

Prospects for Islamic Financial Services and Products

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Muslims in Europe

MUSLIMS IN EUROPE

UK

Muslim population (% of total population in

brackets): 1.6m (2.7%) Annual growth: 1.2%

Countries of origin: Pakistan 45%; India 19%; Bangladesh 13-16%

AUSTRIA

Muslims: 339,000 (4.2%)

Annual growth: 7.1% Countries of origin:

Turkey 50%; Former Yugoslavia 35%

BELGIUM

Muslims: 364,000 (3.5%)

Annual growth: 0.2% Countries of origin: Morocco 55%; Turkey 33%

DENMARK

Muslims: 162,000 (3.0%)

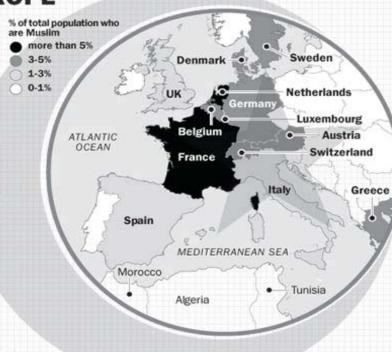
Annual growth: 7.6% Countries of origin:

Former Yugoslavia 25%; Iran 14%; Iraq 14%; Turkey 13%; Bosnia 13%

FRANCE

Muslims: 5m (8.3%) Annual growth: 3.4%

Countries of origin: Algeria 30%; Morocco 20%; Turkey 10%



GERMANY

Muslims: 4m (4.9%)
Annual growth: 3.9%
Countries of origin:

Turkey (68%); Former Yugoslavia

GREECE

Muslims: 450,000 (4.1%) Annual growth: 5.0%

Countries of origin:

Turkey 50%; Pomak 25%; Romany 15%

ITALY

Muslims: 1m (1.8%) Annual growth: 10.6%

Countries of origin: Morocco 34%: Albania 27%: Tunisia 10%

LUXEMBOURG

Muslims: 6,000 (1.4%)

Annual growth: n.a. Countries of origin: Montenegro 25%

NETHERLANDS

Muslims: 886,000 (5.5%)

Annual growth: 3.9% Countries of origin: Turkey 40%; Morocco 34%

SPAIN

Muslims: 1m (2.4%)
Annual growth: 10.6%
Country of origin: Morocco

SWITZERLAND

Muslims: 311,000 (4,3%)

Annual growth: 7.4% Countries of origin:

Turkey 55%; Former Yugoslavia 36%

SWEDEN

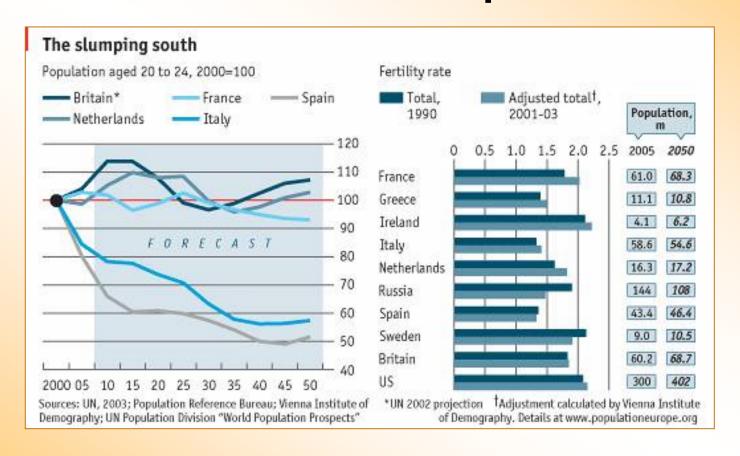
Muslims: 162,000 (3.0%)

Annual growth: 7.6% Countries of origin:

Turkey 27%; Former Yugoslavia 22%; Lebanon 11%; Pakistan 10%

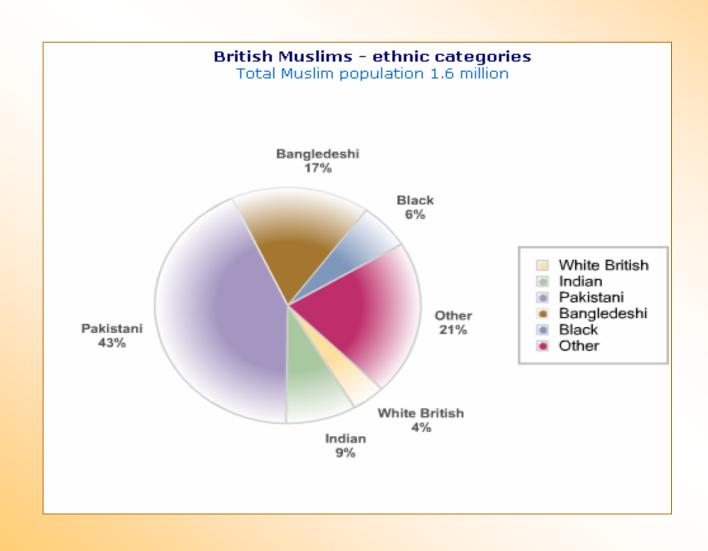


Muslims in Europe





Muslims in Europe





Overlaying Religion and Ethnicity

- Traditionally, communities have been viewed through the lens of ethnicity
 - The faith dimension provides further scope for market segmentation
 - After Christianity, Muslims are the largest religious community

Group	Population	
Muslim	1,546,626	
Hindu	552,421	
Sikh	329,358	
Jewish	259,927	
Buddhist	144,453	

 Muslims are the largest religious community among Asians

Group	%	
Muslim	50.1%	
Hindu	23.5%	
Sikh	13.9%	
Christian	4.1%	
Other	8.4%	



Religion and Ethnicity

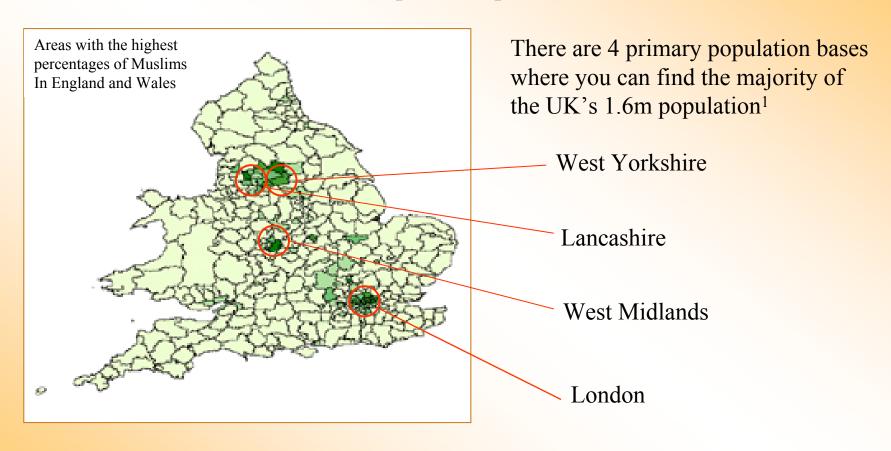
Muslims are more ethnically diverse than other religious groups

	Muslim	Hindu	Sikh
White	179,773 (11.6%)		
Mixed			
Asian / Indian	131,662 (8.5%)	466,597 (84.5%)	301,295 (91.5%)
Asian / Pakistani	657,680 (42.5%)		
Asian / Bangladeshi	259,710 (16.8%)		
Asian / Other			
Black	106,345 (6.9%)		
Other			

Population denoted as % of faith group not ethnicity



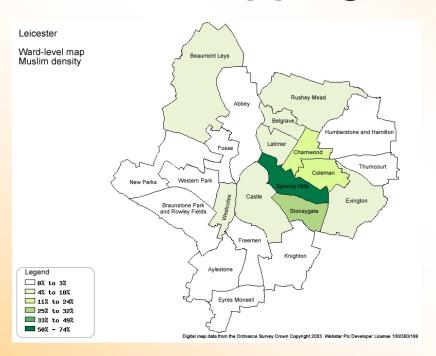
National perspectives

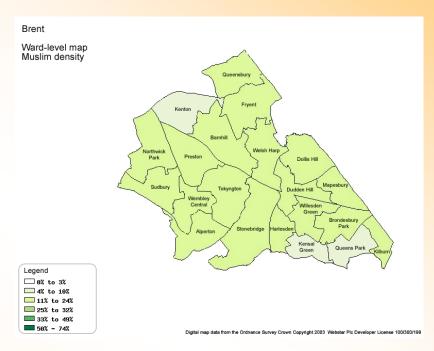


^{1.} Census 2001 reports Muslim population of 1.6m. Taking into account growth we estimate a population of about 1.8m in 2006.



Mapping – Brent v Leicester





- » Concentrated
- » Predominantly Indian
- »2 wards = 50% Muslim population

- » Evenly spread
- » Ethnically mixed
- » 9 wards = 50% Muslim population



Muslims in the UK – a young community

- Almost one third of Muslims are aged 0 to 15
- 52% are 24 or under
- Muslim children aged 0-15
 make up almost one fifth of children
 in inner London.
- 1.8m located in 4 areas
- Young community
- Culturally diverse
- What does that mean for marketing





Dealing with perceptions

1. Customer

- Perception of product
- Perception of banking institutions

2. Financial institutions

- Perception of market
- Perception of marketing

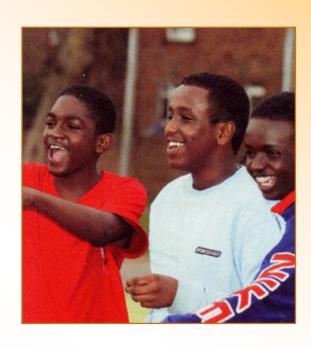
3. Marketing gurus

- Understanding of market
- Understanding of media



Addressing a sceptical market

- Education is a key component
- Imams / Community Leaders
 - Secondary decision makers (e.g. solicitors, doctors)
- Ensuring religious / cultural / ethical sensitivity
- Who are the providers





Operating in an immature market

- New products understanding features
 - What makes products compliant
- Customer's journey of trust
 - individual doubts need to be addressed
 - Building trust
 - Is the product shariah compliant
 - How trustworthy is the provider
 - How competitive is the product
- Raising awareness is important
 - Personal relationships
 - Dealing with concerns



Summary

- The faith dimension provides scope for greater market segmentation
- The Muslim community is ethnically diverse
- Serious investment in marketing and raising public awareness is key to tapping into this potential market
- Piecemeal and once off marketing spend is not sustainable to grow market share
- Long term view to marketing and building relations with the community