



Technology Solution to Enhance Efficiency and Cost Effectiveness

Retail Banking Summit: Assessing the Outlook for the Islamic Consumer Banking Market

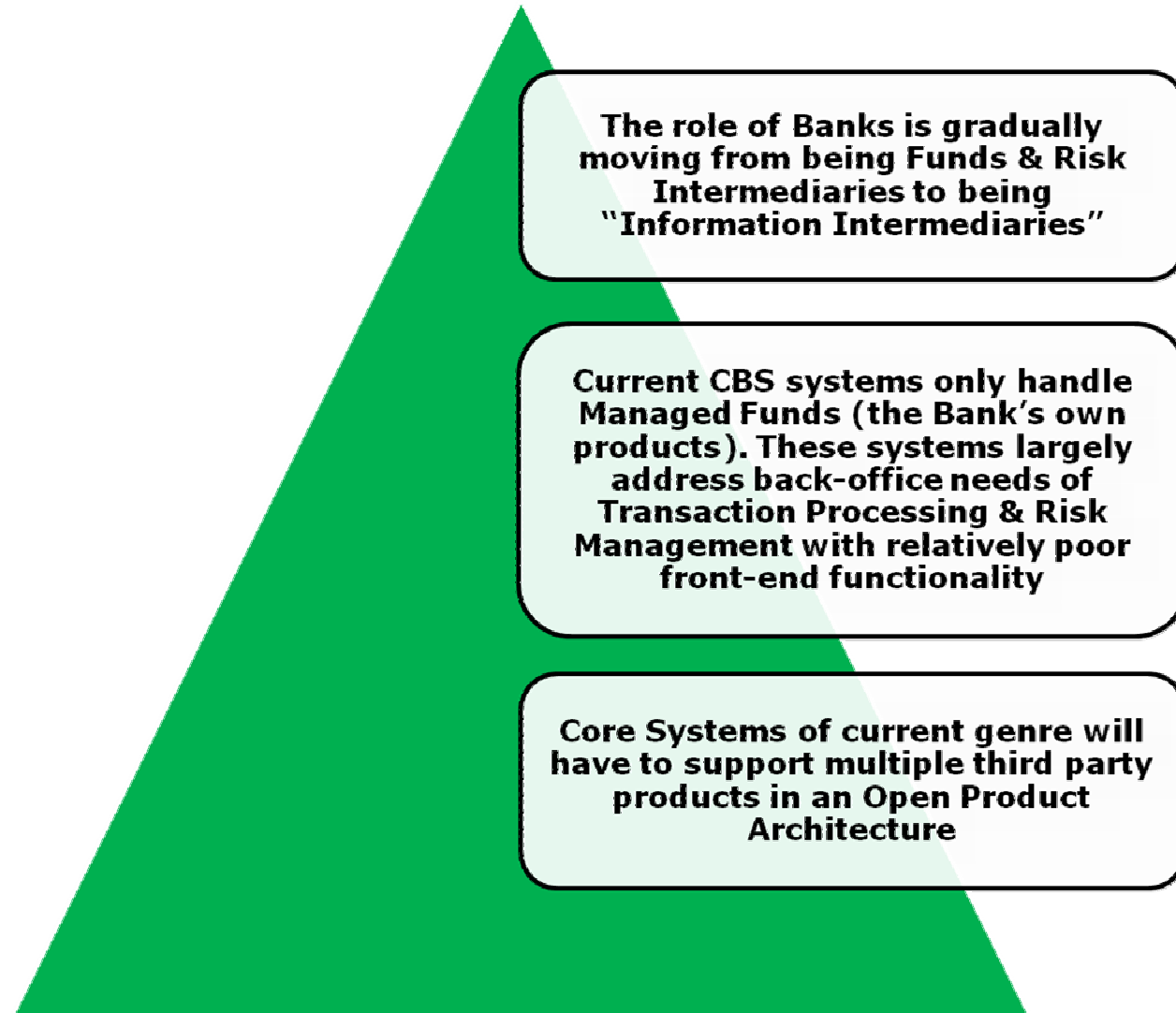
**Venue : Gulf Hotel, Bahrain
Date : November 25th, 2008**

**Presented by
Hanuman Tripathi
CEO & Managing Director
Infrasoft Technologies Limited**

This presentation is a creation of the author solely. The company does not take responsibility of any content in this presentation. Both, the company and the author do not take any responsibility whatsoever of correctness of information in this presentation and cannot be held liable in any manner.

InfrasoftTech

Changing role of Technology for Banks & Financial Institutions



In Changing Business Landscape, Conventional Systems May Fall Short of Modern Islamic Finance Needs

Need to create profit share algorithms which can drill down from a Product to Investment instrument, Permitted Objectives to the Contract level

Yield Calculation across multiple entities and permitted objectives, form a core need of Islamic Finance. This needs an enterprise wide solution to eliminate errors and bring transparency in the process

Technology needs to support products following Hijri and Gregorian calendar format seamlessly for consistent ALM

The Wealth Management Offerings itself are re-orienting to become Distribution Platforms, to manage investible funds of the fast growing Mass Affluent Class; into Mutual Funds, Insurance, Equity, Debt Instruments, Art, Real Estate Funds etc. The underlying software technology for attaining success requires ability to integrate third party product providers and deliver On-line Portfolio Views and undertake complex transactions,

Changing Times... Managed by Versatile Technology

Retail Business models are getting more preference due to general slump in the investment banking business

Its good to invest in Platform based solutions that are modular... these will cause Lower CAPEX and will give lethal competitive edge to move to new business models quickly

The challenge Islamic Banks face..... the technology presently in use.... limits the offering of the bank

Software technology chosen must help to build new products on the fly and the new offerings should inherit strength of the core engine to maintain consistency

The Banks providing both, Conventional & Islamic Banking services, will need an agile software backbone to configure different and accurate work flows due to the need for accuracy of process required for true Shariah compliance

For Compliance, a transparent step-by-step linkage between transactions to be posted and documents & confirmations to be generated to substantiate the existence of an underlying commercial contract is required

Changing Times.....

Use of Software Technology to re-structure traditional Islamic Retail Banking products to receive potentially more returns

Example: Traditional Mudharaba deposits may no longer be attractive for potential investors. The Demand may be for a Systemic Investment Plans as a Mudharaba Fund which is linked to Wakala Call Placements. Such products offer better potential for banks to build their long term deposits base while offering investors potentially higher returns

Similarly, traditional Murabaha based asset financing product has to have the capability to be offered as Group Finance product covering a group of customers, buying the same asset say a Motor Car, with delinquency being monitored at individual & group levels with built-in but optional facilities for collateral management and securitization

Example : Single Asset Leasing based Ijara Products may be expected to cover invoice factoring products with appropriate underlying documentation to ensure Shariah compliance

Islamic Finance Technology would still need Robustness of Core Banking Systems

Comprehensive Audit Trails & Exceptions Management

**Strong Workflow enabled Core Engine with Common Business
Objects & Processes**

**Maker-Checker capability (4 Eye Principle) to ensure strong
supervisory controls**

On-Line Limits, Exceptions Monitoring & Overrides

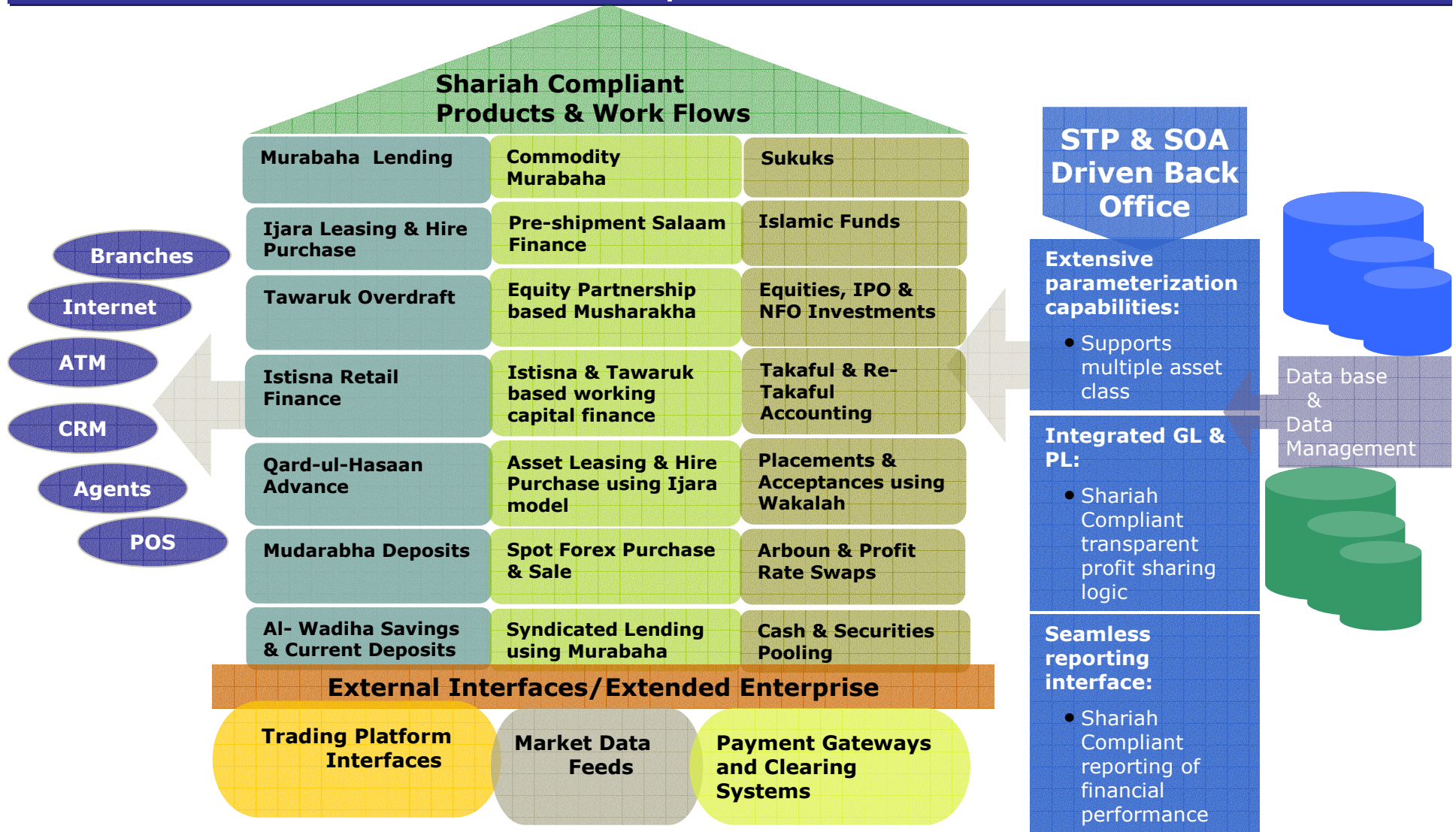
Comprehensive Role-Based Access Controls across the enterprise

Multi-Entity and Multi-Currency Accounting capability

**Centralized Standing Instructions Management and Bank-Wide
Consistency Checks**

**Enterprise Level Delivery Channels, Payment Gateways, Market
Feeds & Trading Interfaces**

Comprehensive Islamic Finance Technology ... Enterprise Platform



Last Words... Get Ready for the Next Wave

Markets have Gone Roller Coaster in a 8 Years Cycle, but this time the recovery may be within Y2011-12... as the larger part of the world economy & trade HAS to function "As Is".....

Last time around when USA & UK Bounced Back, the revival created New Billion Dollar Companies Club in Supply Economies...

This time when Revival Happens.... The opportunity for Ethical Finance may be much Larger....

Also... this slump is creating new Leaders : Larger Consumption Economies of BRIC Countries & Rise of GCC, among whom the mutual trade is bound to rise

The end of the Tunnel may be far but is certainly Brightly Lit....



corporate@infrasofttech.com
www.infrasofttech.com

Trademarks & Copyrights : Infrasoft Technologies Limited

This presentation is a proprietary material of Infrasoft Technologies Ltd. Any unauthorized usage or distribution of this material without prior consent of Infrasoft Technologies Ltd. is prohibited.

InfrasoftTech