

Capitalising on cross-border opportunities while innovating in local markets

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Intelligent

Islamic Finance Advisory: Creating Innovative
Solutions for a Dynamic World



EUROMONEY

Best Islamic Assurance and Advisory Services - 2006
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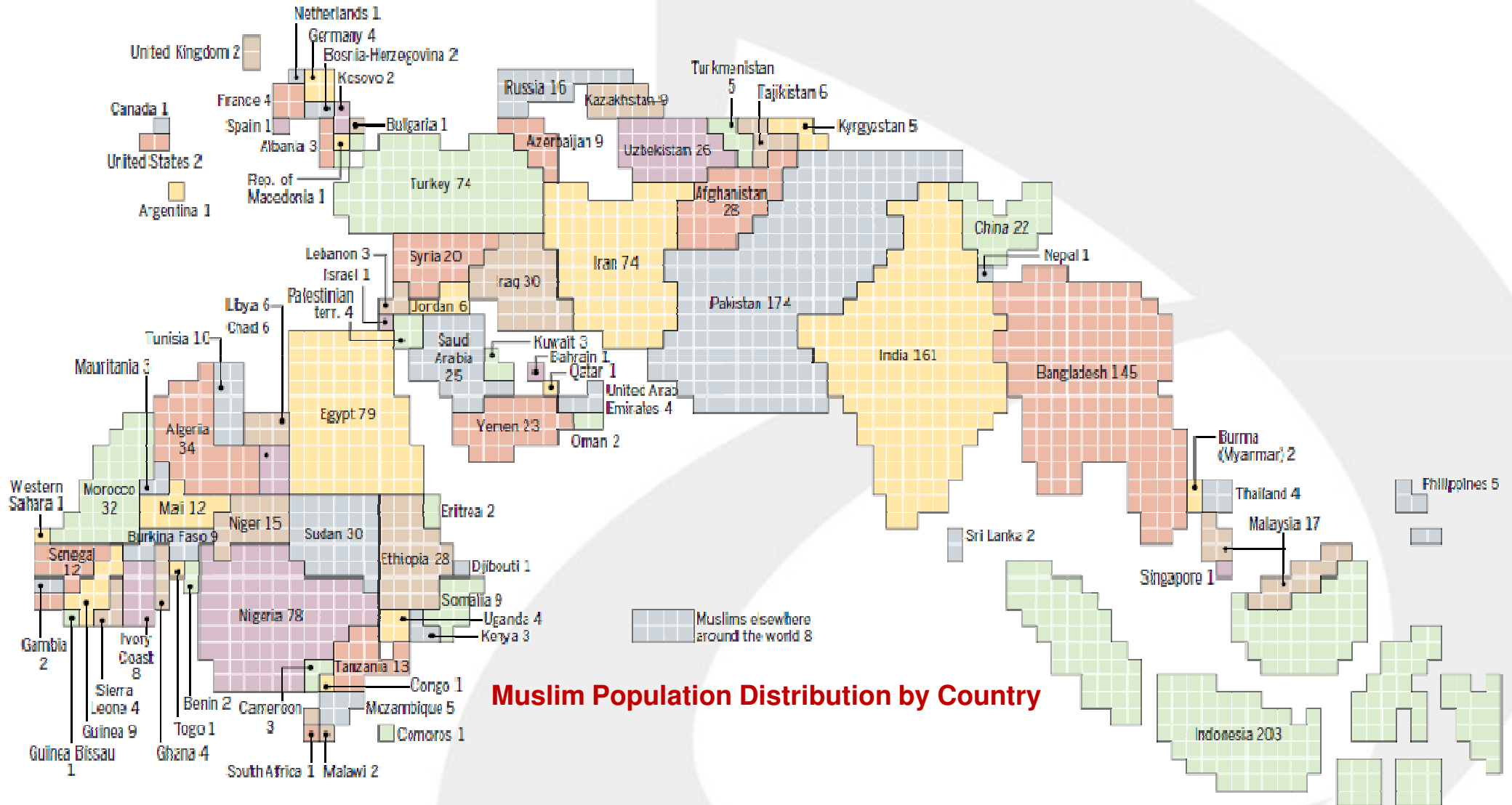
Capitalising on Cross Border Opportunities

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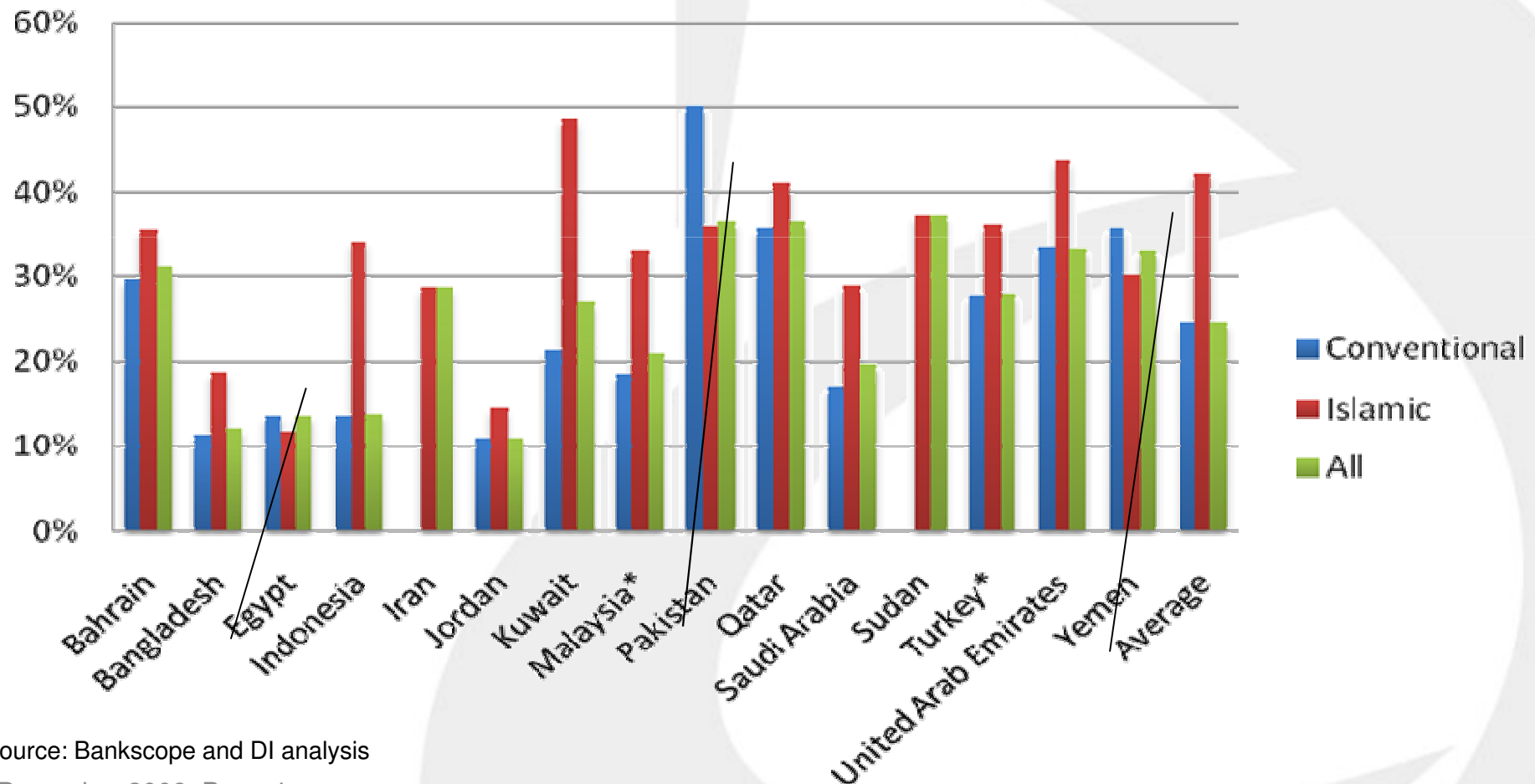
Islamic Finance Advisory: Creating Innovative
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Cross Border Opportunities

Core retail Islamic banking potential remains untapped



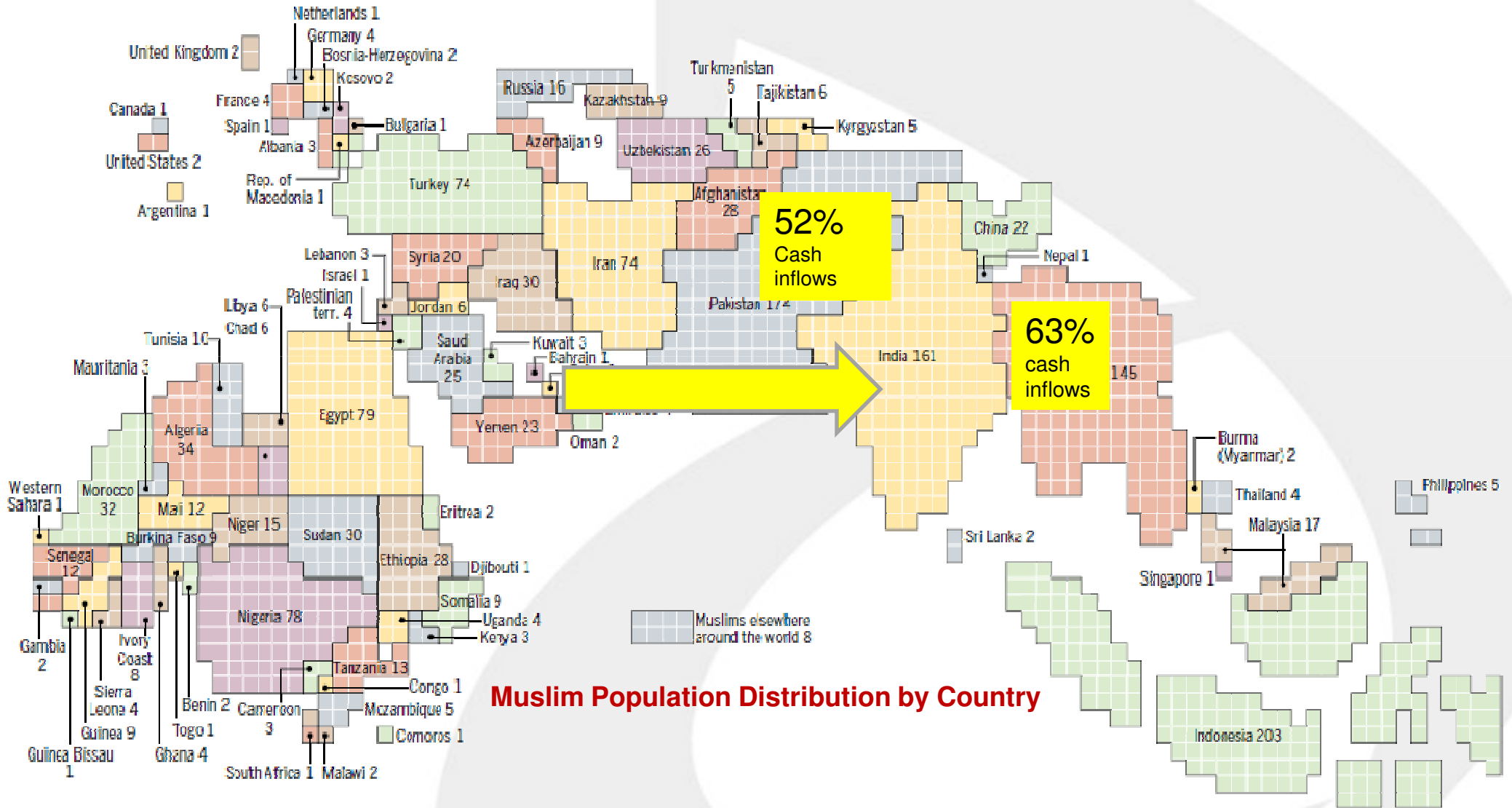
Islamic Banking Average Asset Growth 2001-2007



Source: Bankscope and DI analysis

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21% of global remittances flow from GCC to South Asia

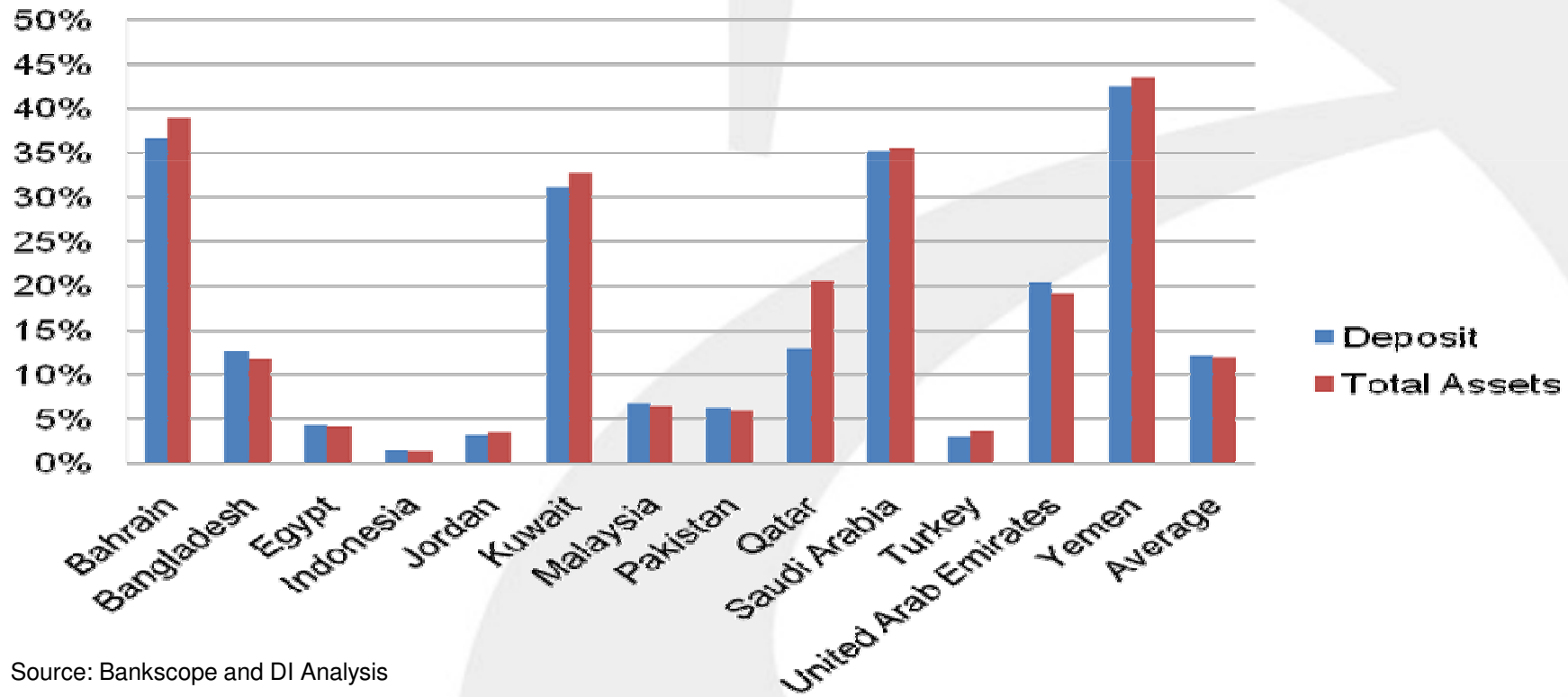


Muslim Population Distribution by Country

Source: Pew Research Center's Forum on Religion and Public Life: Mapping the Global Muslim Population, October 2009

While demand grows, penetration still remains low relative to market potential

Islamic Banking Assets Penetration (2008)



Source: Bankscope and DI Analysis

Some countries with untapped strong potential

Kazakhstan

- Initiated new Islamic Banking law approved overwhelmingly by national parliament.
- Several Islamic banks have opened branches.

Azerbaijan

- Four Islamic financial institutions offering private equity, leasing, commercial banking

Uzbekistan

- Parliament approved Islamic banking laws in March 2009.
- ICD has invested 33 mln with four banks

Syria

- Four Islamic banks and very low banking penetration.
- Strong religiosity.

Nigeria

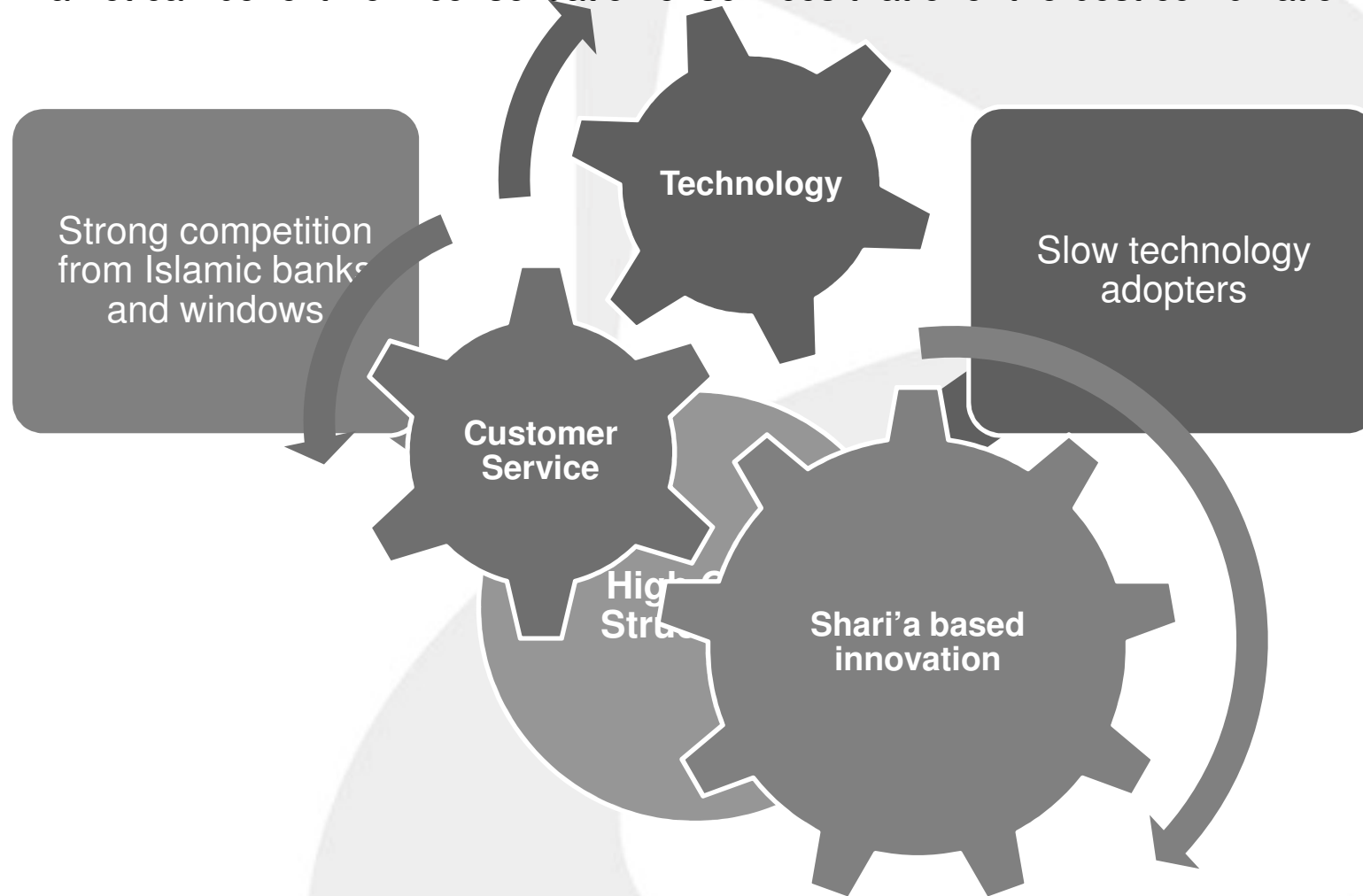
- Strong religiosity within Muslim population.
- Keen interest from state governments and institutions to raise Shari'a compliant financing

India

- Federal government has demonstrated strong interest,
- But significant legal and taxation problems remain,
- Kerala has launched Islamic SME finance institution



Market can benefit from consolidation of services that offer the best combination of



END TO END TRANSACTION EXECUTION PLATFORM

Comprehensive assistance in branches to migrate customers online

Transaction
Banking

Wealth
Solutions

Transfers

Financing

KEY: LOWEST TRANSACTION IMPEDIMENTS AND HIGHEST SECURITY

More often than not, service performance is focused on front line staff **getting RID of the problem** (i.e. customer) and **not on SOLVING problems for customers**

PRO-ACTIVE EMPATHETIC APPROACH

has to be ingrained into front-line staff

Organisational culture has to emphasise
EMPATHY rather than SERVICE.

The solution intends to perfectly service the customer for his specific needs, but through a manner that also is in line with the Maqasid al-Shari'a.

Dar Al Istithmar
Islamic Plastic
Credit Card Solution

Leasing Assets
Wakala Account

Islamic Micro
Finance Fund

KFH Baytik Ijarah

CIMB Islamic
Eco-Saver Account

ISLAMIC FINANCE HAS FAILED THE MAN ON THE STREET

- Combination of Geographical and Service Quality Expansion
- Winners will be those who can offer a combination of:
 - **Accessible and secure END TO END technology**
 - **Empathy NOT service**
 - **SHARI'A BASED innovation**

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Dr. Hussein Hamed Hassan, Chairman, Dar Al Istithmar Supervisory Board



"We have found Dar Al Istithmar management team to be very approachable, responsive and committed".

Dimitris Melas, MSCI Barra.



"We are very impressed by Dar Al Istithmar's management team's knowledge on Shari'a related matters, their efforts to understand the client needs and, their dedication and helpful attitude throughout. With their approach, Dar Al Istithmar made us feel that they are more like partners to us rather than merely a service provider."

Richard Ellis, Partner, Amiri Capital



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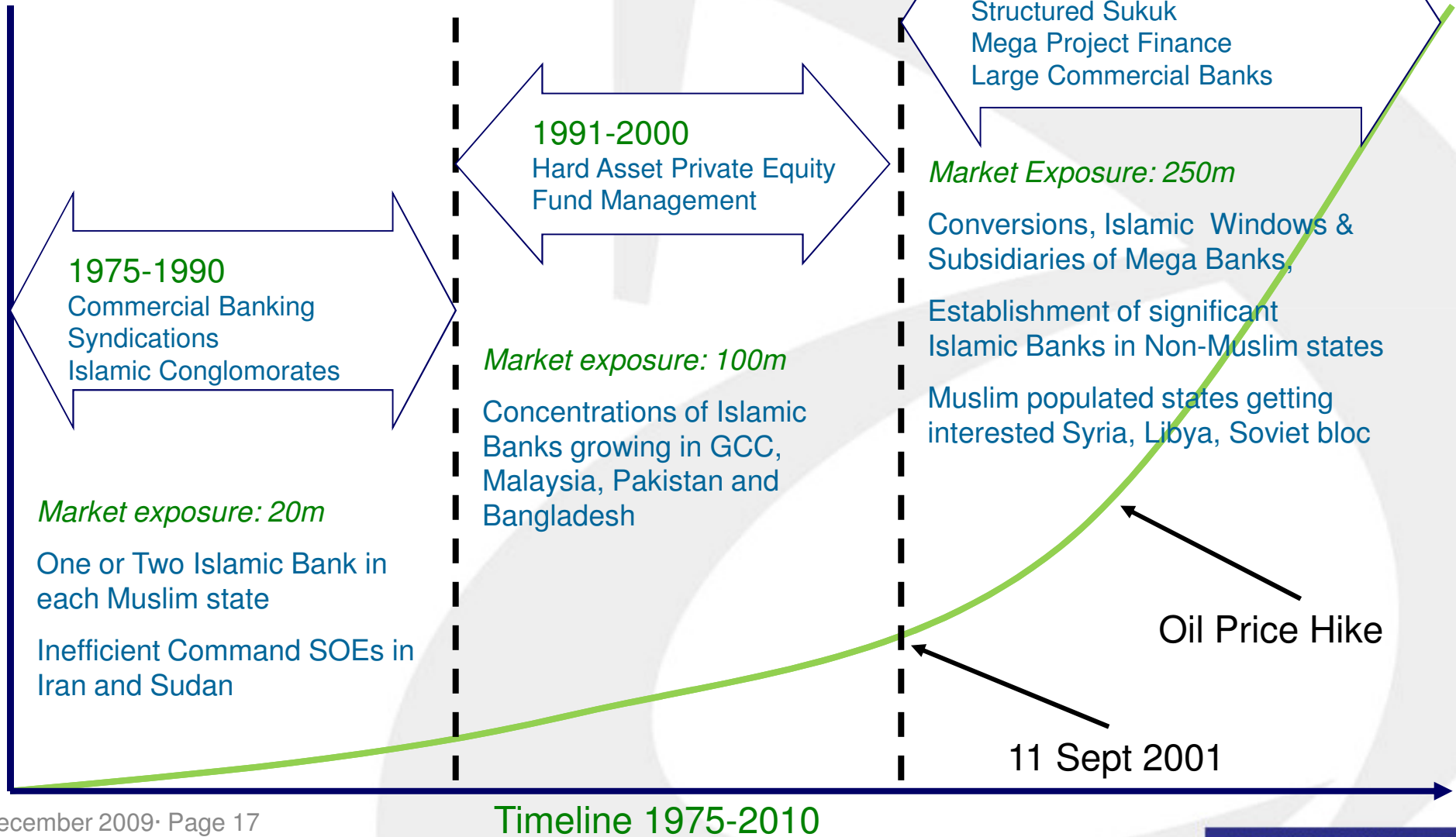
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Existing countries still demonstrate outstanding growth potential

Total Assets US\$bn	2007A	2013E	Market potential
Bahrain	20	75	*****
Bangladesh	4	9	*
Egypt	6	10	*
Indonesia	2	11	****
Iran	152	644	**
Jordan	3	7	**
Kuwait	45	112	****
Malaysia	23	116	*****
Pakistan	4	22	****
Qatar	21	147	*****
Saudi Arabia	115	374	*****
Sudan	8	46	***
Turkey	17	59	***
United Arab Emirates	56	209	****
Yemen	2	6	*
Total	478	1,848	

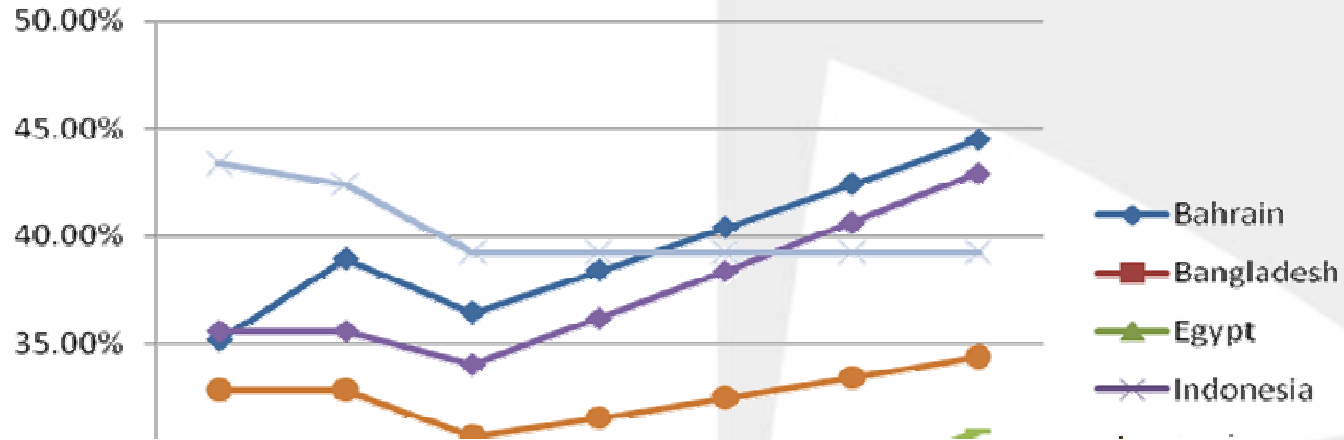
Evolution of Islamic Finance





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Existing countries demonstrate outstanding growth potential



- **1975-1990**

- Resource Boom
- Academic and scholarly encouragement and experiments
- Arab Entrepreneurs

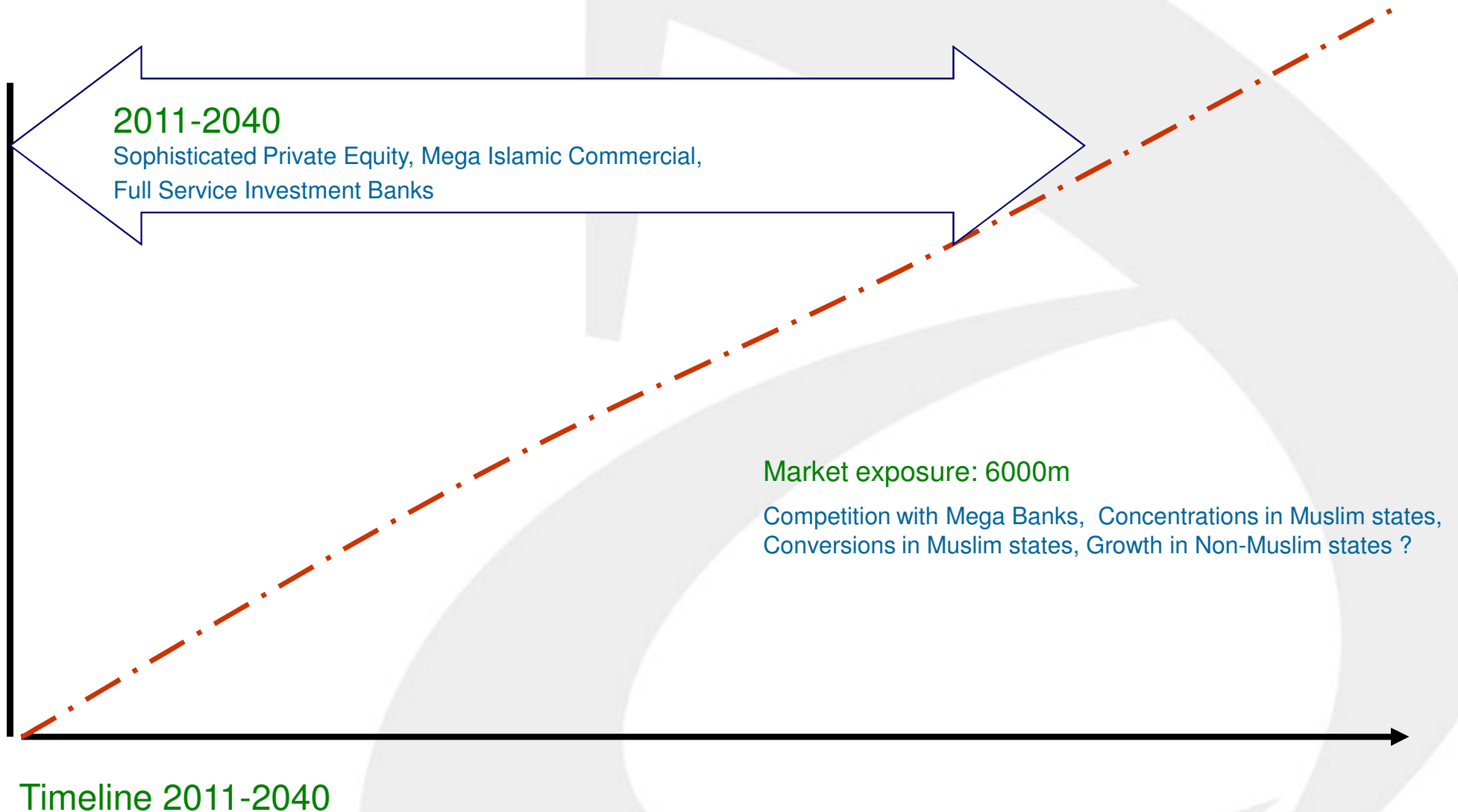
- **1991-2000**

- Regulatory Recognition and Encouragement
- Growth of tiger economies
- Efficient interbank markets
- Development of infrastructure

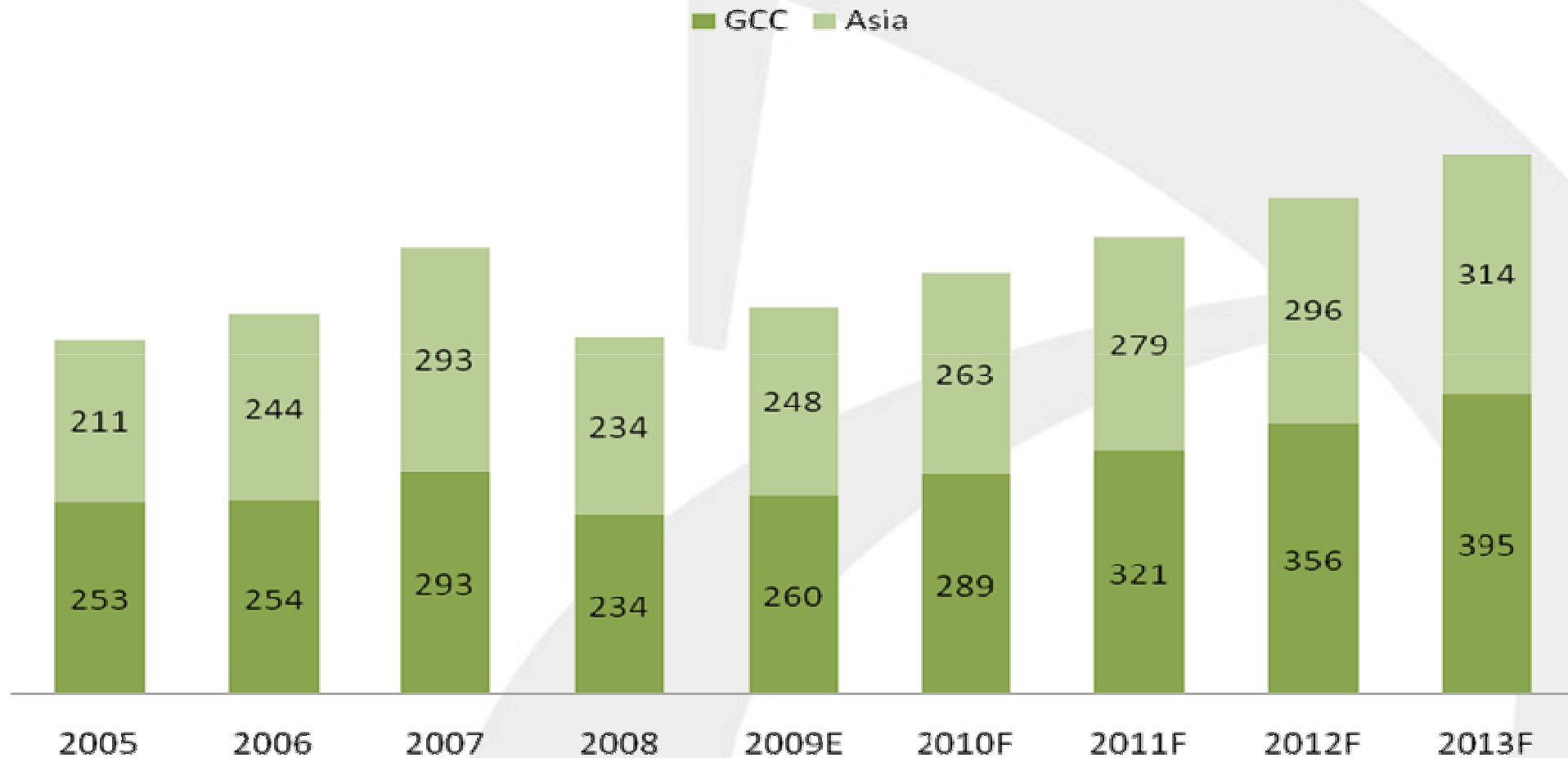
- **2001-2010**

- Resource wealth and surplus liquidity
- Sukuk
- Islamicisation and Religiosity
- Real Estate Asset classes
- Further infrastructural developments

Islamic Finance: the only way is up



Retail Distribution Wealth Management Opportunities
UHNW, HNW and Mass Affluents Reaching Critical Mass



Source: Ernst & Young/Dar Al Istithmar Estimates