

Chapter 1 : List of banks in Pakistan - Wikipedia

A brief look at the history of banking in Pakistan reveals that the banking sector has made impressive achievements but still has a long way to go. Humble beginnings, -

Islamic Finance Project Databank [61] The influx of "petro-dollars" and a "general re-Islamisation" following the Yom Kippur War and oil crisis encouraged the development of the Islamic banking sector, [62] and since it has spread globally. Usmani among others for not progressing from "debt based contracts", such as murabaha, to the more "genuine" profit and loss sharing mode, but instead moving in the opposite direction, "competing to present themselves with all of the same characteristics of the conventional, interest-based marketplace". The market for Islamic Sukuk bonds in that year was made up of 2, sukuk issues, [81] and had become strong enough that several non-Muslim majority states – UK, Hong Kong, [82] and Luxemburg [83] – issued sukuk. Principles[edit] To be consistent with the principles of Islamic law Shariah -- or at least an orthodox interpretation of the law -- and guided by Islamic economics, the contemporary movement of Islamic banking and finance prohibits a variety of activities, some not illegal in secular states: Paying or charging interest. Investing in businesses involved in activities that are forbidden haraam. These include things such as selling alcohol or pork , or producing media such as gossip columns or pornography. This is usually translated as "gambling" but used to mean "speculation" in Islamic finance. Gharar is usually translated as "uncertainty" or "ambiguity". Bans on both maisir and gharar tend to rule out derivatives, options and futures. Lewis and Latifa M. Algaoud believe these involve excessive risk and may foster uncertainty and fraudulent behaviour such as are found in derivative instruments used by conventional banking. All transactions must be "directly linked to a real underlying economic transaction", which excludes "options and most other derivatives". According to Humayon Dar , [97] interpretation of the Shariah is more strict in Turkey or Arab countries than in Malaysia, whose interpretation is in turn more strict than the Islamic Republic of Iran. Mohammed Ariff also found less exacting Shariah compliance in Iran where the Islamic government had decreed "that government borrowing on the basis of a fixed rate of return from the nationalized banking system would not amount to interest" and consequently would be permissible. It follows conventional banking and deviates from it "only insofar as some conventional practices are deemed forbidden under Sharia. In conventional banking, all this risk is borne in principle by the entrepreneur. Taqi Usmani describes the virtues as guiding principles in one section of his book on Islamic Banking, and benefits in another. This should not be thought of as presenting a problem for borrowers finding funds, because – according to Usmani – it is in part to discourage excessive finance that Islam forbids interest. Risk-sharing is lacking because profit and loss sharing modes are so infrequently used. Underlying material transactions are also missing in such transactions as "tawarruq, commodity murabahas, Malaysian Islamic private debt securities, and Islamic short-sales". Riba The sharia law that forms the basis of Islamic banking is itself based on the Quran revealed to the Islamic prophet Muhammad and a hadith the body of reports of the teachings, deeds and sayings of the Islamic prophet Muhammad that often explain verses in the Quran. A number of orthodox scholars point to Quranic verses 2: Whosoever receives an admonition from his Lord and gives over, he shall have his past gains, and his affair is committed to God; but whosoever reverts -- those are the inhabitants of the Fire, therein dwelling forever. God blots out usury, but freewill offerings He augments with interest. God loves not any guilty ingrate. Those who believe and do deeds of righteousness, and perform the prayer, and pay the alms - their wage awaits them with their Lord, and no fear shall be on them, neither shall they sorrow. O believers, fear you God; and give up the usury that is outstanding, if you are believers. But if you do not, then take notice that God shall war with you, and His Messenger; yet if you repent, you shall have your principal, unwronging and unwronged. And if any man should be in difficulties, let him have respite till things are easier; but that you should give freewill offerings is better for you, did you but know. An increase over the principal sum in financing a purchase of some product or commodity is another matter. These are not riba – according to the orthodox interpretation – at least in some circumstances. According to noted Islamic scholar Taqi Usmani , this is because in Quran aya 2: Zaheer considers profit from credit sales to be riba, the same as interest, and

notes the lack of enthusiasm of orthodox scholars "such as the Council of Islamic Ideology" for credit sales-based Islamic Banking, which they the council call "no more than a second best solution from the viewpoint of an ideal Islamic system". Taqi Usmani, however, explains that this is a "misconception". Paying more for credit when buying a product "an exchange of commodities for money" does not violate sharia law, but exchange of "one unit of money for another of the same denomination" "an exchange of money for money" and charging for credit is a violation of sharia. The bank would act as the capital partner in mudarabah accounts with the depositor on one side and the entrepreneur on the other side. In practice, the fixed-return models, in particular murabaha model, became the industry staples, not supplements, as they bear results most similar to the interest-based finance models. Assets managed under these products far exceed those in "profit-loss-sharing modes" such as mudarabah and musharakah. He notes that such reductions have been permitted by some companions of the Prophet and some of their followers. It does not constitute forbidden riba if it is not agreed upon in advance and as long as the creditor-debtor relationship remains bilateral. Sharia and securities trading As noted above, the primary focus of Islamic banking is on financing without interest to avoid riba, [33] while trade is not an issue per the Quranic statement that "God has permitted trafficking [trade] and forbidden riba [usury]".

Chapter 2 : ISLAMIC BANKING IN PAKISTAN – The Proud Pak

Banking in Pakistan first formally started in Pakistan during the period of British colonialism in the South Asia. After independence from British Raj in 1947, and the emergence of Pakistan as a country in the globe, the scope of banking in Pakistan has been increasing and expanding continuously.

My Internship Activity Plan 15 4. Training plan 17 Introduction of banking Bank is a fiscal institute that deals with money and things that liquidity equal to paper money, which come of people and lends to other peoples, institute and corporation for personal and concern used on involvement. Its primary activities supplying fiscal service to client while addition plus value and making net income for their stockholder. The first bank were establishes during the 3rd millenary B. Banks invent to cover with money. In the early age there was no construct of money in any signifier. Initially banking sedimentation consisted of grain and some other goods that holding some value merely like cowss, agricultural implements and some metals such as gold coin that was little in size and easy to transport from one topographic point to other. History of banking in Pakistan At the clip of independency Pakistan there was 19 foreign bank operate in Pakistan with really little Numberss of subdivisions their constabularies and operation were controlled by abroad. These Bankss were entirely engaged in export and import of harvests from Pakistan. And there are merely two Bankss at the clip of intendance of Pakistan, Habib bank which was transferred its caput office signifier Bombay to Karachi after the proclamation of divider and one of the Australian bank which have been working in Pakistan districts to June After independency it was non possible of authorities of Pakistan to put up the cardinal bank instantly. To decide the job the modesty bank of India worked as a cardinal bank of Pakistan boulder clay 30th September The authorities of Pakistan established ain cardinal bank 1st July The development in the banking sector of Pakistan was phase by stage and major stage are following First stage that know as Establishment of Commercial Banking Second stage that know as Nationalization of Banking Third stage Introduction of Islamic Banking in Pakistan Fourth stage Denationalization and deregulating Form to nowadays Overview of the organisation Brief history Askari Bank Limited was established 19 twelvemonth ago since October 9, , as a Public Limited Company, and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Bank has got its concern beginning certification on February 26, and started working April 1, and engaged its banking concern harmonizing to the Companies Ordinance Askari Bank Limited continues bettering its all activities and operation with the base on balls of clip and acquire new highs in all countries of operations. As at December 31, the bank had equity of Rs. To develop a client -service oriented civilization with particular accent on client attention and convenience To constructing an enabling environment, where employees are motivated to lend to their full potency To efficaciously mange and extenuate all sorts of hazards built-in in the banking concern. To optimise usage of engineering to guarantee cost-efficient operations, strengthening of controls, efficient direction information system, enhanced bringing capableness, and high service criterions. To research new avenues for growing and profitableness. Strategic Planning To comprehensively be after for the hereafter to guarantee sustained growing and profitableness. To ease alliance of the Vision, Mission, Corporate Objectives with the concern ends and aims. To supply strategic enterprises and solutions for undertakings, merchandises, policies and processs. To supply strategic solutions to beef up weak countries and to counter menaces to net incomes. To place strategic enterprises and chances for net income. To make and leverage strategic assets and capablenesss for competitory advantage. Business volume Harmonizing to Askari Bank Limited fiscal one-year study the entire concern volume of bank are following.

Chapter 3 : history of banking sector in pakistan pdf - doc

History of BANKing in pakistan Banking in fact is primitive as human society, for ever since man came to realize the importance of money as a medium of exchange; the necessity of a controlling or regulating agency or institution was naturally felt.

The two basic principles behind Islamic banking are: The sharing of profit and loss Prohibition of the collection and payment of interest. Islamic banking has been defined as banking in accordance with the philosophy and the value system of Islam. Islamic banking, the more general term is expected not only to avoid interest-based transactions prohibited in the Islamic Shariah but also to avoid any unethical practices. This system is based on risk-sharing, owning and handling of physical goods, involvement in the process of trading, leasing and construction contracts using various Islamic modes of finance. As such, islamic banks deal with asset management for the purpose of income generation. They will have to carefully handle the unique risks involved in management of assets by complying to best practices of corporate governance. In the Verse II: However, along with the entitlement of profit, the liability of risk of loss on capital rests with the capital itself; no other factor can be made to bear the burden of the risk of loss. All religious circles and groups were constantly demanding for elimination of Riba from the financial and banking system of Pakistan as the constitutions of the country had already included the elimination of riba as early as possible because the laying foundation of Pakistan is to follow the rules and laws as mentioned in Quran and Sunnah. Advertisement As a result Islamic Banking was introduced in in Pakistan and it became role model for all muslim countries. Eventually many private Islamic banks emerged as well as conventional banks also started facilitating Islamic Products such as Musharika, Mudariba, Murabaha and Ijara etc. Presently all Conventional and Private Banks are providing services of Islamic Banking but currently there are only three large private banks which are purely operating as per Islamic rules under the supervision and guidelines of Shariah Board established by famous Muftees of a leading Islamic Institution. As per Shariah requirements, the funds and products of Islamic Banking are being managed separately from the conventional banks. It is experienced that the business of those businessmen expanded who did the borrowing according to Islamic laws and got rid of riba from their activities. Islam is not just a religion. It is a complete political, social, financial and an economic system. The Islamic Economy System is based on the following principles: Wealth must be in circulation and holding of wealth is restricted. Conventional economy creates a phenomena of distribution wealth un justly as it is originated by man-made laws and system. Islamic economy eliminates the monopoly of an Individual, Group or Organization to keep control on World monitory policies and avail most of the resources by blocking wealth. It also protects the society and secure the needs of the people. Basic principle of Islam Banking is to prohibit in riba based financing, lending and in sales. Interest is restricted and the owner of funds becomes Investor instead of Creditor. Such increase is the price of money and this is classified as Interest, which is the part of Riba. Any amount, earning or income that is taken over above the principle amount without any risk, effort, activity without loss sharing within a specific time is called Interest. Profit is the aim of financing and loss is acceptable. Operational differences in Conventional Banking and Islamic Banking is as follows:

Chapter 4 : History of banking in Pakistan Essay Example | Graduateway

The premier Bank Limited merged with Muslim Commercial Bank limited and Sarhad Bank Limited, Pak bank limited merged with Australia bank limited (Allied Bank of Pakistan limited) In 31st Dec, the commerce bank limited merged with the United Bank limited. In 30th June, when the standard bank limited was merged with Habib Bank limited.

The state bank of Pakistan is the central bank of Pakistan, it was established in Karachi on 1st July , Share to: History of Pakistan automobile in Pakistan? Automobile industry is not in full swing in Pakistan. There are a few world class automobile manufacturers working in Pakistan. Suzuki started its operations in , afterwarâ€™s Toyota started its assembling unit in Pakistan. In Honda started its operations in Pakistan. The important thing to mention is here that Star, Habib and other local manufacturers have also started their operations after History of e-banking in India? E-banking in India dates back to the s and was established to allow people to access a banking system using a telephone line. It started with basic services and grew from thâ€™ere. History of hotel industry in Pakistan to Pakistan? Hotel Industry is as old as Pakistan itself if your particularly talk about Pakistan. When Pakistan got independence there were a few 3 stars hotels but after s Hotel Induâ€™stry got boom. Now almost all 5 Star Hotel service providers are present in Pakistan including Sheraton. It is the central bank of Pakistan which regulate and control the monetary policy and banking sector. What is the Scope of Islamic banking in Pakistan? The Islamic Shariah had been established ages ago but the formation of a proper Islamic banking system came into being in Egypt in year Ahmad El Najjar played a pivotal â€™part in bringing Islamic banks into existence and was based on the principles of non-interest based profit sharing as per the philosophy of Shariah. The end of year saw a total of nine banks in different parts of the country. These banks, when they came into the picture, neither paid nor charged interest; instead, their activities were restricted to industries and trade where these banks invested directly or indirectly as partners of depositors. As for the functional power of the Islamic banks, Islamic banks were working, more or less, as financial institutions rather commercial banks. The Organization of Islamic countries, or more commonly known as the OIC, established the first bank explicitly based on Shariah principles. As for this bank, it was assigned the primary goal to engage in intergovernmental activities for providing funds for development projects running into member countries. The business model that was structured for this setup included profit sharing financial assistance for projects and fees for financial services. In the 70s, the number of Islamic banks in Asia continued to ascend. After nearly a decade of their formation, Islamic banks won a huge audience and earned an eminent position in the global industry. Most banks that came into existence were a basic corollary of private initiatives; however, the Iranian government was the first to take the initiative a as state. As per the commandments of Shariah, no bank was allowed to deal in interest or Riba usury. It is believed that the true phase of development of Islamic financial institution commenced in the s. The former initiatives were more focused on maintaining an interest-free banking but the real emergence of financial systems is said to evolve in the s. In essence, interest free banking still remains the foremost responsibility of Islamic banks as their purpose of existence is the strengthening of financial institution as per Shariah law as it always has been. In addition, the principles of Islamic finance such as property rights, sanctity of contracts and the rules of sharing risk are also supported. This was supported by a few other organizations especially in Malaysia. Ever since that time, Islamic finance has spread all over the world at a phenomenal rate. It is State Bank of Pakistan. It was founded by the father of the nation in

Chapter 5 : History of e. banking in Pakistan

Current State of Islamic Banking in Pakistan In , the State Bank of Pakistan issued its first Islamic Banking Policy. This policy stated that the Islamic Banking should be promoted side-by-side with the conventional banking. Al-Meezan investment bank was issued the first license and started working as the first of the Islamic banks in.

Chapter 6 : E-Banking in Pakistan History

History Of E Banking In Pakistan Information Technology Essay. Internationally banking system is no longer treated as four walls of a branch. Others countries are giving more facilities in electronic banking system rather than Pakistan.

Chapter 7 : History Of Islamic Banking in Pakistan by Hasnain Zoeb on Prezi

C,x7ik y7ku`w2History of Islamic Banking in Pakistan Efforts to Islamize the economy of Pakistan started in the mid 60s. However a significant attempt was made in the mid 80s1 to convert the banking system to an Islamic banking system.

Chapter 8 : Islamic banking and finance - Wikipedia

Do you really know the History of E- banking that is Electronic Banking in Pakistan as With no second thought it is a fact that Pakistan is amongst one of those few nations of the world which delayed the most from switching from the ordinary traditional banking to the electronic banking, but once the move is being made then there are continual improvements in the process and the reliability of.

Chapter 9 : Banking in Pakistan - Wikipedia

Structure of the Banking Sector in Pakistan. The financial sector in Pakistan is comprised of Scheduled Commercial Banks, which include nationalized, foreign and private banks; and Non-Banking Financial Institutions (NBFIs) which include Development Finance Institutions (DFIs), Investment Banks, leasing companies, modarabas, and housing finance companies.