



Greater Paris Investment Agency

# **Opportunities and challenges for the development of Islamic finance hubs**

## **A New Strategy for Greater Paris**

*March 2013*

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# Agenda

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- **Executive summary**

- Islamic finance market

- Growth trends 2006-2011 and forecast to 2020
- Key takeaways

- Islamic finance hubs

- Key success factors and how hubs compare
- Paris opportunities and challenges
- Key takeaways

- About the Greater Paris Investment Agency and Bain & Company

- Contacts



# The strong growth in the Islamic finance market over the past decade should continue in the following years

- The market for Islamic finance totaled approximately **\$1.4 trillion in assets in 2011**, of which:
  - More than 75% were held as bank assets
  - More than 85% were invested or originated in the Middle East and Malaysia
- This market enjoyed an annual growth rate of **20% over the past decade**, with expansion reaching across all business segments—banking, sukuk, funds and takaful. Despite the strong growth, still confirmed during 2012, Islamic finance assets represented less than **1% of global financial assets in 2011**.
- Islamic finance—even in the current financial turmoil—should see its growth rate **continue at a annual double digit pace through 2015** before slowing gradually to a sustained **7% pace through 2020**.
- Growth should be fueled by a combination of **population growth, the deepening penetration of Islamic finance, the opening of new markets and an increasing volume of investible liquid assets available for placement in Sharia-compliant instruments**.
- As the market for Islamic finance expands, the **share of activity conducted through hubs based outside the traditional centers of the Middle East and Asia** (currently less than 5% of the total) **is continuing to increase**
- **Bain and GPIA conducted a study with the objective of identifying the key success factors** influencing the development of the Islamic finance market and centers in the Middle East, Asia and Europe; at the same time identify which are key requirements for Paris to be an attractive financial center with enabled IF capabilities notably to support real economy and corporates/SMEs
- The study was based on extensive **interviews with more than 66 executives at major Islamic finance institutions and other leading experts**.



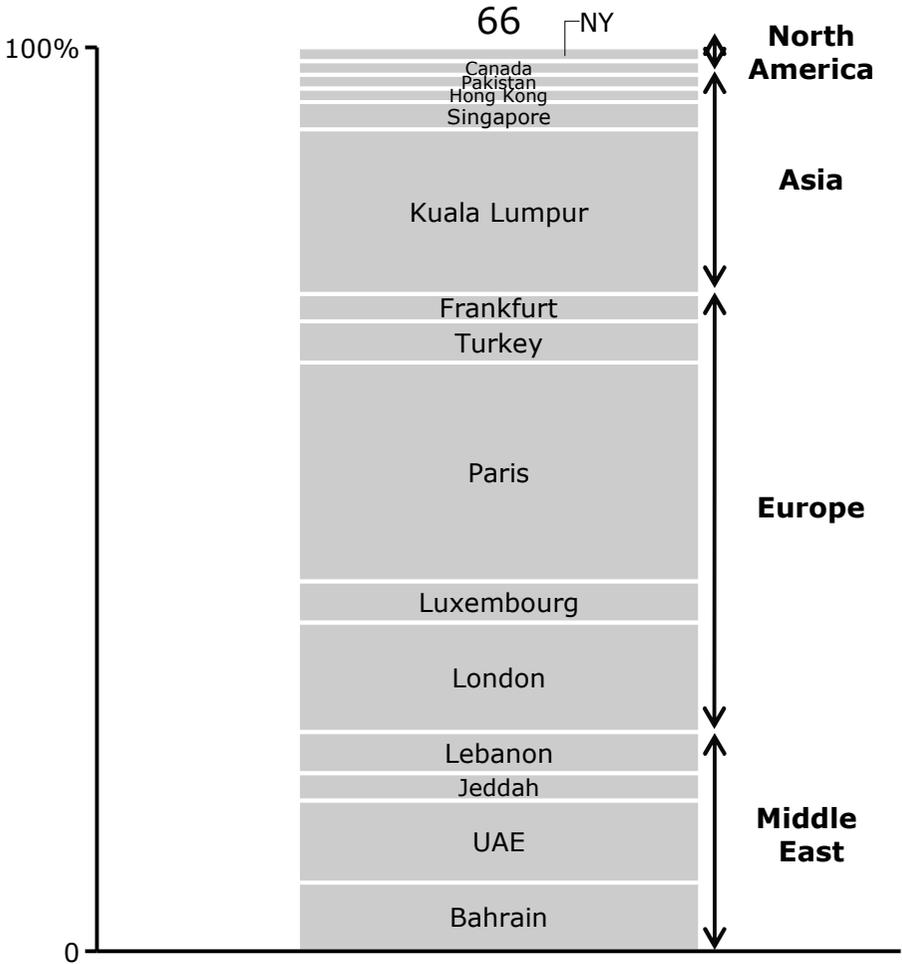
# Study insights helped understanding of KSF for Islamic Finance development and how hubs have performed

- Countries that embrace a long-term vision of their futures as centers for Islamic finance **appear to set a strong benchmark**, building on a broader set of success factors.
- Successful development as a hub of Islamic finance also requires unwavering government support as the centerpiece of a **consistent approach** that:
  - Clearly articulates the targeted ambition for Islamic finance
  - Mobilizes the required parties (tax and legal environment, finance infrastructure and expertise)
  - Creates an action plan and promotion strategy
- **Islamic finance hubs** share common success factors and build on **site-specific competitive advantages**.
- There are three different types of Islamic finance hubs:
  - **Niche hubs** specialize in one or more related Islamic finance business segments (such as Singapore or Luxembourg)
  - **Multi-business hubs** have a well-developed and diversified Islamic finance ecosystem, covering most business segments (such as Doha, Istanbul or London)
  - **Full-fledged hubs** have a fully developed Islamic finance ecosystem (such as Kuala Lumpur or Jeddah)
- **Paris is not yet among the leading emerging centers for Islamic finance**, but it does enjoy **several important differentiating strengths**:
  - Large Muslim population and a high volume and quality of potentially Sharia-compliant assets
  - Strong expertise in banking and funds management
  - Access to the euro zone and unique positioning in French-speaking Africa
  - A regulatory environment that has reduced the major legal and tax barriers to Islamic finance

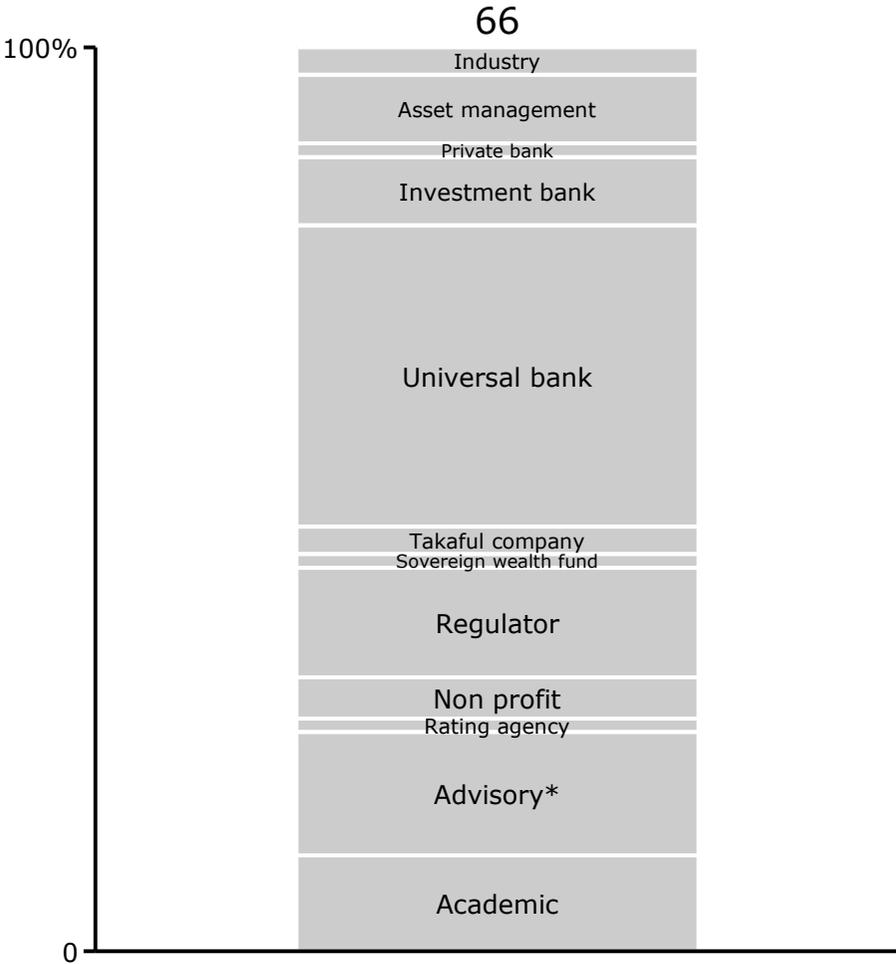


# We interviewed 66 senior-level professionals, officials and scholars from major Islamic finance institutions

## BY GEOGRAPHY



## BY PROFESSIONAL AFFILIATION



Notes: Interviewees selected principally from top 100 in each institution category, based on The Banker Top 500 Financial Islamic Institutions 2010; \* Includes legal, accounting and Sharia advisory



# Agenda

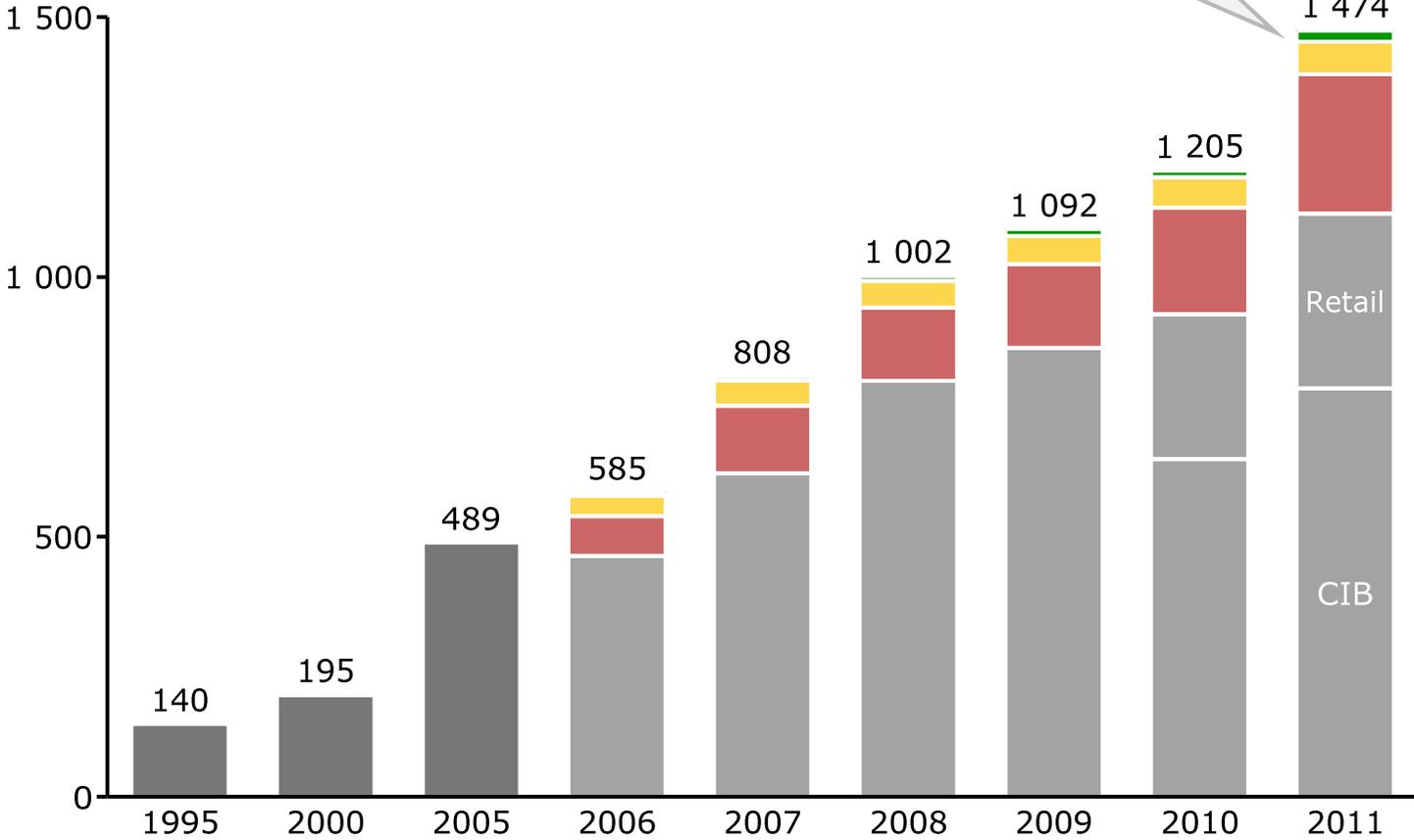
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  - **Growth trends 2006-2011 and forecast to 2020**
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# Sharia-compliant assets have grown at a 20% annual rate since 2006, outpacing total banking growth

Total Sharia-compliant assets (\$B)



**CAGR  
(06-11)**

**29%  
10%**

**28%**

- Takaful
- Funds
- Sukuk outstanding
- Bank

**19%**

Total banking assets growth, %  
Total Sharia-compliant assets growth, %

	1995	2000	2005	2006	2007	2008	2009	2010	2011
Total banking assets growth, %		21%	38%	5%	16%	24%	4%	-1%	6%
Total Sharia-compliant assets growth, %		39%	95%	20%	38%	24%	9%	10%	22%

**10%**

**20%**



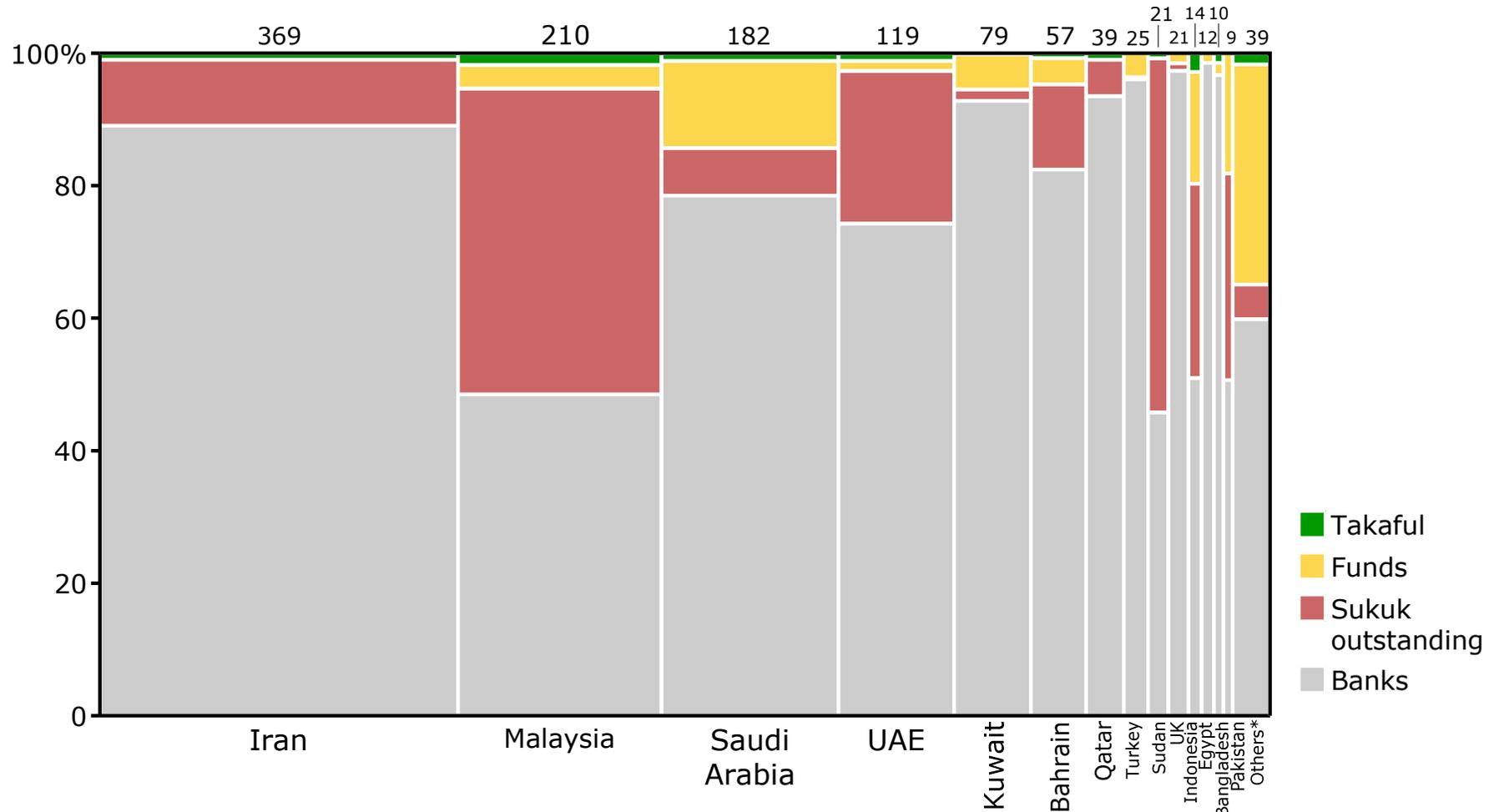
Sources: The Banker Top 500 Islamic Institutions 2010; IIFM; Ernst & Young; Zawya; literature search; Bain analysis



# Despite new hubs' emergence, Middle East and Malaysia still account for more than 85% of Sharia-compliant assets

Total Sharia-compliant assets in 2010 (\$B)

Total = \$1,205B

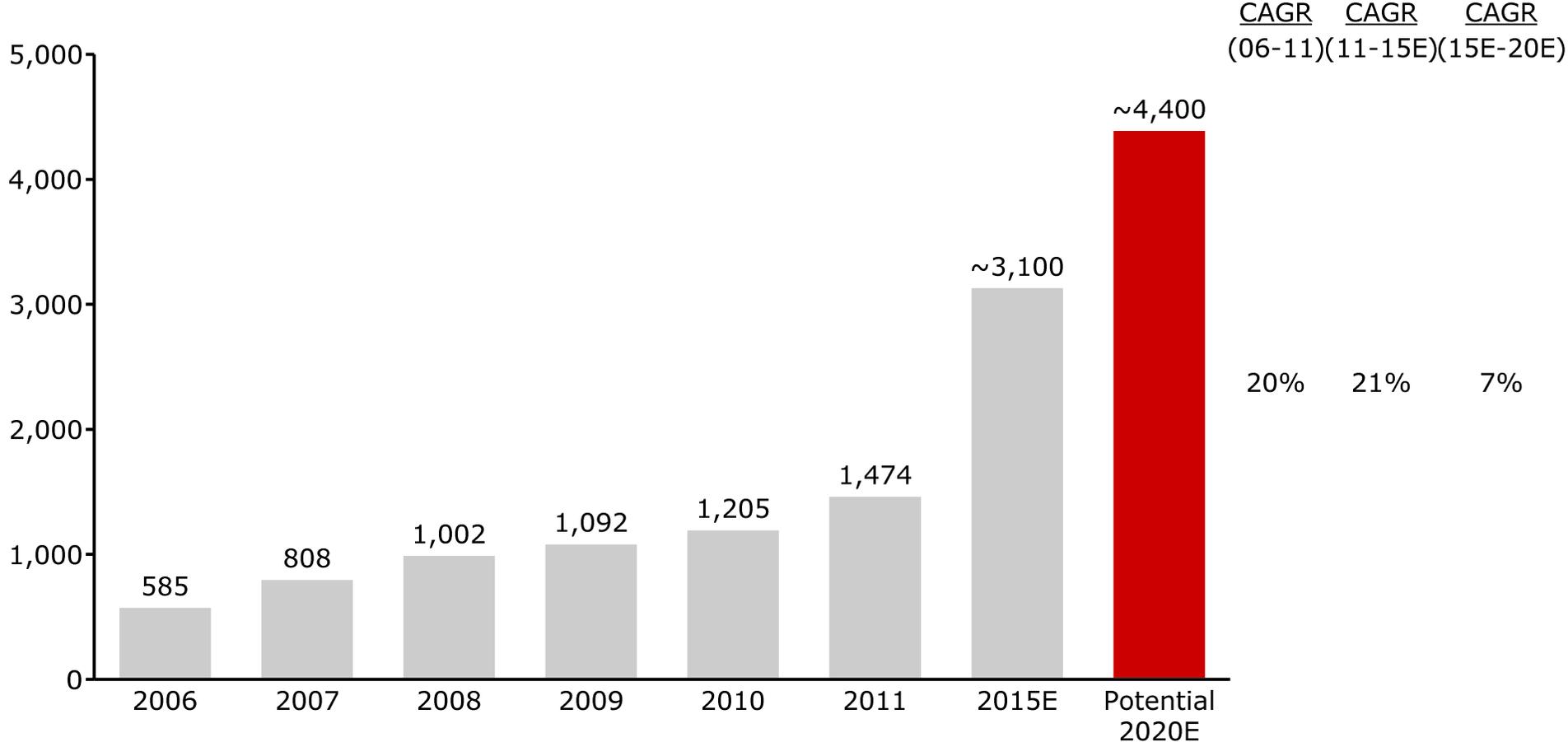


Note: "Other" includes Jordan, Brunei, Yemen, Palestine, Syria, Algeria, Mauritania, Tunisia, Iraq, Lebanon, Bosnia-Herzegovina, Kenya, Azerbaijan, Gambia, Afghanistan, Senegal, Guinea, Niger, Djibouti, Oman, Kazakhstan, Cayman Islands, US, Luxembourg, Singapore, Thailand, Channel islands, Switzerland, South Africa, Canada, Mauritius, Japan, Australia, India, Sri Lanka, Germany, Philippines, France, China, Ireland, Botswana and Russia.  
Sources: The Banker Top 500 Islamic Institutions 2010; IIFM; Ernst & Young; literature search; Bain analysis



# The Islamic finance market is expected to increase by some 21% annually until 2015, then slow to about 7% through 2020

Total Sharia-compliant assets (\$B)



	2006	2007	2008	2009	2010	2011
% growth of total banking assets	5%	16%	24%	4%	-1%	6%
% growth of total Sharia-compliant assets	20%	38%	24%	9%	10%	22%



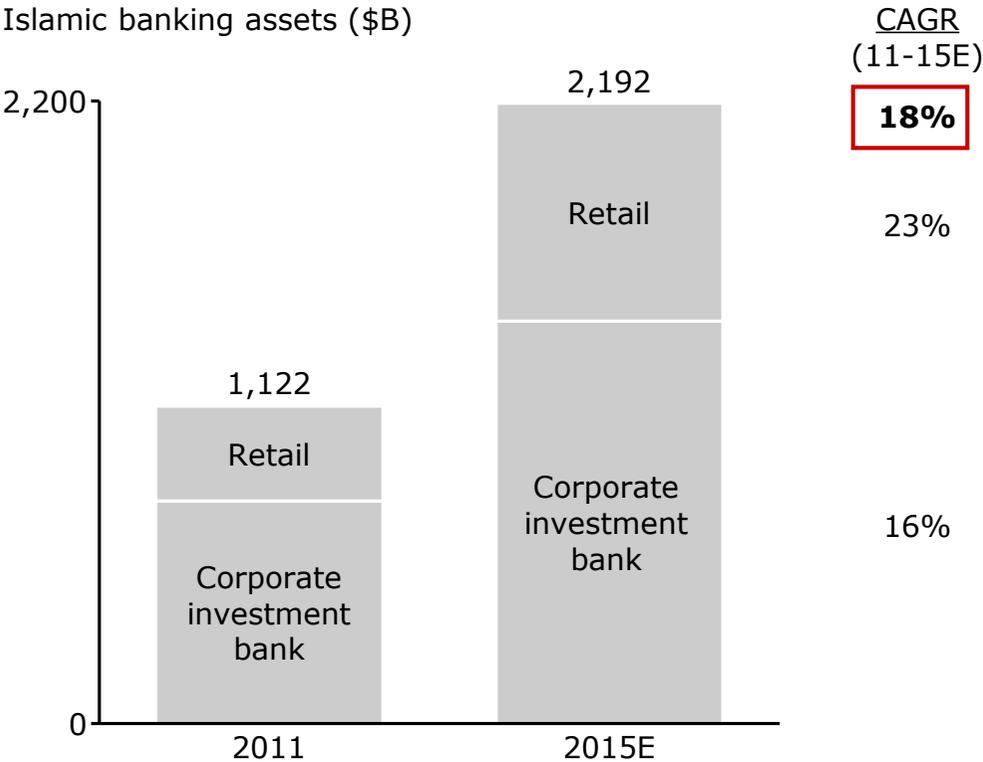
Sources: The Banker Top 500 Islamic Financial Institutions 2010; IIFM; Ernst & Young; GIFR; Bain analysis



# Powered by a dynamic retail segment, banking assets are expected to grow at 18% annual rate through 2015

**Banking**

## BANKING ASSETS (2011-2015E)



## QUOTES FROM INTERVIEWS

*"Retail will be an important banking segment in the future, as many traditional countries are still underpenetrated."*

—CEO, Islamic Universal Bank, Asia

*"By 2030, one-quarter of world population will be Muslims. Consumer banking will one of the business driving development of Islamic banking."*

—CEO, Islamic Bank, Asia

*"The growth of Islamic finance is coming mostly from retail banking and very little from commercial and investment banking."*

—Division Head, Private Bank, Asia



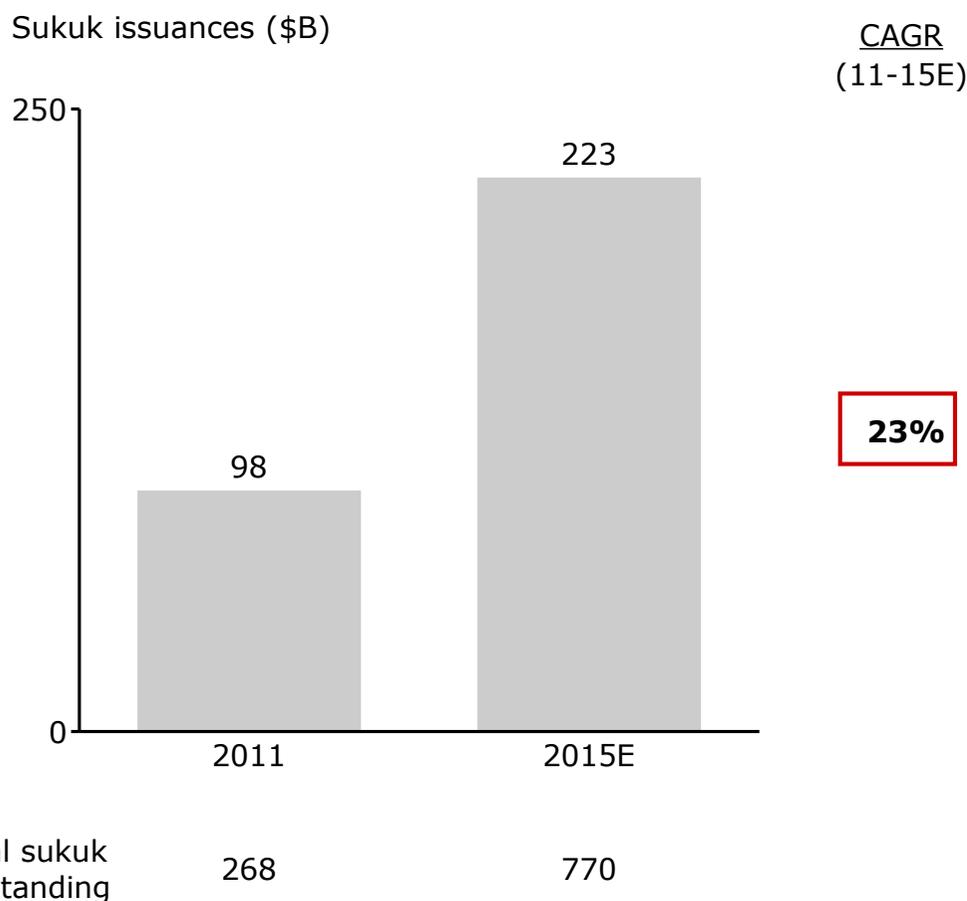
Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; Bain analysis



# Sukuk issuances will continue to grow and new Islamic finance hubs will gain importance in this market

## Sukuk

### SUKUK ISSUANCES (2011-2015E)



### QUOTES FROM INTERVIEWS

*"Sukuk will be one of Islamic finance's growth areas in the future, linked to the number of infrastructure projects in the Middle East."*

—Former Senior Executive, Asset Management Company, Middle East

*"Sukuk is very well accepted and can be issued by conventional institutions."*

—CEO, Universal Bank, Asia

*"Sukuk is the one area that is currently going well, pushed largely by the Malaysian government. Governments and major banks from Malaysia and GCC to the UK and China will drive sukuk growth in the future. Conventional banks in non-Muslim countries will issue more sukuk in the future."*

—Division Head, Private Bank, Asia

*"Relative to the huge volume of Islamic liquidity, there is a clear lack of sukuk offering at a global scale."*

—Division Head, Universal Bank, Lebanon



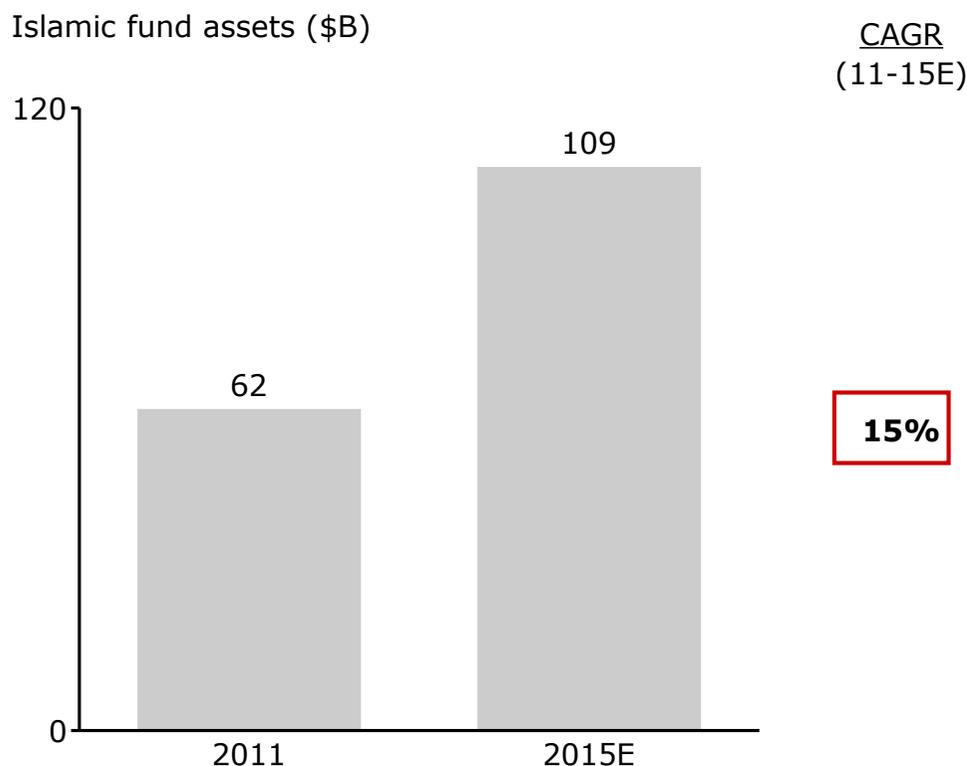
Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; Bain analysis



# Mutual fund assets should surpass the 2003-2011 growth rate over the coming years

## Funds

### ISLAMIC FUND ASSETS (2011-2015E)



### QUOTES FROM INTERVIEWS

*"The sukuk segment—and asset management more broadly—will grow as Islamic liquidity strongly increases."*

—CEO, Universal Bank, UAE

*"There are currently plenty of Sharia-compliant funds to be invested but a dearth of investment opportunities."*

—Founder and Managing Director, Consulting Company, Europe

*"Generally, Islamic funds invest in equity, fixed income and real estate, with equity dominating the portfolio. However, the shortage of offerings is a problem for asset managers."*

—CEO, Asset-management Firm, Europe

*"The Islamic finance fund industry is comparable in many respects to the non-Islamic fund industry, but with restrictive conditions (prohibitions, debt and cash-receivable levels among other things)."*

—Head of Sharia Compliance, Bank, Middle East



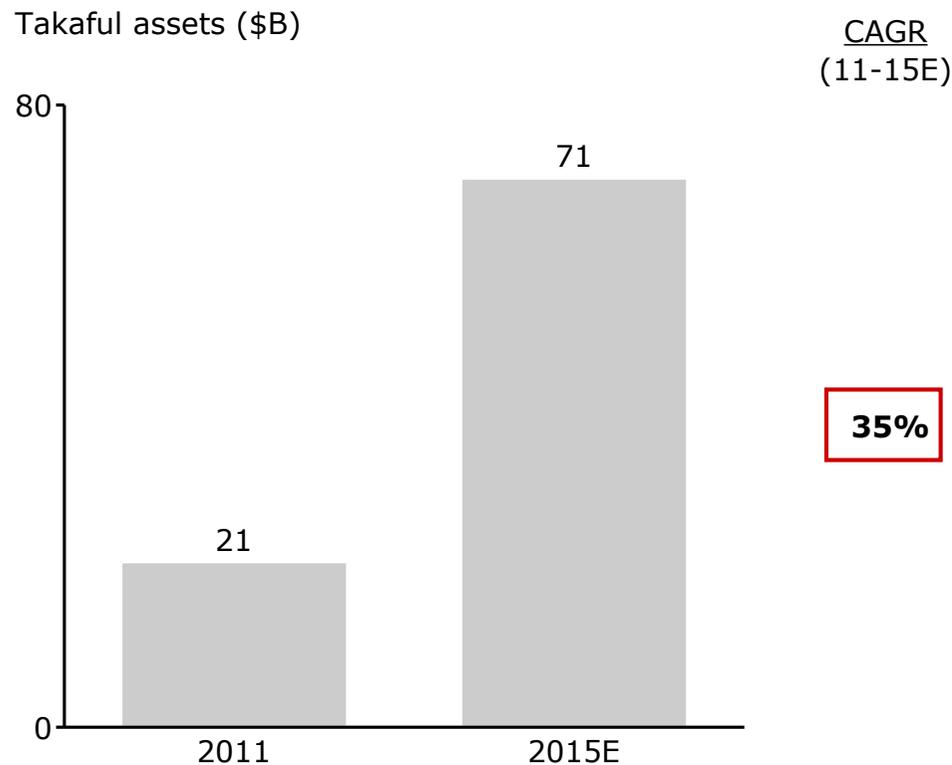
Sources: EurekaHedge; IFIS; PricewaterhouseCoopers; Maybank Islamic; 2011 Bain & Company survey of leading Islamic finance stakeholders; Bain analysis



# Takaful could see a nearly fivefold increase by 2015

## Takaful

### TAKAFUL ASSETS (2011-2015E)



### QUOTES FROM INTERVIEWS

*"There are two markets for takaful at the moment—in Asia, particularly Malaysia, Brunei and Indonesia, and in the Middle East. Demand is also strong in the Mediterranean South, particularly in Tunisia, Algeria and Egypt."*

*"Takaful is easy to launch. Regulation can be readily adapted to all takaful products, which then only need a Halal placement."*

—CEO, Insurance Company, Middle East

*"The takaful market is at a very early stage of development, and it will evolve significantly. The Middle East is the biggest market, North Africa is rapidly growing and countries with low insurance penetration have strong takaful growth potential."*

—Expert, Insurance Company, Malaysia

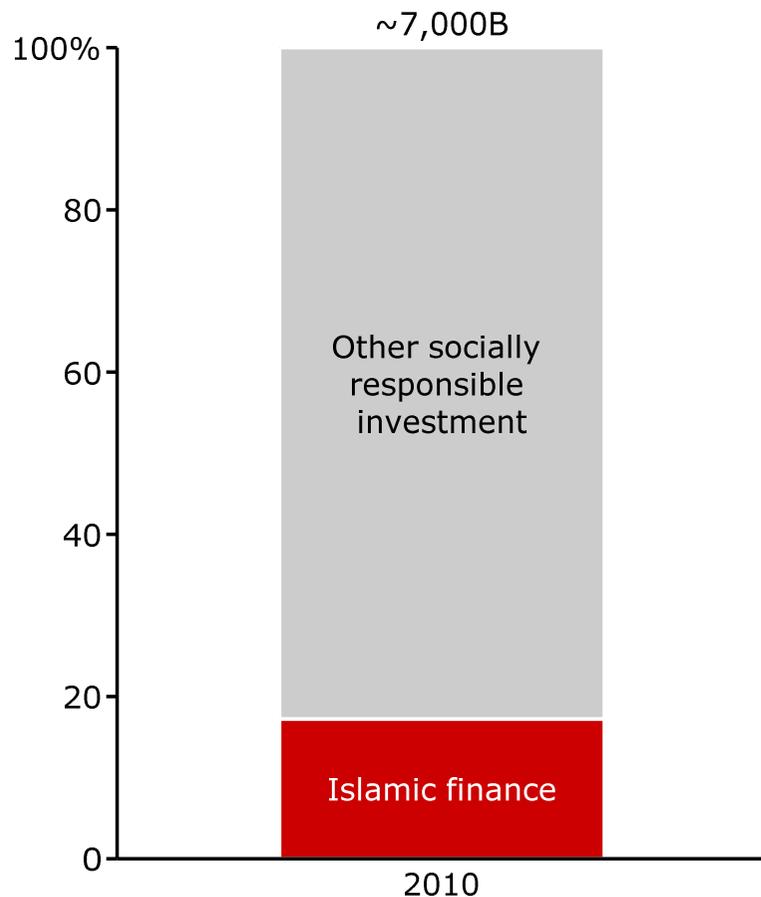


Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; Bain analysis



# Islamic finance can be considered a part of the “socially responsible finance” market

Global socially responsible investment assets



## COMMON PRINCIPLES

- **Respect** the environment and future generations in one's daily activities (including economic activities)
- **Asset-based investment or loan** must help finance real economy and create real activities
- **Profit and loss sharing:** Risk is shared between the lender and borrower, and performance only depends on economic results
- Various internal and external **audits** are required



Sources: Novethic; Management School of Strasbourg; interviews; Bain analysis



# Key takeaways

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- All segments of Islamic finance grew between 2006 and 2011. Sukuk and takaful saw the most dynamic growth, with assets increasing at a 28% and 29% annual rate, respectively.
- Banking activity dominates in all Islamic finance markets, with the exception of Malaysia where sukuk represent nearly half of total assets.
- The Islamic finance market, even within a international financial turmoil, should grow by 21% per year between 2011 and 2015, before leveling off to an 7% annual rate between 2015 and 2020.
- Despite a forecasted increase in takaful, sukuk and banking activity (retail, in particular) will power the growth of Islamic finance, based largely on the size of their respective markets.



# Agenda

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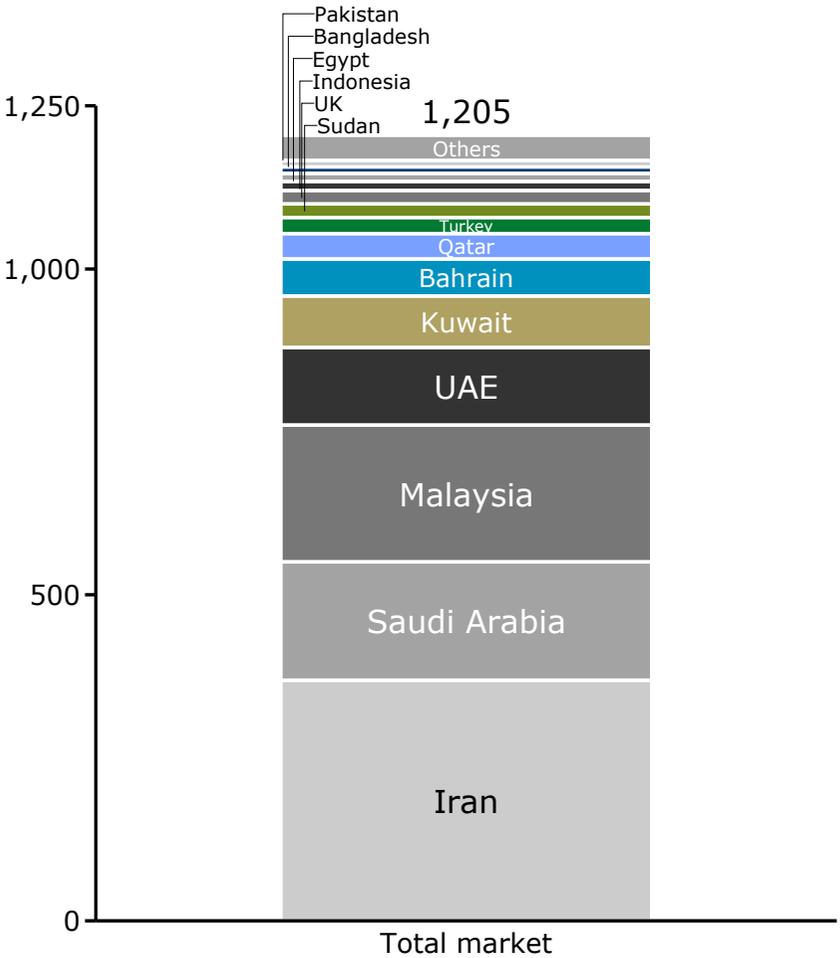
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# Newer Islamic finance centers in non-Muslim countries manage less than 5% of total Sharia-compliant assets

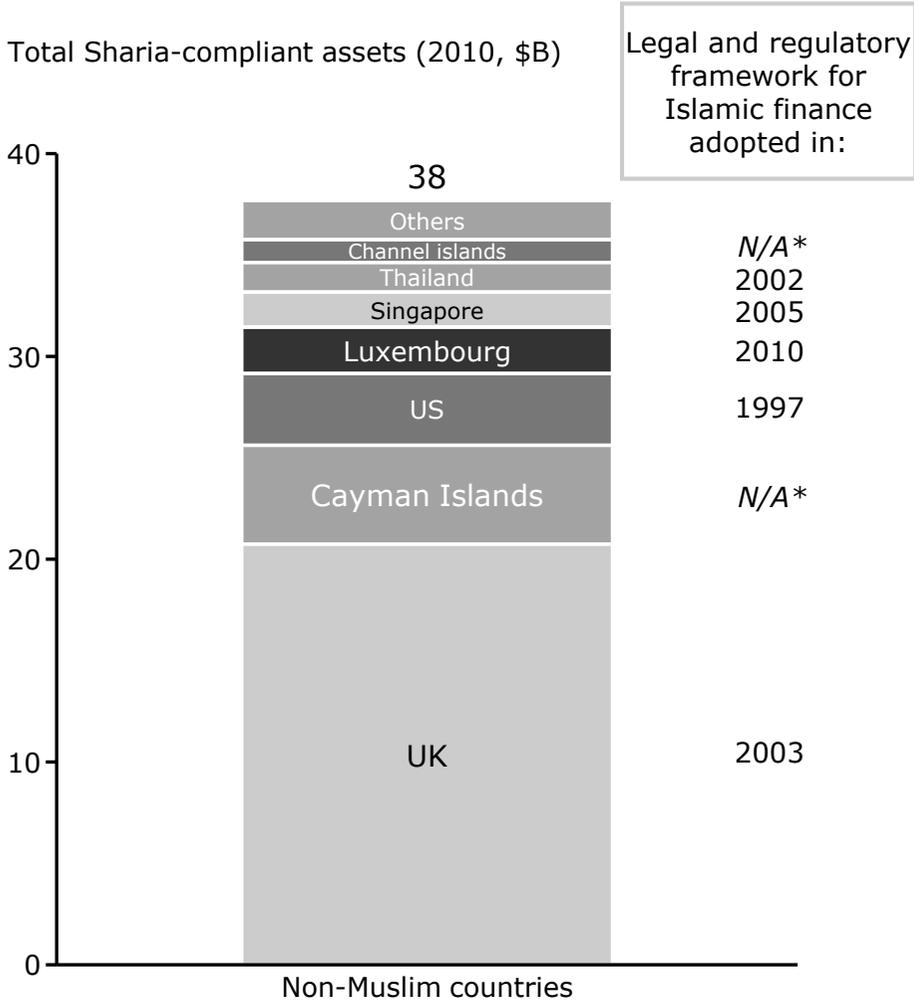
## TOTAL ISLAMIC FINANCE MARKET

Total Sharia-compliant assets (2010, \$B)



## ISLAMIC FINANCE IN NON-MUSLIM COUNTRIES

Total Sharia-compliant assets (2010, \$B)



Note: \* No specific legal framework for Islamic finance  
Sources: The Banker Top 500 Islamic Institutions 2010; Bain analysis



# Islamic finance hubs benefit from a combination of basic and site-specific key success factors

		Common to all hubs			Site specific				
		1 Public authorities' support; clear strategy and coordination	2 Strong conventional finance capabilities	3 Islamic finance capabilities and ecosystem*	4 Favorable tax policies and incentives	5 Significant Muslim population and cultural match	6 Integration with the local economy	7 Geo-graphical bridge to other markets	8 Host to international Islamic finance organizations
Middle East	Abu Dhabi/ Dubai (UAE)	✓	✓	✓		✓	✓		
	Bahrain	✓	✓	✓		✓	✓		✓
	Doha	✓	✓	✓		✓	✓		
	Jeddah	✓	✓	✓		✓	✓		✓
	Kuwait City	✓	✓	✓		✓	✓		
Asia	Kuala Lumpur	✓	✓	✓	✓	✓	✓		✓
	Singapore	✓	✓	✓	✓		✓	✓	
Europe	Istanbul	✓	✓	✓		✓	✓	✓	
	London	✓	✓	✓					
	Luxembourg	✓	✓	✓	✓				



Note: \* includes the presence of Sharia scholars, professional services and expertise  
 Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; literature search; Bain analysis



# Among the four major international financial centers in Asia and the Middle East, Kuala Lumpur seems to be the ultimate benchmark

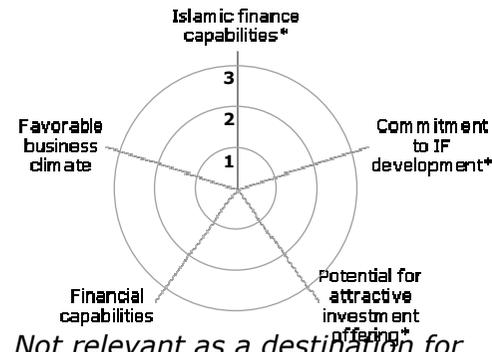
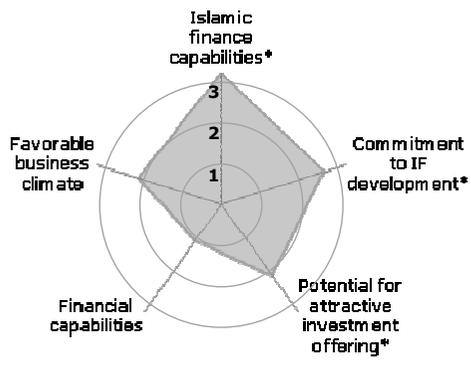
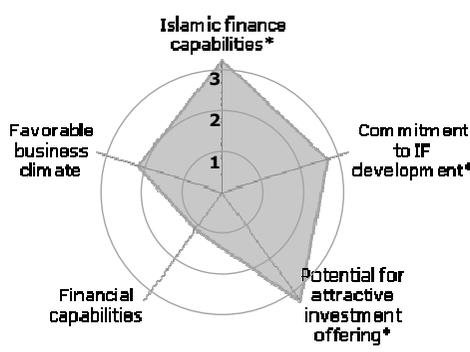
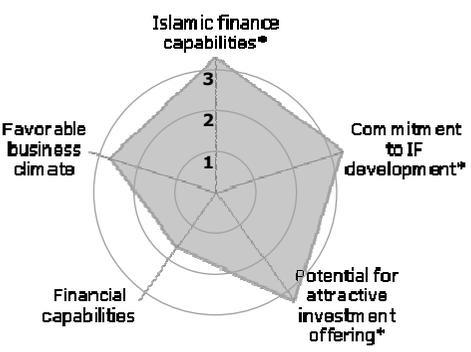
## KUALA LUMPUR

## BAHRAIN

## DUBAI

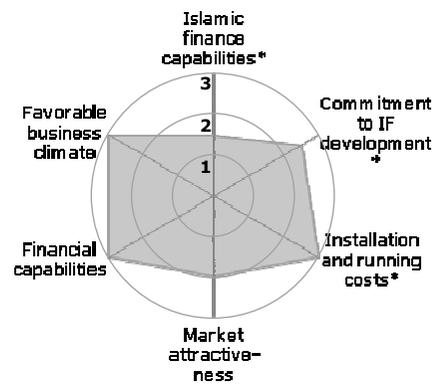
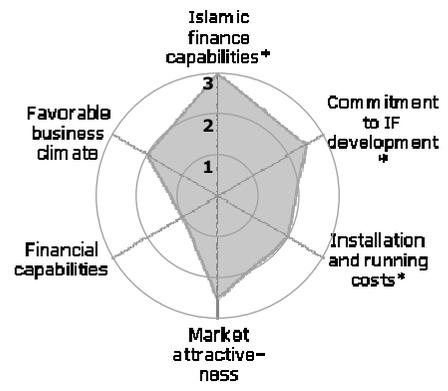
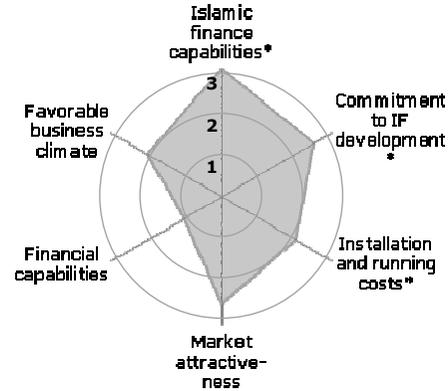
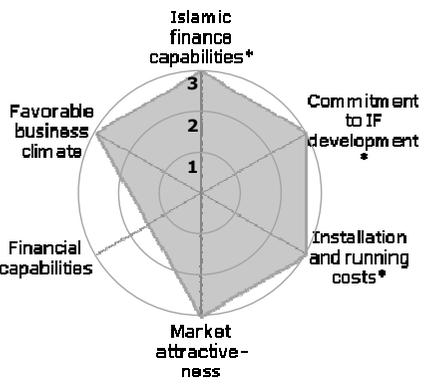
## SINGAPORE

For investors



*Not relevant as a destination for Sharia-compliant investments in domestic market*

For operators



**Legend**

(\*) Criteria specific to Islamic finance

Least attractive ← 1 3 → Most attractive

Sources: Bain & Company survey with top Islamic finance stakeholders, 2011; The Global Financial centers Index, March 2011; Bain analysis



# In Europe, London seems to remain the leader, benefitting from first-mover advantage, although stepping back lately

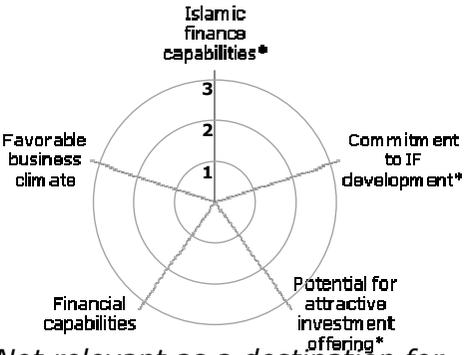
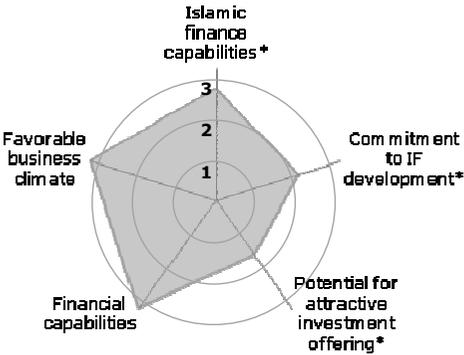
## LONDON

## LUXEMBOURG

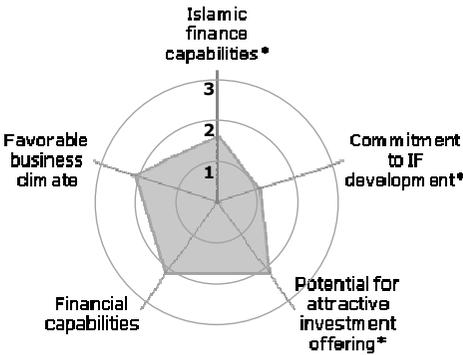
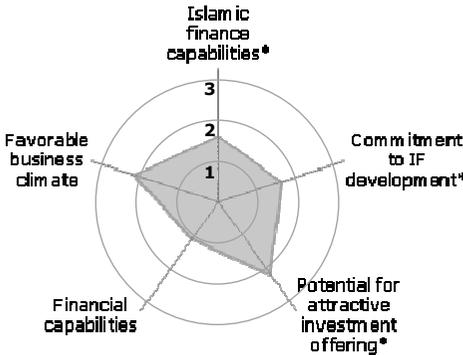
## ISTANBUL

## PARIS

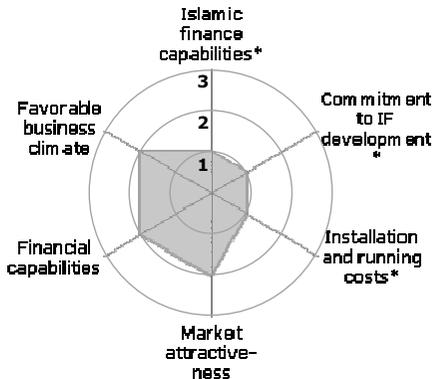
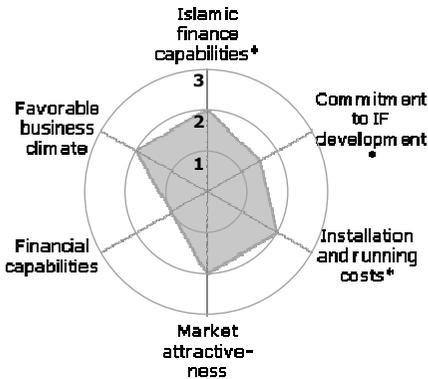
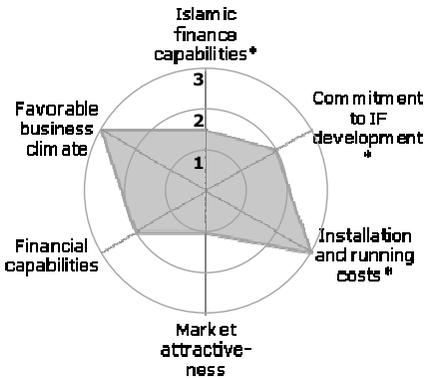
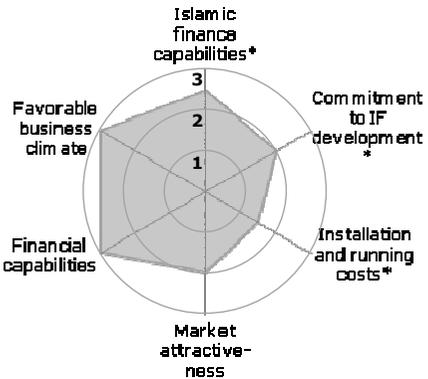
For investors



*Not relevant as a destination for Sharia-compliant investments in domestic market*



For operators



**Legend**

(\*) Criteria specific to Islamic finance  
 Least attractive **1** **3** Most attractive



Sources: Bain & Company survey with top Islamic finance stakeholders, 2011; The Global Financial centers Index, March 2011; Bain analysis



# Islamic finance centers use advantages in geography and expertise to develop distinctive value propositions

	HUB	HUB declared positioning
Middle East	Dubai	Entry point to the Middle East economy
	Bahrain	Center of expertise in Islamic finance in the Middle East
	Doha	Strong Islamic finance operators present at international level; access to attractive domestic infrastructure projects
	Kuwait City, Jeddah	Entry points to attractive domestic markets
Asia	Kuala Lumpur	Strong Islamic finance and international expertise; favorable tax policies
	Singapore	Off-shore gateway to Asian economies
Europe	Istanbul	Entry point to an attractive domestic market, attempting to build a bridge to Europe
	London	Entry point to Western finance, specialized in corporate investment banking and a major source of financial capabilities transfer
	Luxembourg	Off-shore center, specializing as a domicile for funds and for sukuk listings



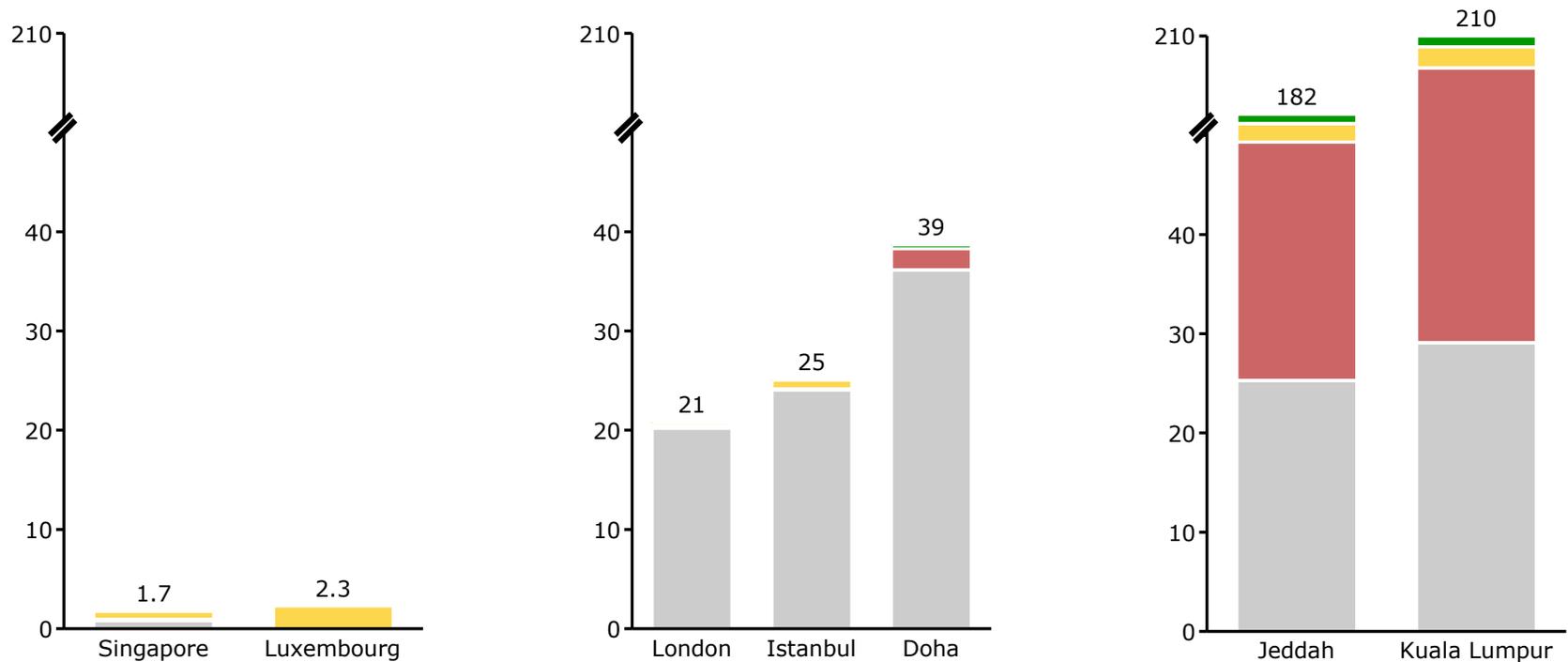
Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; literature search; Bain analysis



# The relative position of Islamic finance hubs reflect their competitive advantages and approach

	<b>NICHE HUB</b>	<b>MULTI-BUSINESS HUB</b>	<b>FULL-FLEDGED HUB</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>Specialized in one or more related Islamic finance business segments</li> </ul>	<ul style="list-style-type: none"> <li>Well-developed and diversified Islamic finance ecosystem, covering most business segments</li> </ul>	<ul style="list-style-type: none"> <li>Fully developed Islamic finance ecosystem, including banking, sukuk, takaful and funds</li> </ul>

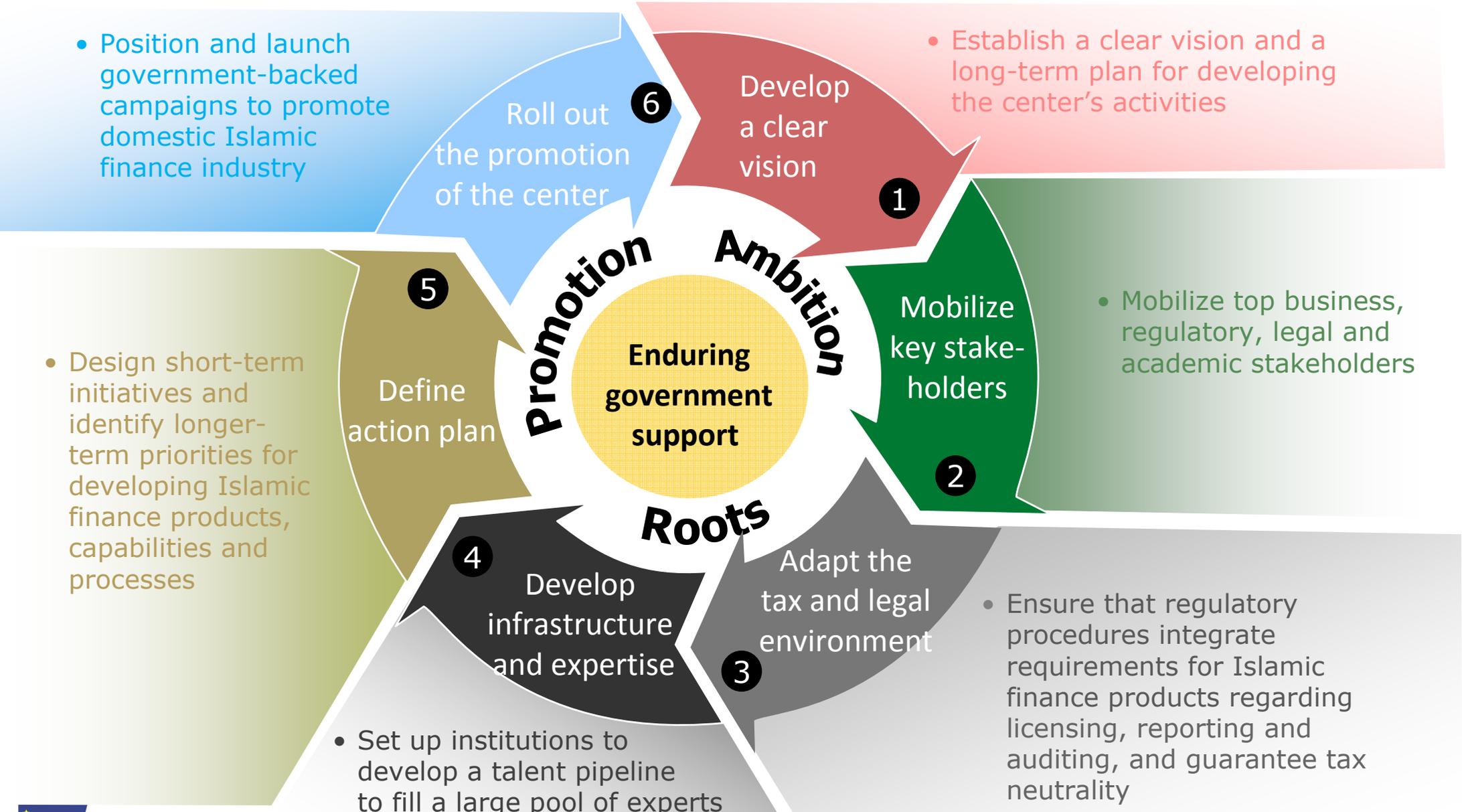
## Examples – not exhaustive of all Hub centers analyzed



Sources: The Banker; Ernst & Young; IIFM; GIFR; Bain analysis



# Developing a successful Islamic finance center requires a consistent approach over time



Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; literature search; Bain analysis



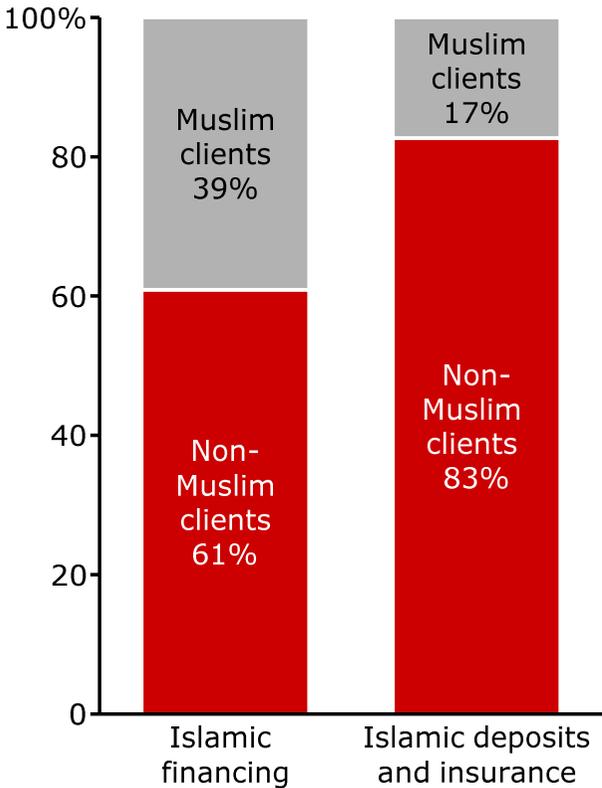
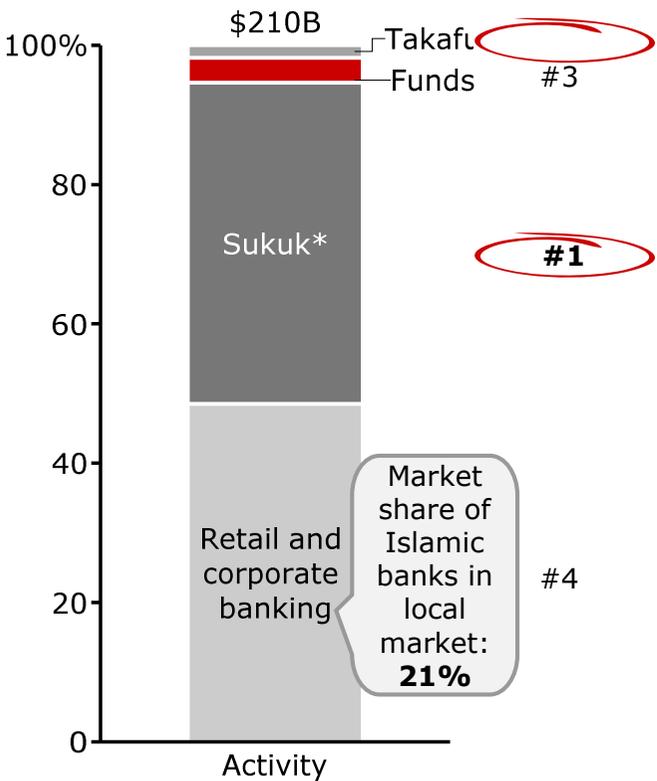
# Malaysia proved to be a role model for developing Islamic finance

## MARKET STRUCTURE

Islamic finance assets (2010)

Positioning in global IF assets

Islamic retail banking assets by client segment



## KEY SUCCESS FACTORS

- 1 Strong **public support** and ecosystem of **Islamic finance regulatory bodies**
- 2 Robust **regulatory framework** for **Islamic finance**
- 3 **Tax incentives** favoring Islamic finance
- 4 **Talent pool** recognized globally
- 5 Developed **network of professional services** firms competent in Islamic finance

Notes: \* Sukuk outstanding issued by local institutions; does not include sukuk of foreign institutions listed in KL  
 Sources: *The Banker*; Ernst & Young; Global Financial Centres Index 2011; Bank Negara Malaysia data; Malaysian banks' annual reports; Euromonitor; Bain analysis



# Islamic finance can become an important source of financing for economy

**Non-exhaustive**

## INFRASTRUCTURE PROJECTS

## CORPORATE AND SME FINANCING

### Examples of project profiles

- **Infrastructure** projects (transportation, real estate, etc.)



- **Industrial** corporate projects (investments in equipment, manufacturing and trade financing, etc.)
- **Real estate** development



### Examples of Islamic finance instruments

- **Sukuk** Ijara (leasing), Mousharaka (trade), Istisna (construction/manufacturing)

- **Sukuk** Ijara (leasing), Mousharaka (trade), Istisna (construction/manufacturing)
- Sharia-compliant **private equity** funds (most adapted for SMEs)



**High-quality, tangible underlying assets are the key criteria for eligibility and attractiveness for investors that are sensitive to Islamic finance**

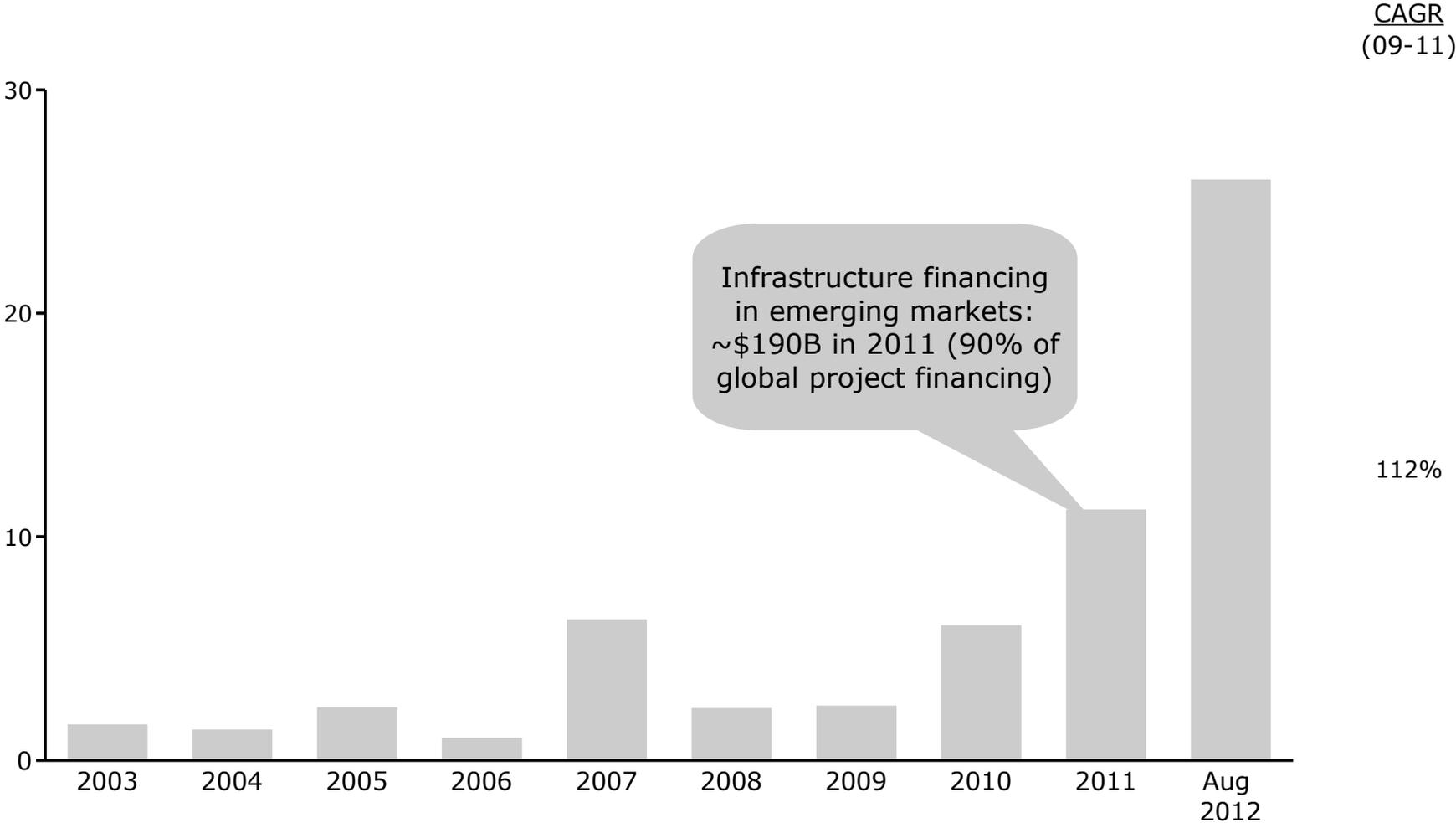


Sources: Bain analysis



# In particular, sukuk has recently gained popularity as an instrument for financing infrastructure projects

Total sukuk issuances for infrastructure projects (\$B)



Sources: KFHR; RBS; Project Finance International



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# Paris is not yet top-of-mind for investors as an Islamic finance hub

## Perceived strengths in conventional finance

- **Large domestic financial market** (No. 5 financial market globally\*)
- Strong **banking expertise, especially on the most advanced products:**
  - French banks are leaders in structured finance and equity derivatives
  - French banks are leaders in project finance
  - French banks have strong reputation in risk management, marketing and service quality
- Expertise in **funds management** (No. 2 globally in terms of assets under management\*)
- **Access to the euro zone and euro-denominated** products and financial instruments
- Unique positioning in **French-speaking Africa**
- Privileged **relations with Middle East** (in particular with Kuwait and Qatar)

## Perceived strengths specific to Islamic finance

- **Large Muslim population** (at 4.7 million in 2010, it is the largest in the EU)
- **High volume and quality** of potentially Sharia-compliant **assets** in real estate, infrastructure projects, aerospace, renewable energy and other capital-intensive industries
- Leading center in continental Europe for **education and academic infrastructure in Islamic finance**: 12 French universities offer courses in Islamic finance
- **Recent support of the government to Islamic finance**, as demonstrated by initiatives introduced by Finance Minister Christine Lagarde between 2008 and 2010
- **Major legal and taxation barriers to Islamic finance have been addressed**



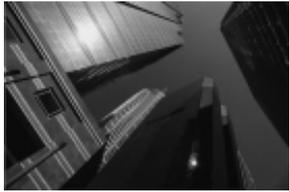
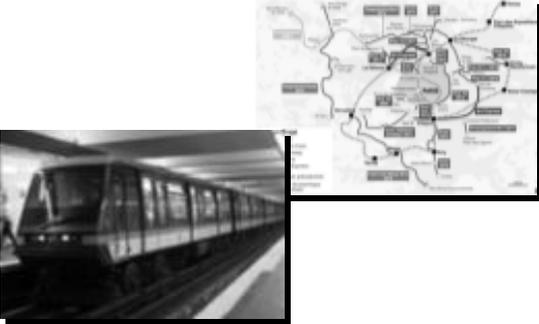
Note: \*According to The Banker's 2011 IFC rankings

Sources: 2011 Bain & Company survey of leading Islamic finance stakeholders; GPIA; Opinion Way; KPMG



# Greater Paris presents many assets for the development of Islamic finance

## An attractive, high-quality investment offering in real economy



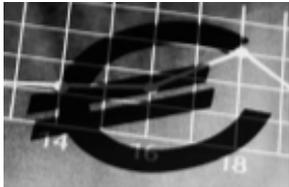
- Large and high-quality infrastructure projects, with high visibility
- A dynamic SME base, with significant and high-quality funding
- Large corporate base, with strong performance track record

## A high-performance financial environment



- Leading-edge capabilities in IB/AM/PE
- Strong protection of investors' rights
- Emerging ecosystem for Islamic finance

## A diversification opportunity for investors



- Access to euro-based investments
- Access to French-speaking Africa



Source: Bain analysis



# However, Paris will have to respond to some structural challenges in Islamic finance

CHALLENGES PARIS HAS TO RESPOND TO	POTENTIAL ACTIONS/INITIATIVES
<b>1</b> No local track record in Islamic finance	<ul style="list-style-type: none"> <li>• Launch <b>pilot projects</b></li> </ul>
<b>2</b> Perception that the French government's support of Islamic finance lacks consistency	<ul style="list-style-type: none"> <li>• Introduce an <b>empowered public owner</b> who is responsible for supporting the development of Islamic finance</li> </ul>
<b>3</b> Lower returns on investments compared with developing economies	<ul style="list-style-type: none"> <li>• <b>Market</b> as an opportunity for broader <b>access to secure euro-based investments</b>, allowing portfolio diversification</li> </ul>
<b>4</b> High implementing costs for Islamic finance	<ul style="list-style-type: none"> <li>• <b>Invest in standardization</b> of Sharia framework by, for example, creating replicable product structures, contract or project documentation, or investing in education of internal and external players</li> </ul>
<b>5</b> Perception of negative attitudes toward Islam	<ul style="list-style-type: none"> <li>• Label as "<b>participative Sharia-compliant finance</b>," which seems to be well perceived by investors</li> <li>• <b>Market</b> Islamic finance development <b>as support for economic growth</b> for French and foreign stakeholders</li> </ul>
<b>6</b> Legal "insecurity" and high government influence on business	<ul style="list-style-type: none"> <li>• Launch a campaign to show that <b>France encourages investments into real economy</b> and <b>current changes are conjuncture-related</b></li> </ul>



Source: Bain survey with top Islamic finance stakeholders, 2011; literature search



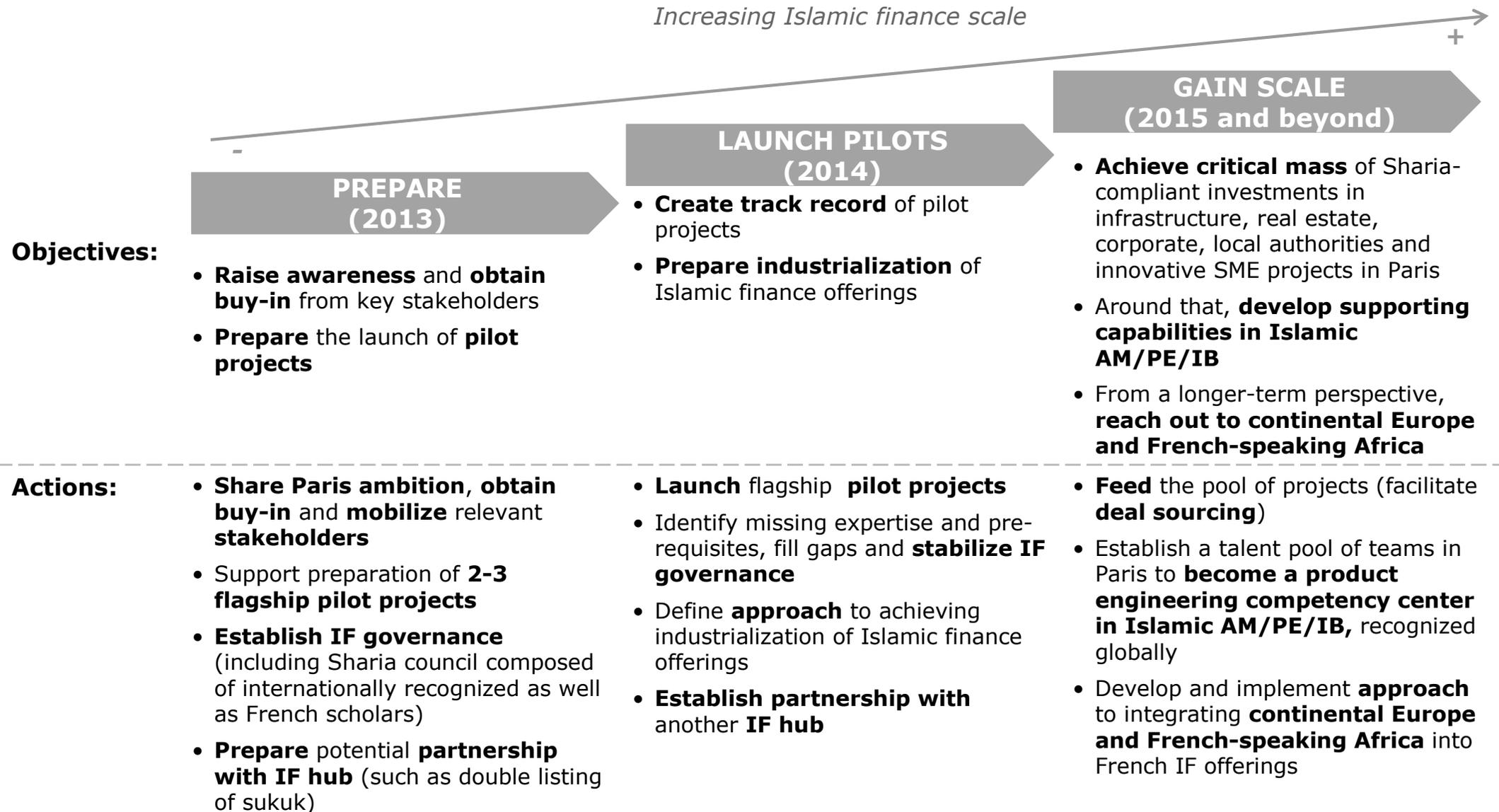
# At this stage, Paris should target niche positioning, specializing in investment management

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
<b>Paris positioning</b>	<p>Attract Sharia-compliant investments</p> <p>• “Attractive destination for Sharia-compliant investments”</p>	<p>Attract Sharia-compliant investments and develop key supporting capabilities</p> <p>• “Niche player in Islamic finance” (including Africa, if needed)</p>	<p>Attract Sharia-compliant investments and develop corporate banking and investment management capabilities locally</p> <p>• Corporate Islamic finance hub” (including Africa, if needed)</p>	<p>Attract Sharia-compliant investments and develop full IF ecosystem</p> <p>• Global Islamic finance hub” (including Africa, if needed)</p>
<b>Addressed funding needs</b>	<ul style="list-style-type: none"> <li>• Large corporate, infrastructure, real estate projects</li> </ul>	<ul style="list-style-type: none"> <li>• Large corporate, infrastructure, real estate projects</li> <li>• Large local authorities and innovative SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• All corporate, infrastructure, large real estate projects</li> <li>• All local authorities and all SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• All corporate, infrastructure, large real estate projects</li> <li>• All local authorities and SMEs</li> <li>• Individuals</li> </ul>
<b>Local business segments</b>	<ul style="list-style-type: none"> <li>• No need for dedicated local IF institutions</li> </ul>	<ul style="list-style-type: none"> <li>• IB/project finance/PE/AM</li> </ul>	<ul style="list-style-type: none"> <li>• Full CIB (including asset-based finance and corporations), PE/AM</li> </ul>	<ul style="list-style-type: none"> <li>• AM/PE/CIB/retail/takaful</li> </ul>
<b>2020 ambition*</b>	<p><b>€1-2B</b></p> <p><i>i.e., &lt;0.1% of French 2020 real GDP</i></p>	<p><b>€5-10B</b></p> <p><i>For example, 0.2%-0.4% of French 2020 real GDP</i></p>	<p><b>&gt; €10B</b></p> <p><i>i.e., &gt;0.4% of French 2020 real GDP</i></p>	
<b>Paris differentiation</b>	<ul style="list-style-type: none"> <li>• Attractive euro-based investment offering</li> </ul>	<ul style="list-style-type: none"> <li>• Attractive euro-based investment offering</li> <li>• Conventional and IF capabilities in AM/IB</li> </ul>	<ul style="list-style-type: none"> <li>• Attractive euro-based investment offering</li> <li>• Large domestic market for corporate lending, offering high-quality client base</li> </ul>	<ul style="list-style-type: none"> <li>• Attractive domestic market (largest Muslim population in Europe)</li> </ul>

\* Annual flow  
Source: Bain analysis



# The action plan for France must be realistic, pragmatic and well paced



Source: Bain analysis



# Key takeaways

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- Through 2011, Islamic finance centers in non-Muslim countries represented only some 3% of all Islamic finance assets.
- Performance on key success factors varies widely among the established and nascent Islamic finance hubs, but they all share common traits: The support of government and regulators, a clear strategy and coordination, conventional finance capabilities and the presence of an Islamic finance ecosystem.
- A consistent, long-term approach is crucial to ensuring the successful development of Islamic finance.
- Paris is not yet top-of-mind for investors as an Islamic finance hub, but it has distinct strengths. At this stage, it should target niche positioning specializing in investment management.
- In the development of Islamic finance, France must have a realistic, pragmatic and well-paced plan. The focus should be on infrastructures, SMEs and corporate financing, leasing or real estate projects.



# About the Greater Paris Investment Agency

## 20 years of success

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# Contacts

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- **Greater Paris Investment Agency**

- Chiara Corazza, Managing Director**

- Address: 7 rue Balzac - 75008 Paris - France

- Phone: +33 1 55 65 74 80

- E-mail: [contact@gp-investment-agency.com](mailto:contact@gp-investment-agency.com)

- Press contact: Christophe Scheidhauer, Project Manager for Lobbying and Benchmarking**

- Address: 7 rue Balzac - 75008 Paris - France

- Phone: +33 1 55 65 73 10

- E-mail: [cscheidhauer@gp-investment-agency.com](mailto:cscheidhauer@gp-investment-agency.com)

- **Bain & Company**

- Research contact: Ada Di Marzo, Partner**

- Address: 50 avenue Montaigne - 75008 Paris - France

- Phone: +33 1 44 55 76 69

- E-mail: [Ada.Dimarzo@Bain.com](mailto:Ada.Dimarzo@Bain.com)

- Press contact: Caroline Detalle, Marketing and Communications Director**

- Address: 50 avenue Montaigne - 75008 Paris - France

- Phone: +33 1 44 55 77 03

- E-mail: [Caroline.Detalle@Bain.com](mailto:Caroline.Detalle@Bain.com) [Stephanie.herrmann@bain.com](mailto:Stephanie.herrmann@bain.com)

