

25th February, 2006

**STATE BANK COMMITTED TO DEVELOP
ISLAMIC BANKING IN THE COUNTRY: DR. SHAMSHAD AKHTAR**

The Governor, State Bank of Pakistan, Dr. Shamshad Akhtar presided over a meeting of the Chief Executives of present and up-coming full fledged Islamic Banks at SBP, Karachi today.

Speaking on the occasion, she said that Islamic banking was growing rapidly not only in Pakistan but also throughout the world. She said that the Islamic banking has great potential to grow in future in Pakistan and the State Bank was committed to the development of this industry. She impressed upon the heads of Islamic banks to meet the growing challenges in the development of Islamic banking.

‘Pakistan has provided a supportive policy and regulatory framework for Islamic banking due to which investors of international repute are coming to establish new Islamic banks in the country’, she added. She further said that the State Bank has set up a dedicated Islamic Banking Department for the promotion and regulation of this industry.

The Chief Executives of Islamic Banks highlighted the issues facing the industry in its early stages of development. These include, for example, liquidity management which would require an effective development of Islamic interbank market and trained human resources. They were of the view that the rapid growth of Islamic banking in the country would be dependent on providing level playing field to both the conventional and Islamic Banks. The SBP has clarified to the industry that there is a level playing field for Islamic Banks and has agreed to look at approaches to develop Islamic interbank market.

The meeting was attended, among others, by the Country Manager of Albaraka Islamic Bank BSC EC, Chief Executives of BankIslami Pakistan Limited, Dubai Islamic Bank Pakistan Limited, Emirates Global Islamic Bank Limited, First Dawood Islamic Bank Limited (Proposed) and the Directors of Islamic Banking, Banking Supervision and Banking Inspection Departments of the State Bank of Pakistan.
