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PRESS RELEASE

Canada ready to become the Islamic Finance hub of North America

- *Thomson Reuters and the Toronto Financial Services Alliance launched a study on Islamic finance investment opportunities in Canada during a roundtable at WIBC 2015*
- *Almost \$18 billion in potential Shariah-compliant mortgages available to support Canada's Islamic banking development*
- *International sukuk can support infrastructure investments amounting to \$130 billion; additional opportunities for corporate sukuk*
- *Canadian asset managers are well positioned to capture a share of the responsible Islamic investments in OIC markets worth over \$23 billion*

Manama, Bahrain, December 1, 2015 – Thomson Reuters, the world's leading provider of intelligent information for businesses and professionals, and the Toronto Financial Services Alliance (TFSA), a public–private partnership dedicated to growing Toronto's financial services cluster, today unveiled a major study, the Canada Islamic Finance Outlook 2016, during the World Islamic Banking Conference (WIBC) held in Bahrain. The WIBC is held under the patronage of His Royal Highness Prince Khalifa bin Salman bin Hamad Al Khalifa, Prime Minister of the Kingdom of Bahrain.

Canada, which is considered one of the most effective and safest banking systems in the world according to the World Economic Forum, is looking to position itself as the regional hub for Islamic finance in North America. Its main competitor in the region, the United States, is a much larger market overall, but Canada has a proportionately larger Muslim population. This advantage is coupled with an arguably more favourable federal regulatory regime and an outward looking orientation that is potentially more favourable and conducive to the growth of Islamic finance.

"I am pleased that the Islamic Finance Report on Canada is being launched at the World Islamic Banking Conference, which is the world's largest annual gathering of Islamic finance industry leaders," said Canada's Special Envoy to the Organisation of Islamic Cooperation (OIC) and current Ambassador of Canada to the United Arab Emirates, H.E. Arif Z Lalani. "Canada's commercial ties with the countries of the OIC are growing fast. Canada is keen to explore ways to forge new partnerships and to create new opportunities for long-term, collective prosperity both in Canada and in the Muslim world", he added.

The domestic Islamic banking system has a strong potential to develop, with a growing domestic Muslim population estimated to be more than 1.3 million (3 percent of the population) in Canada and expected to rise to 3 million (6.6 percent of the population) by 2030. Currently, there is a potential of over \$2 billion in Shariah-compliant mortgages in Canada, a figure that is expected to increase to \$18 billion by 2020, which provides a strong base to support the development of the domestic Islamic banking system.

International sukuk (Islamic bonds) is another area where Canada can potentially attract more foreign capital to support infrastructure need amounting in total to \$130 billion, or 9 percent of Canada's GDP. Given Canada's strong economy and AAA credit rating, coupled with the need for Islamic financial institutions across the globe to increase their high quality liquid assets in order to

meet new Basel III requirements, sovereign sukuk issuances would likely find significant demand. In addition, such sukuk issuances would also encourage Canadian corporates to tap the Islamic capital market and diversify their sources of funding.

Takaful (Islamic insurance) operations are also poised to expand, both domestically and internationally, which reflects the recent experience of Canadian financial companies operating in Southeast Asia as well as the long history of Canadian mutual insurance.

Noteworthy as well, Canada's asset managers have a wealth of international experience in the responsible finance and Shariah compliant investment space that positions them well to capture a share of the estimated \$23 billion responsible Islamic investments market across the OIC. This is in addition to the potential for domestic Shariah compliant assets.

Furthermore, Canada has significant trade links with Muslim majority countries around the world, which can be leveraged.

"Canada and Toronto have all the ingredients to become a North American hub for Islamic finance- a sound economy and stable political environment; a wealth of assets that are conducive to Islamic finance; traditionally strong risk management skills; a large and growing Muslim population; an openness to doing business with the world; and an effective regime of regulation and supervision," said Janet Ecker, President and CEO, Toronto Financial Services Alliance.

"The Canada Islamic Finance Outlook 2016 Report provides a comprehensive analysis and assessment of the current state and potential opportunities in Canada going forward. The Report proposition is to become the global reference point for information, analysis and insights on Islamic finance opportunities in Canada," said Nadim Najjar, Managing Director, Middle East & North Africa, Thomson Reuters.

The Report's key findings were launched during the "Capturing Growth Opportunities in Emerging Islamic Finance Markets Roundtable" which highlighted the investment opportunities in high-growth emerging Islamic finance markets covering key regions, including Central Asia, North Africa, and the Americas. The Roundtable was inaugurated by leading officials representing some emerging Islamic finance markets, including H.E. Arif Z Lalani, Canada's Special Envoy to the Organisation of Islamic Cooperation; HE Nurlan Kussainov, Deputy Governor of the National Bank of Kazakhstan; Janet L. Ecker, President and Chief Executive Officer of the Toronto Financial Services Alliance; Fadi Al Faqih, Chief Executive Officer of the Bank of Khartoum, and a number of other government and corporate representatives.

Hosted by the WIBC, the Roundtable is organised by Thomson Reuters and IRTI (Islamic Research and Training Institute), in partnership with the Toronto Financial Services Alliance, National Bank of Kazakhstan and Bank of Khartoum.

To download the Canada Islamic Finance Outlook 2016 Report, please visit <http://www.zawya.com/ifg-publications/>.

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ABOUT THE TFSA:

The Toronto Financial Services Alliance (TFSA) is a unique, public-private partnership dedicated to growing Toronto region's financial services cluster and building it as a "top ten" global financial services centre. Established in 2001, TFSA is a collaboration involving three levels of government, the financial services industry and academia. Working collaboratively with industry and government, it builds international awareness of the advantages offered by the Toronto region and works with financial services companies from around the world that are exploring business opportunities in Toronto. To leverage the financial industry's global reputation for stability, TFSA established the Global Risk Institute in Financial Services. To capitalize on Toronto region's talent advantages, it also established the Centre of Excellence in Financial Services Education. For more information, please check the website at www.tfsa.ca.

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