



A Magic Key to Competitive Advantage in Islamic Banking

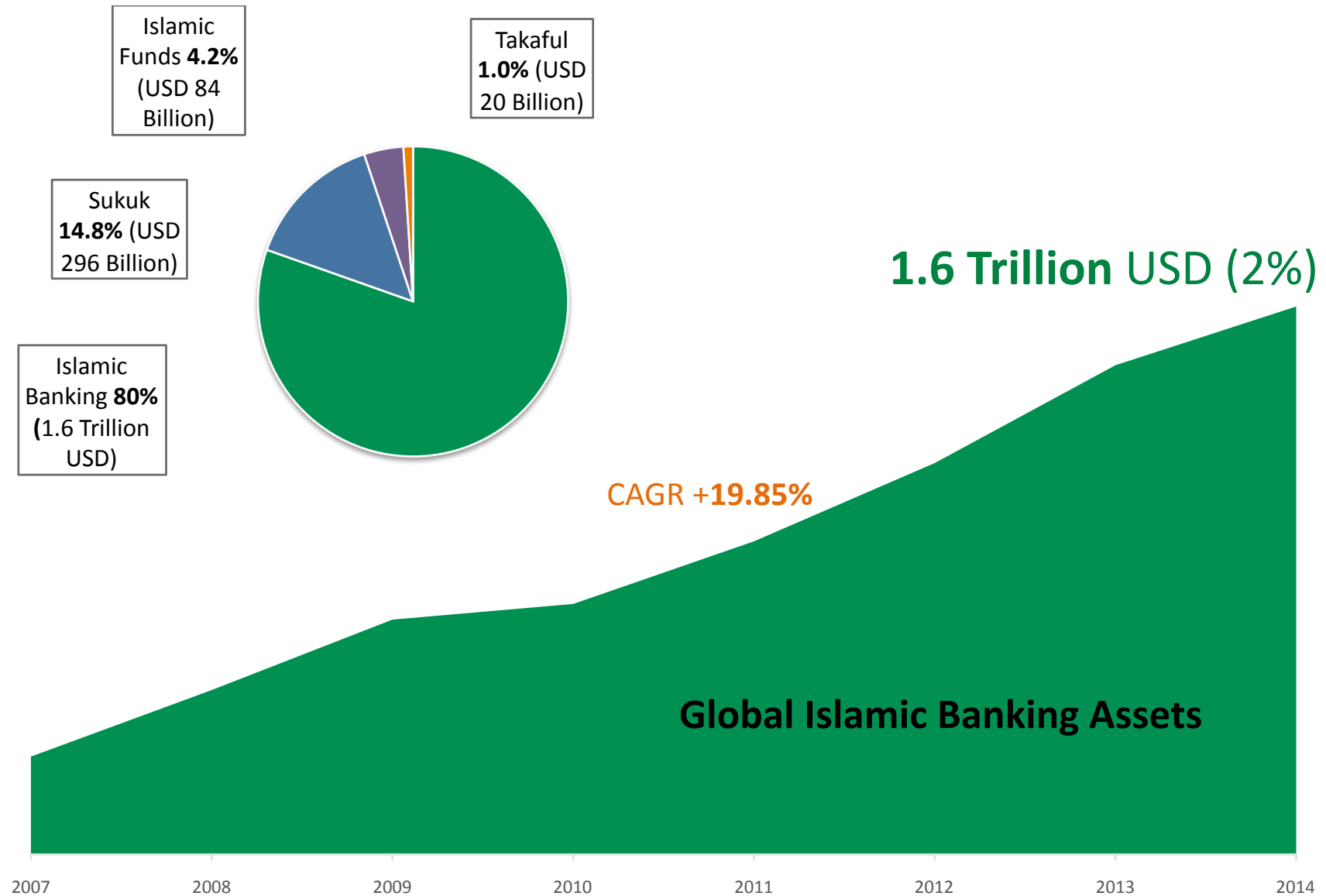
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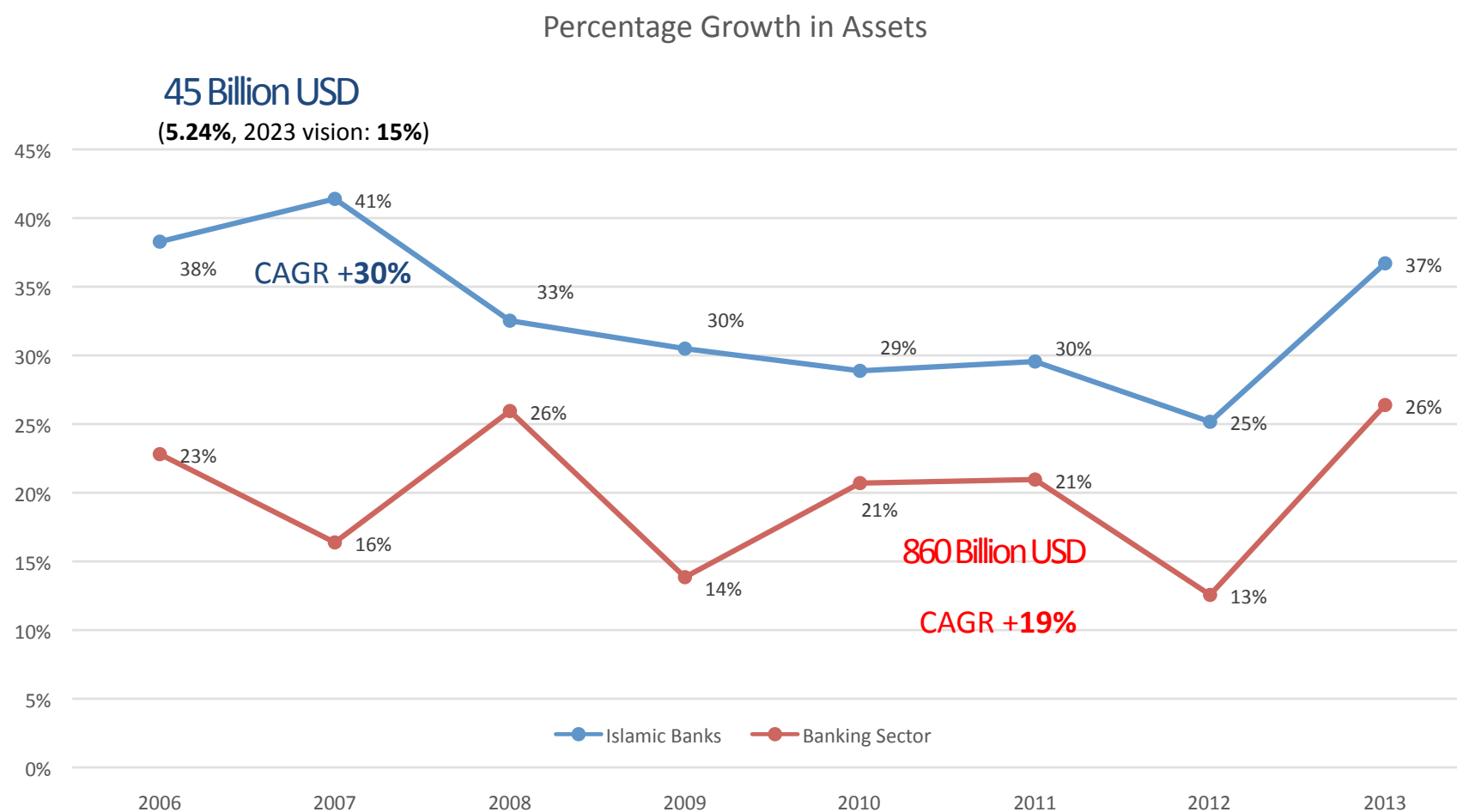
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Where We are Heading in the World?



Where We Are Heading in Turkey?



Why to Innovate?

- Increasing customers' expectations
- Shrinking profit margins
- Streamlining the processes and operations
- Better customer experience



What and Where to Innovate?

- Products and services
- Process and procedures
- Shari'a principles
- Governance (efficiency, social responsibility, ethic, charitibility)
- Legal framework



For Whom to Innovate?

- Customers
- Islamic Bank
- Islamic Banking Concept
- Society



What Facilitates Innovation?

- Fierce competition with Islamic and Conventional Banks
- Comprehensive legislation
- International Best Practices
- Legal framework
- Transformation of the Islamic Banking Landscape



What Facilitates Innovation?

- From «Banking» to «Comprehensive Financial Ecosystem»
- From «Banking for Muslims» to «Banking for All»
- From «Monopoly» to «Diversity of Players»
- From «Window» to «Full-fledged Islamic Bank»
- From «Local» to «Global»
- From «Basic Sharia Principles» to «Variety of Sharia Principles»
- From «Basic Products» to «Structured, Sophisticated Products»



One of the Best Practices – Gold Banking -

→ Why?

Another line of business for revenue increase

Accumulated physical gold under the mattress

Increasing tendency towards the investment in gold

→ Sharia constraints?

Aqt As-Sarf

Selling on credit cards

Compulsion of physical custody of gold



One of the Best Practices – Gold Banking -

→ By Laws?

Legal reserves with gold

Gold based profit and loss sharing account

→ Customer: What is in it for me?

Less Exchange difference

Comfortable investment in gold

No custody risk



One of the Best Practices – Gold Banking -

→ The Bank: What is in it for me?

New source of revenue

New source of fund

New source of customer

15 new products

→ The Society: What is in it for me?

Financial inclusion of unbanked

Additional source for economy



THANK YOU...



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