



Outlook of Islamic Banking

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Overview

Islamic Bank of Thailand was established in 2003 under a special Act.

It is the only Islamic Bank in the country.

The Population of Thailand is almost 70 Million
Approximately 10 Million are Muslims
Mainly in 5 provinces bordering Malaysia.

Segmentation

- ❑ Three GEOGRAPHIC SEGMENTS
- ❑ South – Central – north region
80% 10% 5% Muslims
- ❑ Our strategic approach is different for different segments.
- ❑ We are focusing on Sharia in South – USP

Focusing on central and North region

- Pricing is the only concern in regions where Muslims are not in majority. We are offering Promotions to attract them.
- We are offering projects in 5-10 different events in one calendar year e.g. Money expo etc with a special package of no processing charges, no front end fee etc.

Segmentation

- ❑ We have certain demographic segments as well.
 - ❑ In South we have a very comprehensive Islamic Microfinance model
 - ❑ There are three categories for Micro financing; relatively poor, poor and Very Poor.
 - ❑ Customer's category is decided through a very comprehensive poverty score card.
 - ❑ Imam/Khatib of masjid or head of the village are recommending people for this particular financing.
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Obstacles

- ❑ AEC in 2015 and new entrant
 - ❑ We have regulation obstacles like double taxation. The products and services which we are lacking are electronic services mainly. Next year we are focusing on fee based services to generate revenue.
 - ❑ We have almost all products as per local product benchmarking
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Re-branding

- ❑ 2014 is the year to rebrand Islamic Banking.
 - ❑ Change management
 - ❑ From Islamic Banking to ethical banking.
 - ❑ There is confusion in the society that Islamic Bank is only for the Muslims. Ethical banking will solve these issues.
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Direction of Islamic Banking

- ❑ Why we are competing with the conventional banks – a wrong phenomenon
- ❑ Real trade vs unreal trade
- ❑ Our primary objective is to follow sharia.
- ❑ Blindly following pricing of conventional banks

Success Stories

- ❑ Many people are associating establishment of a huge portfolio to success of the Islamic Banks.
- ❑ Sharia compliance is more important.
- ❑ Self Accountability and spiritual satisfaction are required to be added in KPI of the staff and management

Role of Sharia advisors/Board

- ❑ They are responsible to insure Sharia compliance in Islamic Banks.
- ❑ Overall if we see where are we heading to?
- ❑ Low importance to Sharia compliance
- ❑ Incompetent staff
- ❑ commercialization of Islam for worldly means

THANK YOU