

SBP grants record number of 730 branch licenses in 2008

The State Bank of Pakistan has issued 730 licenses to commercial banks to open new branches/sub-branches in calendar year 2008 under its Branch Licensing Policy (BLP). This is the highest ever number of licenses given by the State Bank in any year.

In 2007, the State Bank issued a total of 474 branch licenses. As of Dec. 16, 2008 the total number of bank branches operating in the country was 8,886. It may be mentioned that under BLP, commercial banks which want to open new places of business during a calendar year are required to submit their Annual Branch Expansion Plan (ABEP) to the State Bank for consideration and approval. Accordingly, various banks submitted their ABEP-2008 and were granted approval for opening of branches.

As required under the BLP, banks are required to open at least 20% of their branches in rural/under-served areas (RUAs). RUAs mean villages, small towns and also include those *Tehsil* Headquarters where there is no branch of any bank.

Accordingly, in 2008 a total of 144 branch licenses have been issued for opening branches in RUAs that exceeds the mandatory requirement of opening of 20%. The locations identified by banks for opening of new branches are well diversified throughout the country covering all the four provinces of Pakistan, Northern Areas, Azad Jammu & Kashmir and Islamabad.

In addition, a total of 178 licenses for opening of sub-branches have been granted in 2008 while 408 licenses were granted to open up branches in urban areas. A total of 30 banks were granted permission by the State Bank to open new branches/sub-branches in 2008. Highest number of 66 licenses were granted to BankIslami, followed by Meezan Bank 61 and 55 each to Askari Bank and United Bank Ltd. Other prominent banks which were given branch/sub-branch licenses in 2008 include Bank Al Falah 51, Bank Al Habib 50, KASB Bank 38, Emirates Global Islamic Bank 30, MCB Bank 30, JS Bank 30, Soneri Bank 28, Faysal Bank 25, Arif Habib Bank 21, My Bank 20, National Bank 19, Habib Bank 18, Kashf Microfinance Bank 18, Dawood Islamic Bank 16, Atlas Bank 15, Allied Bank 14, AlBaraka Islamic Bank 12, Habib Metropolitan Bank 10, The First Microfinance Bank 10 and miscellaneous 38.

It may be pointed out that branch network of Islamic banking institutions also crossed an important milestone of 500 branches in December 2008. The total branch network of Islamic banking institutions now consists of 506 branches including 70 sub-branches. In December 2007, total branches of Islamic banking institutions were 289 and during this year 217 new outlets have been opened by Islamic banking institutions. This impressive growth is a proof of resilience of Islamic banking industry in Pakistan, which would be helpful in achieving the cherished target of 12% market share by Islamic banking till 2012 as envisaged in Strategic Plan announced by the State Bank.
