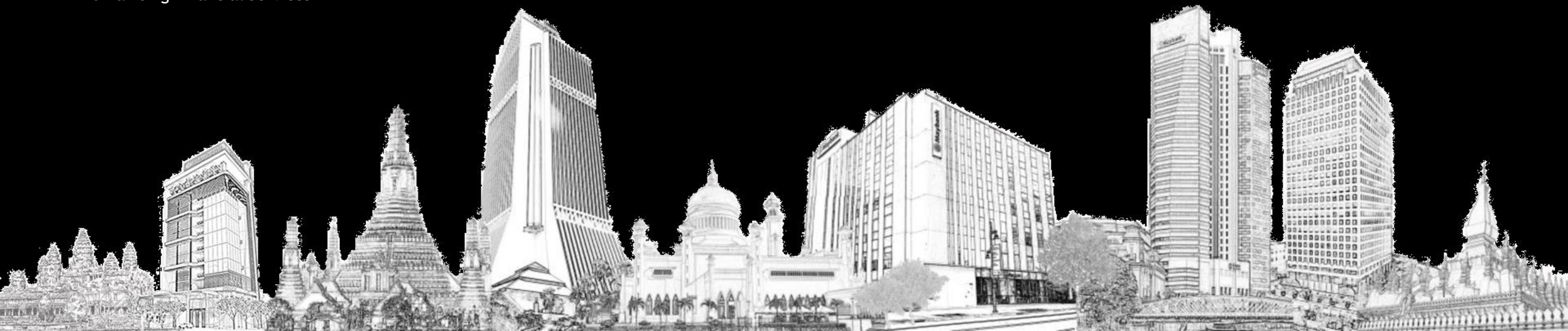# Digital role in supporting Sharia Based Solution Expansion

Sharia Though Leadership Event

27 May 2021

Maybank

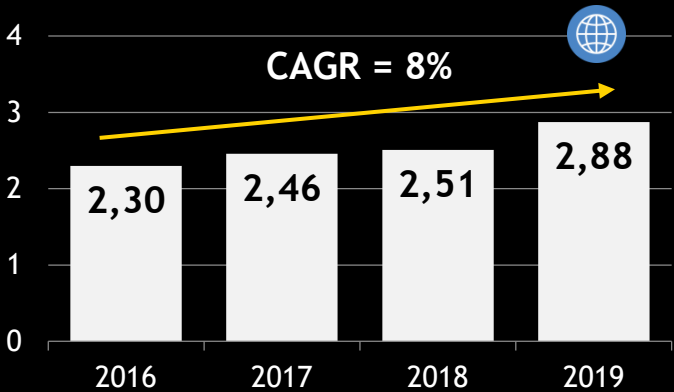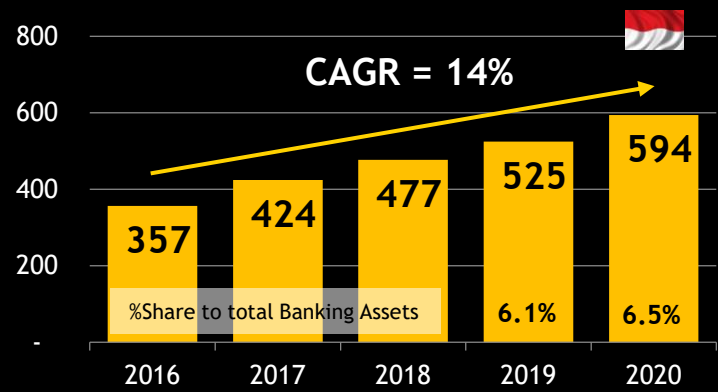Humanising Financial Services

Islamic financial trend

...Sharia still have potential to grow since its current share is only 6.5% of Indonesia total banking asset. Digital platforms must be utilized to drive sharia growth.

TREND OF ISLAMIC FINANCIAL ASSETS

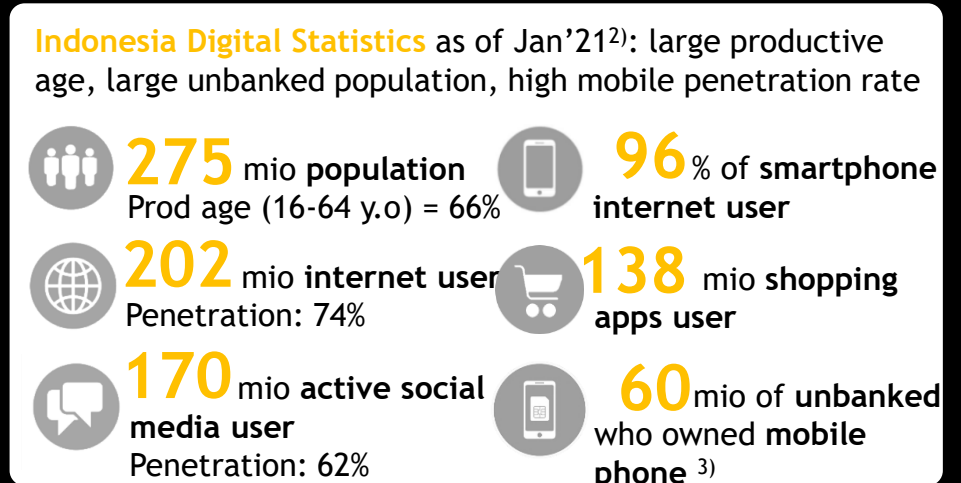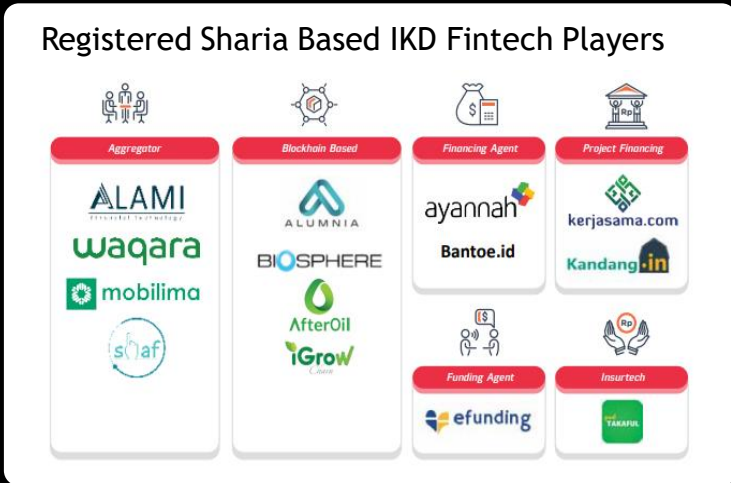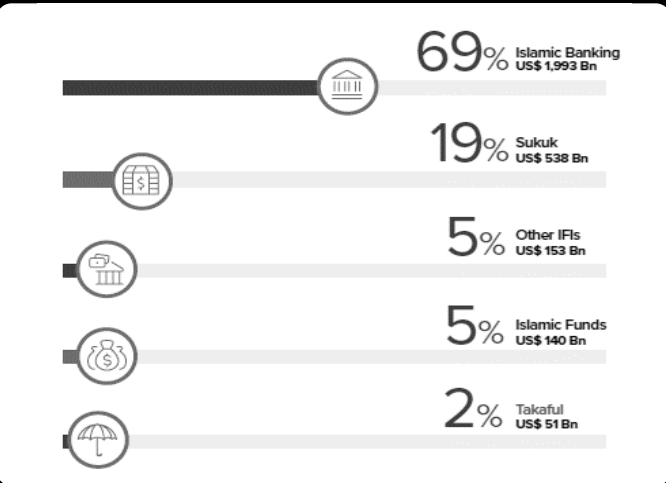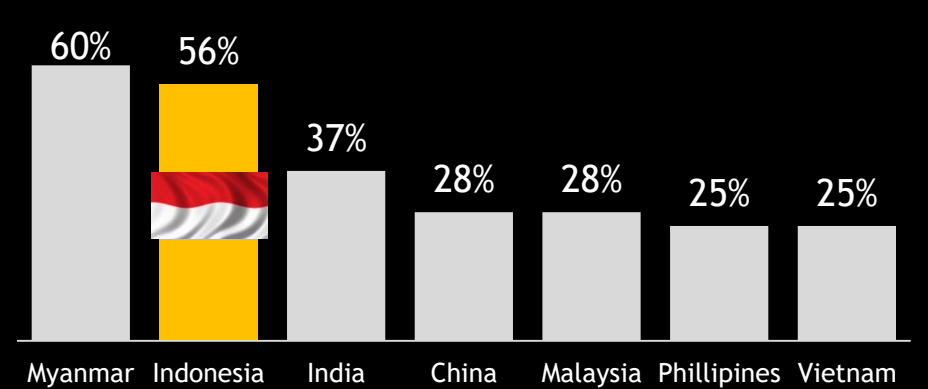### Total Asset Global Islamic Finance (USD Tn)

CAGR = 8%

- 2016: 2,30
- 2017: 2,46
- 2018: 2,51
- 2019: 2,88

Total Asset Indonesia Islamic Banking (IDR Tn)

CAGR = 14%

%Share to total Banking Assets

- 2016: 357
- 2017: 424
- 2018: 477
- 2019: 525 — 6.1%
- 2020: 594 — 6.5%

INDONESIA IS A POTENTIAL MARKET FOR DIGITAL BANKING

Total Asset Indonesia Islamic Banking (IDR Tn)

- Myanmar: 60%
- Indonesia: 56%
- India: 37%
- China: 28%
- Malaysia: 28%
- Phillipines: 25%
- Vietnam: 25%

(Global Islamic Finance breakdown)

- 69% Islamic Banking US$ 1,993 Bn
- 19% Sukuk US$ 538 Bn
- 5% Other IFIs US$ 153 Bn
- 5% Islamic Funds US$ 140 Bn
- 2% Takaful US$ 51 Bn

Registered Sharia Based IKD Fintech Players

Aggregator: ALAMI, waqara, mobilima, ishaf

Blockhain Based: ALUMNIA, BIOSPHERE, AfterOil, iGrow

Financing Agent: ayannah, Bantoe.id

Project Financing: kerjasama.com, Kandang.in

Funding Agent: efunding

Insurtech: TAKAFUL

Indonesia Digital Statistics as of Jan'21[2]: large productive age, large unbanked population, high mobile penetration rate

- **275** mio **population** — Prod age (16-64 y.o) = 66%
- **96** % of **smartphone internet user**
- **202** mio **internet user** — Penetration: 74%
- **138** mio **shopping apps user**
- **170** mio **active social media user** — Penetration: 62%
- **60** mio of **unbanked** who owned **mobile phone** [3]

… With this much of potential to grow, digital is playing a critical role to continue boosting & distributing sharia banking solution by

1 Create a comprehensive ecosystem & community based solution that able to continue in educating & socializing about the sharia banking solution…

Digital play a critical role in reaching out those unreachable society or community

There are various of digital solution & virtual community that can be leveraged

2 Leverage digital solution to server certain customers needs to do their activities such as

- Full digital onboarding for accessing sharia banking solution
- Leveraging QR based solution to support donation collection and distribution
- Build one-stop-shop digital solution for full suite of sharia products (Waqf, Zakat, Infak, Sedekah, etc.)
- Utilize digital financial planning capability that provides our customers the capability to plan their goals (such as Eid al-Adha, Hajj, etc.)

… However, digital expansion has its own challenge where Cybercrime is continue to grow as well

SOCIAL ENGINEERING
- Non technical kind of intrusion that relies heavily on human interaction
- Often involves tricking other people to break normal security procedures

SIM SWAP
- Mobile device specific fraud
- Fraudster approaches your mobile service provider pretending to be you and request that the existing number be assigned to a new or 'replacement' SIM card.

WATERING HOLE
- Injecting malicious code onto the public web pages of a website that a small group of people usually visit

DISTRIBUTED DENIAL OF SERVICE
- Make online service unavailable
- Take the network down by overwhelming the site with traffic fro a variety of sources

MALWARE BASED-ATTACK
- Computer virus, worms, trojan horse, spyware.
- Perform a variety of function: stealing, encrypting/deleting sensitive data, altering core computing function, monitoring users' computer activity without their permission

Source: 1) www.searchsecurity.com | www.pandasecurity.com | www.aib.ie

But it should not stop us to continue to innovate and serve our customer better and increase sharia market share expansion

FULL SUITE OF SHARIA DIGITAL SOLUTION

Young Professional

Young Family

SAGA

FUTURE EXTENSION...

- Linking between sharia based consumer activities with sharia based trade activities

- Linking between local sharia based transaction with regional based sharia transaction

- Sharia based cross border transaction

- Sharia based total digital market place