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Banking industry

Officials stress on growth of Islamic banking

Say most people look at Shariah-compliant ways to meet financing needs

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Islamic banks are growing at twice as fast as conventional banks in Pakistan and they have conquered half of the consumer financing market, said bankers on Thursday.

"Islamic banks are growing 2-2.5 times faster than conventional banks in Pakistan," said Meezan Bank President Irfan Siddiqui.

He was addressing a press conference to announce that they are going to organise the first ever World Islamic Finance Forum (WIFF) in Karachi. The Centre for Excellence in Islamic Finance (CEIF), IBA, in collaboration with Islamic banks would hold the two-day forum next week.

He said most people in search of car and home financing were opting for Islamic banks as their first choice. "Islamic banks are



"Islamic banks are enjoying more than 50% market share in car and home financing in the country

Meezan Bank President
Irfan Siddiqui

enjoying more than 50% market share in car and home financing in the country," he said.

Dubai Islamic Bank Pakistan President Junaid Ahmed said Islamic banks' market share in all segments was improving noticeably every year. "The market share of Islamic banks [in all segments] is increasing by 1% on average every year. It has increased to 14% in 2016 from 9% some 5 years ago."

Ahmed Ali Siddiqui, Senior Executive Vice President, Meezan Bank, said "deposit base of Islamic banks in Pakistan has increased by Rs300 billion in the quarter ended June 30, 2016."

He said the deposit base has increased by almost

22% to Rs1,626 billion in the quarter ended June 30, 2016 from Rs1,336 billion in the quarter ended March 31, 2016.

They said that the rapid growth has been the key reason behind the growing number of Shariah compliant banks in the country. Besides, a number of conventional banks have also opened Shariah compliant branches over a period of time.

They said that currently as many as 22 Islamic banks are operational in the country, starting from the first one that opened in 2002. Additionally, 17 conventional banks were also operating Shariah compliant branches.

Prepared by: