

March 31, 2005

**STATE BANK ISSUES ISLAMIC BANKING
LICENCE TO BANK ISLAMI PAKISTAN**

The State Bank of Pakistan has issued the Islamic Banking licence to Bank Islami Pakistan Limited. The SBP Governor, Dr. Ishrat Husain handed over the Licence to Mr. Hassan Aziz Bilgrami, Chief Executive of Bank Islami at a simple ceremony held in Karachi today.

Bank Islami Pakistan Limited, which will be the third full-fledged Islamic Bank in the country, has been jointly sponsored by the DCD Group, UK and M/s. Jahangir Siddiqui and Company Limited (JSCL). The other two full-fledged Islamic Banks operating in Pakistan are Meezan Bank and Al-Baraka Islamic Bank. In addition to these banks, 29 branches of nine conventional banks are providing exclusive Islamic banking services to their customers.

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 during last year the total assets of Islamic Banking institutions grew by 244% to Rs. 44 billion, and the deposits grew by 263% to Rs. 30.5 billion.

Mr. Hassan Aziz Bilgrami appreciated the role of SBP in the promotion & development of Islamic Banking in Pakistan. He said that the participation of DCD Group in the venture is an endorsement to the government's sound economic policies as well as the vast opportunities that exist in the Islamic banking sector in the country.
