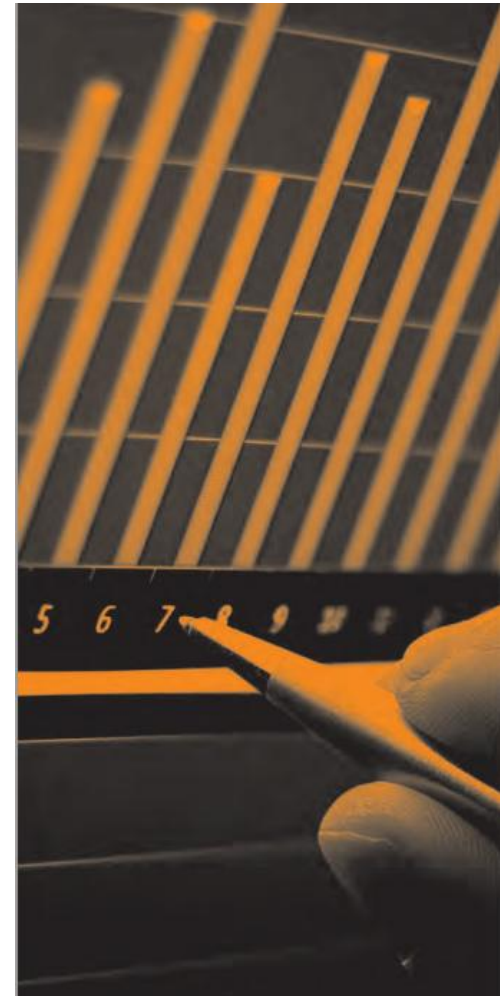
## Purpose:

- Contributing to further development of OIC commodity markets
- Sharing know-how, expertise and best practices
- Facilitating standardization and joint product development of Islamic derivatives among exchanges



# Building knowledge and capacity on Islamic capital markets

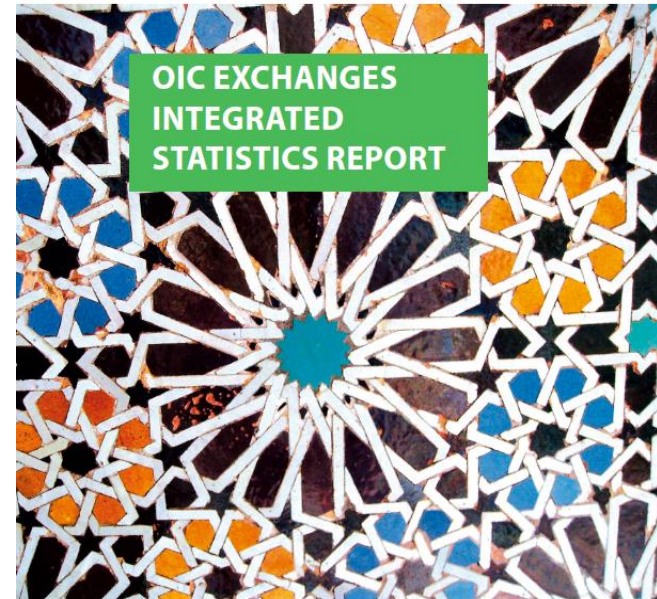
- World Bank Global Islamic Finance Development Center presenting on 'Islamic Finance and Opportunities for SME Financing'
- Professor Jahangir Sultan from Bentley University presenting on 'Shariah compliant ADRs'
- Joint program with Marmara University on 'International Conference on History, Theory and Practice on Islamic Economics and Finance'
- Meeting with SESRIC during Finance Working Group – COMCEC, discussions on statistics and agreement on the need for 'OIC Exchanges Integrated Statistics Report'
- Borsa Istanbul Research and Business Development Dpt. provided contributions to IIFM white papers and participation of relevant staff to IFSB meetings





# Website, Newsletter and Statistics Report

- Website updated
- Newsletters circulated
- Annual statistics report prepared



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# The Way Forward





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Thank you.