

Prospects for Islamic Financial Services and Products

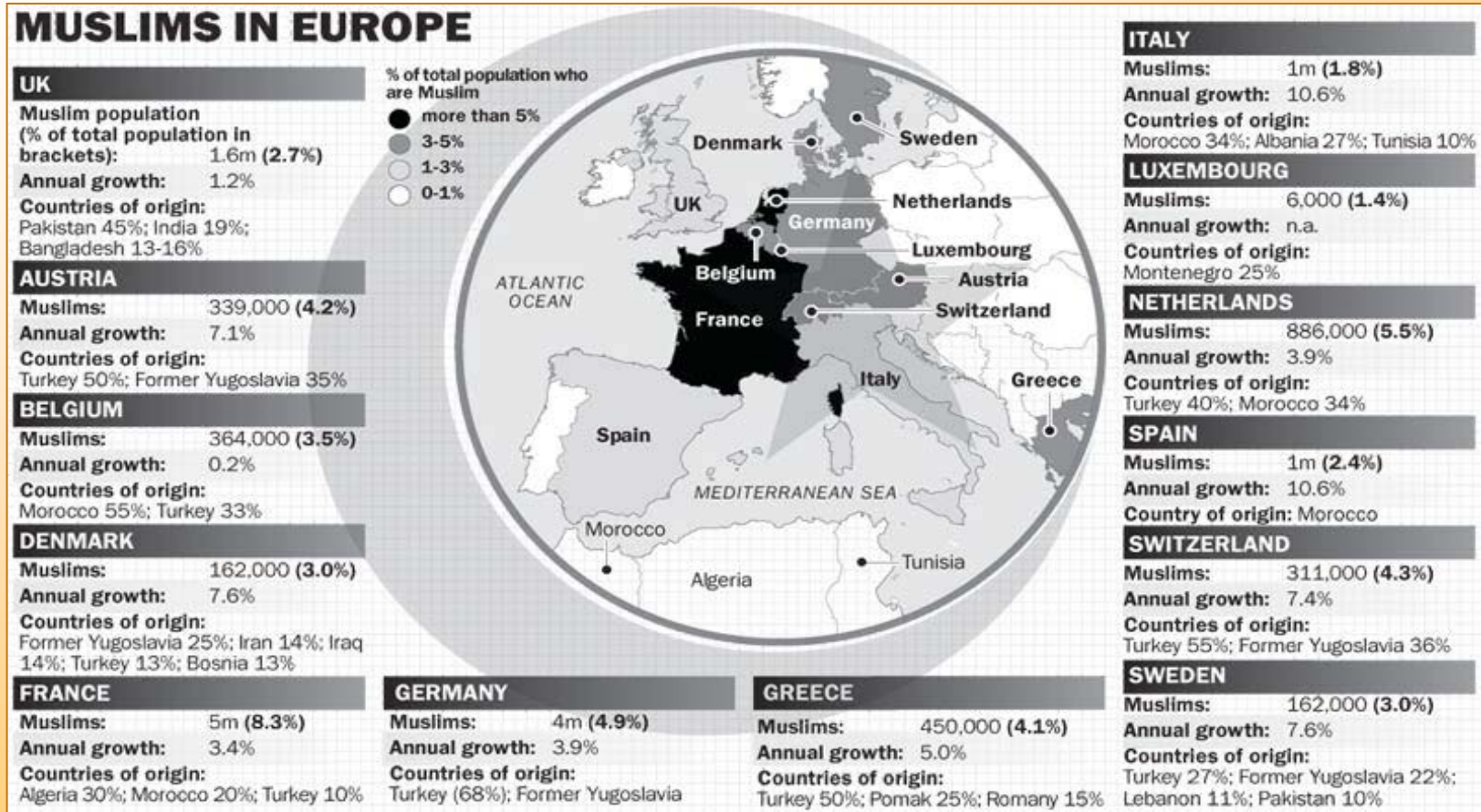
Mahomed Faizal Dawjee

Global Takaful Summit

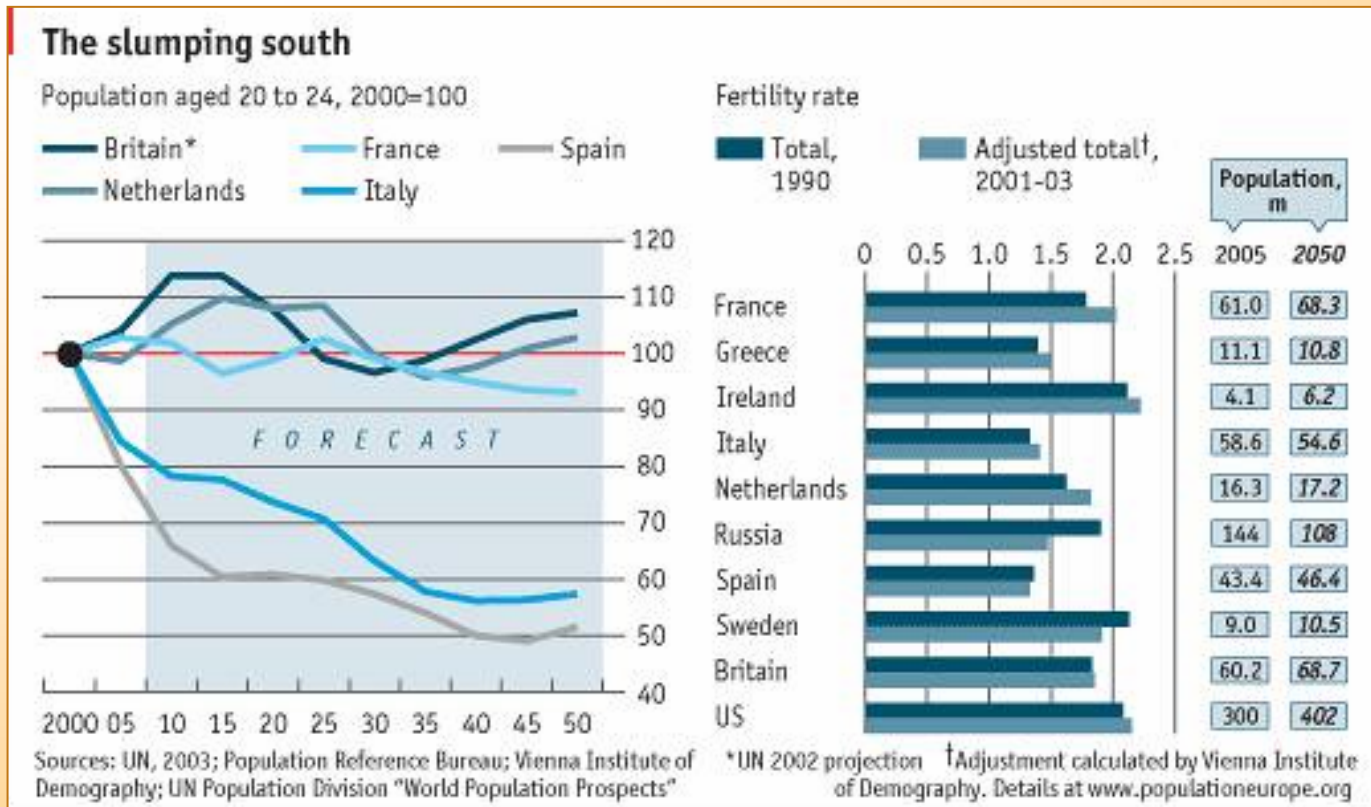
London

1 November 2007

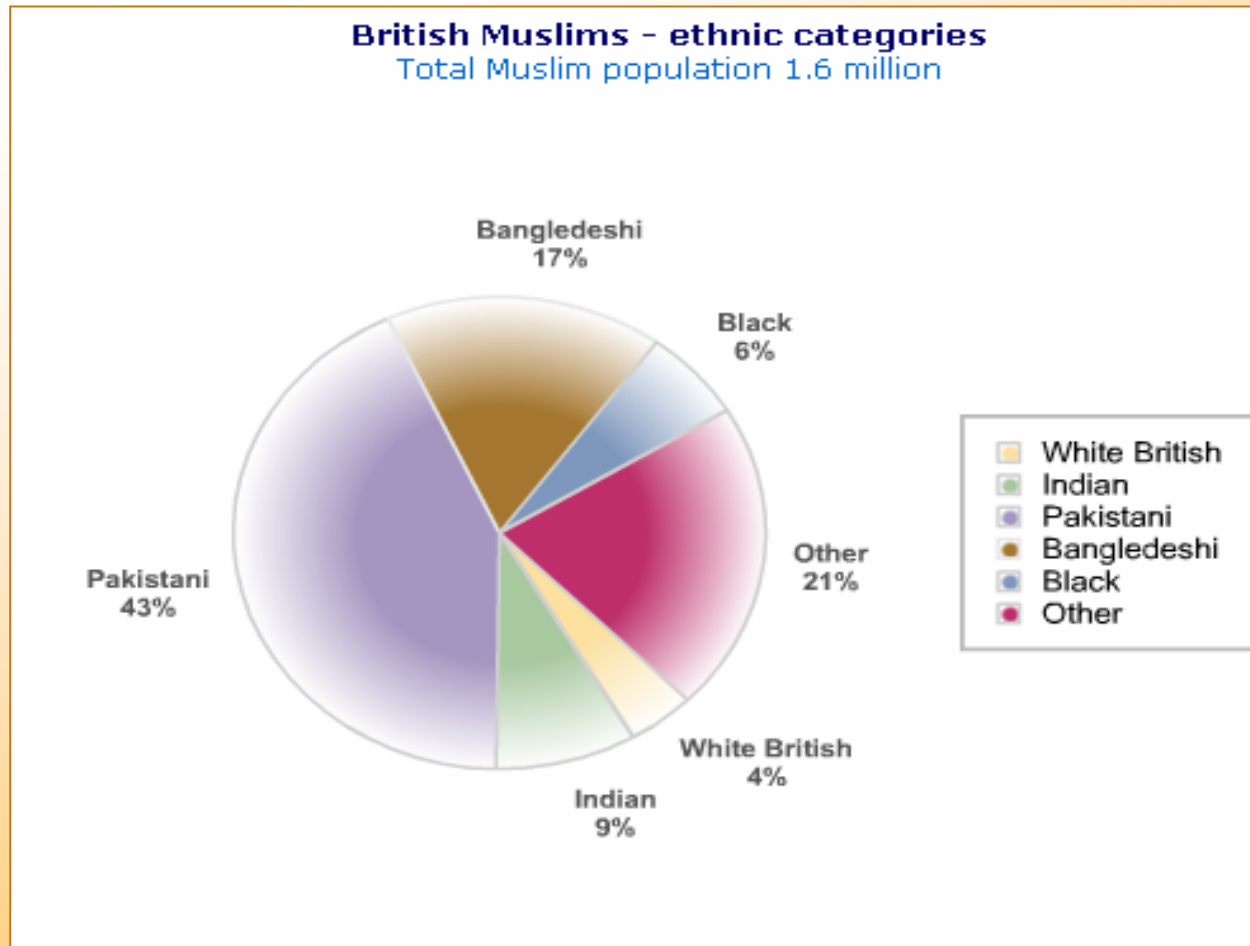
Muslims in Europe



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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
- Muslims are the largest religious community among Asians

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

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

Religion and Ethnicity

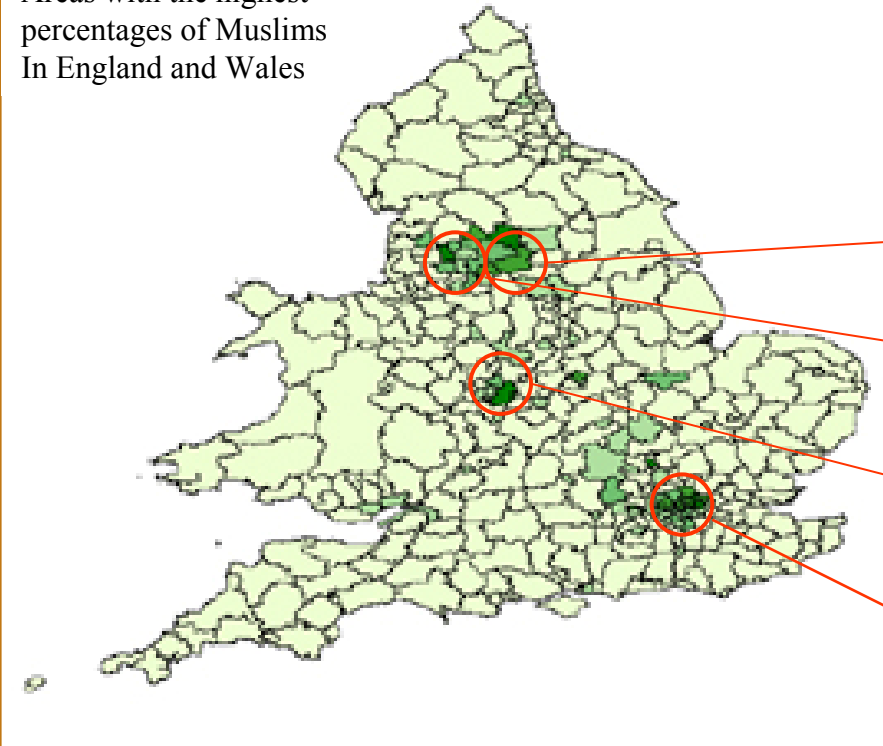
Muslims are more ethnically diverse than other religious groups

	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

Areas with the highest percentages of Muslims In England and Wales



There are 4 primary population bases where you can find the majority of the UK's 1.6m population¹

West Yorkshire

Lancashire

West Midlands

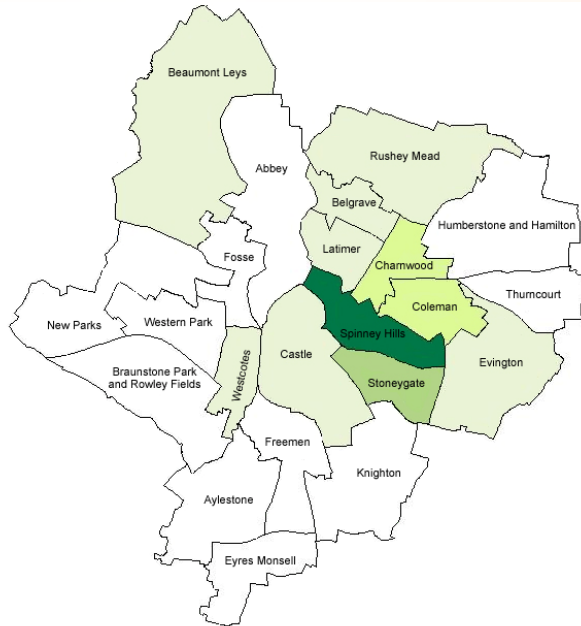
London

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

Leicester

Ward-level map
Muslim density



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

Brent

Ward-level map
Muslim density



- » 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