

Qatar Islamic Bank extending its network to Pakistan



by Javed Mahmood

Qatar Islamic Bank is set to kick-off its operations in Pakistan in 2008. A consortium of Qatar International Islamic Bank, Qatar Islamic Bank, Qatar National Bank, Amwal Group, etc., is behind the establishment of Qatar Islamic Bank in Pakistan. Choudhry Mohammed Wasi, Asst General Manager, Projects Department of Qatar Islamic Bank, disclosed this upcoming venture of his group in Pakistan, to Money Plus in an interview in Karachi. Mr Choudhry had been nominated by the QIB as the President of the bank in Pakistan. He arrived from Qatar to attend the board meeting of Pak-Qatar Takaful Insurance in Karachi and to discuss his group's plan with State Bank of Pakistan to get licence to start operations in this country.

Q: What would be the amount of paid-up capital of the QIB in Pakistan?

A: Initially, we would start the operations of Qatar Islamic Bank with paid up capital of 100 million dollars and increase it at a later stage.

Q: When the bank is being launched?

A: In principle the State Bank of Pakistan has given its consent for the establishment of the QIB. In 2008 we are planning to start operations of the bank in Pakistan. At present we are fulfilling the legal requirements of the State Bank of Pakistan which are mandatory for the issuance of a licence. The consortium has proposed my name as President, Qatar Islamic Bank, Pakistan.

Q: What fascinated your group to set up QIB in Pakistan?

A: It is part of global expansion plan of our group. We are increasing the presence of our group. We are also extending the network of our group to Malaysia, Lebanon, Bahrain and the United Kingdom. Our consortium wants to extend its business operations to 16 countries in the world, including the Middle East, Europe and Pakistan.

In fact, the financial sector here is growing rapidly. The analysts believe that the share of Islamic banks in the overall banking sector would grow to 10-14 per cent by the year 2012-2013, from existing share of 3 per cent, because of





PROFILE OF CHOUHRY MOHAMMED WASI

Choudhry Mohammad Wasi is a Fellow Chartered Accountant and has over 36 years of diverse experience in the financial and banking sector. At Qatar Islamic Bank he is the Assistant General Manager for Projects and is working on setting up retail and investment banks in the United States and the United Kingdom. He also serves as a director on Pak-Qatar Family Takaful and Pak-Qatar General Takaful representing the interests of his employer which is one of the key sponsors for both these Pakistani Takaful operators.

immense potential of growth in this sector in the years to come.

Q: How do you see the scope of Islamic banking here?

A: With a population of over 160 million, Pakistan offers plenty of opportunities for investment and growth in the financial sector. The economy of the country was also showing impressive improvement during the past few years that was luring the foreign investors to develop their stake in Pakistan. At present five full-fledged Islamic banks are operating in Pakistan while the existing commercial banks have also established special windows/operations to capture the Islamic banking business that shows that this segment of banking offers more potential of growth in future.

Q: What is the background of the consortium?

A: The consortium of Qatar International Islamic Bank, Qatar Islamic Bank, Qatar National Bank, Amwal Group, Qatar Insurance Company are listed at Doha Securities Market. The assets of the consortium stand around 55 billion dollars and its equity amounts to 20 billion dollars. Qatar International Bank is one of the fifth largest Islamic financial entity in the world. The QIB is the first Islamic Bank in Qatar. It has 10 per cent share in the Qatari banking market and 57 per cent share in the Qatari Islamic banking market. It also has international

investment operations in Asia, Middle East, Europe and North Africa. Qatar Islamic Bank will be the sixth full-fledged in Pakistan.

Q: What would be the strategy of QIB to capture business?

A: During the first two to three years of operations of the QIB we will target corporate sector financing and also invest in Sukuk. Later on we will enhance the scope of operations of the bank to meet maximum local requirements.

Q: What would be the next venture of the consortium in Pakistan?

A: After launching the Qatar Islamic Bank we will also set up Real Estate and other Funds to promote investment in Pakistan. Like financial sector, the real estate and some other sectors have immense potential of growth in future.

Q: Any existing venture of the consortium in Pakistan?

A: The said consortium had already established Pak-Qatar Takaful Insurance in Pakistan to offer Shariah-oriented family and general insurance services. The paid up capital of Pak-Qatar Family Insurance amounts to Rs 500 million while Pak-Qatar General Takaful had been set up with Rs 300 million capital. It is the first private sector investment from Qatar in financial sector in this country. The general insurance has started its operations recently, while family takaful would begin its soft opening by end-February 2008.