

4th August, 2004

**Islamic Banking Branch Licence issued to
Bank Al Habib Limited**

The State Bank of Pakistan today issued a licence to Bank Al Habib Limited for its first Islamic Banking Branch located in Karachi. The licence was handed over by Mr. Pervez Said, Director, Islamic Banking Department, SBP to Mr. Abbas D. Habib, Chief Executive, Bank Al Habib at a simple ceremony held at State Bank of Pakistan, Karachi.

With the issuance of this licence, the total number of conventional banks that are having stand-alone Islamic Banking Branches has increased to Six (6). Five other Banks that have been issued licences for Islamic Banking Branches include Muslim Commercial Bank (3 branches), Bank Alfalah (7 branches) and one branch each of Habib Bank AG Zurich, Bank of Khyber and Standard Chartered Bank. One full-fledged Islamic Bank, viz. Meezan Bank Limited with licence for 14 branches is already operating since March, 2002. These licences have been issued pursuant to a three-pronged strategy adopted by the State Bank of Pakistan for the promotion of Islamic Banking in Pakistan.

Speaking on the occasion, Mr. Pervez said the State Bank was committed to promote Islamic Banking in the country. He said that the State Bank is now issuing licences for setting up of Islamic Banks, Islamic Banking Subsidiaries and Islamic Banking Branches. He expressed the hope that the addition of new players in the market will ensure better services to the customers of Islamic Banking.

Mr. Abbas D. Habib said the future of Islamic Banking industry in Pakistan was extremely promising due to growing demand from the customers. He appreciated the role of State Bank in promoting Islamic Banking in the country by following a proactive approach.
