



## External Relations Department

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ERD/M&PRD/PR/01/2022-07

January 13, 2022

### **SBP wins IFN global award for 2<sup>nd</sup> consecutive year as best Central Bank in Promoting Islamic Finance for the Year 2021**

Islamic Finance News (IFN), an arm of RED money Group, Malaysia, has announced State Bank of Pakistan as the best Central Bank of 2021 across the world in promoting Islamic finance. The results of global voting were disclosed today. IFN Best Banks Poll is regarded as one of the prestigious accolades in the global Islamic finance space. Bank Negara Malaysia stood second while the Saudi Central Bank secured third position.

The category of the Best Central Bank in promoting Islamic Finance is one of the closely fought contests among regulators competing for supremacy through exceptional advances made during the year. SBP is honored to have won this award for the 5<sup>th</sup> time during last seven years. Previously, SBP was bestowed with this coveted award for the year 2015, 2017, 2018, and 2020. IFN in its cover story while congratulating State Bank of Pakistan for yet another win as the Best Central Bank in Promoting Islamic Finance stated that they welcome back a leading light of the industry. In a closely fought contest, 2020's victor came roaring back to take the crown, said the IFN. IFN while announcing the poll result also stated that with its Governor, Dr Reza Baqir, recently promoted to be the new chairman of the Council of the IFSB, from his role as the Deputy Chairman in 2021, they can hopefully look forward to even stronger support and leadership from the central bank over the coming year.

The IFN Award to SBP as the best central bank is the global endorsement of its initiatives for promotion of Islamic banking in the country. The award reflects an international recognition of the strategic measures undertaken by SBP to put in place a robust policy environment for Islamic banking to prosper.

The State Bank of Pakistan has consistently promoted and encouraged Islamic finance within Pakistan, and has taken several significant steps. These include launch of 3<sup>rd</sup> five year Strategic Plan for Islamic banking 2021-25, Shariah compliant standing ceiling facility and open market operations, strengthening of Shariah governance mechanism, Shariah compliant regulations for the lender of the last resort (LOLR) facility and licensing regime for digital banking covering the Islamic segment; besides taking initiatives for promoting better awareness amongst the masses, and strengthening international linkages. The Strategic plan 2021-25 envisages to take Islamic banking share of 30% in terms of assets and 35% in terms of deposits in the overall banking system.

Amidst the COVID-19 chaos throwing unforeseen challenges to the global financial market, Islamic banking industry in Pakistan continued to maintain its impressive growth trajectory and assets and deposits of Islamic banking industry grew on year-on-year basis by 28.2% and 26% respectively by September 30, 2021. The market share of Islamic banking assets and deposits stood at 17% and 18.6% respectively of the overall banking system in the country as of September 30, 2021. The industry operates through a huge network of 3,651 branches and 1,579 Islamic banking windows (dedicated counters at conventional branches) steered by twenty-two (22) Islamic Banking Institutions (IBIs) which include 5 full-fledged Islamic banks and 17 conventional banks having dedicated Islamic Banking Branches and windows. The industry is growing on the back of continued support by the Government of Pakistan which remains committed to provide an enabling platform for this industry to operate.

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