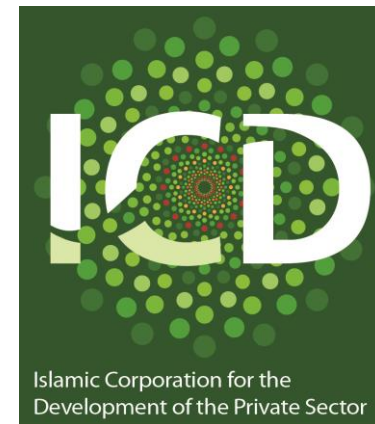


Exploring new models of CIS leasing Companies: The Way Forward

Dushanbe Business Forum 2013



1. Worldwide Leasing Industry



Overview

- After the Global Financial crisis of 2007- 2008, the leasing industry's fortunes began to improve in 2010 and the year 2011 witnessed the increase in new business volumes by 34.1% to a record US\$797bn.
- The depth of the improvement is illustrated by the performance of the top 10 countries (representing 80% of the world volume). In 2009, nine of the top 10 experienced negative growth in new business, the exception being China. In 2011 nine out of 10 experienced positive growth, the exception being Italy. Twenty-four of the 50 countries reported double-digit growth, with five reporting more than 50% growth in new business.
- Every region reported improved performance in 2011 as compared to 2010. North America, in particular, delivered a remarkable 37% growth. New business in Asia grew by 27%, Australia/New Zealand by 11%, South America by 8% and Europe by 7%.

Rank by Volume	Region	Annual Volume (US\$ bn)	% of World market volume 2011
1	Europe	302.7	38.0
2	N America	292.5	36.7
3	Asia	153.4	19.3
4	S America	27.5	3.5
5	Aus/NZ	12.0	1.5
6	Africa	8.6	1.1
	Total	796.7	

Source: White Clarke Global Leasing Report

Leasing Industry in the World

Top 20 Countries in terms of Leasing Volume in 2011 and Ranking

Ranking	Country	Annual leasing volume (USD bn)
1	US	268.8
2	Japan	73.54
3	Germany	68.59
4	China (People's Republic)	60.39
5	UK	51.62
6	France	33.3
7	Italy	22.94
8	Russia	22.84
9	Canada	22.45
10	Switzerland	11.85
11	Australia	11.55
12	Brazil	10.43
13	Korea	9.57
14	Poland	9.28
15	Sweden	9.23
16	Denmark	7.72
17	Norway	7.66
18	Colombia	7.56
19	Austria	7.46
20	Spain	7.12

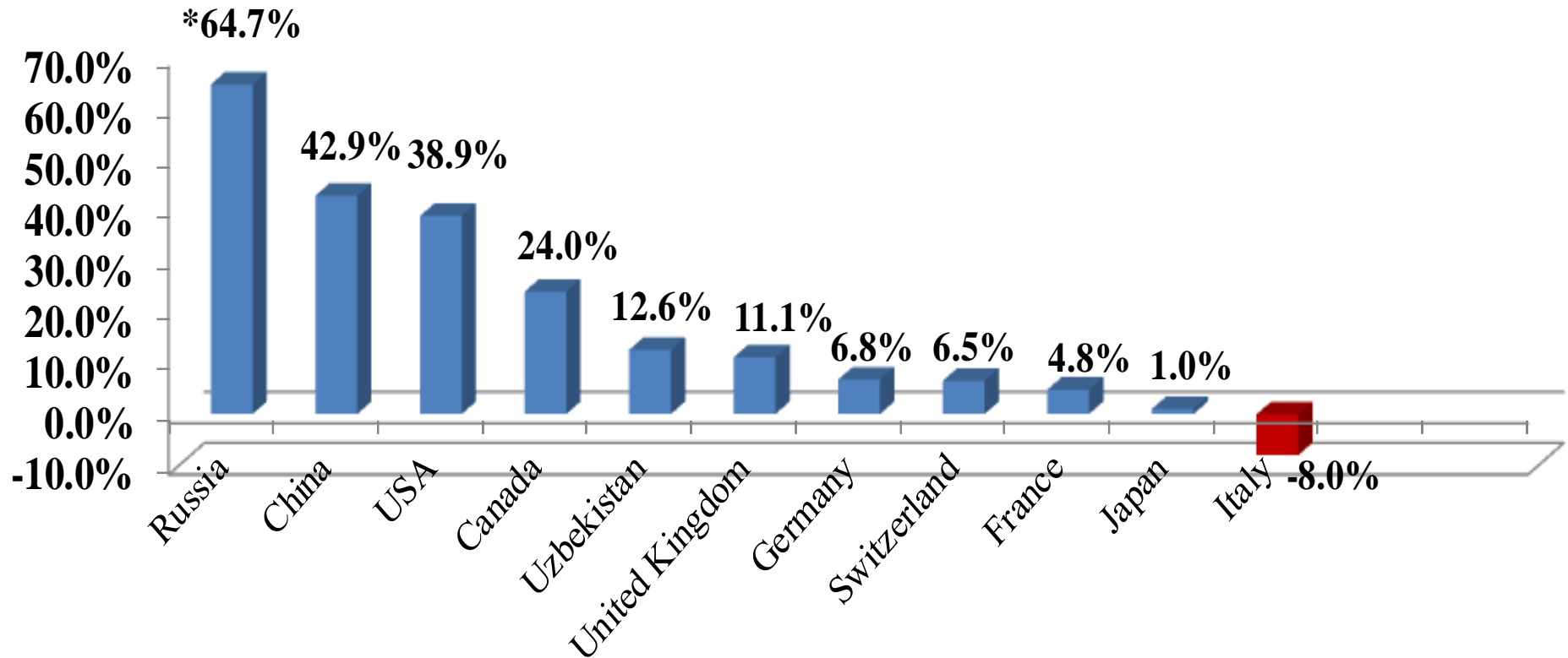
Top 20 Countries in terms of Leasing Volume as a % of GDP in 2011

Ranking	Country	% of GDP
1	Estonia	5.13
2	Cyprus	4.33
3	Latvia	2.89
4	Finland	2.48
5	Denmark	2.46
6	Colombia	2.45
7	Peru	2.24
8	Slovenia	2.24
9	Switzerland	2.18
10	Czech Republic	2.16
11	UK	2.15
12	Germany	2.04
13	Austria	2.04
14	Poland	1.98
15	Sweden	1.94
16	Chile	1.89
17	Puerto Rico	1.84
18	Norway	1.8
19	US	1.77
20	Bulgaria	1.75

Source: White Clarke Global Leasing Report



Growth of new leasing deals in the world in 2011



**Leases mostly includes trains and wagons*



2. About CIS





Commonwealth of Independent States (CIS)



Micro Economic Statistics 2012

Country	Population (USD Mio)	GDP (USD Mio)	GDP growth	GDP per capita (USD)
Belarus	9.46	58,215	4.30%	6,710
Kazakhstan*	16.86	210,642	5.20%	11,700
Kyrgyzstan*	5.65	6,197	0.80%	1,100
Russia	143.37	2,053,000	3.40%	14,240
Tajikistan*	8.01	7,263	2.10%	900
Uzbekistan*	29.87	51,622	4.10%	1,800
Azerbaijan*	9.24	71,043	3.80%	7,500
Moldova	3.56	7,589	4.40%	2,100
Ukraine	45.55	175,174	0.20%	3,870
Armenia	3.27	10,551	2.10%	3,500
Turkmenistan*	5.17	33,466	6.90%	6,100

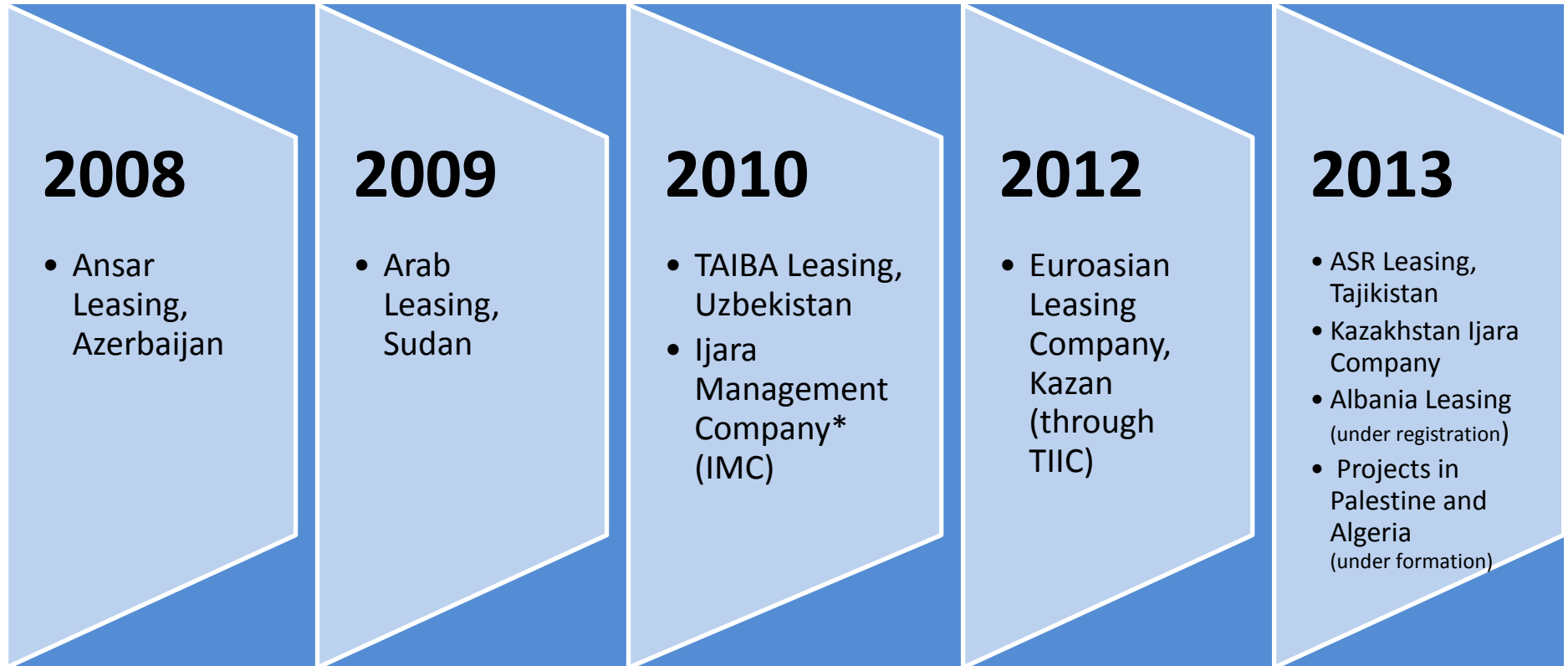
* ICD Member countries



3. ICD in the Leasing Sector



Leasing initiatives – Milestones so far...



**** IMC was incorporated as a management company to assist in the successful set up of leasing companies on a turnkey basis and provide management and technical services to all the leasing projects.***



Leasing initiatives – Pipeline projects

FS* stage

- Saudi Arabia
- Morocco
- Egypt

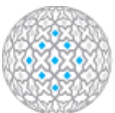
Pre-FS stage

- Bahrain
- Kurdistan
- Kyrgyzstan

Identified markets

- Senegal
- Cameroon
- Nigeria

*** Feasibility Study**



4.

About IMC



Ijara Management Company

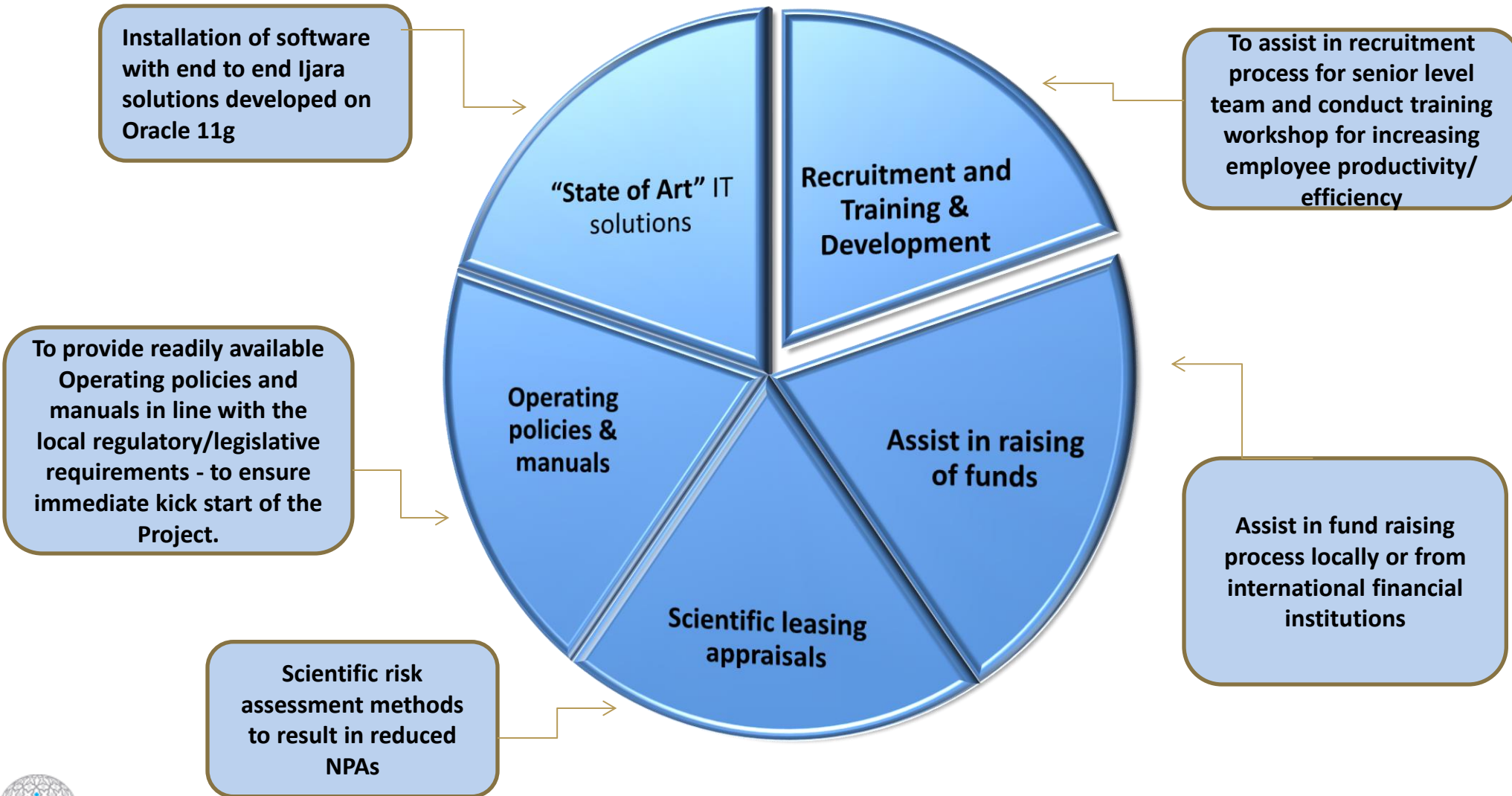
Ijara Management Company (IMC) is a fully owned subsidiary of ICD

With ICD's vision to set up Islamic leasing companies and to ensure that all these companies follows the highest standards of Corporate Governance and best International practices, IMC assists in setting up of Ijara Companies with the following **objectives** :

- To build, manage and advise existing or startup companies in the Islamic Leasing Sector (Ijara) in the member countries of ICD & beyond.
- To conduct feasibility studies and arrange equity placements.
- To assist in setting up Islamic financing window for the conventional leasing companies.
- To work with various regulators and governments to establish leasing laws to enable Ijara companies to grow and add value to the economy.
- To restructure existing loss making Ijara companies.
- To help ICD & other financial institutions in setting and managing Ijara funds.



IMC's Value Addition



5. Challenges in the Islamic Leasing



Challenges in Islamic Leasing

Challenges	Background	Mitigation
Regulations	Lack of specific regulations on Leasing sector, especially Islamic Leasing	ICD works with various regulators and governments to establish leasing laws to enable Ijara companies to grow and add value to the economy. IMC ensures that the company follows highest standards of Corporate Governance and best International Practices in terms of Debt-equity, Provisioning, etc.
Limited availability of funds	Limited availability of Medium/Long term Islamic funds	IMC works closely with the leasing projects to raise Islamic funds locally (in case of its availability) and also with other International financial institutions.
Education & Training	Shortage of leasing professionals & experts and manpower	IMC assists in recruitment process of employees and conducts regular training workshops. Shariah Advisory services from eminent Scholar are also provided.
Technology & Investments	Investments are kept at very low level and also with not up-to-date technology	IMC provides its sophisticated “ <i>State of Art</i> ” software with end-to end Ijara solutions, specially designed for financial institutions committed to differentiating itself and deriving additional revenue.
Islamic Insurance	Least developed sector in the Islamic Finance Sector	ICD has initiated development of Takaful insurance sector in many member countries.
Exit for Investors	Underdeveloped Debt Market/ Stock exchange	Inviting new partners/investors to join



6. Opportunities in SMEs sector



Opportunities in SME Sector



SMEs are recognised as a key source of growth, dynamism, innovation and flexibility

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