



A DRAFT KEY NOTE ADDRESS

**by Muhammad Ashraf Khan, Managing Director, SBP BSC
at Government College Women University, Faisalabad
Tuesday, August 24, 2021**

Respected Ms. Robina Farooq – Vice Chancellor, Government College for Women University Faisalabad (GCWUF),

Faculty members and students of GCWUF,

My colleagues from State Bank of Pakistan

ladies and gentlemen!

Assalam O Alaikum.

It is my pleasure to be part of this event arranged by Government College for Women University Faisalabad (GCWUF). Masha Allah, Government College for Women University has a long and rich history in academia. The university is catering to the needs of girl students of Faisalabad and the surrounding districts. I am pleased to know that the university is offering a wide range of programs from bachelors to PhD. The initiative of launching “04-Years BS Program on Islamic Banking and Finance” is highly commendable especially considering its dual benefits, i.e. strengthening Pakistan’s financial sector and women empowerment.

The initiative of a degree in Islamic Banking by the Government College of Women University stands in line with the objectives of SBP in promoting Islamic Banking. I

assure that SBP will support Government College for Women University in successful implementation of this program. This program will not only assist Islamic banking industry to flourish but will also help in achieving financial inclusion in the country specially by mainstreaming those unbanked segments which show reluctance towards conventional banking.

Ladies,

I would like to share with you that Islamic banking has always been one of the priority sectors of State Bank of Pakistan. Over the years, SBP has introduced the best international practices in Islamic banking industry of Pakistan. Islamic banking industry has widened its footprint in banking system of the country, and now accounts for 17% share in assets, and 18.7% share in deposits of overall banking industry. Currently, 22 Islamic banking institutions (five full-fledged Islamic banks and 17 conventional banks having standalone Islamic banking branches) are offering Sharia-compliant products and services through a network of 3,456 branches and 1,638 Islamic banking windows (dedicated counters at conventional branches) spread across 124 districts of the country.

Islamic banking has a great potential towards ensuring broad-based economic growth and development. SBP has therefore recently launched “**Strategic Plan for Islamic Banking Industry 2021-25**”. The SBP aims at making Islamic banking one third of the overall banking industry by 2025. This plan aims at achieving goals including Increasing share in both assets and deposits of Islamic banking industry to 30 percent of overall banking industry, 35 percent share in branch network of overall banking industry, and 10 % and 8 % share of SMEs Financing and Agriculture Financing respectively in private sector financing of Islamic banking industry.

The strategic plan envisages achieving the specified targets by focusing on six strategic pillars; i) Strengthening of legal landscape ii) Enhancing conduciveness of regulatory framework iii) Reinforcing comprehensive Sharia governance framework iv) Improving liquidity management framework v) Expanding outreach and market development, and vi) Bolstering human capital and raising awareness.

SBP is also actively engaged in promoting, training and capacity building of the industry. Let me share with you some of the other initiatives taken by SBP for promotion of Islamic banking. SBP through its 16 field offices holds biannual focus group meetings to discuss regional performance of Islamic banking institutions. SBP conducts Workshops/ awareness sessions with local Muftian and Ulema in all major cities. Until now, more than 700 religious scholars have participated in such sessions, which have facilitated in addressing their concerns and misunderstandings regarding the current Islamic banking practices and SBP's focus on developing an Islamic economic system.

SBP has also conducted trainings and awareness sessions on Islamic banking for employees of SBP and its subsidiaries, conventional and Islamic banks, students and faculty members of universities and general public. SBP has also partnered with a number of universities for promotion off Islamic finance.

I am very confident that Government College for Women University Faisalabad (GCWUF) will emerge as a strong player in contributing to the promotion of Islamic banking in Pakistan particularly in Faisalabad region. I expect that the University can especially assist SBP's efforts for improving the public perception of Islamic banking as a distinct and viable system, and also coordinate with Islamic Banks

through various research projects aiming to develop innovative products based on distinctive Shariah characteristics.

At the end, I would like to thank you all, and I look forward to working together for the achievement of our shared vision of a vibrant and sustainable Islamic banking sector in Pakistan.

Thank you!
