

Banking in emerging markets

GCC FinTech play 2017



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Foreword



Abdulaziz Al-Sowailim
Chairman and CEO, MENA Region

Today more than two billion adults still do not have a bank account. There are also more than 200 million micro, small and medium size businesses with unmet financing needs. The demand for a responsible, Sharia-compliant financial system is huge.

Every year, EY Global Islamic Banking Center (GIBC) shares insights shaping the future of the industry. This year, it is about the financial technology (FinTech) industry focusing on the Gulf Cooperation Council (GCC) region. It provides an overview of the global Islamic banking sector and highlight the business opportunities offered by FinTech innovations, while taking into consideration the GCC banking sector's views on FinTech. For both participation (Islamic) and traditional financial institutions across emerging markets, the risk of disruption is real. And the finance function of banks is at the center of this disruption.

Advances in new technologies – such as in-memory computing, the cloud, analytics, mobility, artificial intelligence, blockchain and robotic – offer CFOs an opportunity to reimagine what the finance function should look like. Many CFOs are now key players in driving adoption of these technologies more broadly in the organization, and in leading the transformation that ensues from technology innovation.

While GCC banks do not expect FinTech disruption in the short-term and expect fairly limited business loss to stand-alone FinTech firms in the medium-term, a significant majority acknowledge that FinTech innovations offer end-customers a noticeably better value proposition. More importantly, there is a strong case for collaboration among participation banks for the mutual benefit from FinTech innovations. Given the nature of the business of participation banking, they can benefit from evaluating FinTech innovations in small and medium enterprises (SME) financing platforms, peer-to-peer financing platforms, digital wealth management and payments related innovations.

The purpose of this report is to inspire and inform the business strategies of financial entities through specific and actionable insights. We hope that it will serve as a useful guide for the future.



Nadeem Shafi

Partner, Ernst & Young (Al-Aiban, Al-Osaimi & Partners)



Ashar Nazim

Partner, Global Islamic Banking Center, Ernst & Young

The fact that almost one-third of the US\$3t global Sharia-compliant assets are either reported as "informal" or "best estimates" demonstrates the limitation of participation (Islamic) banks in making sound strategic decisions. Every CFO craves reliable information and we are seeing a strong desire to improve data management and analytics at participation (Islamic) banks.

In the GCC region, FinTech innovations promise to enhance market access and profitability of banks, dramatically. A starting point for participation (Islamic) banks is to activate a bold strategy for the finance function – inclusive of advanced data analytics, robotic process automation, the cloud, artificial intelligence and blockchain.

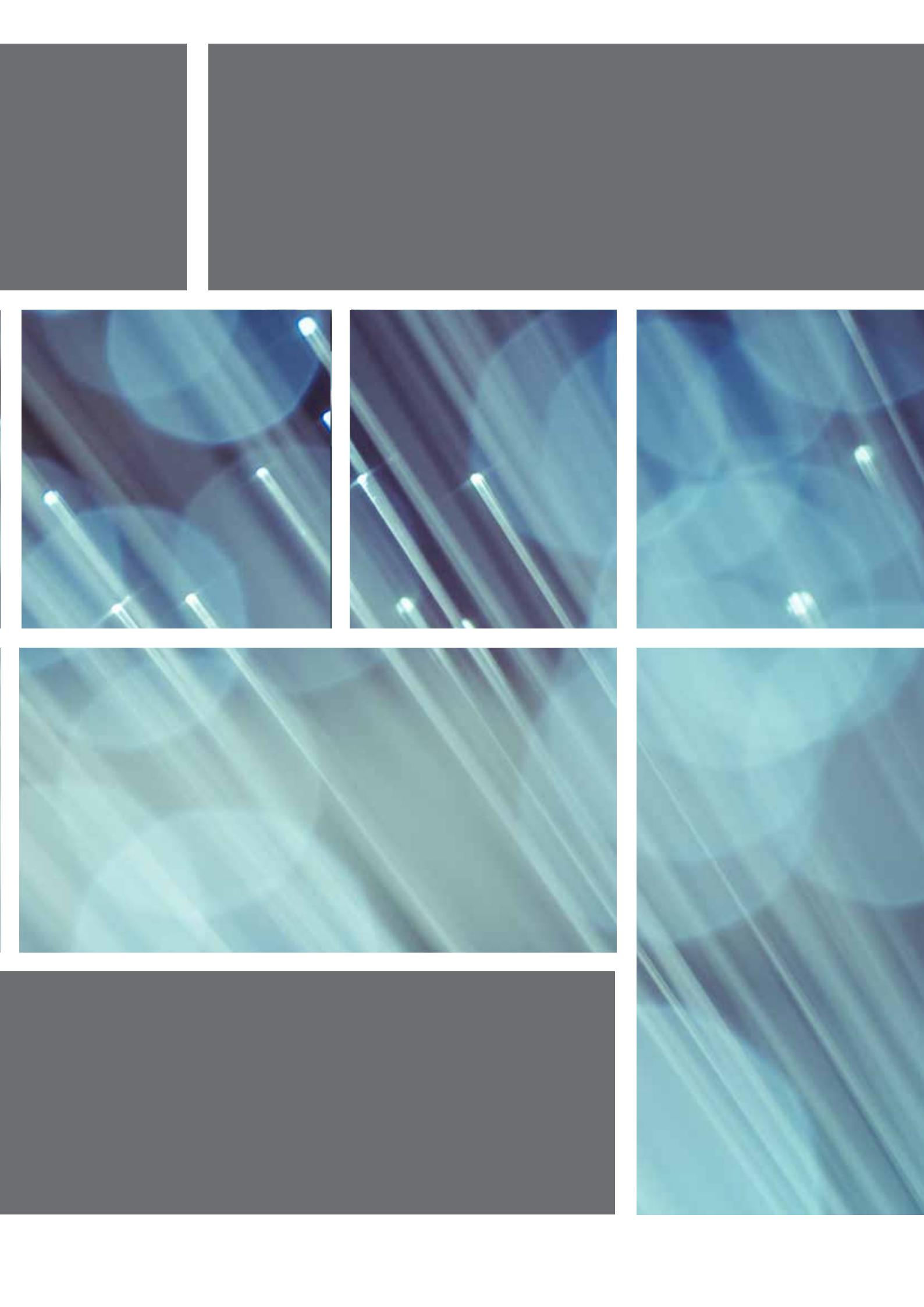
We believe that many senior executives of participation (Islamic) banks are, in fact, underestimating the challenge for their CFOs. There is a clear evolution from a function whose primary role was analyzing historical data to one whose focus will be providing forward-looking insights. In-memory computing and big data are the clear direction forward, with predictive analytics being a key driver of these changes.

Given that there is more FinTech innovation going on outside of the banks than inside, the opportunity is for participation (Islamic) banks to win through collaboration. Investment Account Platform in Malaysia and mWallet Platform in the GCC region are encouraging signs. It will not be a surprise if the bank of the future will be an amalgamation of FinTech boutiques under a single brand.

So, why does it matter? Well, the new CFO agenda could propel participation (Islamic) banks to mainstream across 20 promising markets by 2021, up from 5 markets today. This would represent a jump from 100 million customers to 250 million customers over the same period.

Executive summary





Executive summary

In this report, we provide an overview of the global participation (Islamic) banking sector and highlight the business opportunities offered by FinTech innovations, while taking into consideration the GCC banking sector's views on FinTech.

The contents of this report can be summarized under five headings.

The FinTech revolution

We explain why FinTech is viewed as a revolution in banking.

GCC banks' views on FinTech

We share the results of EY's survey on FinTech related issues.

The case for collaboration

We advocate collaboration between participation banks and FinTech firms, as well as collaboration among participation banks, to benefit from FinTech innovations.

FinTech opportunities for participation banks

We give an overview of global FinTech trends and highlight what FinTech business opportunities are open to the participation (Islamic) banking sector.

Participation banking sector overview

Finally, we provide a global participation banking sector overview, as well as a geographical segmented view of participation banks' performance.

The FinTech revolution

The wave of innovation is sweeping through all aspects of financial businesses, such as banking, insurance, asset management and wealth management, and the changes it promises to bring are nothing short of a revolution in the financial services sector.

While there will be benefits for incumbent financial services players and opportunities for innovative FinTech entrepreneurs, the real beneficiary is going to be the user of financial services. The user will benefit from a significantly improved consumer journey, lower cost of services, increased choice, consumer empowerment, faster transaction speed and a more inclusive financial system.

GCC bank's views on FinTech

Threats and opportunities: While the GCC banks do not expect FinTech disruption in the short term and expect fairly limited business loss to stand-alone FinTech firms in the medium term, a significant majority acknowledge that FinTech innovations offer end customers a noticeably better value proposition.

Funds transfer and brokerage services are viewed to be at high risk of disruption and wealth management is identified as a medium FinTech disruption business activity.

The GCC banking sector sees significant opportunities from FinTech innovations, enhancing consumer experience and streamlining operations is on top of their list.

Organizational readiness: While there seems to be a pronounced strategic intent and board-level support for digital transformation, practical steps to convert this intent into measurable results do not seem to have been taken.

Hurdles and limitations: There are concerns regarding the technical abilities of in-house IT resources and the agility of the GCC banking organizations to innovate vis-à-vis international FinTech firms.

There are additional concerns regarding regulatory ambiguity with respect to Fintech innovations that can hold back advances in this area.

Compete or collaborate: The GCC banking sector seems to have a pragmatic view toward FinTech firms and a majority view them as potential business partners to collaborate with, for the good of the end consumers.

An overwhelming majority feels that there are benefits in industry collaboration to develop shared-cost FinTech solutions.

The case for collaboration

The GCC banking sector's views on collaboration, rather than competition with FinTech firms, are consistent with international norms.

More importantly, there is a strong case for collaboration among participation banks for the mutual benefit from FinTech innovations. These benefits will accrue from network effect, economies of scale, efficiency in jointly exploring emerging FinTech innovations and avoidance of creating a two-tier participation banking sector due to the uneven adoption of FinTech innovations.

FinTech opportunities for participation banks

From less than US\$3b in 2012, the private sector investment in FinTech increased to US\$19b by 2015. Over 70% of FinTech investments to date have been in the personal and SMEs business segments.

Given the nature of the business of participation banking, they can benefit from evaluating FinTech innovations in SME-lending platforms, peer-to-peer lending platforms, digital wealth management and payments-related innovations (peer-to-peer (P2P) payments, digital-only banks for millennial segment and multi-factor authentication processes to reduce fraud risk).

Participation banking sector overview

The assets of global participation banking reached US\$930b in 2015.

The GCC region's share of participation banking increased to 72%, as the size of assets in the Association of Southeast Asian Nations (ASEAN) countries declined during 2015 (in US\$ terms). The growth rate in all regions declined relative to the previous years.

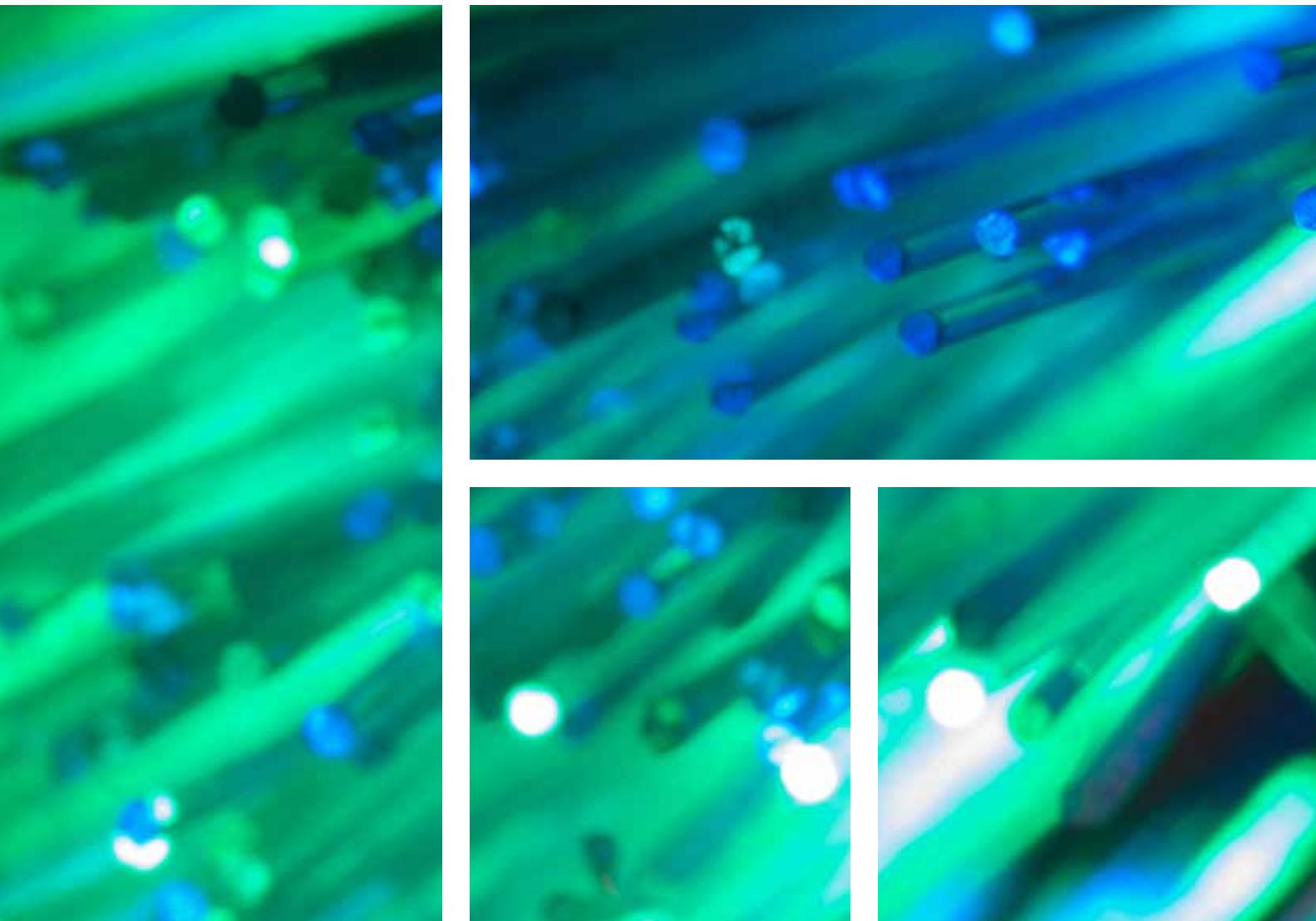
Saudi Arabia, the UAE and Malaysia are the three largest participation banking markets, in terms of assets. Financial performance data for key participation banking markets is provided in the report.

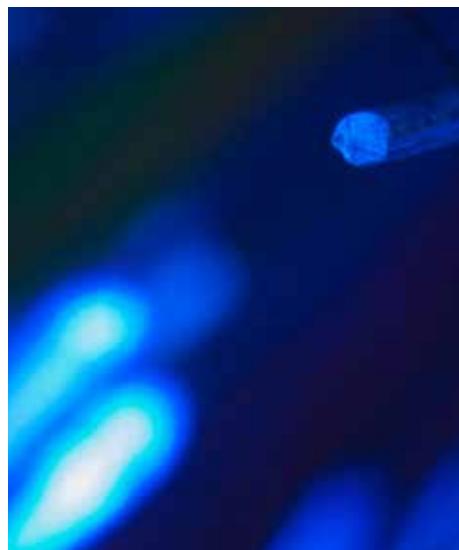
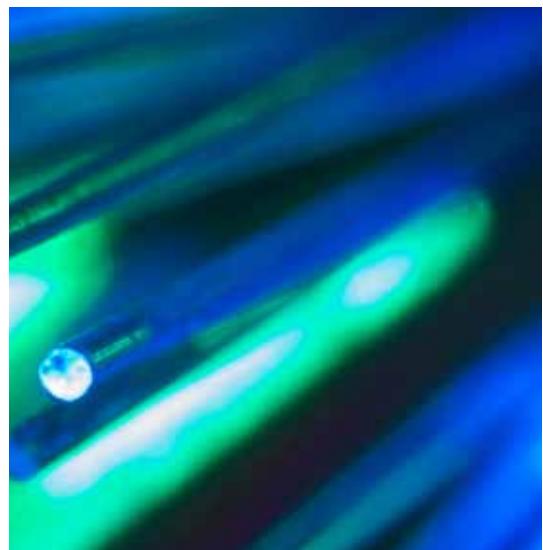


**Muhammad Muzammil
Kasbati**

Director – Global Islamic Banking
Center

The FinTech revolution







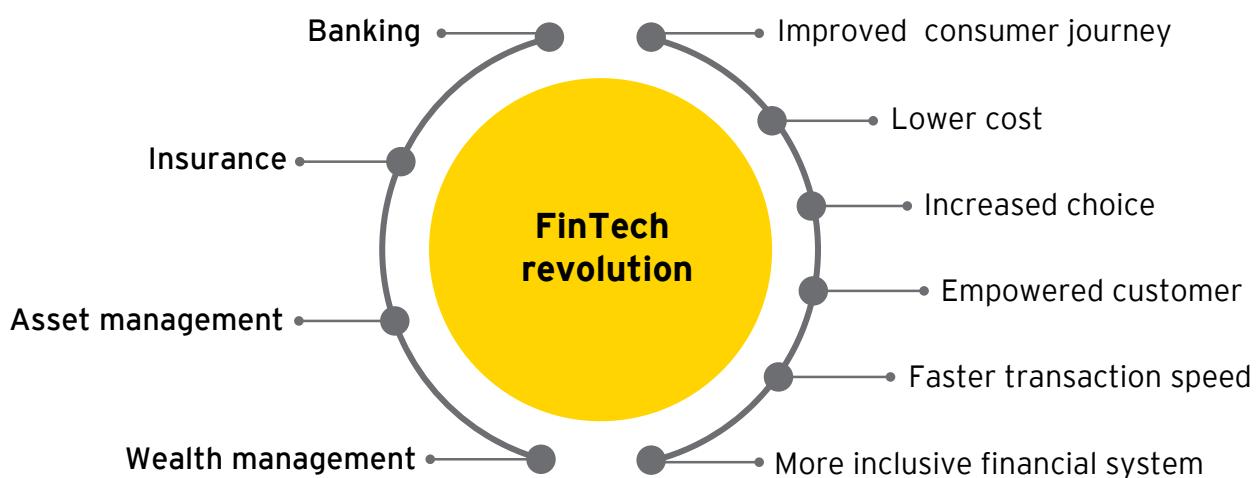
The FinTech revolution



FinTech stands at the intersection of the financial services and technology sectors, where technology-focused start-ups and other new market entrants innovate products and services currently provided by the traditional financial services sector.

Mark Carney, the Governor of Bank of England says, "The wave of innovation sweeping through the world of financial technology promises nothing short of revolution ... it will change the nature of money, shake the foundations of central banking and deliver nothing less than a democratic revolution for all who use financial services."

FinTech enhances consumer value proposition





The FinTech revolution promises to accrue notable benefits to the financial sector in general and the user of financial services in particular.

For incumbent players in the financial sector, some FinTech innovations will result in shorter transaction chain, reduced operational cost, enhanced resilience of operational processes, ability to access new customer segments to increase revenue and improved capital efficiency. This will reinforce their strategic position and improve the bottom line.

But the real beneficiary of FinTech innovations will be the user of financial services. FinTech's laser-like focus on consumers is redefining the consumer journey while conducting financial transactions by improving ease of use, simplifying transaction flow, and

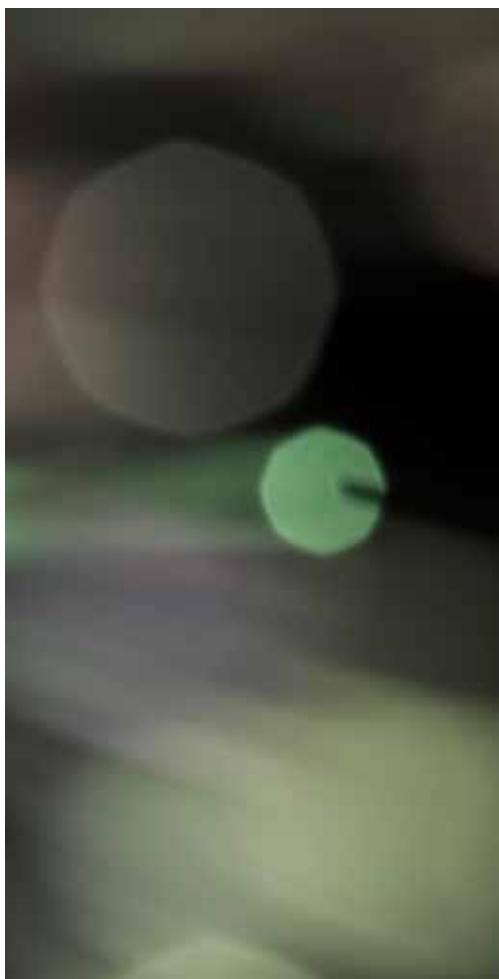
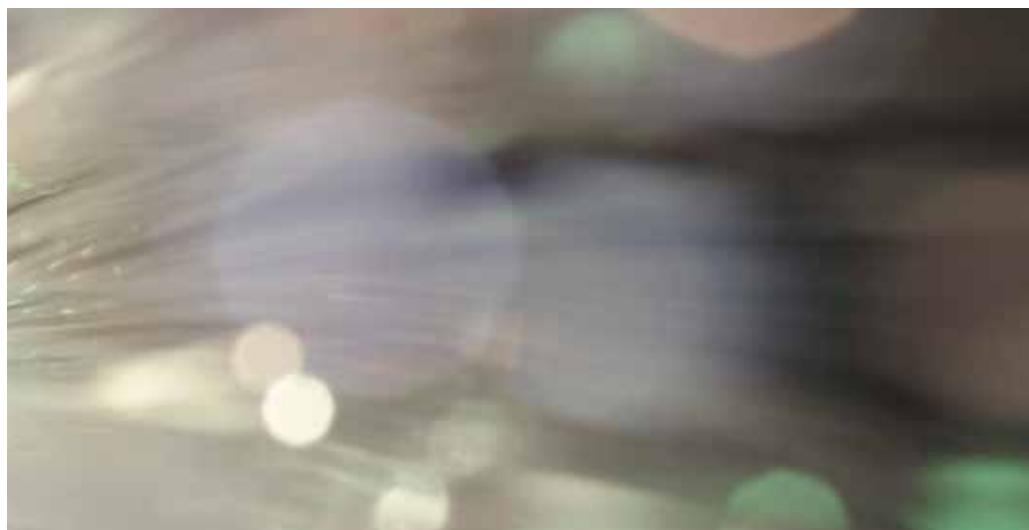
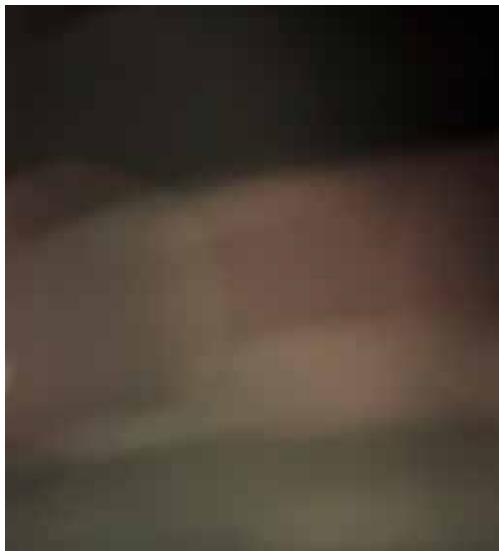
enhancing the look and feel to introduce a bit of "delight" in the consumer journey.

FinTech innovations promise to reduce the transaction cost, increase the choice, improve the transaction speed and empower the customers by moving control over conducting a financial transaction from the financial institution to the customer.

Above all, FinTech innovations and high penetration of mobile technology promise to enhance financial inclusiveness by bringing in a large swathe of less well-off individuals, who currently remain unserved by the legacy financial sector because of its reliance on the "physical" distribution structure and the resulting high cost of intermediation.

The GCC banking sector's views on FinTech





FinTech in the GCC banking sector

The findings outlined in this section of the report are based on a FinTech survey conducted in the GCC region during summer 2016. The participants of this survey included conventional and participation banks. Some of the conventional banking survey participants offered Sharia-compliant products through a participation window. The survey elicited the GCC banks' views on FinTech-related issues.

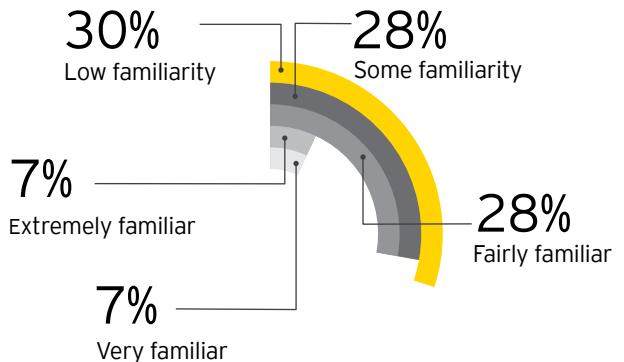
In the following pages, we will discuss the survey participants' familiarity with FinTech and their perception of the potential impact FinTech could have on the GCC banking sector. This is followed by the survey participants' assessment of the threats and opportunities posed by FinTech innovations and the organizational readiness in the GCC banking sector to confront them. Subsequently, the survey findings describe the participants' views on the key hurdles and limitations that could hinder the introduction of FinTech in the region, the GCC banking sector's intent with regard to competition or collaboration with FinTech firms and the need for shared-cost FinTech solutions for the fragmented banking sector players in the GCC region.



FinTech familiarity and its perceived impact

Familiarity with FinTech innovations is modest in the GCC banking sector.

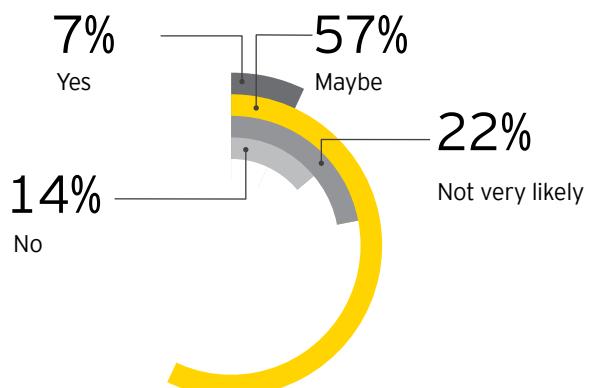
Q: How would you rate your familiarity with FinTech and its key international trends?



Familiarity with FinTech innovations is rather modest in the GCC banking sector. Fifty-eight percent of the participants rated their familiarity with FinTech innovations as "low familiarity" or "some familiarity" (one or two on a scale of one to five). This is not surprising given that FinTech is a rather recent phenomenon. Even in the leading international financial centers, the proportion of financial sector firms claiming high degree of familiarity with FinTech is not dissimilar to those expressed by the survey participants in the GCC region.

Survey participants are in doubt if FinTech could disrupt the GCC banking sector in the short term.

Q: Do you think that the GCC banking sector will be disrupted by FinTech in some manner in the next 1-2 years?



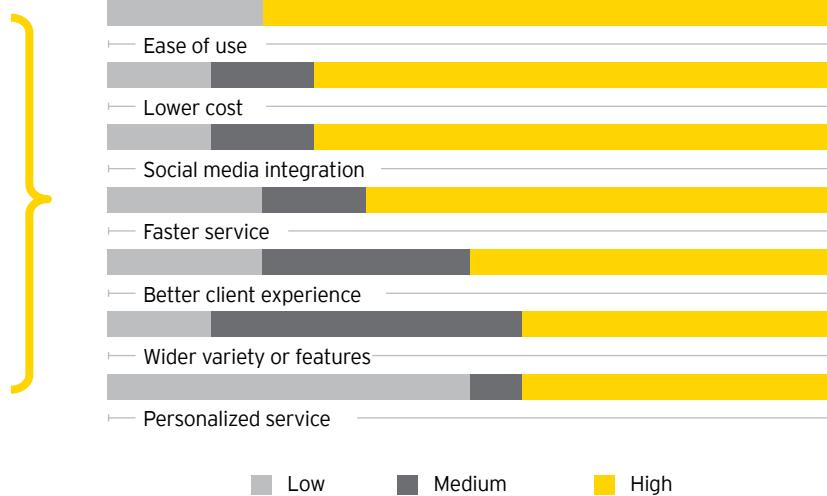
The survey participants seem to be in doubt if FinTech players could cause any noticeable disruption in the GCC banking sector in the short term (1-2 years). This is notwithstanding that they acknowledge the inherent strengths of the innovative FinTech service propositions over those offered by the incumbent banking sector in the GCC region.

One possible explanation of the doubt, in terms of FinTech disruption, could be because of the high regulatory barriers for any new entrant in the GCC banking sector and the absence of any apparent policy support from the GCC banking sector regulators for FinTech disruption in the interest of end consumers. In contrast, banking regulators in most of the international financial centers are explicitly supporting FinTech disruption to force their banking sector players to adopt digital innovations or face credible competitive threats from FinTech players.

Strengths of FinTech innovations are acknowledged by the GCC banking sector.

Q: What do you think are the key strengths of the value proposition of FinTech firms vis-à-vis banks? Please rank on a scale from one to five (where one is low and five is high).

Between 60% and 75% of the survey participants believe that FinTech innovations offer end customers a noticeably better value proposition, in terms of ease of use, cost, speed of service and integration with social media. Almost 50% of the survey participants acknowledged that FinTech innovations also offer a better client experience, in terms of consumer journey.



Note: low – 1 or 2 rating, medium – 3 rating and high – 4 or 5 rating

Source: GCC FinTech survey



FinTech threats and opportunities

Consistent with their doubts regarding FinTech firms' ability to disrupt the banking sector in the short term, an overwhelming majority of the survey participants estimated that loss of the banking sector business to stand-alone FinTech firms in the next five years is likely to be less than 10%. Forty-three percent of the participants believe that the loss is likely to be less than 5%.

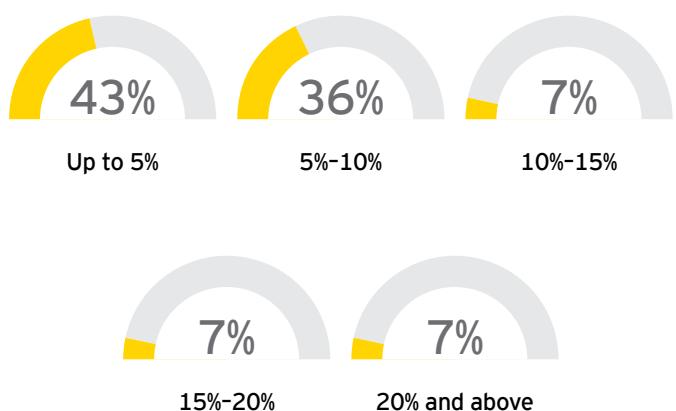
These estimates of loss of business to FinTech initiatives are substantially smaller than those expected in the international financial centers, where the incumbent financial sector's market share loss is generally projected to reach between 20% and 30% by 2020.

Estimated loss of business to stand-alone FinTech firms in the next five years.

Q: In your estimate, what percentage of the GCC banking sector's business is at risk of being lost to stand-alone FinTech firms in the next five years?

This relaxed attitude may reflect the banking sector's belief that the GCC regulators would continue to protect the incumbent financial sector players' interests with high regulatory barriers to entry and would not provide policy support to FinTech disruption in the manner their counterpart financial regulators have provided in progressive international financial centers.

However, some banking sector observers believe that the benefits of FinTech innovations for end consumers are so great that the GCC regulators may very shortly develop a policy stance that actively encourages FinTech innovation in the financial sector. If that were to happen, the incumbents among the GCC banking sector may face a bigger threat from FinTech players than they currently estimate.



Source: GCC FinTech survey

An overwhelming majority of the survey participants (almost 70%) believe that deposits and lending would remain very largely unaffected from the FinTech disruption. This perception in the GCC region is significantly different from their international counterparts, who believe that consumer banking (deposits and lending) is one of the highest risk area from FinTech disruption.

On the other end of the spectrum, approximately 70% of the survey participants believe that funds transfer services will be the primary target of FinTech disruption, followed by 50% of the survey participants, who consider brokerage services to be a high-risk activity. This is broadly consistent with the expectations of incumbents in the international financial sectors.

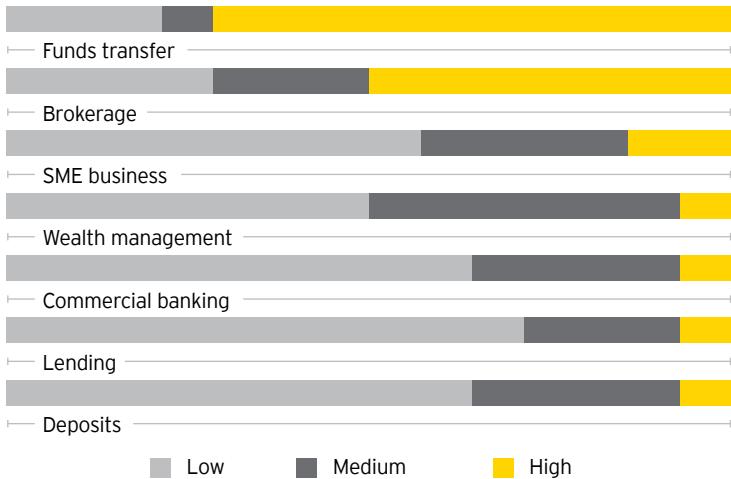
Surprisingly, only 7% of the GCC survey participants considered wealth management to be a high risk line of business, followed by 43%, who placed it as a medium risk from the perspective of FinTech disruption. Internationally, wealth management is widely considered to be a "high risk of disruption" activity that closely follows consumer banking and funds transfer, the two key perceived targets of FinTech firms.

In a noticeably positive stance toward FinTech innovations, the GCC banking sector seems to be bullish on the potential of opportunities it offers to incumbent players. Almost 70% of the survey participants stated that FinTech innovations could help them enhance consumer experience and streamline their operations. More than 60% of the participants thought that FinTech innovations could help them enhance consumer-centricity and reduce cost.

The GCC banking sector's positive stance toward FinTech innovations could explain why the survey participants believe that their loss of business to stand-alone FinTech players is likely to be rather modest compared with their international counterparts.

Funds transfer and brokerage are viewed to be most likely to be disrupted.

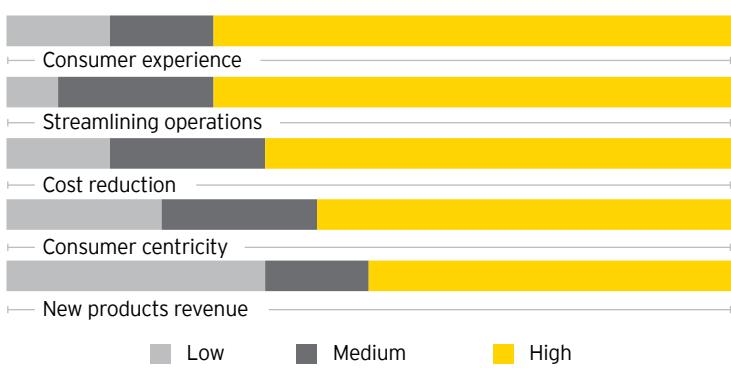
Q: Which part of the GCC banking sector is likely to be the most disrupted by FinTech over the next five years? Please rank on a scale from one to five (where one is low and five is high).



Note: low – 1 or 2 rating, medium – 3 rating and high – 4 or 5 rating

The GCC banking sector sees significant opportunities from FinTech innovations.

Q: Can you foresee some opportunities arising as a result of the rise of FinTech in the GCC region? Please rank on a scale from one to five (where one is low and five is high).



Note: low – 1 or 2 rating, medium – 3 rating and high – 4 or 5 rating



GCC banking sector's organizational readiness

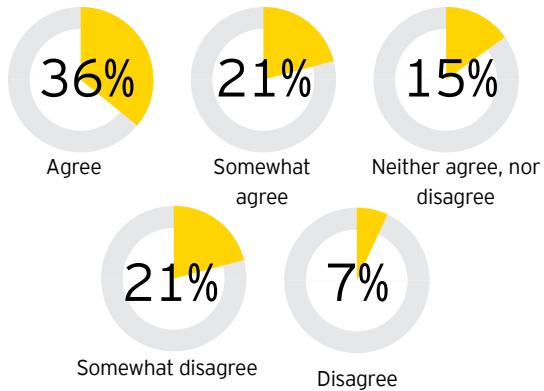
The survey indicates that digital transformation through FinTech innovations is generally supported by the leadership teams in the GCC banking sector. Fifty-seven percent of the survey participants stated that they "agree" or "somewhat agree" with

the statement that "digital transformation through FinTech innovations is a strategic initiative that is championed by the board of directors and the senior management team in my organization."

Senior management support for digital transformation through FinTech innovations.

Q: Please indicate to what extent you agree or disagree with the following statement: Digital transformation through FinTech innovations is a strategic initiative that is championed by the board of directors and the senior management team in my organization.

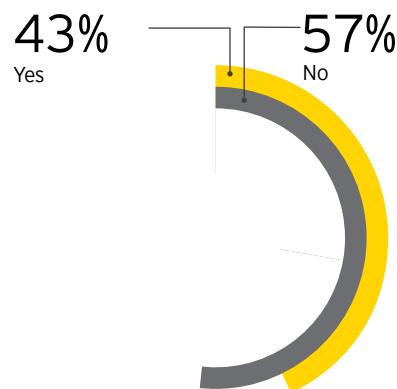
{ Notwithstanding a strategic intent for digital transformation and the leadership team's sponsorship of the initiative, practical steps to convert the intent into results do not seem to have taken place in most of the survey participant banks in the GCC region.



A majority of the survey participants do not have a single person in charge of innovation.

Q: Has an individual been specifically delegated the responsibility for innovation in your organization with a clearly defined mandate?

{ In a majority of the survey participant banks, the specific responsibility for digital innovation in the organization has not yet been delegated to a senior executive with a clear mandate, associated authority and accountability.

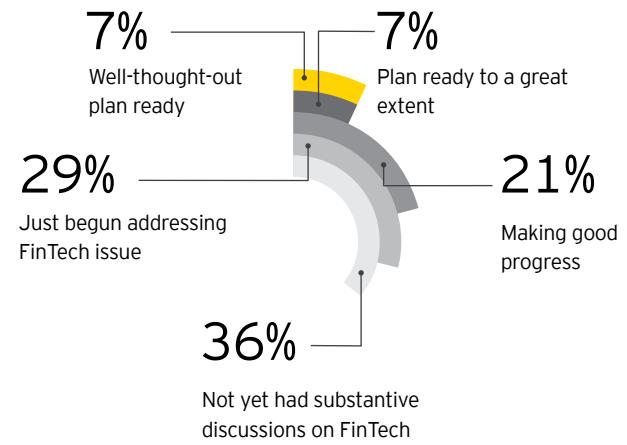


Most GCC banks do not seem to have a credible work plan in place for digital transformation.

Q: In your opinion, to what extent does your organization have a plan in place to respond to the challenges as a result of the expected rise of FinTech in the GCC region? Please select one option:

- ▶ A well-thought-out plan is in place
- ▶ To a great extent, our plan is ready
- ▶ We are making good progress
- ▶ We have just begun addressing this issue
- ▶ We have not yet had substantive discussion on FinTech

In addition, two-third of the survey participant banks had either not had any substantive discussions within the organization or had just begun addressing the issue of digital transformation to prepare an actionable work plan to address the challenges posed by FinTech innovations. Only 7% of the survey participant banks stated that they had an actionable work plan in place to address the challenges posed by FinTech innovations.



Source: GCC FinTech survey





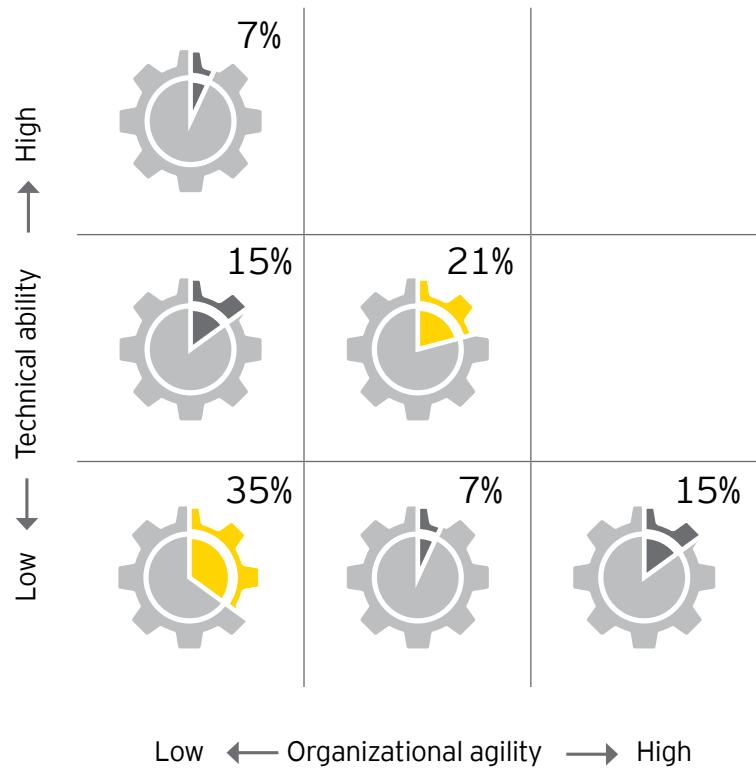
Hurdles and limitations faced by the GCC banking sector

Estimated loss of business to stand-alone FinTech firms in the next five years.

- Q:** How would you rate your bank's technical ability to innovate like FinTech start-ups?
How would you compare your bank's organizational agility to innovate like FinTech start-ups? Please rate on a scale from one to five (where one is low and five is high).

The survey participants highlighted a number of hurdles and limitations faced by the GCC banking sector that can thwart a successful digital transformation initiative.

The highest among the hurdles and limitations was their bleak assessment of the technical ability and agility of their organizational systems. A total of 57% of the survey participants felt that their bank was in a disadvantaged position, in terms of technical ability to innovate vis-à-vis FinTech firms, and a same amount of participants felt that their bank's organizational agility to innovate vis-à-vis FinTech firms was low.



Thirty-five percent of the survey participants rated their banks in a disadvantaged position vis-à-vis FinTech firms on both technical ability and organizational agility, while 21% of the survey participants felt that they were on a par with FinTech firms on both counts. However, it was interesting to note that, despite their substantial technology budget year after year, only 7% of the participants felt that they were in an advantageous position, in terms of technical ability vis-à-vis FinTech firms.

Concerns on organizational agility with regard to digital innovation included their organization's lack of focus, lack of understanding of FinTech at the general management level, organization's ability to cope with change and a pervasive culture of inaction unless forced by external events ("if it is not an imminent threat, it is not a priority").

Other hurdles and limitations highlighted by the survey participants included regulatory ambiguity with regard to FinTech innovations and their perceived regulatory restrictions that may create hindrance in implementing a successful digital transformation.

The survey participants also highlighted the issue of lack of scale due to the high level of banking sector fragmentation in the GCC region. Without an ability to gain economies of scale, there were concerns on the banking sector's ability to approve investments in digital transformation initiatives that could become a white elephant, in terms of budgetary expenditure.

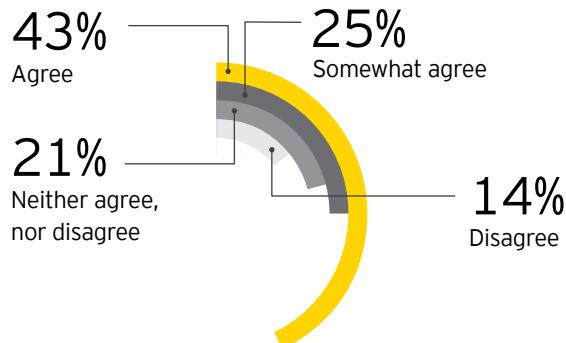
Compete or collaborate with FinTech players

There was a high degree of consensus among the survey's participants (68% either agreed or somewhat agreed) that the banking sector might need to evolve toward a digital ecosystem

(leveraging digital capabilities of multiple partner entities) to remain at the forefront in a rapidly changing business environment as a result of the FinTech innovations.

Q: Many financial sector experts believe that the banking sector might need to evolve toward a digital ecosystem (leveraging digital capabilities of multiple partner entities) to remain at the forefront in a rapidly changing business environment. To what extent do you agree with the above point of view?

Survey participants' views on the banking sector's evolution toward a digital ecosystem.

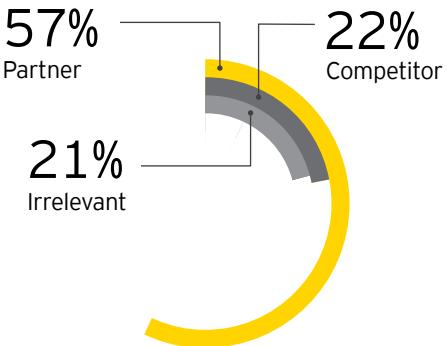


The survey participants' response suggest that the banking sector is likely to take a pragmatic approach toward FinTech firms that bring innovative propositions into the GCC region. A majority of the survey participant banks stated that they view FinTech firms as a potential partner in delivering an enhanced business proposition to end consumers. Only 22% of the participants considered FinTech firms as competitors.

A majority of the survey participants (65% of the survey responses) seem to suggest that the GCC banking sector is highly likely to collaborate with FinTech firms or invest in FinTech firms to work together with them to meet end consumers' needs. Only 7% of the respondents suggested that their response to the FinTech challenge would be to build in-house solutions to compete with the FinTech innovations.

Q: How are you likely to view FinTech firms targeting your business through innovative propositions? What is the likely strategy of your bank for competing with FinTech firms?

GCC banks' perception of FinTech



Likely strategies of the GCC banks



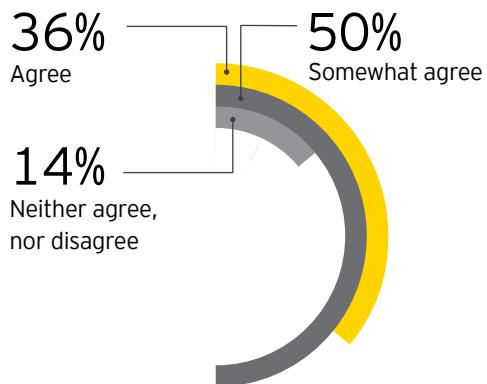
Source: GCC FinTech survey

The need to build “shared-cost FinTech solutions” in the GCC region.

Q: The GCC banks should collaborate to build “shared-cost FinTech solutions” that can serve the entire banking sector to enhance sector-level cost-effectiveness and reduce time-to-market. To what extent do you agree with this? Please rank on the following scale:

1 – Agree, 2 – Somewhat agree, 3 – Neither agree nor disagree, 4 – Somewhat disagree, 5 – Disagree

Due to the high degree of fragmentation in the GCC banking sector, the survey participants strongly supported the notion that, wherever practical, the GCC banks should collaborate to build “shared-cost FinTech solutions” that can serve the entire banking sector to enhance sector-level cost-effectiveness and reduce time-to-market. Eighty-six percent of the survey participants “Agreed” or “Somewhat agreed” that there is a need to set up shared-cost FinTech solutions.

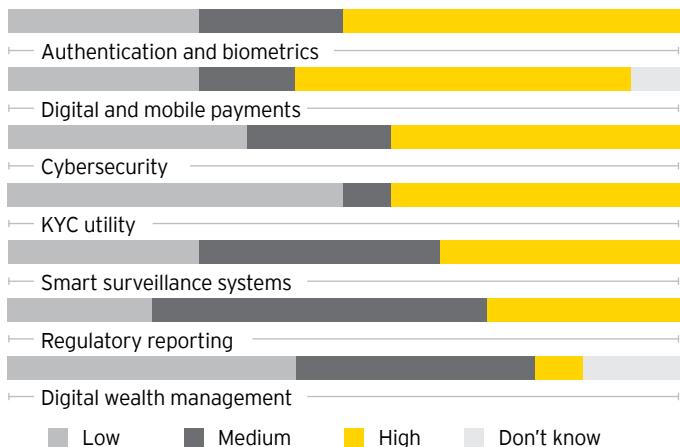


Potential collaborative shared-cost FinTech solutions in the GCC region.

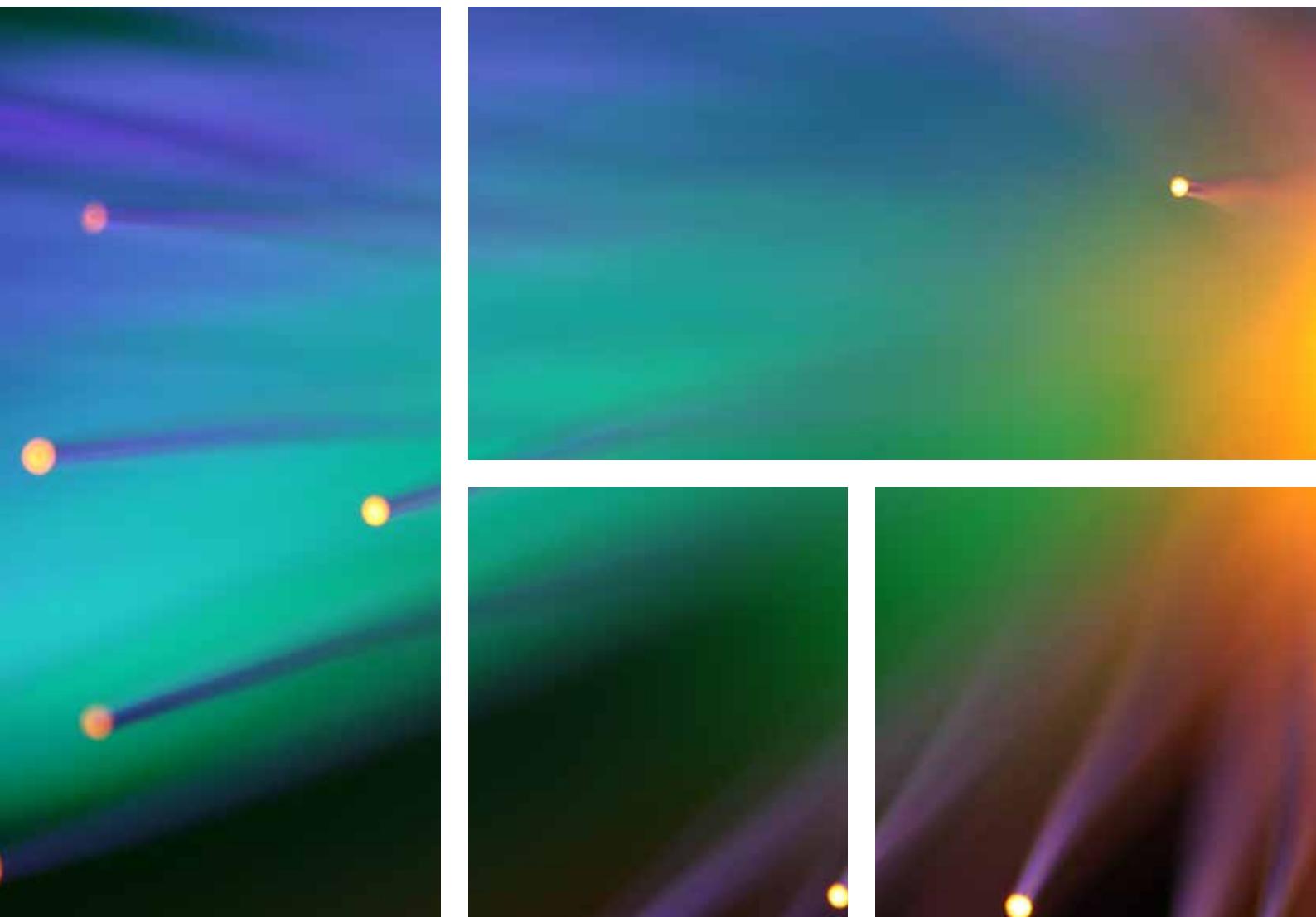
Q: In your opinion, which banking sector activities lend themselves to a collaborative initiative among the GCC banks? Please rank the following on a scale from one to five (where one is low and five is high).

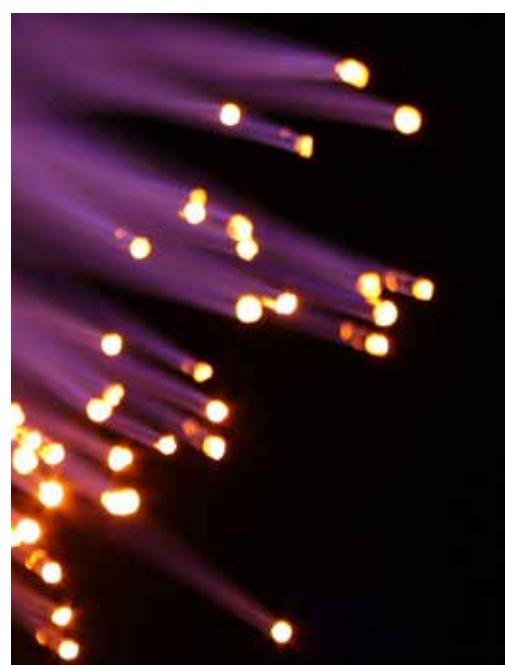
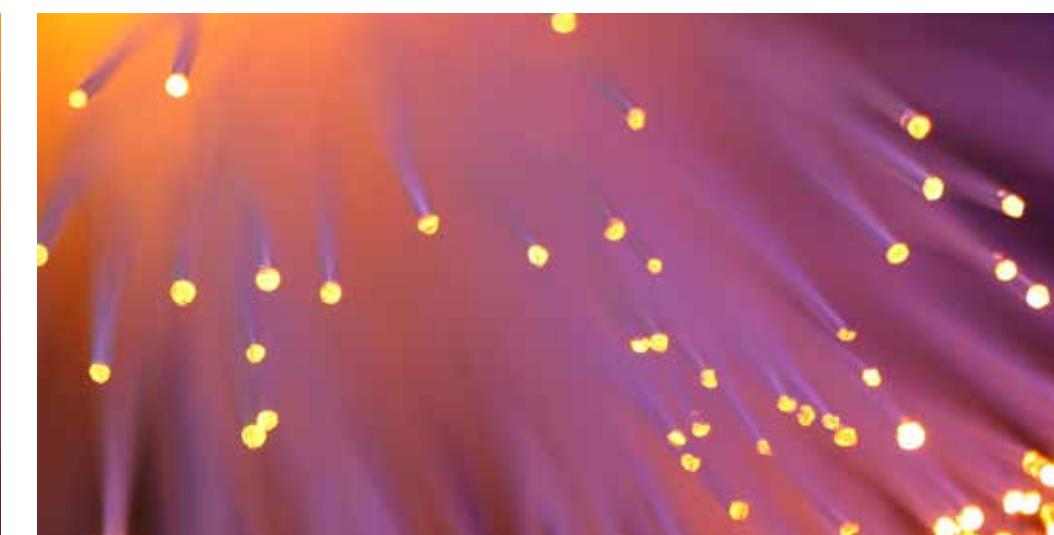
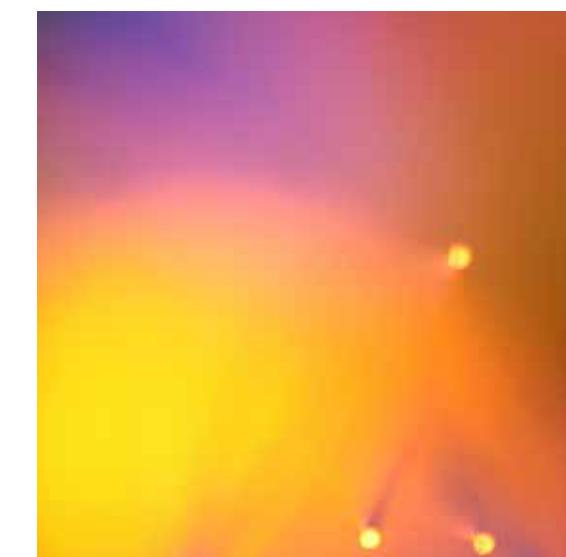
When asked to prioritize a short list of potential shared-cost FinTech initiatives, the survey participants rated authentication and biometrics, digital and mobile payments, cybersecurity, and a KYC utility at the top of their list.

Behind this top priority list, the survey participants gave medium priority to efficient regulatory reporting solutions and digital wealth management.



Case for collaboration among participation banks







The case for collaboration among participation banks

The case for participation banks' collaboration with innovative FinTech firms is well made by the GCC FinTech Survey respondents (65% stated their intent to collaborate by working with FinTech firms or investing in them), as well as the accepted norms in the banking sector around the world.

For example, a leading multinational banking and financial services holding company in the United States has joined hands with a non-bank small business lender, which has delivered US\$5 billion to small businesses globally. Similarly, a British bank and a Dutch multinational banking and financial services corporation have invested in a US-based FinTech that provides funding to small businesses and consumers through an automated lending platform. One of Spain's leading banks has invested in a digital-only and mobile-based challenger bank in the UK. A Scottish retail bank is working with a UK-based peer-to-peer lending platform that lends money to SMEs.

In addition to the collaboration with FinTech firms, there is an equally strong case for participation banks' collaboration among themselves on a consortium basis, while addressing the challenges and opportunities offered by FinTech innovations.

Network effect

A key argument in support of collaboration among participation banks is to benefit from “network effect” by using consistent standards and protocols, while adopting known FinTech solutions in order to broaden its adoption and use.

Joint venture

6 Malaysian participation banks

Peer-to-peer platform

IAP integrated
(owner and
operator of
IAP)



The case for collaboration in the GCC banking sector

One notable example of collaboration and development of consistent standards for broad adoption in participation banking sector is the participation Investment Account Platform (IAP) launched recently in Malaysia. Using well-established FinTech innovations, the IAP facilitates efficient intermediation by the sponsoring banks to match financing requirements of ventures

with investment from retail and institutional investors via Investment Account. IAP was launched initially by a consortium of four participation banks in Malaysia with two more banks joining in later on.

MoU for a consortium mWallet platform

Regulated by the UAE Central Bank

Key objectives

- Mobile P2P payment
- Financial inclusion
- Mobile funds transfer

Economies of scale

An equally strong argument in support of collaboration among participation banks is to achieve benefits of the economies of scale by using a "utility entity" approach toward the adoption of certain functional FinTech solutions. Where appropriate, it can be argued that this collaboration should be extended to include conventional banks.

A good example of an industry collaboration initiative to achieve economies of scale and broad market adoption is the mWallet JV recently announced by 16 banks in the UAE, including 4 participation banks. One of the key objectives of the mWallet platform is the financial inclusion of the unbanked segment of the population, who will benefit from access to basic financial services, such as receiving funds or making payments.

Exploring emerging FinTech innovations

The speed of FinTech innovation has been dizzying during the past few years and shows no sign of abatement. The variety of ways in which FinTech innovations are being adopted by the banking sector is ever increasing. Even some of the largest international banks with dedicated teams for FinTech innovation are finding it difficult to keep track of the developments in FinTech.





FinTech in the GCC banking sector

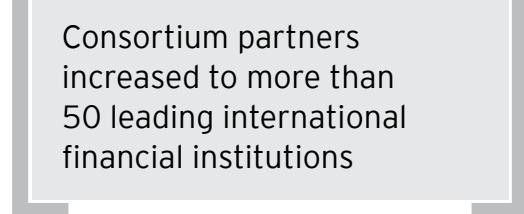
One can argue that there is a great benefit in collaboration among participation banks on evaluation of FinTech trends, pooling of research and ideas, development of prototypes and "proof of concept," and the development of common standards for sector-wide deployment in participation banking.

An example of industry collaboration to explore emerging FinTech innovations is the set up of R3, a blockchain technology firm, by a consortium of nine of the largest international investment banks as depicted below. Within one year from its

set up in September 2015, the number of consortium banks increased to more than 50 institutions.

R3 is a financial innovation firm that leads a consortium partnership to design and deliver advanced distributed ledger technologies to the global financial markets. R3 collaborates with its partner institutions on research, experimentation, design and engineering. This propels the ultimate users of this new technology into the design and production process from the outset.

R3 – blockchain technology consortium firm



Avoid a two-tier participation banking sector

Because of a high degree of fragmentation, digital transformation and adoption of FinTech innovations in a commercially viable manner may be out of reach for many small and medium-sized participation banks. This is either because of their small size of business or due to shortcomings in the depth and breadth of their technology teams.

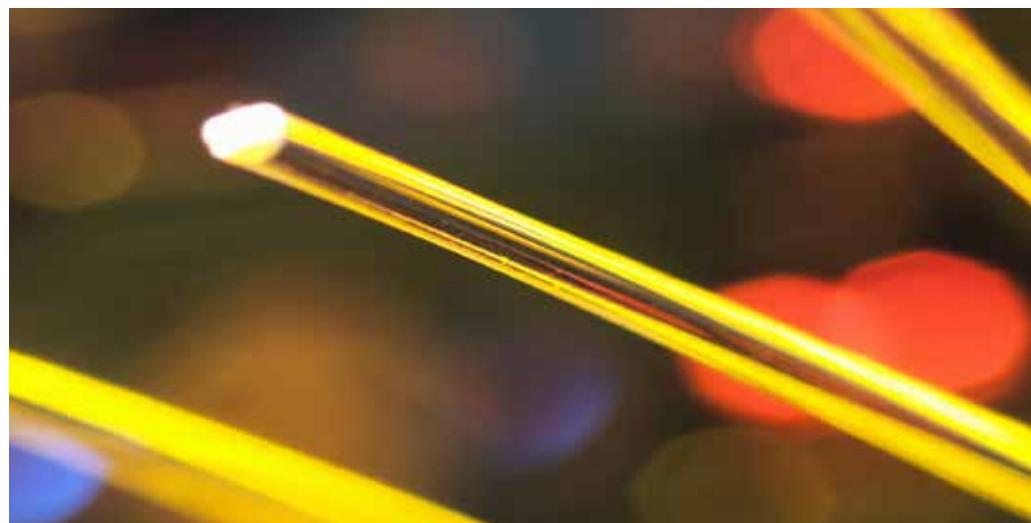
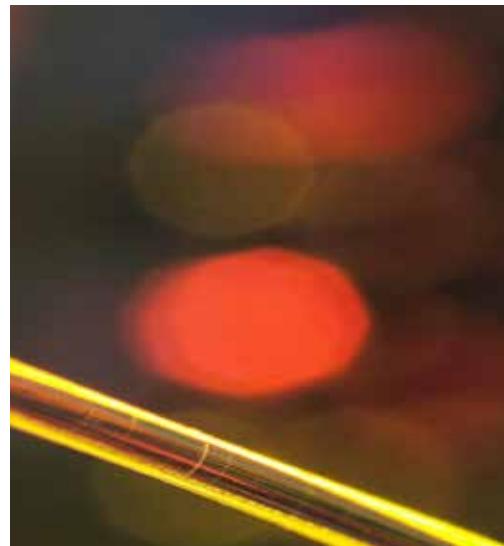
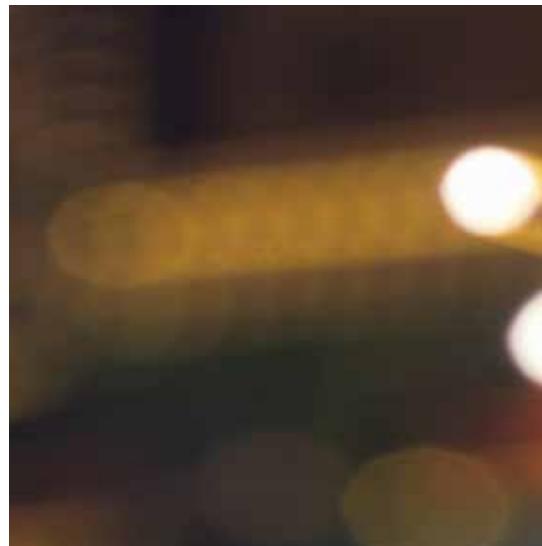
Unless there is a proactive collaboration, there is a risk that we may end up with a two-tier participation banking sector. The largest participation banks may succeed in adopting FinTech innovations, whereas small and medium-sized participation banks may end up as second-tier players with a competitive disadvantage relative to large participation banks, as well as their much larger conventional counterparts.





Global FinTech and opportunities for participation banks







Global FinTech and opportunities for participation banks

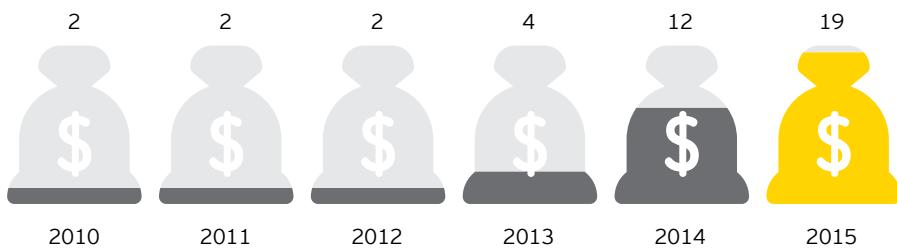
From California to China, the UK, Europe and India, the banking sector is being challenged by FinTech disruptions.

A CEO of a leading multinational banking company has expressed his views on FinTech startups noting: **"Silicon Valley is coming. There are hundreds of start-ups with a lot of brains and money working on various alternatives to traditional banking."**

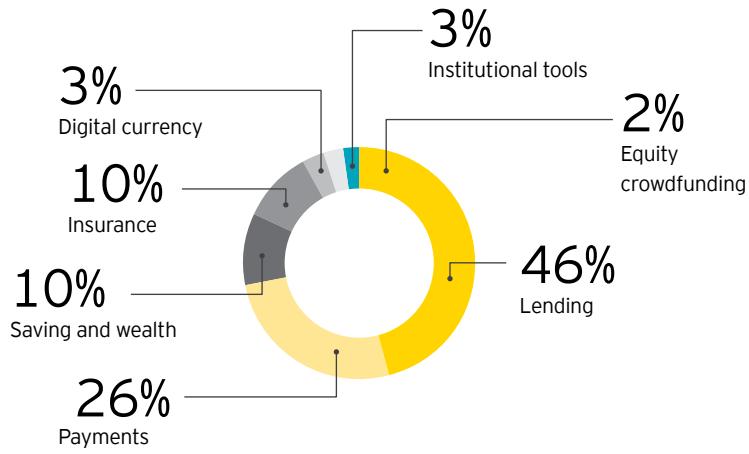
Venture capital firms and corporate venture initiatives in some of the largest banking institutions around the world have invested in FinTech. As a result, global investment in FinTech has grown rapidly. According to a research report on FinTech, between 2010 and 2013, global FinTech investments per year amounted to low single digit billions of dollars. In 2014, this jumped to US\$12b and then up two-thirds to an estimated US\$19b in 2015.

New FinTech entrants are targeting some of the most attractive and valuable profit pools in banking today. According to a research report, personal and SME banking account for about half of the banking sector's profit pool and a higher proportion of the sector's equity value. Not surprisingly, over 70% of the FinTech investments to date have been in the personal and SME business segments.

Private investment in global FinTech companies (US\$b)



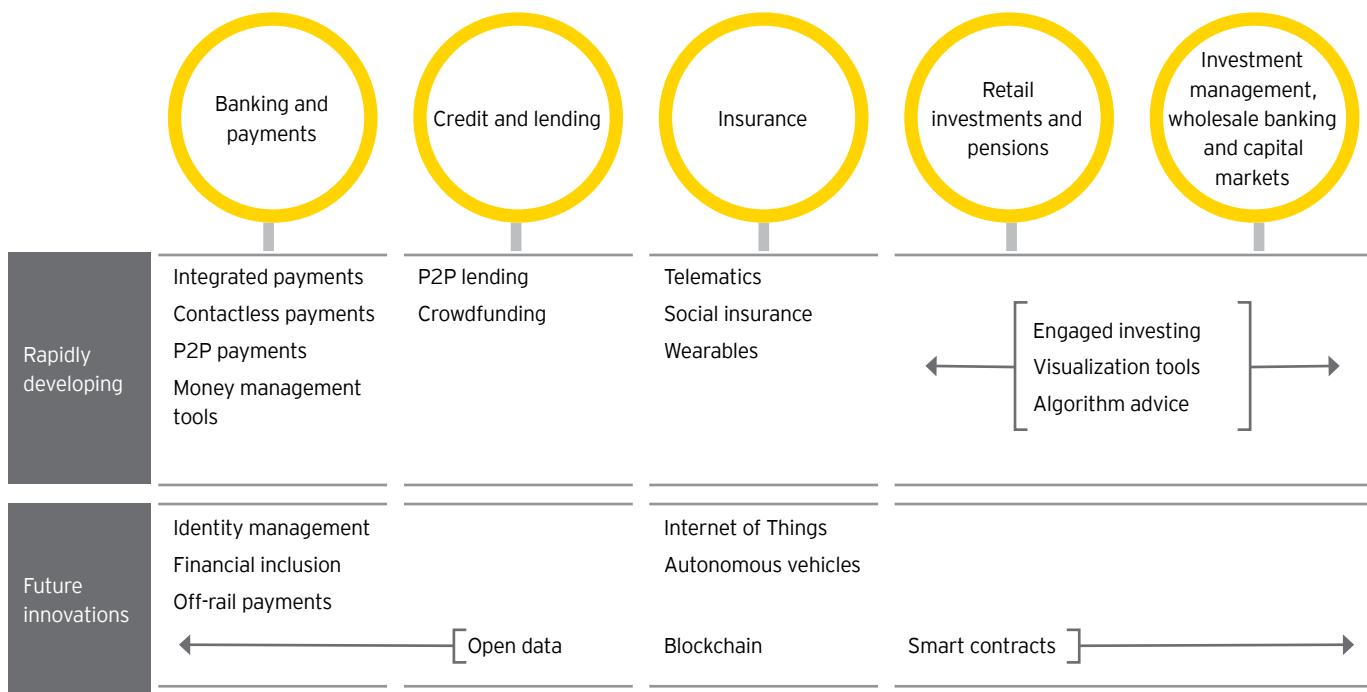
Capital deployed in private FinTech companies by business area





FinTech overview and opportunities for participation banks

To identify innovation characteristics and emerging areas of innovation, EY has developed the following framework:¹



Potential opportunities for the participation banking sector

Adoption of FinTech innovations is not an option, but an absolute imperative for participation banks to continue to gain market share.

Consumer technology penetration (mobile phone, tablet, laptop) in the GCC region is now comparable with that of consumers in most of the developed countries. Based on their familiarity and use of consumer technology, their behavior patterns are modifying, with increased expectation to interact with banks using digital channels.

Some of the leading conventional banks in the GCC region have acknowledged the change in their customer expectations by announcing significant investments in digital transformation initiatives. Participation banks cannot realistically expect to gain sustainable future growth in their market share, if they lag behind their conventional counterparts in digital transformation through the use of FinTech innovations.

Some of the key areas of FinTech innovations relevant for participation banks are highlighted as follows.

SME lending platform

Small and medium enterprises often represent above 90% of the business enterprise in a country. In the Organisation for Economic Co-operation and Development (OECD) and Europe,

SMEs create between 60% and 70% of the new jobs. The average SME contribution to GDP in the European Union (EU) is 55%, almost twice that of most countries in the GCC region.

A study conducted by an international financial institution, which examined the levels of bank lending to SMEs in the Middle East and North Africa (MENA) region, found that the share of SME loans among the total bank loans is just 2% in the GCC region, among the lowest in the world. The average for the MENA region is 7.6%, while the level of lending in non-GCC countries in MENA is 13%, which is substantially higher.

In developed countries with much higher proportion of loans to SMEs, banks are adopting FinTech innovations to enhance their lending to this important sector. A British bank and a Dutch multinational banking and financial services corporation have made significant investments in an automated lending platform for SMEs. Referring to these FinTech initiatives for SMEs, a prominent CEO of a U.S. based multinational banking company noted: **"Working with a FinTech company called OnDeck, we will be piloting a new working capital product. The process will be entirely digital, with approval and funding generally received within one day vs. the current process that can take up to one month or more. The loans will be Chase branded, retained on our balance sheet, and subject to our pricing and risk parameters."**

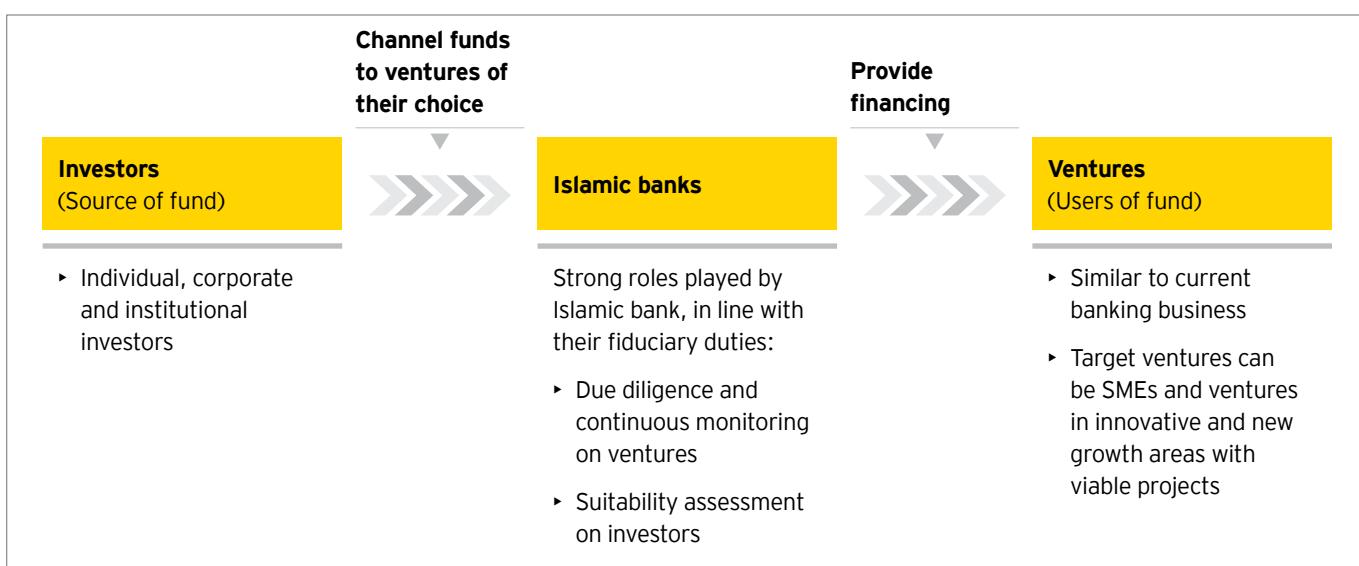
There is a strong case for participation banks to evaluate how automated SME lending platforms can be made to work for them in the GCC region.

Peer-to-peer lending platform

Profit and Loss Sharing (PLS) account is commonly used in participation banking. The business model currently in use results in the investor depositing funds in his PLS account and leaving the participation bank to make investment or credit

judgments on his behalf. The resulting profit or loss is then shared between the PLS account holders based on the profit sharing policy of each participation bank (which often differ between banks). Participation banks are often criticized on their profit sharing policies for PLS.

The recently launched Islamic IAP initiative in Malaysia has demonstrated how peer-to-peer lending platform, a popular FinTech innovation, could address some of the criticisms made on the current PLS business model.



The peer-to-peer lending model changes the role of participation banks from the manager of the PLS account on behalf of investors (depositors) to a provider of information on investment opportunities to investors (depositors).

The participation bank conducts suitability evaluation of investors, due diligence on investments put on the platform and monitors their performance. However, the responsibility to channel funds to ventures of their choice is moved to the investors.

There is a case for participation banks in the GCC region to evaluate the pros and cons of using the peer-to-peer lending approach for their PLS account.

Digital wealth management

The current norm in participation banking is to consider wealth management as a service suitable for the “wealthy”. The legacy business model and working assumptions relating to portfolio management services delivered using client account managers means that the service can only be delivered profitably to wealthy participation banking clients.

The FinTech innovation of digital wealth management, commonly known as robo-advice for its algorithm-driven portfolio management and platform-driven B2C interaction with clients, is revolutionizing wealth management worldwide. Similar to the wealthy investors, digital wealth management has made it possible for mass-affluent individuals to gain access to portfolio management services that allow them to develop an internationally diversified portfolio of securities reflecting their specific investment objectives and risk appetite.

International banks worldwide are introducing digital wealth management to their mass-affluent clients. Owing to the benefits to retail investors, some of the international regulators have decided to provide a policy support to set up automated portfolio management services. The Financial Advice Market Review (FAMR), a project jointly led by the Financial Conduct Authority (FCA) and treasury in the UK, recommended the FCA set-up a special unit to help firms set-up digital wealth management.

The adoption of digital wealth management could allow participation banks to offer the PLS account holders yet another way to invest their funds in a Sharia-compliant manner.



FinTech in the GCC banking sector

Banking and payments

The banking and payments arena offer a number of potential FinTech initiatives in collaboration with specialized FinTech firms for the participation banking sector to consider.

P2P payments: Six top US retail banks announced their intention to work together to launch a real-time, person-to-person payment solution to their clients.

Referring to this innovative consortium initiative, a U.S. based multinational company stated that, "**This new P2P solution will securely make real-time funds available through a single consumer-facing brand. Chase and the partner banks represent 60% of all US consumers with mobile banking applications. We intend to keep P2P free for consumers and the network consortium is open for all banks to join."**

Because of the ubiquity of mobile phones in the GCC region, the launch of a similar consortium-based P2P payments solution could help participation banks achieve their strategic goal of providing financial services to many of the currently unbanked individuals in the region.

Digital-only bank for the millennials: The millennial generation has a clear preference for conducting their financial services on an end-to-end digital platform. Using FinTech innovations, banks worldwide are stepping forward to offer digital-only banking services to meet the differentiated needs of this customer segment.

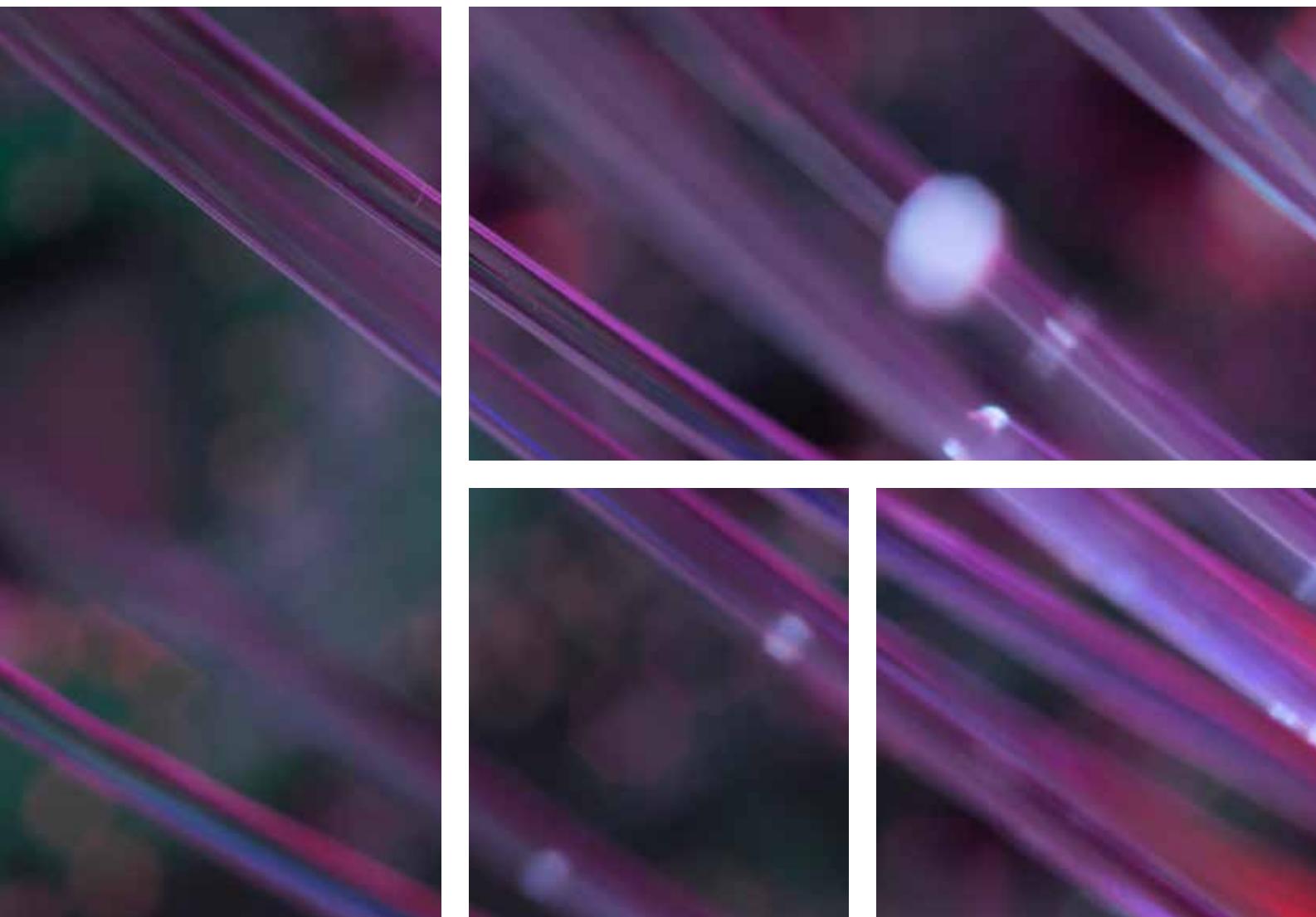
In the UK, the launch of a number of digital-only “challenger banks” has been announced. Recently, a leading Islamic bank based in the UAE announced the planned launch of a digital-only bank targeting the millennials in the UAE in alliance with a German online bank.

Digital-only banking could become a significant client segment for participation banks in the due course. There is a case for participation banks to evaluate collaborative ventures with FinTech firms to launch digital-only banks in their respective countries.

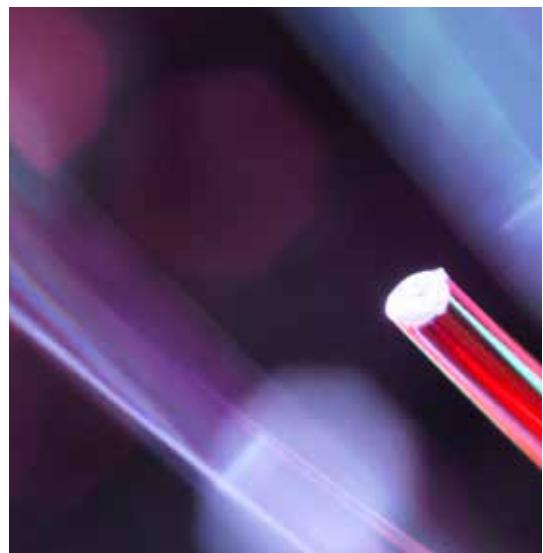
Multifactor digital authentication: Currently, most participation banking players deploy a username or password-driven authentication protocol for their clients.

FinTech innovations in digital authentication now allow banks to use multifactor authentication protocol. In this context, the username or password (what you know) is considered one of the three factors in client authentication. The other two factors and verification of the digital device (mobile, tablet, laptop) used by the client to access the bank (what you have) and biometric authentication of the client (who you are) through facial biometrics, iris scan, finger prints or voice recognition. Multifactor authentication of clients significantly reduce the risk of fraud in banking.

Participation banking sector overview

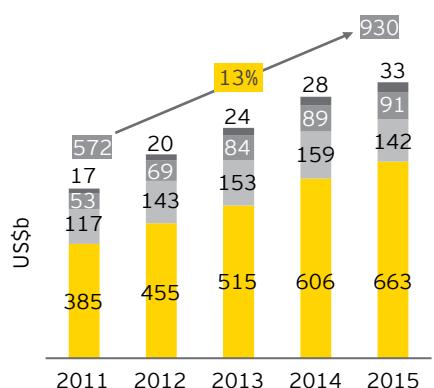


- 40 International participation banking assets
- 40 Regional market contributions
- 41 Participation industry footprint
- 42 Participation banking country contributions
- 42 Leading 20 participation banks by capitalization
- 43 Profitability in focus



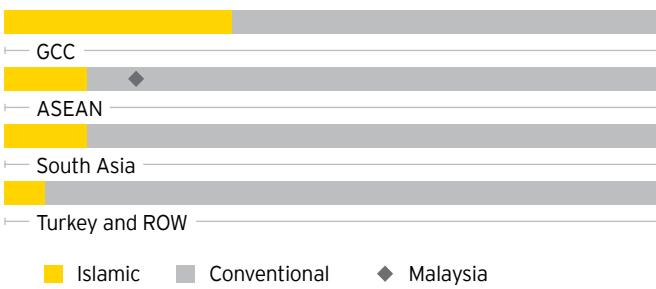
International participation banking assets*

International participation banking assets* (US\$b)



■ GCC ■ ASEAN ■ Turkey and ROW ■ South Asia

Share of participation banking assets*

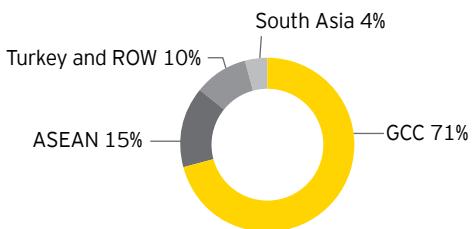


Source: Central banks and EY analysis

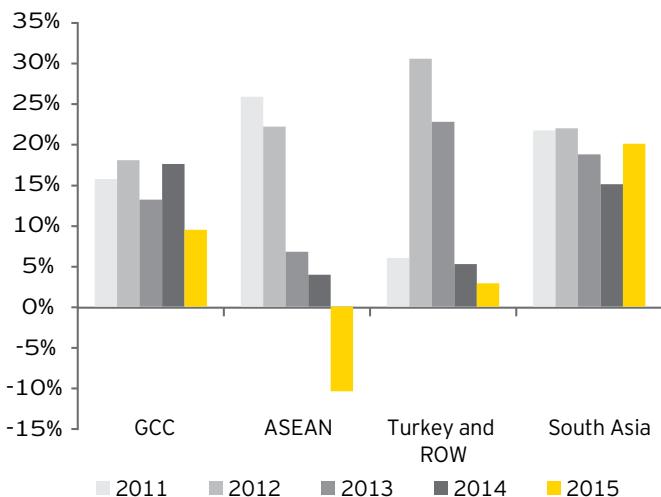
*International participation banking assets exclude Iran, which has a unique domestic industry. ROW includes Jordan, Egypt, Sudan and South Africa.

Regional market contributions

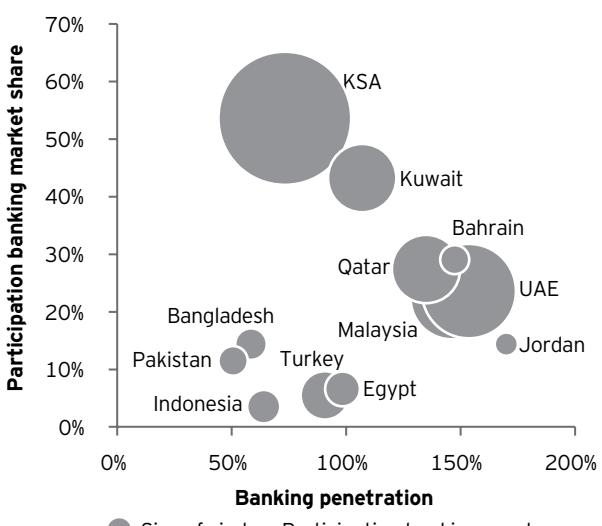
Regional contribution to growth in 2015



Growth rate by region



Banking penetration and participation asset market share



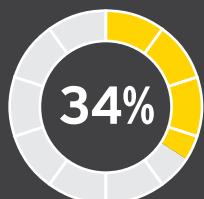
Source: Central banks and EY analysis

* International participation banking assets exclude Iran, which has a unique domestic industry.

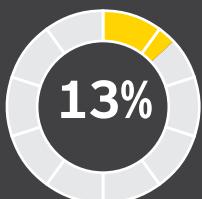
Participation industry footprint

Share of markets

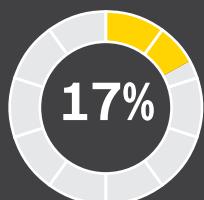
Saudi Arabia



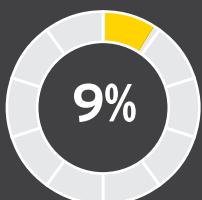
Malaysia



UAE



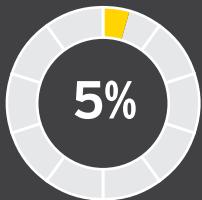
Kuwait



Qatar



Turkey



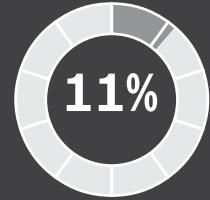
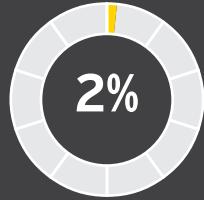
Indonesia



Bahrain



Pakistan



Global

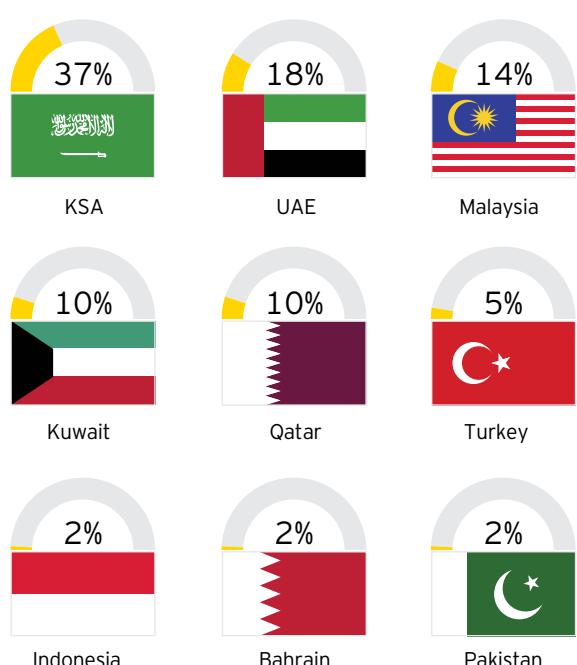
National

Source: Central banks and EY analysis

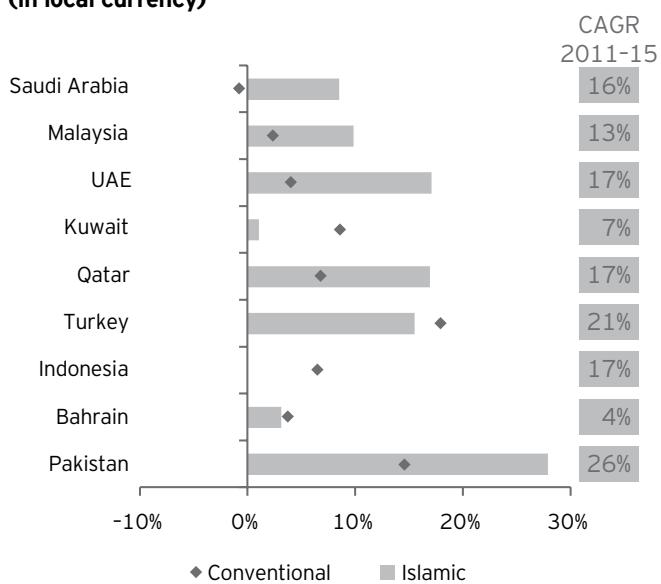
* International participation banking assets exclude Iran, which has a unique domestic industry.

Participation banking country contributions

Country contribution in 2015 (US\$b)



**Year on year (YoY) growth rate of assets, 2015
(in local currency)**



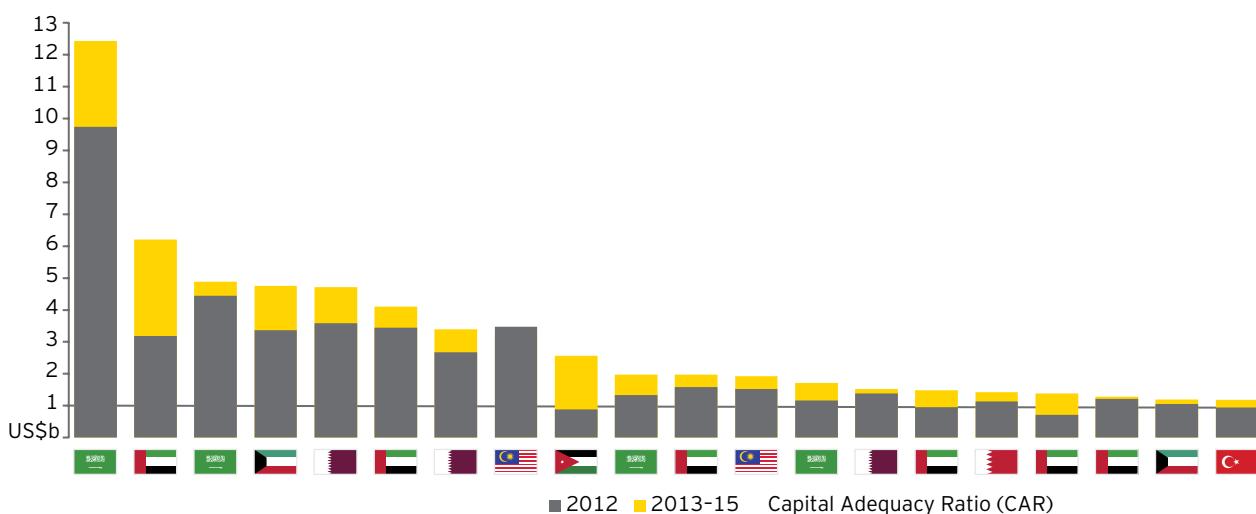
Source: Central banks and EY analysis

Leading 20 participation banks by capitalization

Capitalization of top 20 banks

CAR 2014 20% 15% 26% 16% 15% 14% 18% 19% 44% 14% 17% 16% 17% 21% 17% 14% 13% 24% 16% 15%

CAR 2015 21% 16% 23% 17% 14% 15% 19% 20% 47% 16% 17% 16% 16% 17% 16% 14% 14% 22% 16% 14%

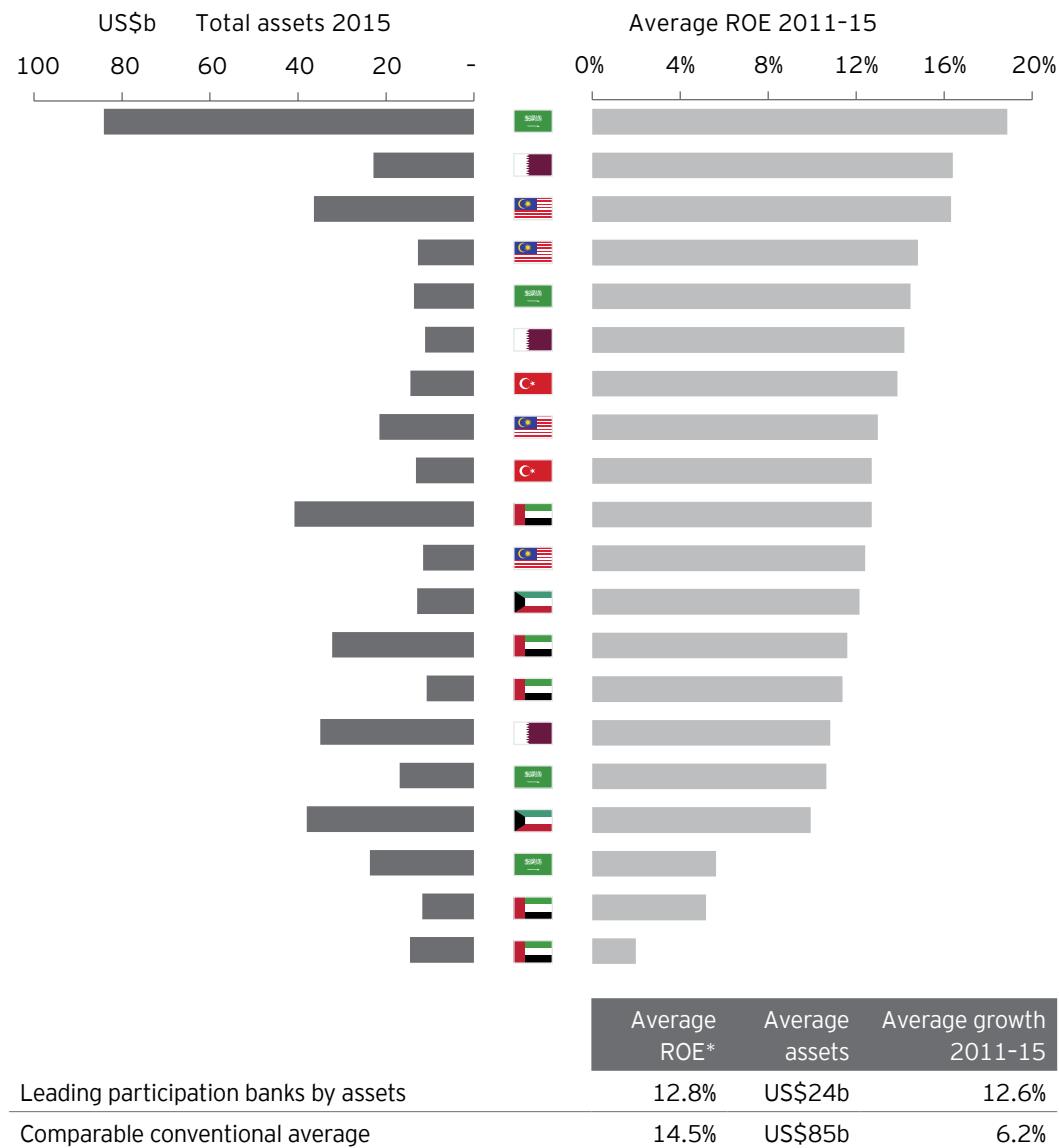


Sources: Company financial reports, EY Universe and EY analysis

Note: Top 20 participation banks' data excludes Iran. Country flags represent the home market of the participation bank.

Profitability in focus

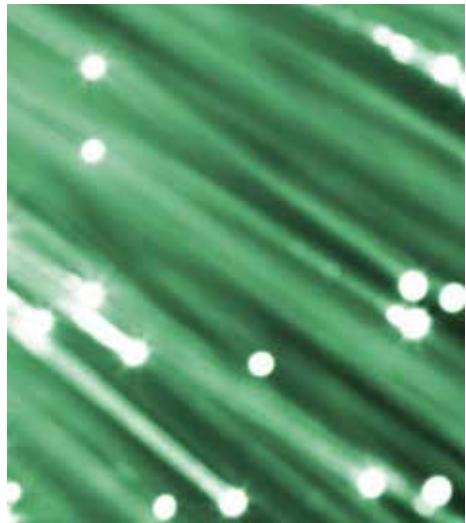
Top 20 participation banks

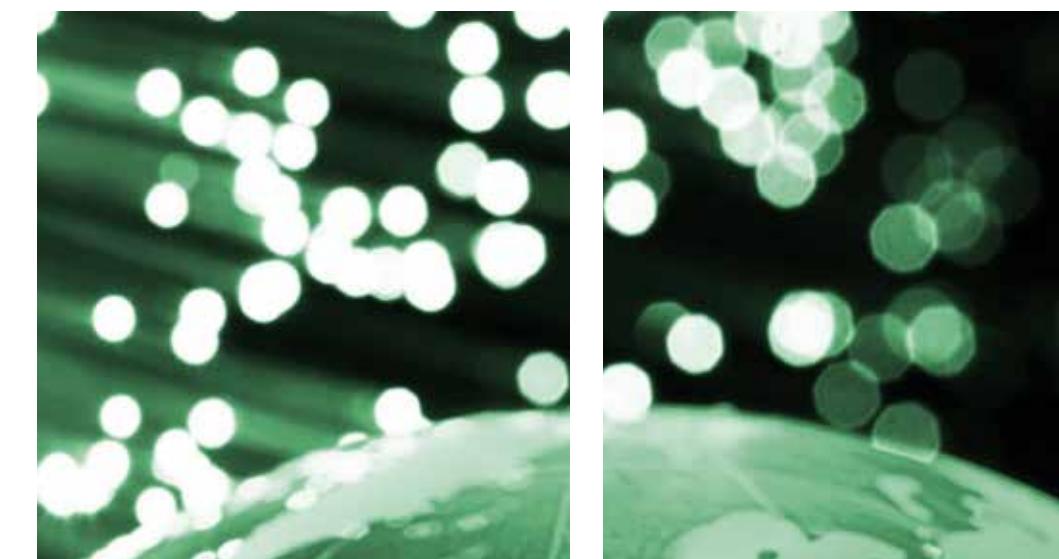


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Note: Top 20 participation banks' data excludes Iran. Country flags represent the home market of the participation bank.

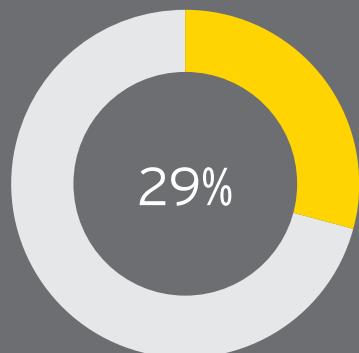
Country outlook



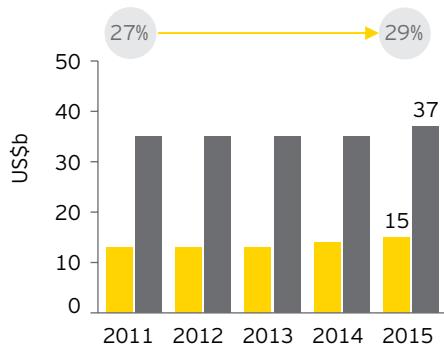


Bahrain

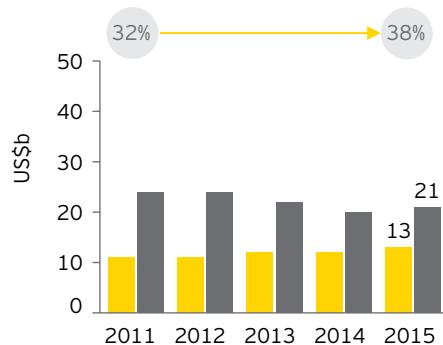
Participation banking penetration in Bahrain



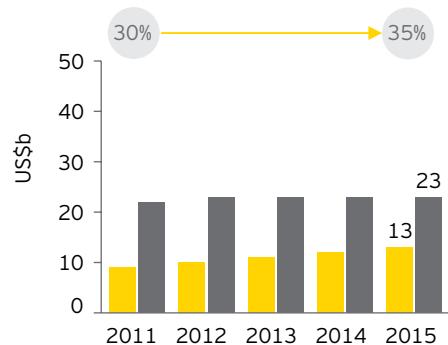
Total banking assets



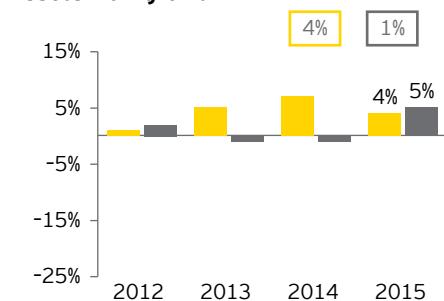
Total financing assets



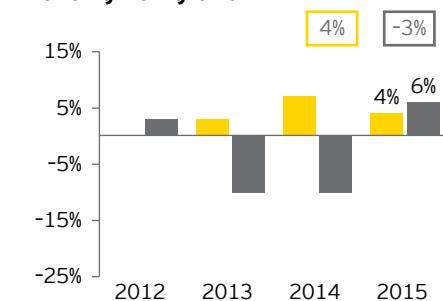
Total investment accounts



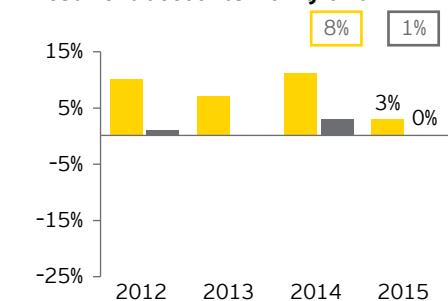
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



■ Participation banking CAGR 2011-15

% Participation banking share

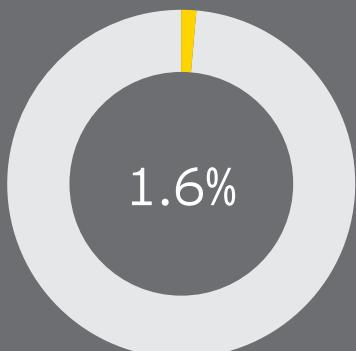
■ Conventional banking CAGR 2011-15

■ Conventional banking

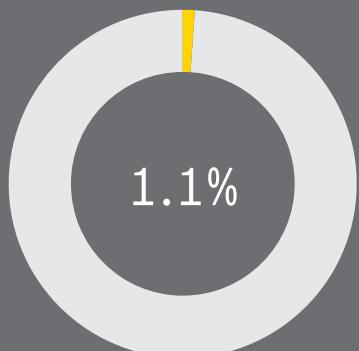
■ Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks
For the Bahraini market, analysis is based on domestic banking assets.

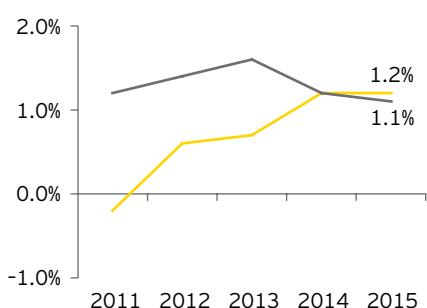
Share of global market*



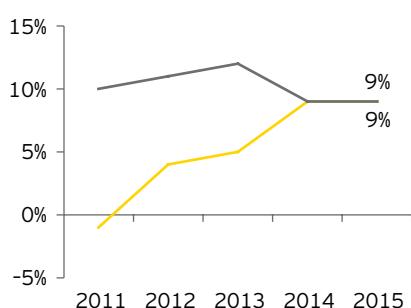
Share of participation banking growth in 2015



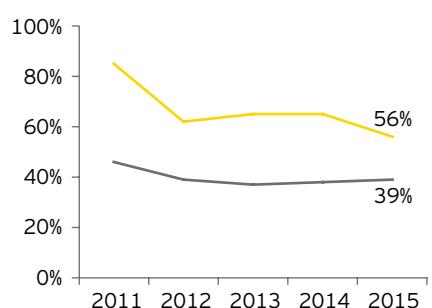
Return on assets



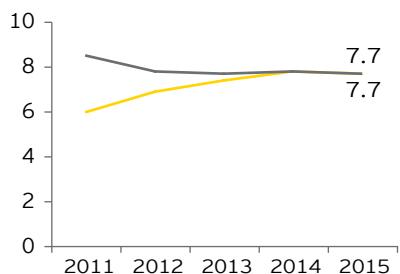
Return on equity



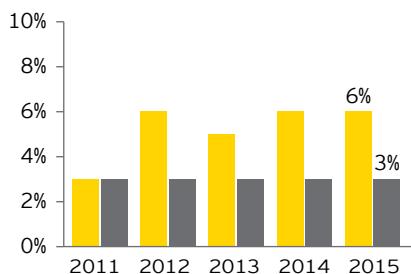
Cost to income ratio



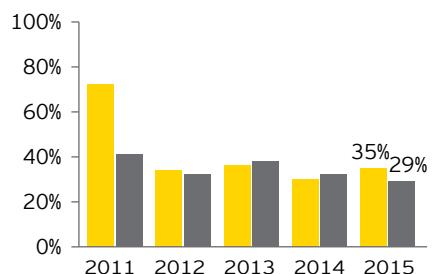
Leverage



Revenue asset ratio



Nonfinancing income ratio



Conventional banking

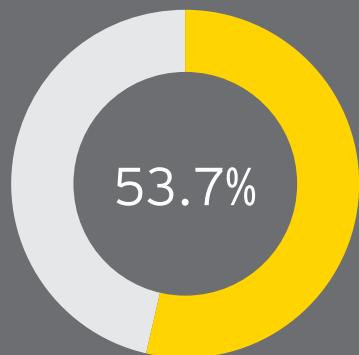
Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

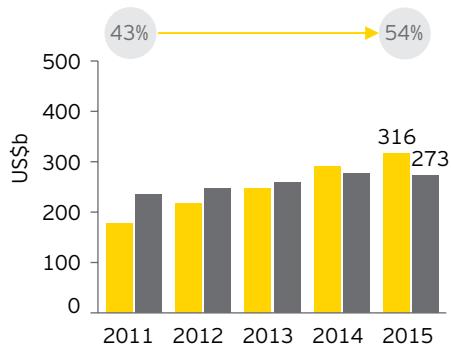
* Market share calculated excluding Iran

Saudi Arabia

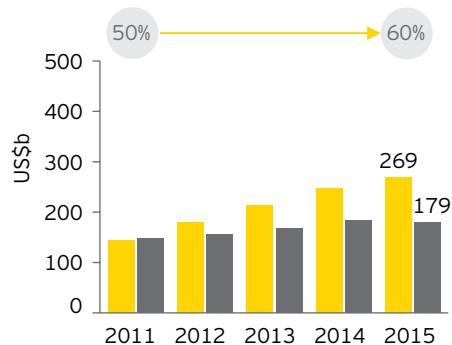
Participation banking penetration in Saudi Arabia



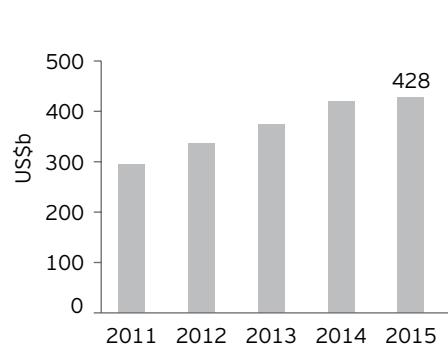
Total banking assets



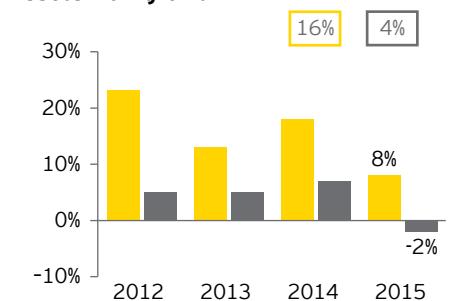
Total financing assets



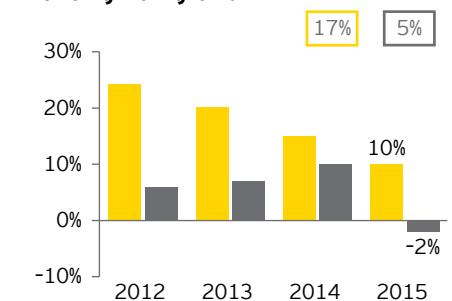
Total investment accounts



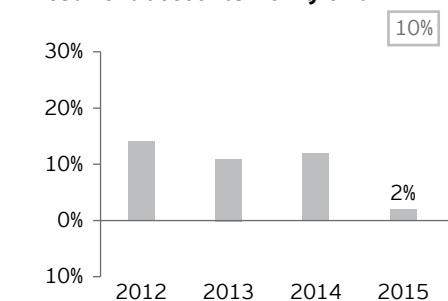
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



█ Participation banking CAGR 2011-15

█ Conventional banking CAGR 2011-15

█ Total banking sector CAGR 2011-15

█ Participation banking share

█ Conventional banking

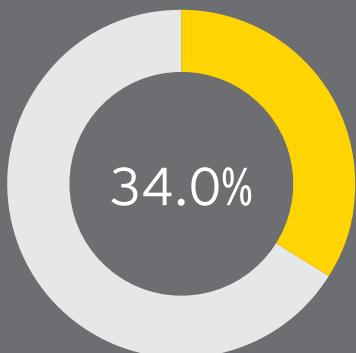
█ Participation banking

█ Total banking sector

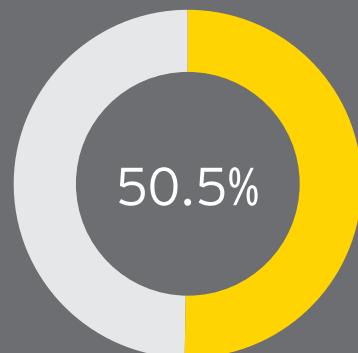
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

* Saudi Arabia's deposits are for the entire banking sector as the split is not available.

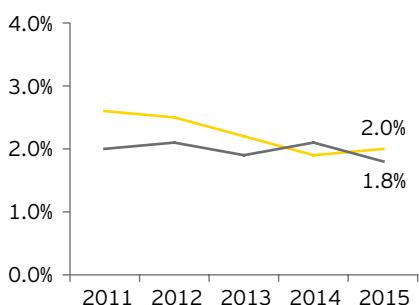
Share of global market*



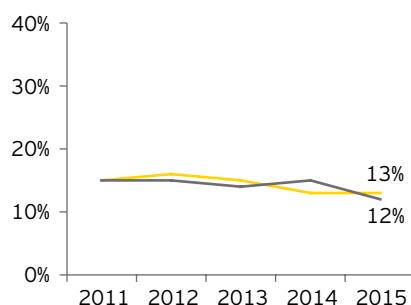
Share of participation banking growth in 2015



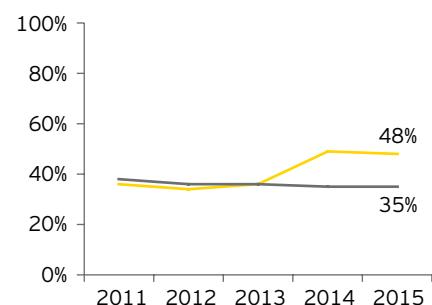
Return on assets



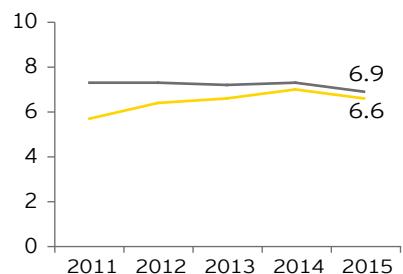
Return on equity



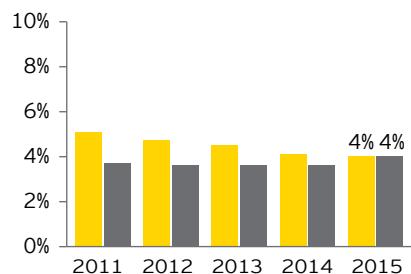
Cost to income ratio



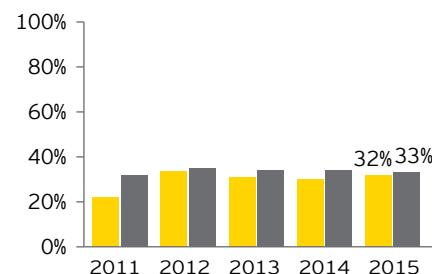
Leverage



Revenue asset ratio



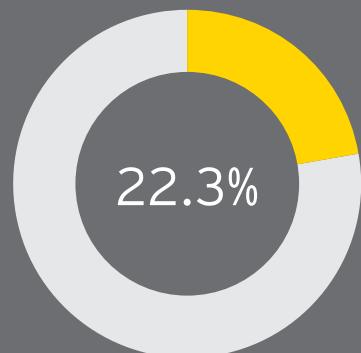
Nonfinancing income ratio



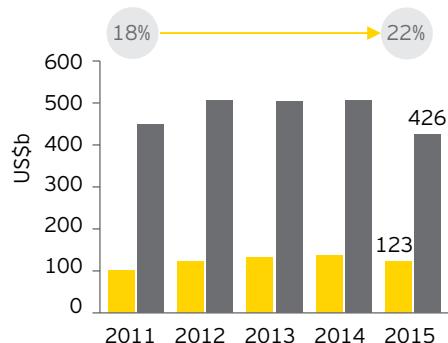
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks
* Market share calculated excluding Iran

Malaysia

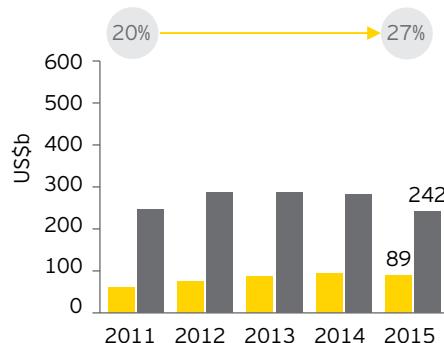
Participation banking penetration in Malaysia



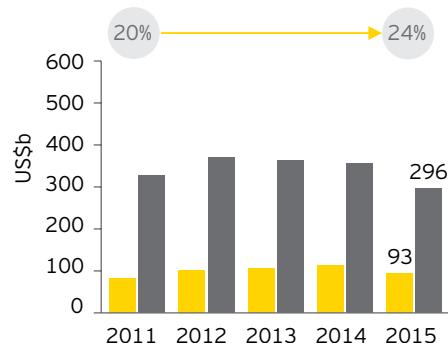
Total banking assets



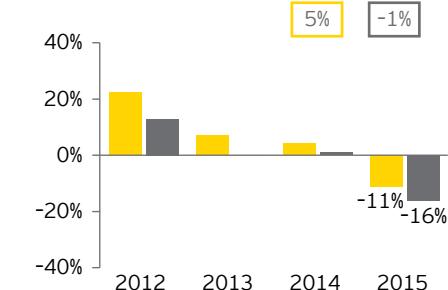
Total financing assets



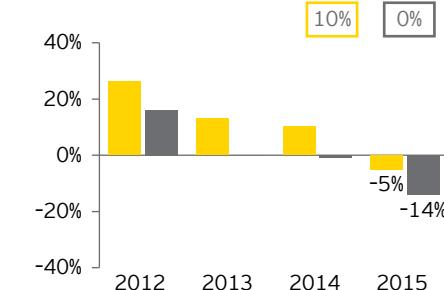
Total investment accounts



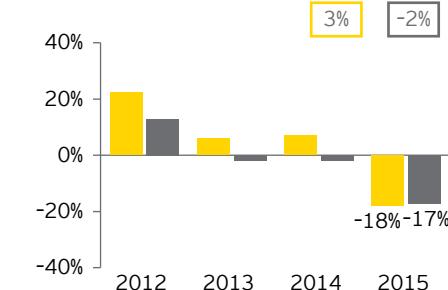
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



█ Participation banking CAGR 2011-15

█ Participation banking share

█ Conventional banking CAGR 2011-15

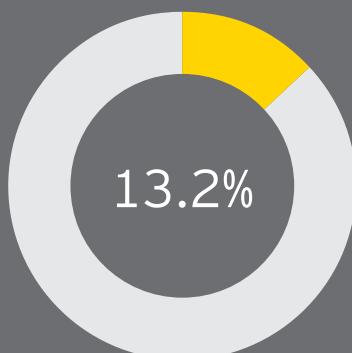
█ Conventional banking

█ Participation banking

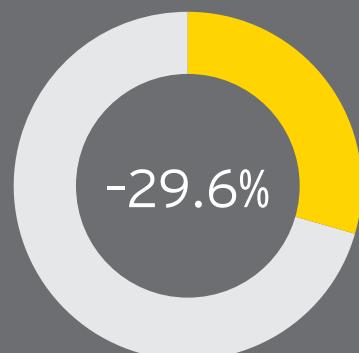
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks



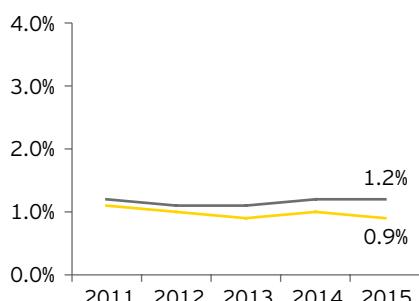
Share of global market*



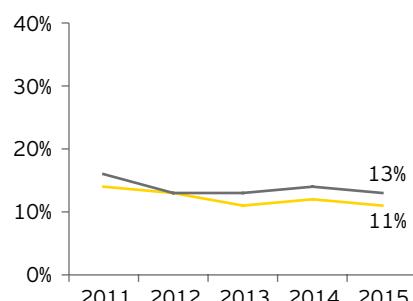
Share of participation banking growth in 2015



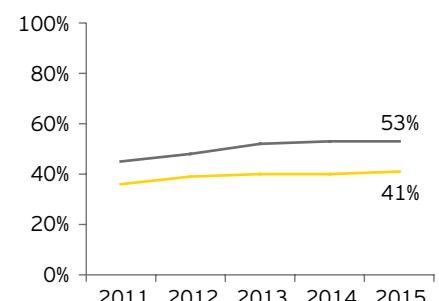
Return on assets



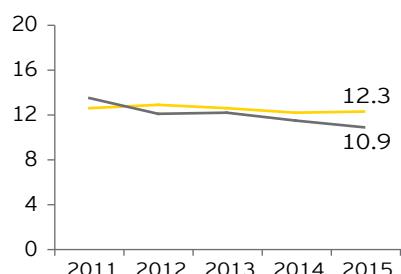
Return on equity



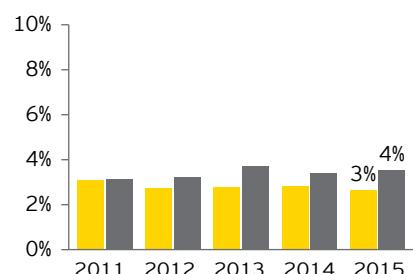
Cost to income ratio



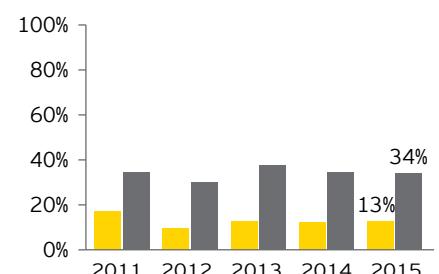
Leverage



Revenue asset ratio



Nonfinancing income ratio



Conventional banking

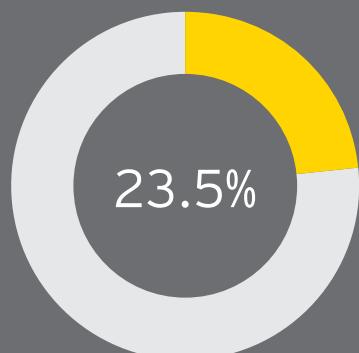
Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

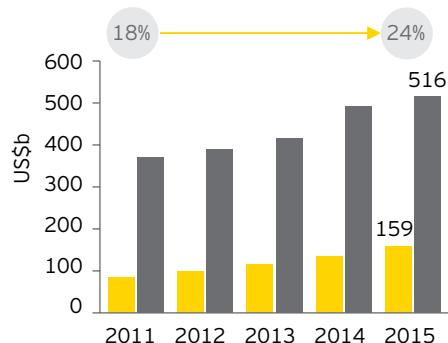
* Market share calculated excluding Iran

UAE

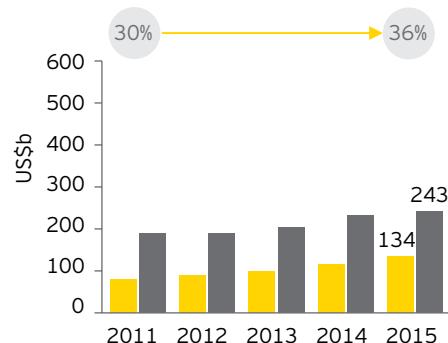
Participation banking penetration in the UAE



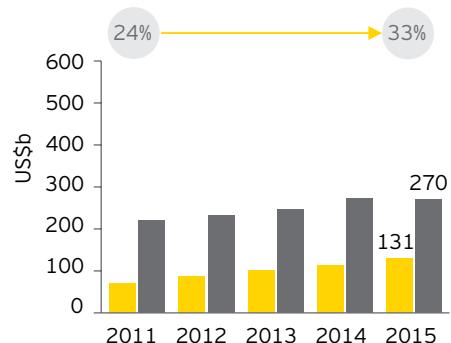
Total banking assets



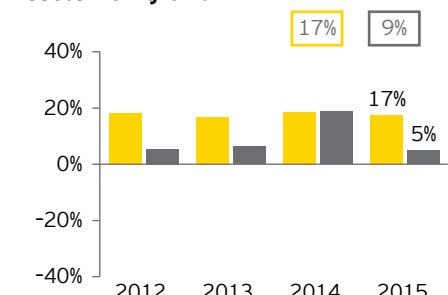
Total financing assets



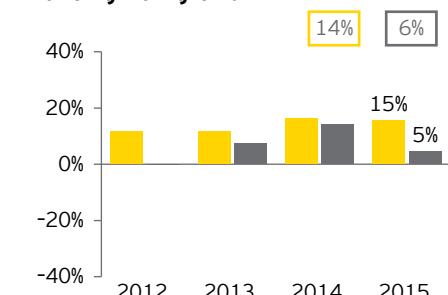
Total investment accounts



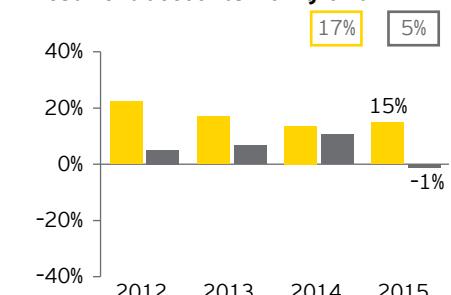
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



■ Participation banking CAGR 2011-15

% Participation banking share

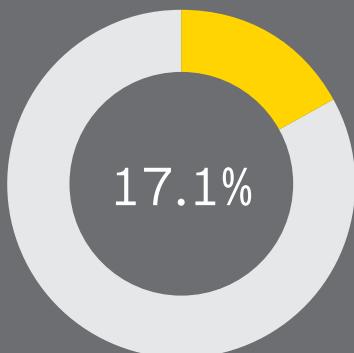
■ Conventional banking CAGR 2011-15

■ Conventional banking

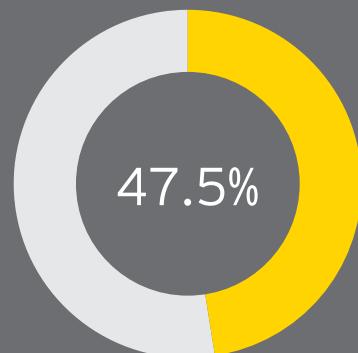
■ Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

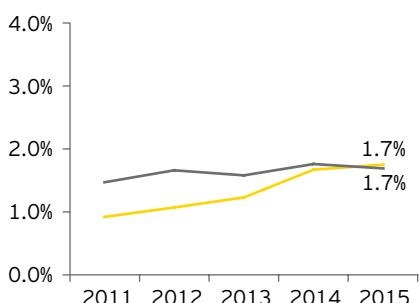
Share of global market*



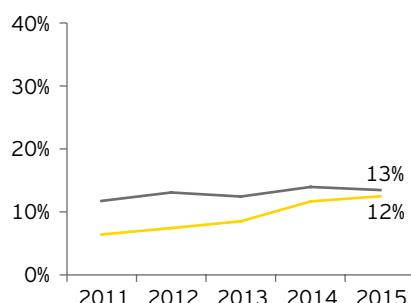
Share of participation banking growth in 2015



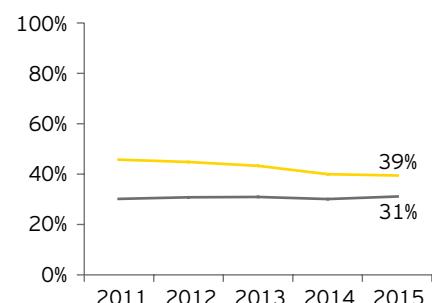
Return on assets



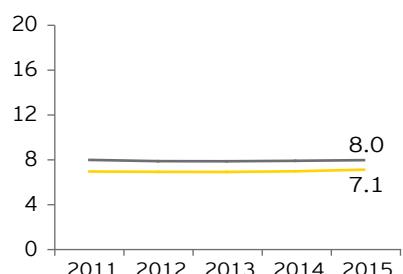
Return on equity



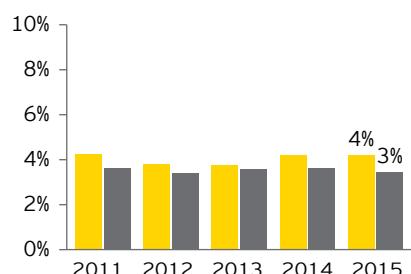
Cost to income ratio



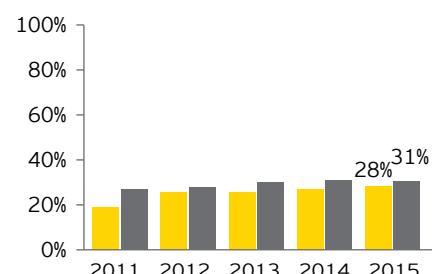
Leverage



Revenue asset ratio



Nonfinancing income ratio



Conventional banking

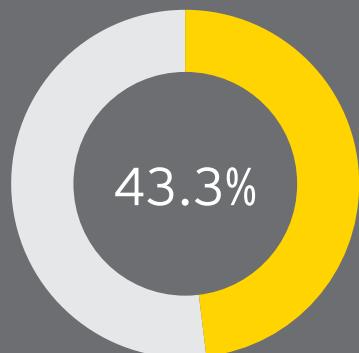
Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

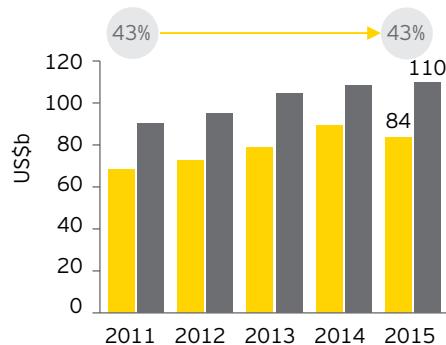
* Market share calculated excluding Iran

Kuwait

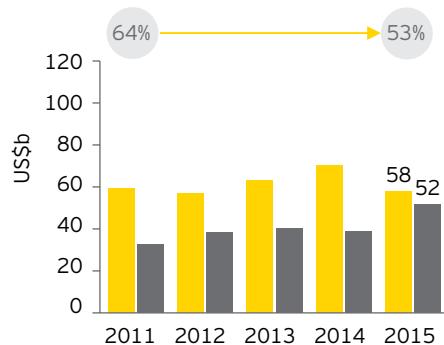
Participation banking penetration in Kuwait



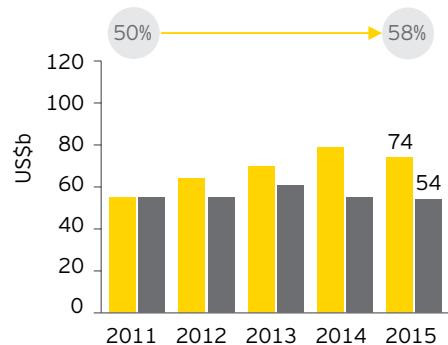
Total banking assets



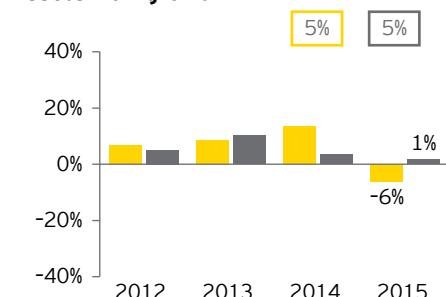
Total financing assets



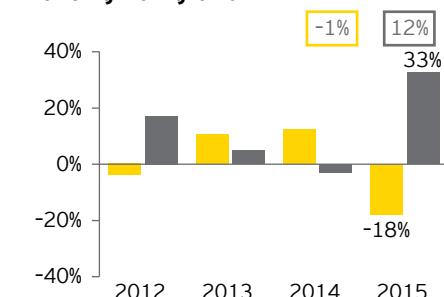
Total investment accounts



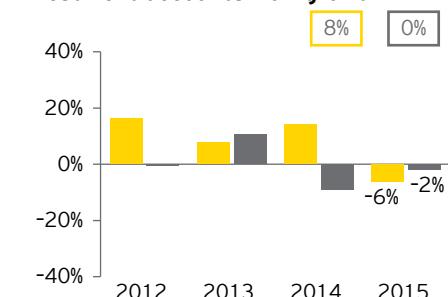
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



■ Participation banking CAGR 2011-15

% Participation banking share

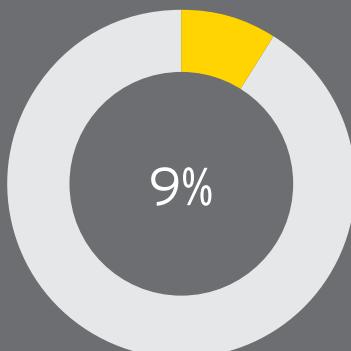
□ Conventional banking CAGR 2011-15

■ Conventional banking

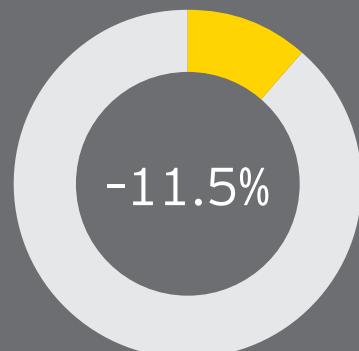
■ Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

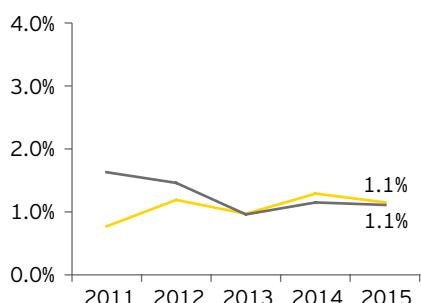
Share of global market*



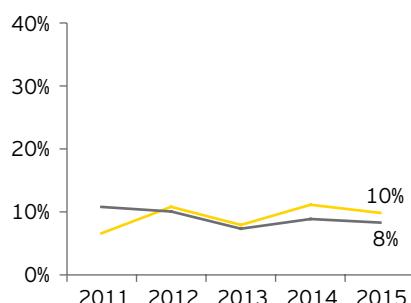
Share of participation banking growth in 2015



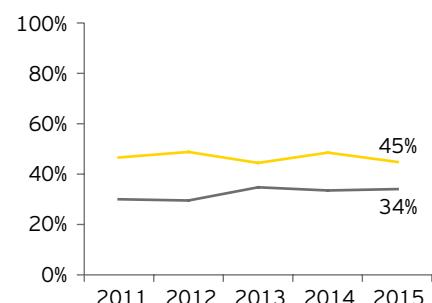
Return on assets



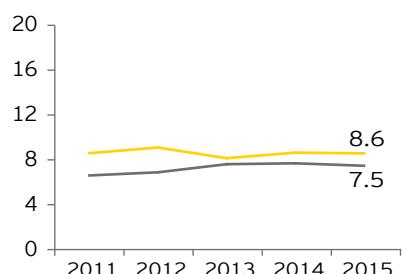
Return on equity



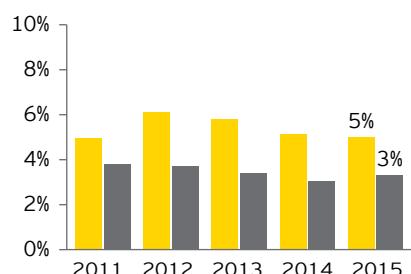
Cost to income ratio



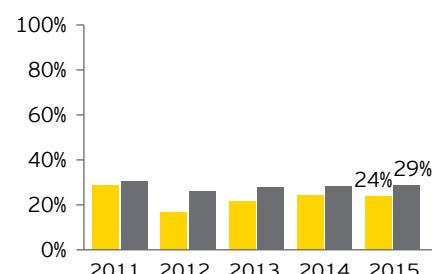
Leverage



Revenue asset ratio



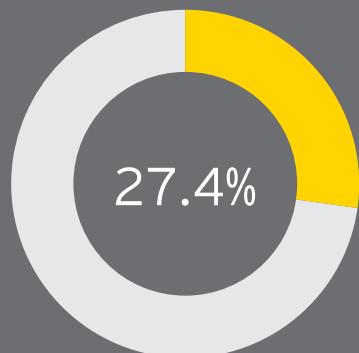
Nonfinancing income ratio



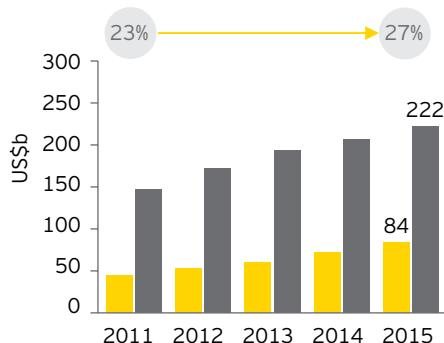
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks
* Market share calculated excluding Iran

Qatar

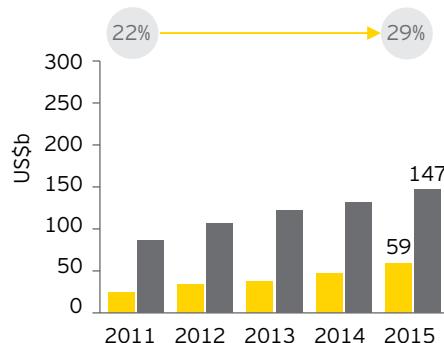
Participation banking penetration in Qatar



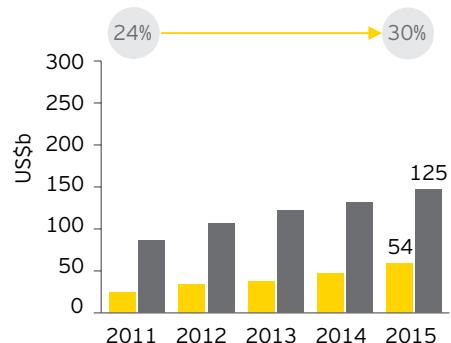
Total banking assets



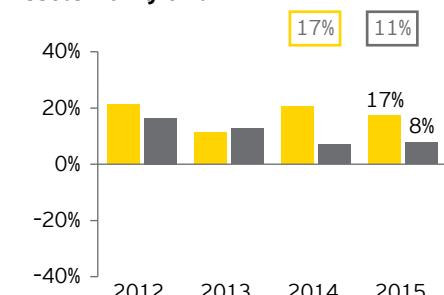
Total financing assets



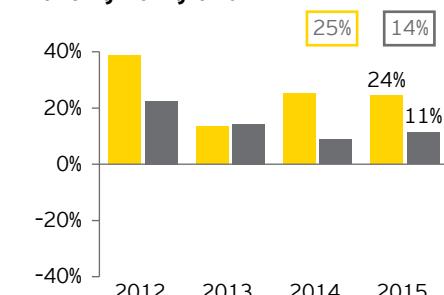
Total investment accounts



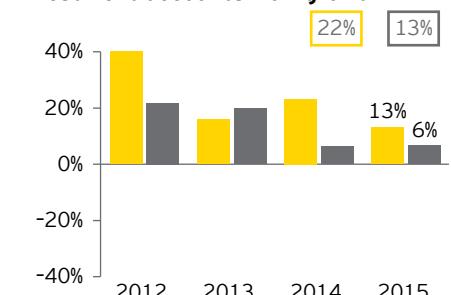
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



■ Participation banking CAGR 2011-15

% Participation banking share

□ Conventional banking CAGR 2011-15

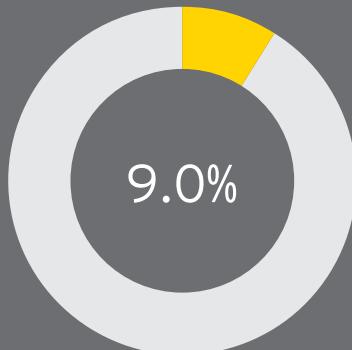
■ Conventional banking

■ Participation banking

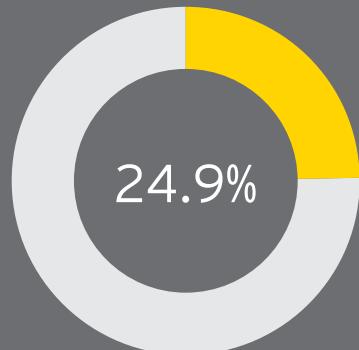
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks



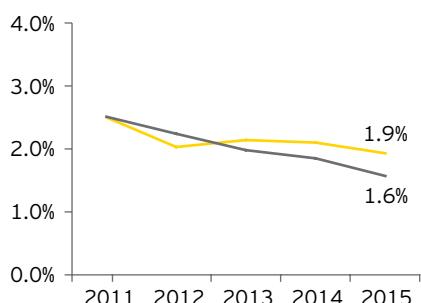
Share of global market*



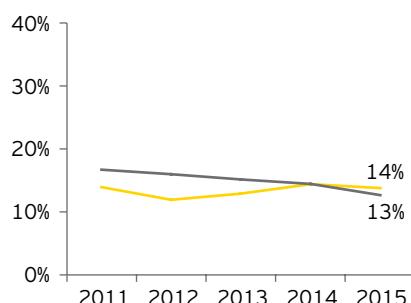
Share of participation banking growth in 2015



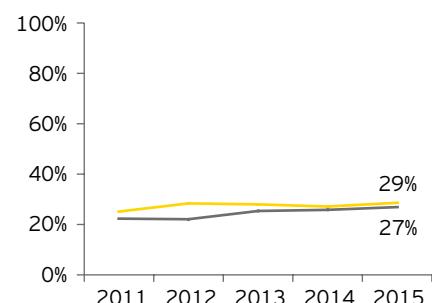
Return on assets



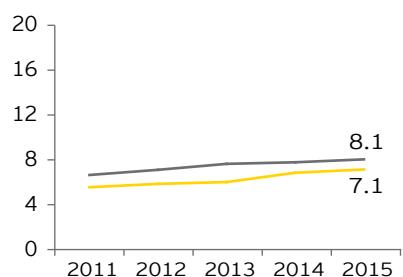
Return on equity



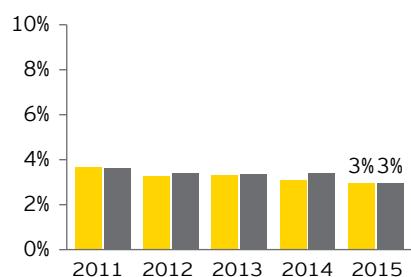
Cost to income ratio



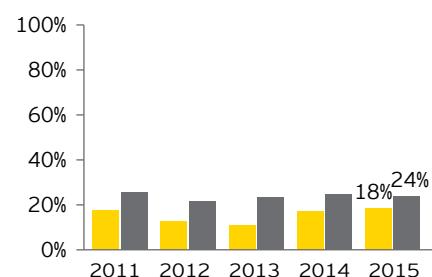
Leverage



Revenue or asset ratio



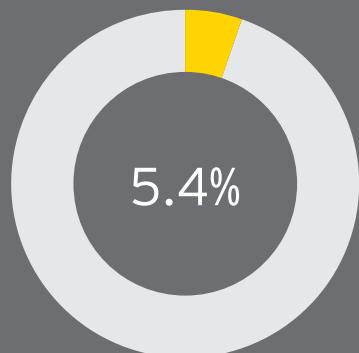
Nonfinancing income ratio



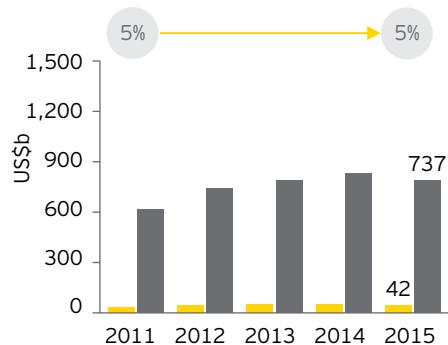
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks
* Market share calculated excluding Iran

Turkey

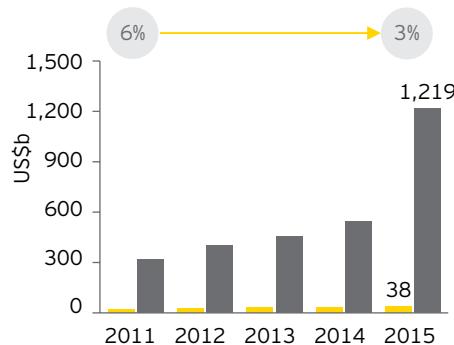
Participation banking penetration in Turkey



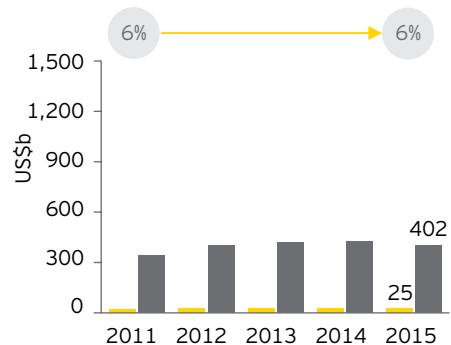
Total banking assets



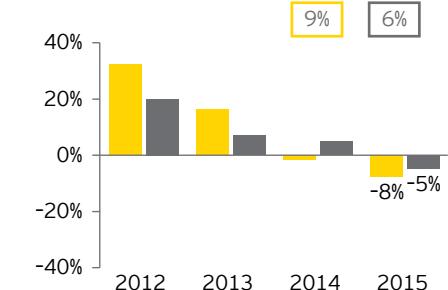
Total financing assets



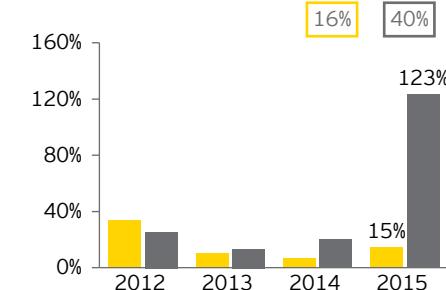
Total investment accounts



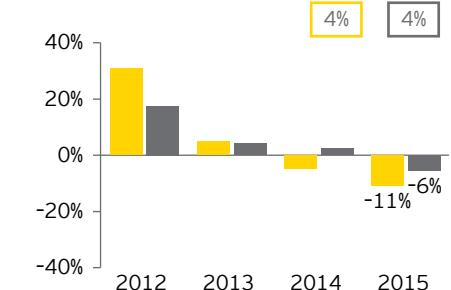
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



■ Participation banking CAGR 2011-15

% Participation banking share

■ Conventional banking CAGR 2011-15

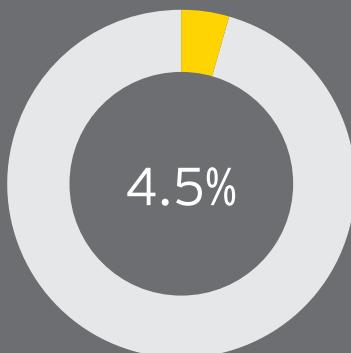
■ Conventional banking

■ Participation banking

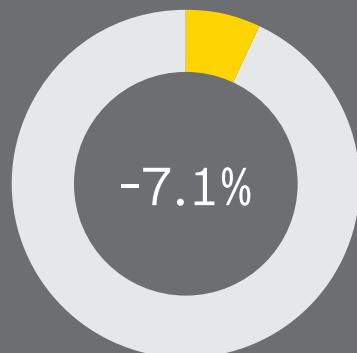
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks



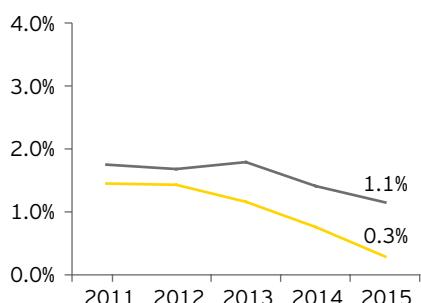
Share of global market*



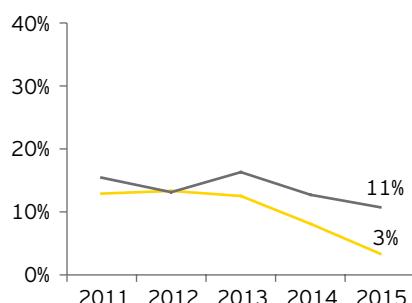
Share of participation banking growth in 2015



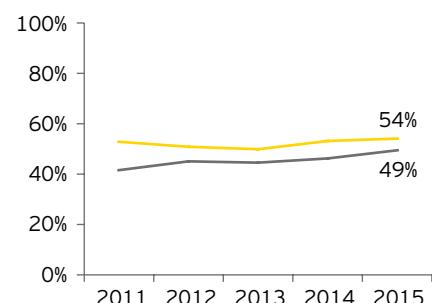
Return on assets



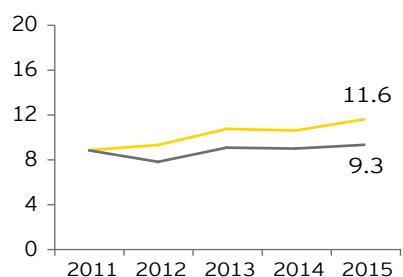
Return on equity



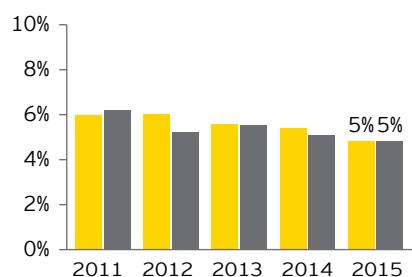
Cost to income ratio



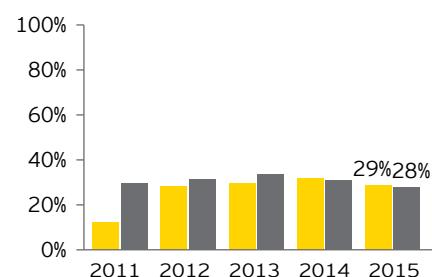
Leverage



Revenue asset ratio



Nonfinancing income ratio



Conventional banking

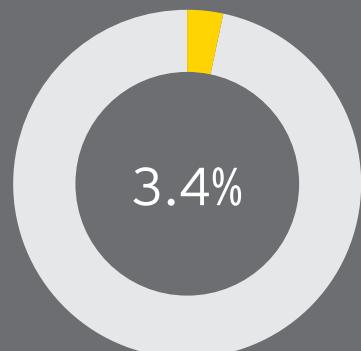
Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

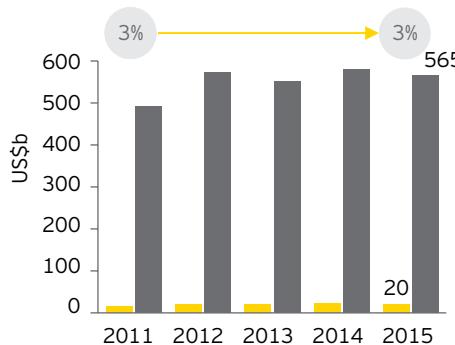
* Market share calculated excluding Iran

Indonesia

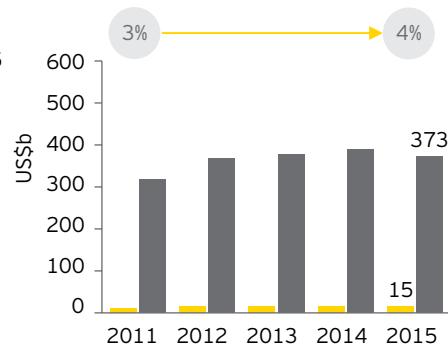
Participation banking penetration in Indonesia



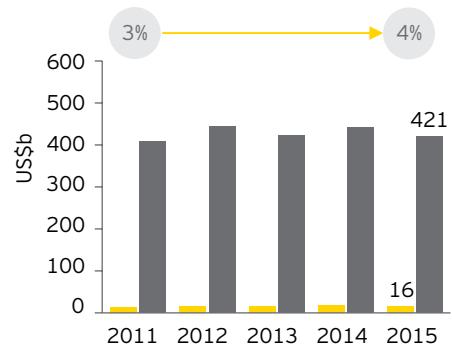
Total banking assets



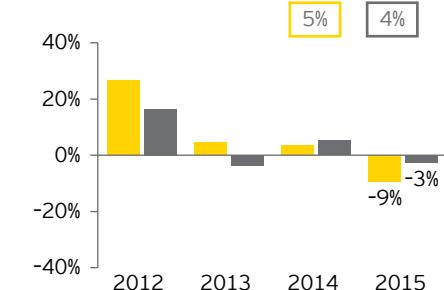
Total financing assets



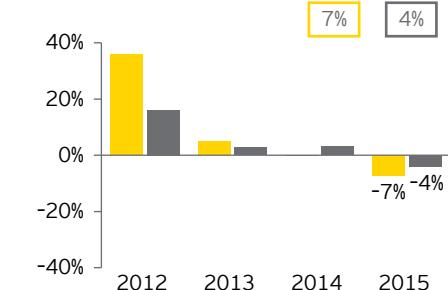
Total investment accounts



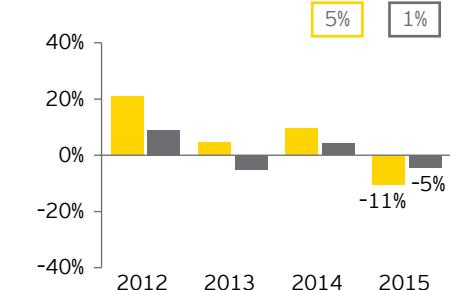
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



█ Participation banking CAGR 2011-15

█ Participation banking share

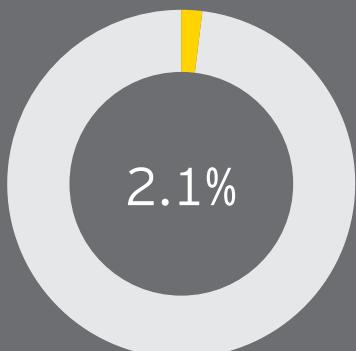
█ Conventional banking CAGR 2011-15

█ Conventional banking

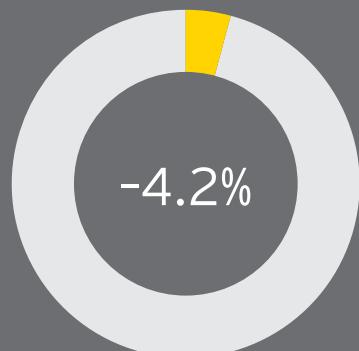
█ Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

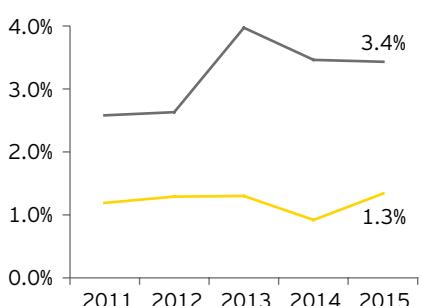
Share of global market*



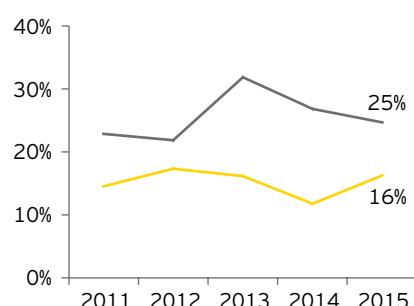
Share of participation banking growth in 2015



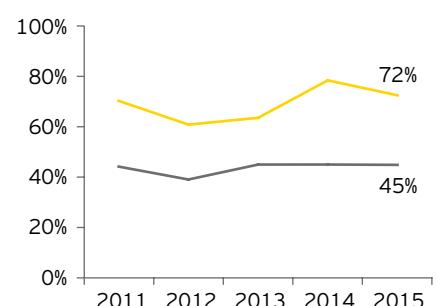
Return on assets



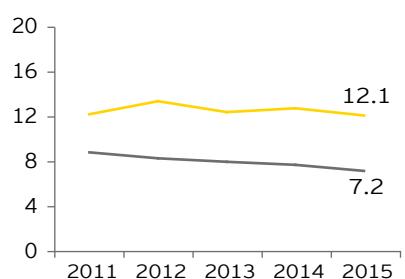
Return on equity



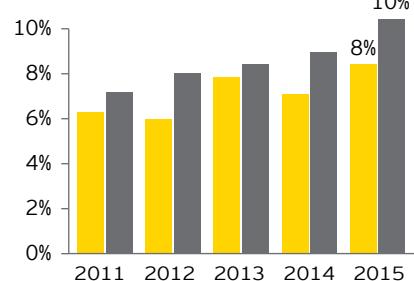
Cost to income ratio



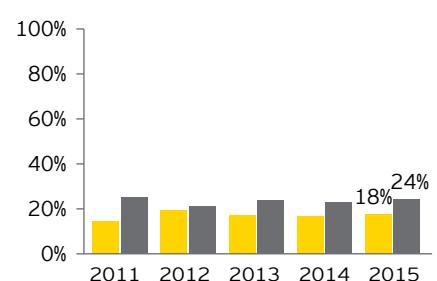
Leverage



Revenue asset ratio



Nonfinancing income ratio



Conventional banking

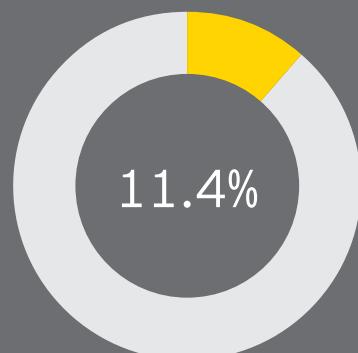
Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

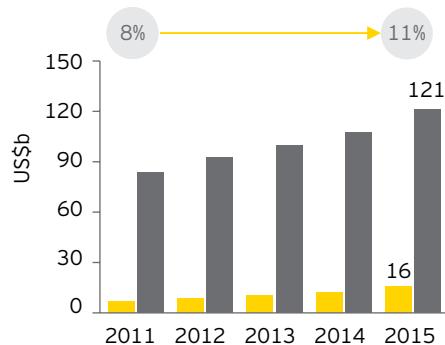
* Market share calculated excluding Iran

Pakistan

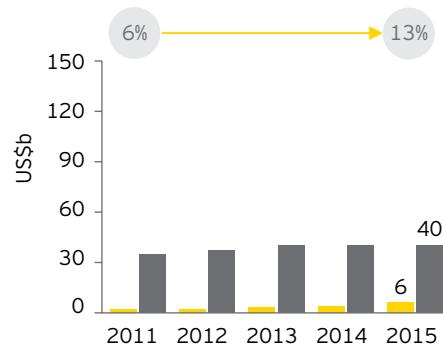
Participation banking penetration in Pakistan



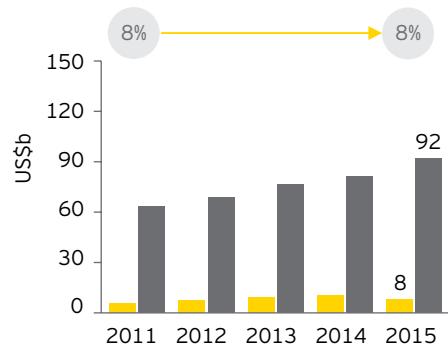
Total banking assets



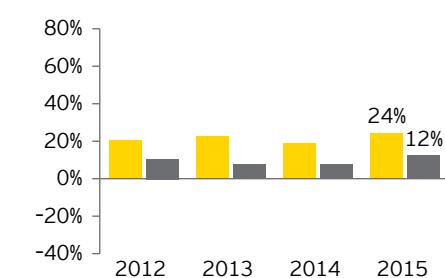
Total financing assets



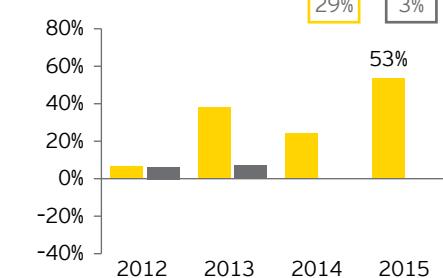
Total investment accounts



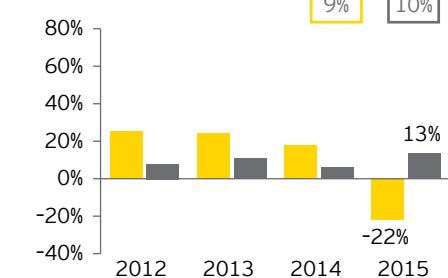
Assets YoY growth



Financing YoY growth



Investment accounts YoY growth*



 Participation banking CAGR 2011-15

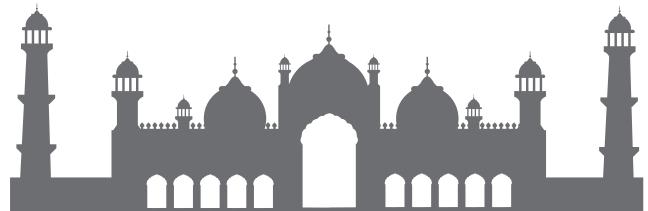
 Participation banking share

 Conventional banking CAGR 2011-15

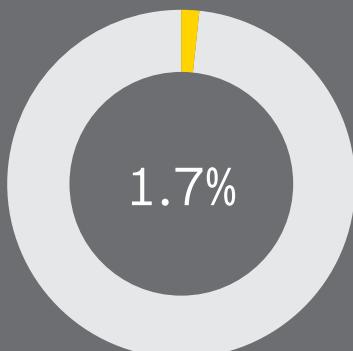
 Conventional banking

 Participation banking

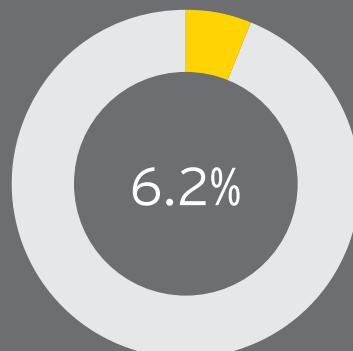
Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks



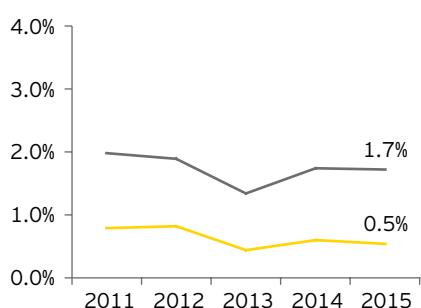
Share of global market*



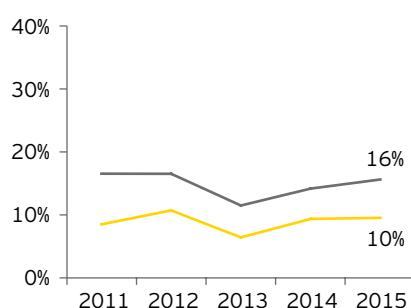
Share of participation banking growth in 2015



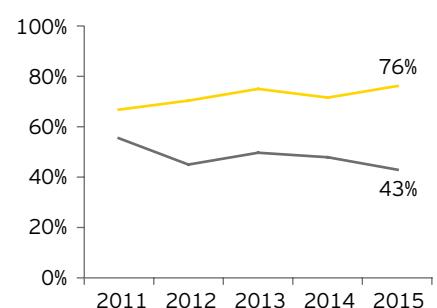
Return on assets



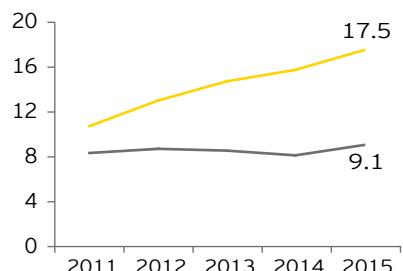
Return on equity



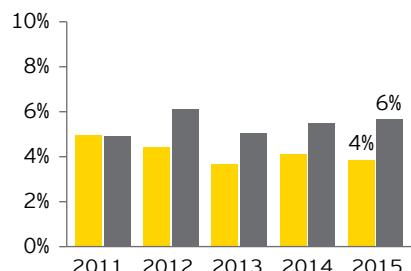
Cost to income ratio



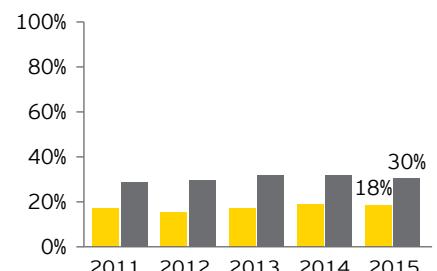
Leverage



Revenue asset ratio



Nonfinancing income ratio



Conventional banking

Participation banking

Sources: Central banks, company financial reports, EY Universe and EY analysis of selective banks

* Market share calculated excluding Iran

EY leadership team

Our industry awards



Gordon Bennie

Best Islamic
Advisory
Firm, 2014

Euromoney Islamic
Banking Award

Best Islamic
Advisory
Firm, 2014

8th International
Takaful Summit
2014

Thought
Leadership
Award, 2013

20th Annual World
Islamic Banking
Conference
Awards, Bahrain



Nadeem Shafi

ADIB –
Appreciation
Award, 2013

1st Annual Global
Islamic Economy
Summit, Dubai

Best Islamic
Advisory
Firm, 2013,
2011, 2010,
2009

10th International
Real Estate Finance
Summit Awards –
London

Best Takaful
Advisory
Firm,
2011, 2009

3rd International
Takaful Summit,
London



Ashar Nazim

WIBC
Leading
Islamic
Financial
Services
Provider, 2008

World Islamic
Banking Awards,
Bahrain

Best Islamic
Finance
Advisory Firm,
2009, 2008,
2007

World Islamic
Banking Awards,
Bahrain

Report methodology and tools

Global participation banking assets are estimated based on publicly available data from 16 participation banking markets.

The research and insights are primarily based on EY Participation Banking Universe (EY Universe), which is proprietary, based on sample and is not meant to be fully exhaustive.

The EY Universe analysis covers 72 participation banks and 47 conventional banks across the participation banking markets.

For the purpose of this report, the analysis excludes the Iranian market because of its unique characteristics.

EY Universe covers approximately 80% of the estimated international participation banking assets (excluding Iran market).

Insights are also based on interviews with banking executives and industry observers, to identify key trends, risks and priorities.

Limited disclosures on participation banking windows, subsidiary operation and offshore businesses was a limiting factor.

The EY Universe is categorized as follows:

- ▶ QISMUT – Qatar, Indonesia, Saudi Arabia, Malaysia, the UAE and Turkey
- ▶ GCC – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE
- ▶ ASEAN – Malaysia and Indonesia
- ▶ South Asia – Pakistan and Bangladesh
- ▶ Turkey and rest of the world – Egypt, Jordan, Turkey, South Africa, Sudan, etc.

The breakdown of banks for each country is as given below:

- ▶ Qatar – 3 participation and 3 conventional banks
- ▶ Indonesia – 6 participation and 4 conventional banks
- ▶ Saudi Arabia – 4 participation and 5 conventional banks
- ▶ Malaysia – 13 participation and 4 conventional banks
- ▶ UAE – 8 participation and 4 conventional banks
- ▶ Turkey – 4 participation and 5 conventional banks
- ▶ Bahrain – 7 participation and 4 conventional banks
- ▶ Kuwait – 4 participation and 3 conventional banks
- ▶ Pakistan – 5 participation and 3 conventional banks
- ▶ Bangladesh – 5 participation and 2 conventional banks
- ▶ Brunei Darussalam – 1 participation bank
- ▶ Egypt – 2 participation and 4 conventional banks
- ▶ Jordan – 2 participation and 2 conventional banks
- ▶ Oman – 4 participation and 2 conventional banks
- ▶ South Africa – 1 participation bank
- ▶ Sudan – 2 participation banks
- ▶ UK – 1 participation bank and 2 conventional banks
- ▶ EY extends its appreciation to Finocracy for their valuable input on the report.



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(Qatar)



Rashid Al Rashoud
(KSA)



Anthony O'Sullivan
(UAE)



Selim Elhadef
(Turkey)



**Muhammad
Syarizal**
(Malaysia)



Merisha Kassie
(South Africa)



Nader Rahimi
(Bahrain)



Yasir Yasir
(Indonesia)



Muzammil Kasbati
(Bahrain)



Khurram Siddiqui
(UAE)



Ken Eglinton
(UK)



Shoaib A Qureshi
(Saudi Arabia)



Wajih Ahmed
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ED None

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