Islamic banking worldwide

‘what is in it - for All of Us’

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THRUST OF THE PRESENTATION:

- Introduction
- Market demand, shifting global players…
- Islamic Banking Worldwide – what’s in it ‘for all of us’
- Future Trends …
- Conclusion

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‘capitalizing’ on the enormous growth potentials

• The Islamic finance industry is said to be growing at various rates (10% -15% pa), (15% – 20% pa) some even say at 40%-50% per annum and also said to be managing funds $500Bn to $1Tn… it is quite evident that the industry is growing.

• The GCC markets are enjoying a period of extra ordinary growth reminiscent to that of the 70’s oil boom.

• But this time – concentration is on construction, infrastructure, services, tourism and economic diversity as well as greater private sector role.

• Appetite for Islamic finance is very much high and appealing not only in the GCC or Asian markets, but globally.

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Islamic Banking & Finance - tapped only 20%...

20% tapped

80% untapped

The untapped market potential is available to tap into and bring benefits to:

• INDIVIDUALS,
• CORPORATE ENTITIES
• THE GOVERNMENT

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Islamic banking industry’s growth potential and enormous opportunities are largely untapped due to lack of understanding as to **What Islamic Banking is?**

Islamic Banking & Finance
- beyond economical and financial benefits...

Governed by Shari’ah Principles (Quran & Sunnah)

such guidance covers all walks of life
Not confined to Muslims only, but for the entire mankind

Moral Ethical Social Religious and more….

Knowledge & learning

Ethics & Etiquettes

Law & Justice

Social, moral & ethical life

Politics & Governance

Commerce & Economy

Human Rights & Relations

Hygiene

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Market demand, shifting global players

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Islamic finance demand to rise to $4tn in 5 years

Standard & Poor’s
International rating agency

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Market Shift... Entering the Islamic finance market...

Enter through:
- Islamic banking windows,
- Independent branches
- fully-fledged subsidiaries,
- fully converted Islamic banks

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Islamic Banking Worldwide

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### Islamic Banking & Finance
- appealing to all…

**Top 10 Global Banks into Islamic Finance**
– Actively involved to capitalize

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBS</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Citigroup</td>
<td>USA</td>
</tr>
<tr>
<td>Mizuho Financial Group</td>
<td>Japan</td>
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<td>HSBC Holdings</td>
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<tr>
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<td>France</td>
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<td>JP Morgan Chase &amp; Co</td>
<td>USA</td>
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<td>Deutsche Bank</td>
<td>Germany</td>
</tr>
<tr>
<td>Royal Bank of Scotland</td>
<td>UK</td>
</tr>
<tr>
<td>Bank of America</td>
<td>USA</td>
</tr>
</tbody>
</table>

Aspirations to be Islamic Banking Hubs

- **Thailand** already have Islamic Bank of Thailand, backed by the government to attract FDIs through Islamic finance, to develop the nation…

- **London** to portray as Islamic Banking Hub with five Islamic banks regulated under FSA…

- **Singapore** to compete with Malaysia on the Islamic banking front and housed the first Asian Islamic Bank with $100Mn… many in the pipeline.

- **Hong Kong** aspiring to be Islamic Banking Hub and moving positively…

- **India** an emerging market for Islamic finance, deliberations going on with RBI with Islamic finance propositions…

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Aspirations to be Islamic Banking Hubs

- **France** woke up recently to be part of the Islamic banking and finance bandwagon...
- **Canada** looking into regulatory issues in accommodating Islamic banking and finance institutions...
- **Japan** building appetite for Islamic Finance through the debut Sukuk offering...
- **Indonesia** fine tuning regulatory framework to aggressive pursue Islamic banking and finance as mainstream...

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Future Trends

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Going Forward...

Can no longer market Shari’ah compliant products and attract investors, solely depending on Islamic sentiments.

Competition becoming stiffer and the customers becoming smarter to demand much more than Shari’ah Compliance…

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What's Important ...

➢ To fuel the growth – the Islamic finance (market) players must strive to capitalize on this global trend by offering:
  • variety and diversified options to investors
  • Quality services to match the desired expectation of the investors/customers.
  • professionalism in dealing with investors.
  • investors with adequate, timely and accurate information to support in their decision making.
  • competitive structures, pricing and choice of funds.
  • adequate distribution channels.

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Bringing conventional **best practices** to the Islamic banking fold...

### Conventional
- **Technology Driven**
- **Innovative product offerings**
- **Excellent Customer Services**
- **Multi-distribution channels**
- **Competent management team**

### Islamic
- **Innovative Shari’ah compliant products**
- **World renowned Shari’ah Scholars**
- **Islamic traditional values**
- **Unique branding**
- **Geared to lead & make a difference**
- **Competitive pricing strategies**

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Conclusion

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The challenge going forward...

“Islamic finance must be portrayed as a ‘distinct alternative’ to conventional finance, otherwise Islamic finance will be portrayed as ‘just another type of product/service’ under the conventional banking umbrella”
Conventional Banking

- Retail banking
- Corporate banking
- Investment banking
- International banking
- E-banking
- Private banking

Islamic Banking

- Retail banking
- Corporate banking
- Investment banking
- E-banking
- Private banking
- International banking

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