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**STATE BANK ISSUES ISLAMIC BANKING LICENCE TO
DUBAI ISLAMIC BANK PAKISTAN LIMITED**

The State Bank of Pakistan has issued the Islamic Banking licence to Dubai Islamic Bank Pakistan Limited. The State Bank Governor, Dr. Ishrat Husain handed over the Licence to Mr. Arif Alkooheji, Executive Vice President, Dubai Islamic Bank Pakistan Limited at a simple ceremony held at SBP, Karachi today.

With the issuance of this licence to Dubai Islamic Bank Pakistan Limited, the total number of banks having Islamic Banking Licence has increased to five. M/s. Meezan Bank Limited, Al Baraka Islamic Bank, BankIslami Pakistan Limited and Emirates Global Islamic Bank Limited are the other four banks having Islamic Banking Licences. Meezan Bank and Al Baraka Islamic Bank are currently operating in Pakistan with 36 branches. In addition to these banks, 31 branches of nine conventional banks are also providing exclusive Islamic banking services to their customers in all the four provinces of the country.

Speaking on the occasion, Dr. Ishrat Hussain said that the State Bank is encouraging the participation of reputable local and foreign investors in the field of Islamic banking with a view to develop a competitive and viable Shariah compliant financial system in the country. He said that the Islamic Banking is growing at a fast pace in the country. He said that at present the assets of Islamic banks stood at around Rs.60 billion which is 1.6% of the total banking industry assets. These assets represent customers borrowings in which 25% of the customers were those who never had a borrowing relationship with any bank.

The Governor reiterated SBP's commitment to promote Islamic banking on sound footings, provide a comprehensive and secure regulatory framework to establish Islamic banks as a parallel banking system, comparable and compatible with the conventional banking system and at the same time making sure that it is Shariah compliant. He said that as part of this policy, the State Bank is encouraging participation of reputable foreign Islamic Institutions in the Islamic banking industry with a view to promote a viable and strong Shariah compliant financial system in the country. He said the 'SBP was working on formulation/revision of various rules/regulations to provide a level playing field to the Islamic Banking Institutions in the country. SBP is offering training in the field of Islamic Banking and I hope the DIBP would also address the issue of shortage of trained human resources in this field', Dr. Ishrat Husain added.

Mr. Pervez Said, Advisor to SBP Governor on Islamic Banking said that the progress of Islamic Banking in Pakistan has been commendable during the last two years.

Mr. Arif Alkooheji, EVP, DIB said that DIB, incorporated in 1975 in Dubai, has the unique distinction of being the world's first full-fledged Islamic Bank. ' We have committed to invest US\$ 100 million in Pakistan. We will be creating a centre of excellence in Pakistan for products and professionals in the field of Islamic Banking; taking both on global horizons with us', he added.
