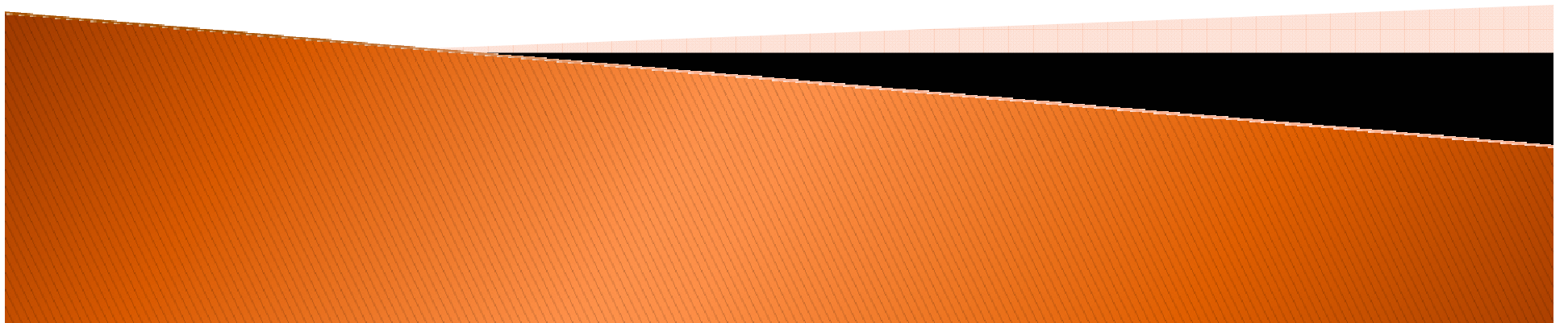


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From Niche to Mainstream?

Generating More than Profit through Exploiting
Islamic Finance as a New Roadmap to Social
Entrepreneurship:

Islamic Finance in Europe

Alberto G. Brugnoni

Ancient (Islamic ?) values are creeping back into the European economy

- HNWI and institutional IF demand originating from the ME is reasonably satisfied
- this demand has moved to a secularized continent
- where IF retail demand is trying to come to light
- is this demand properly satisfied? Heavy market challenges !

Strong Socio-Demographic drives that support the potential for IF in Europe

- a 53m people market?
- growth of a Muslim affluent middle class
- growing interest in *halal* finance products observed among non-Muslims
- beginning of governments' policy shifts
- Islamic finance as a lucrative business opportunity

Still Islamic Finance is facing important hurdles in Europe

- the European banking system is confronted with the emergence of models of credit brokerage based on principles that are religious in nature
- this, in turn, plays havoc with European public opinion and confusion runs rampant about the goals of Islamic finance
- Islam is, no doubt, seen as a restricting factor. Still there is a genuine curiosity

Islamic finance needs to reformulate its value proposition

- IF perceived as an extension of Islamic fundamentalism: the ensuing mismatch
- how to get out of this impasse ?
- what is the purpose of Islamic Finance ?
- joining the ends to the means: a possible roadway to Europe

CSR, Ethical Finance and Islamic Finance share their ends in Europe

- the challenge for Islamic Finance
- Corporate Social Responsibility and the recent guidelines issued by the IFSB
- the Sharia Board issue
- Ethical Finance and Islamic finance

But IF brings to the table its peculiar ends with the help of Ethical finance

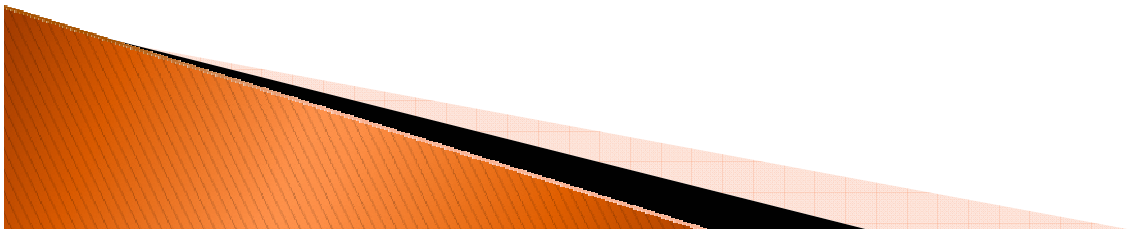
- risk sharing is a peculiar end of Islamic Finance and an added value to Ethical finance
- wealth re-distribution is a peculiar end of Islamic Finance and an added value to Ethical finance
- Ethical finance to facilitate the ends of Islamic finance with its own tools and procedures

Which markets, which segments, which products?

- the conservative nature of Islamic investments
- the need of *ijtihad*
- what Europe has to offer and what IF has to offer. Some markets
- some sectors
- some tools

A way forward for a mutually beneficial relationship

- the question of communication & perception
- ideal timing for alternative financial products
- Shariah: ethics in action. Four dimensions to be watched



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