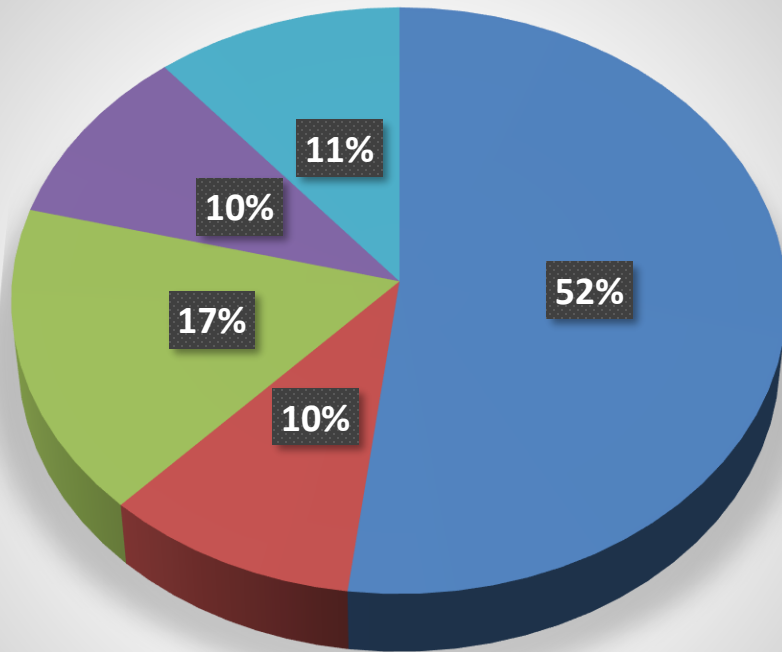


SUMMARY
OF
KAP STUDY
BY
STATE BANK OF
PAKISTAN

KNOWLEDGE,
ATTITUDES AND
PRACTICES OF
ISLAMIC
BANKING IN
PAKISTAN

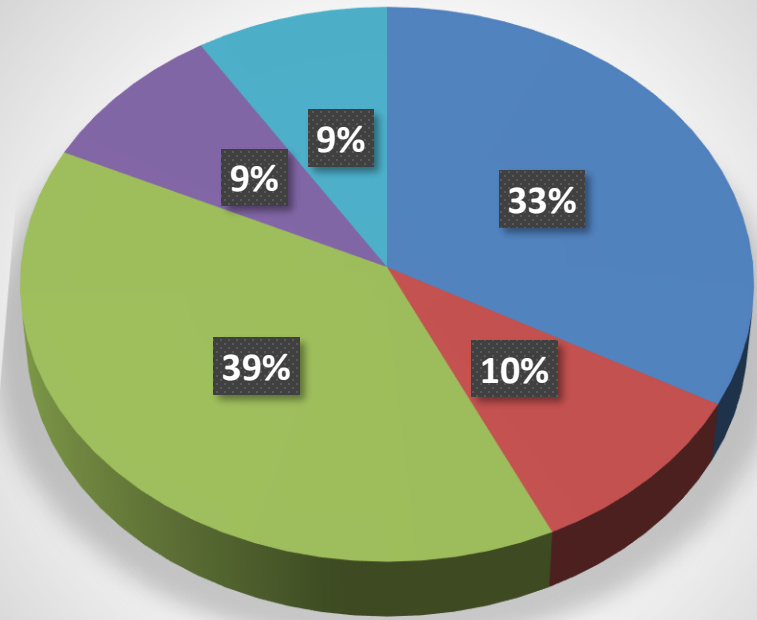
Willing to deposit money into an Islamic savings account even if there is a chance of loss

Banked



■ Strongly agree ■ Agree
■ Neutral ■ Disagree
■ Strongly disagree

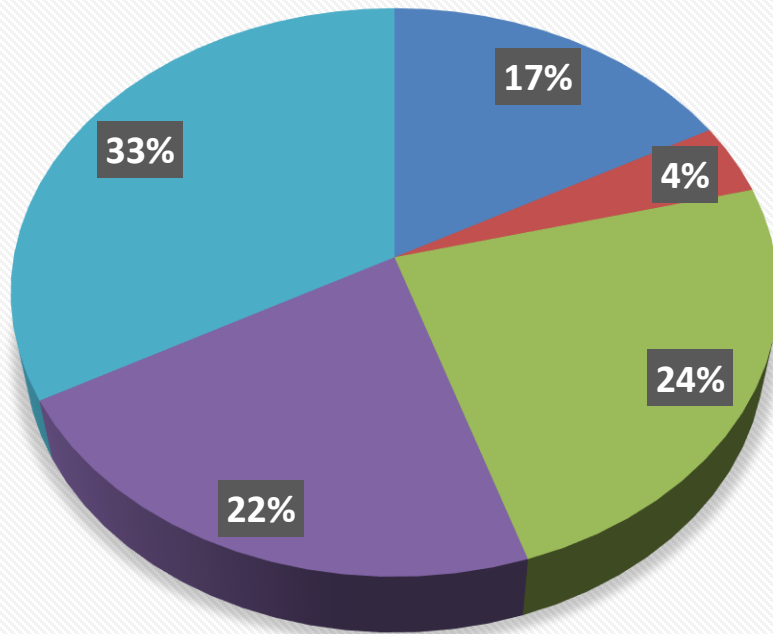
Unbanked



■ Strongly agree ■ Agree
■ Neutral ■ Disagree
■ Strongly disagree

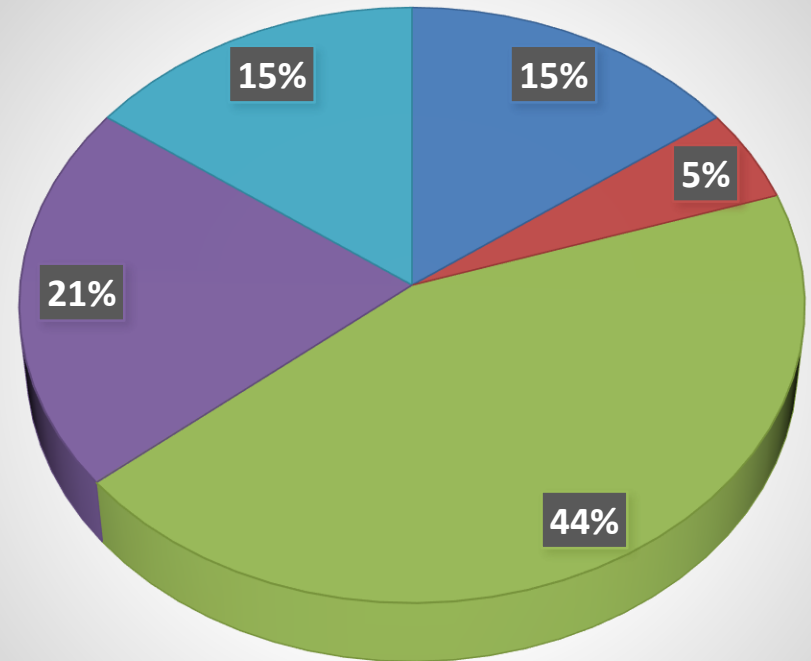
Withdraw money from an Islamic savings account if the bank announces loss

Banked



Strongly agree Agree
Neutral Disagree
Strongly disagree

Unbanked



Strongly agree Agree
Neutral Disagree
Strongly disagree

Understanding of Islamic banking model and products

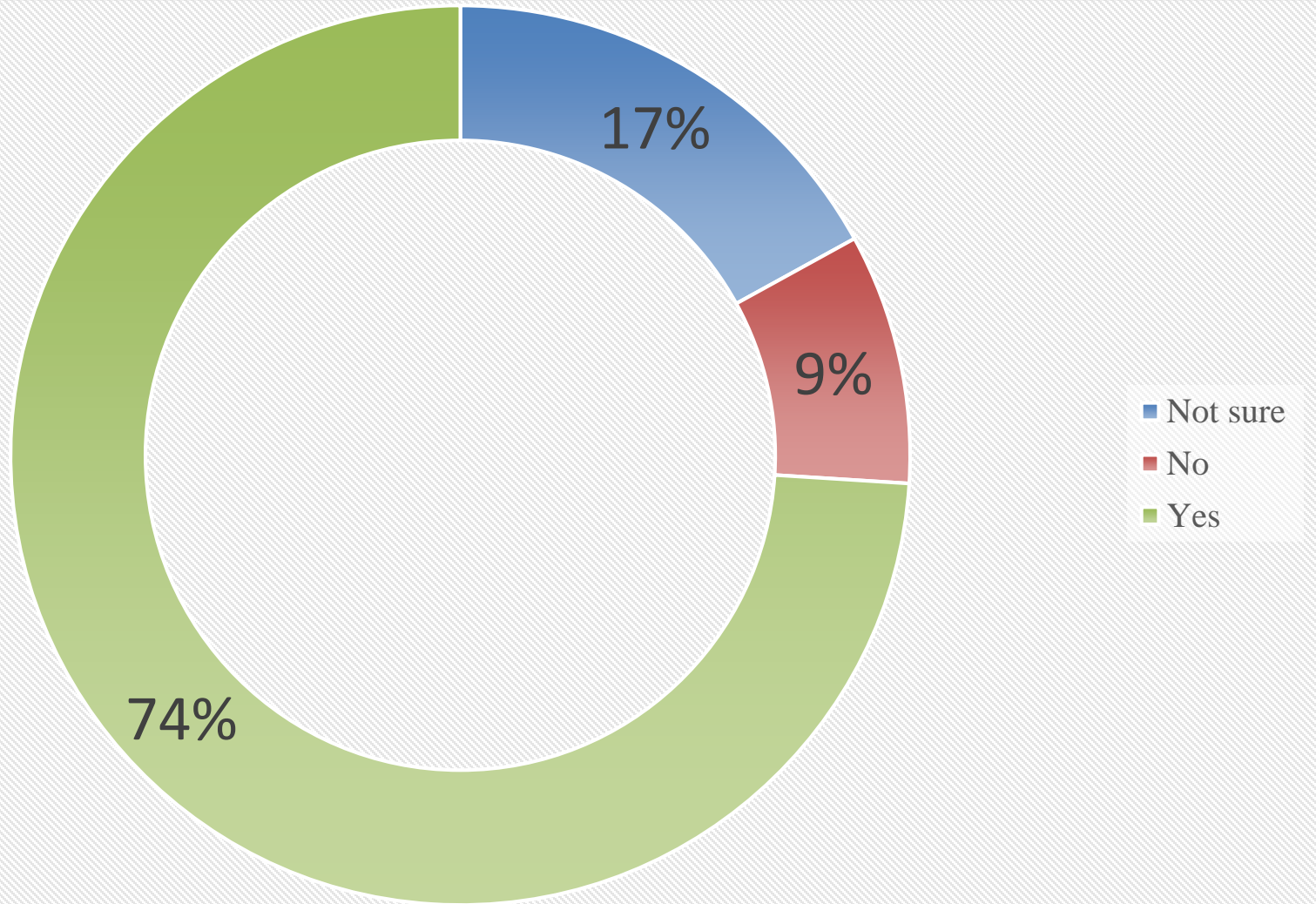
<u>Banked</u>	Islamic Banking Model	Islamic Bank Deposits	Islamic Financial Products	Nature of Contracts	Adherence to Shari'a Principles
Understand	17%	14%	12%	9%	10%
Do not understand	83%	86%	88%	91%	90%

<u>Non - Banked</u>	Islamic Banking Model	Islamic Bank Deposits	Islamic Financial Products	Nature of Contracts	Adherence to Shari'a Principles
Understand	5%	4%	3%	2%	3%
Do not understand	95%	96%	97%	98%	97%

Understanding of Islamic Banking Contracts

Contracts	Corporate	Banked	Non-Banked
Qard Hasana	56%	47%	20%
Musharaka	33%	9%	3%
Ijara	13%	9%	3%
Mudaraba	15%	10%	2%
Murabaha	7%	4%	1%
Istisna	5%	3%	1%
Salam	5%	3%	1%
Diminishing Musharaka	4%	3%	1%

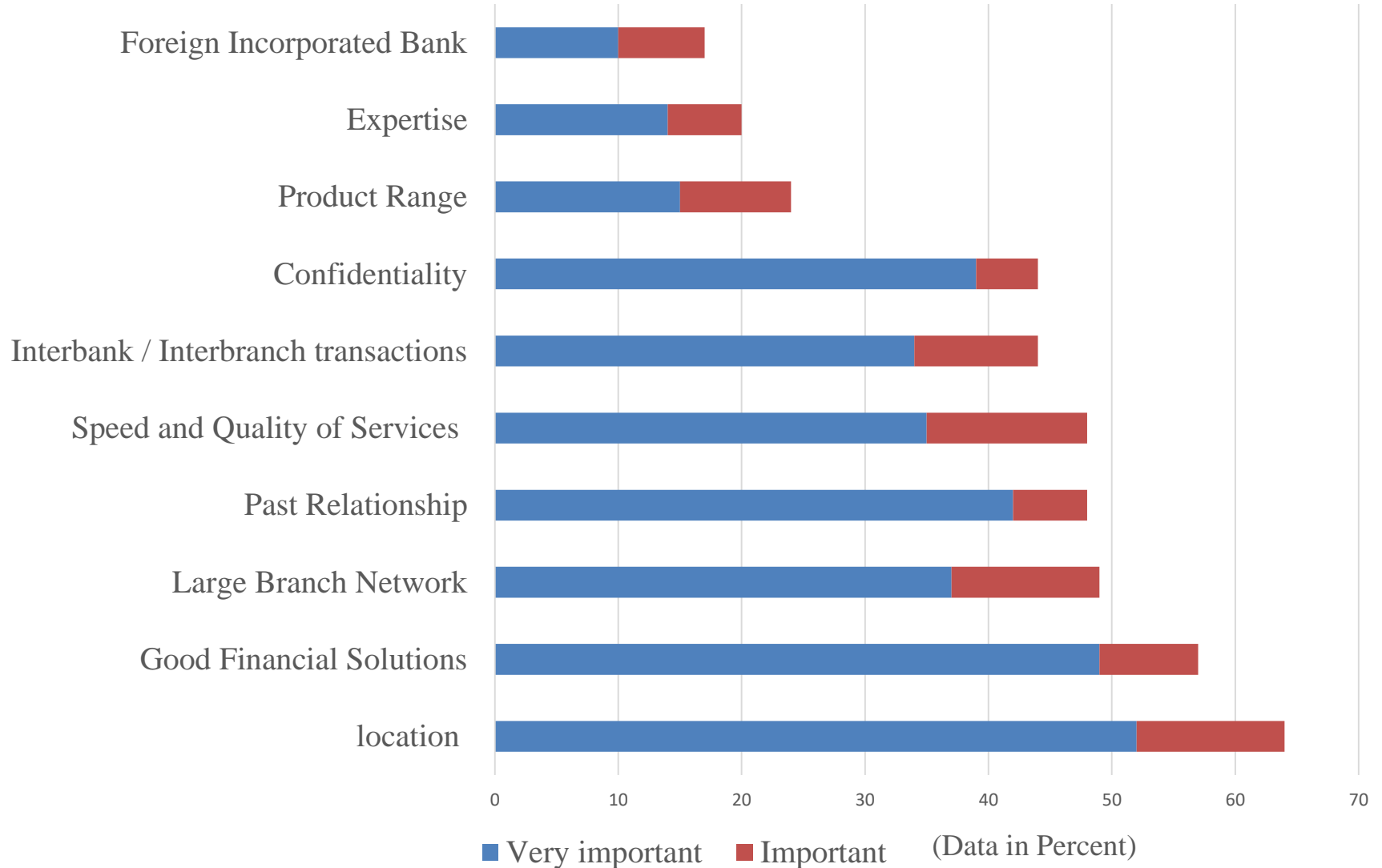
Willingness to Switch to Islamic Banking



Reason for Switching to Islamic Banking

	Banked		Non-Banked	
	Important	Less Important	Important	Less Important
Islamic products/services offer religious satisfaction and comfort	98.41%	1.59%	98.77%	1.23%
Islamic products/services are not based on interest	98.74%	1.26%	99.08%	0.92%
Islamic products offer solutions to most of my personal needs	81.04%	18.96%	76.27%	23.73%
Islamic banks provide better services than conventional banks	72.69%	27.31%	68.09%	31.91%
Islamic banks carry better reputation than conventional banks	66.35%	33.65%	61.38%	38.62%
I value the principle of profit and loss sharing which Islamic banks use for the savings account	84.10%	15.90%	83.46%	16.54%
Shari'a compliant products are readily available	69.37%	30.63%	65.01%	34.99%

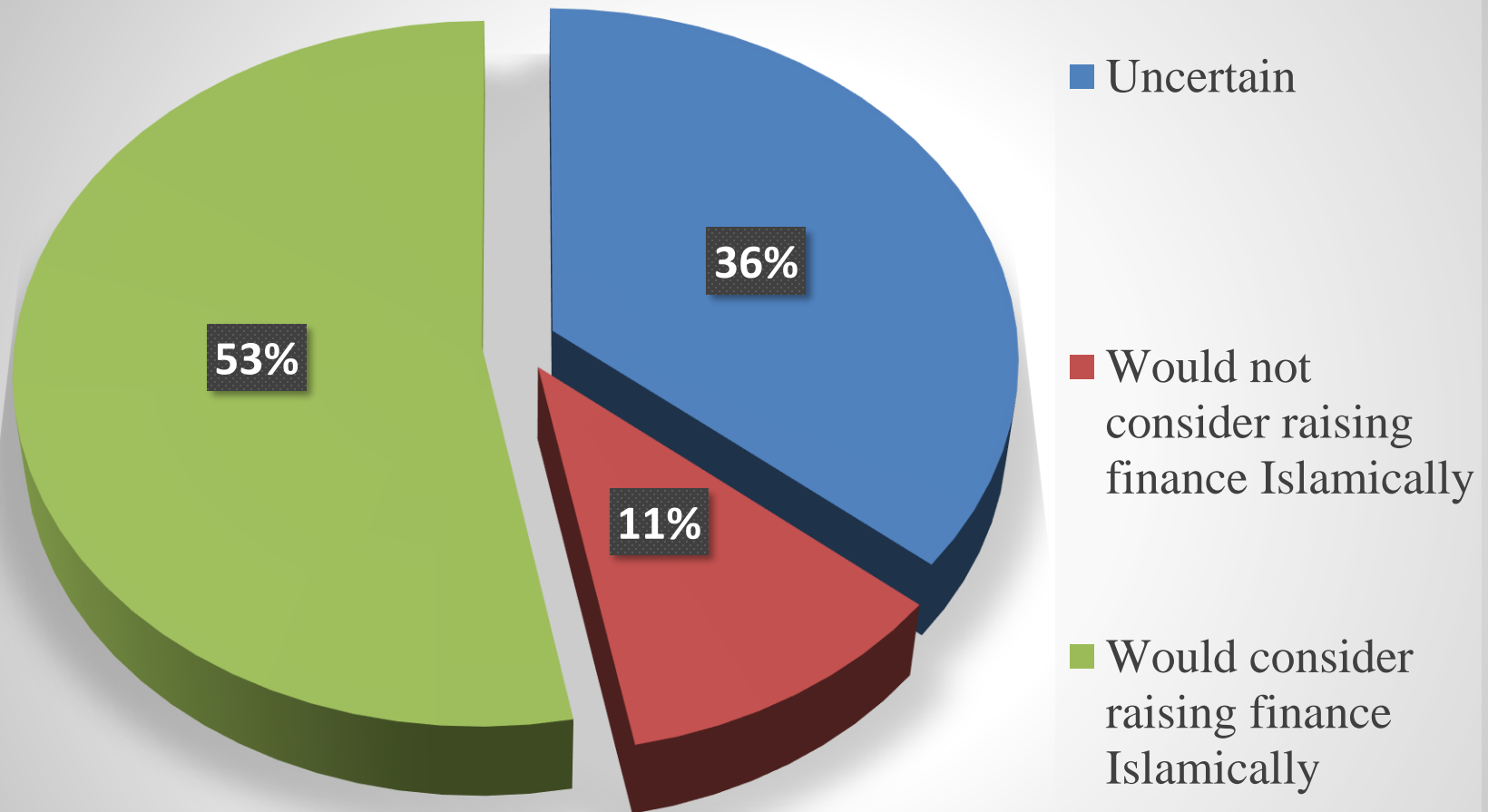
Corporate Reasons for Choosing Primary Bank



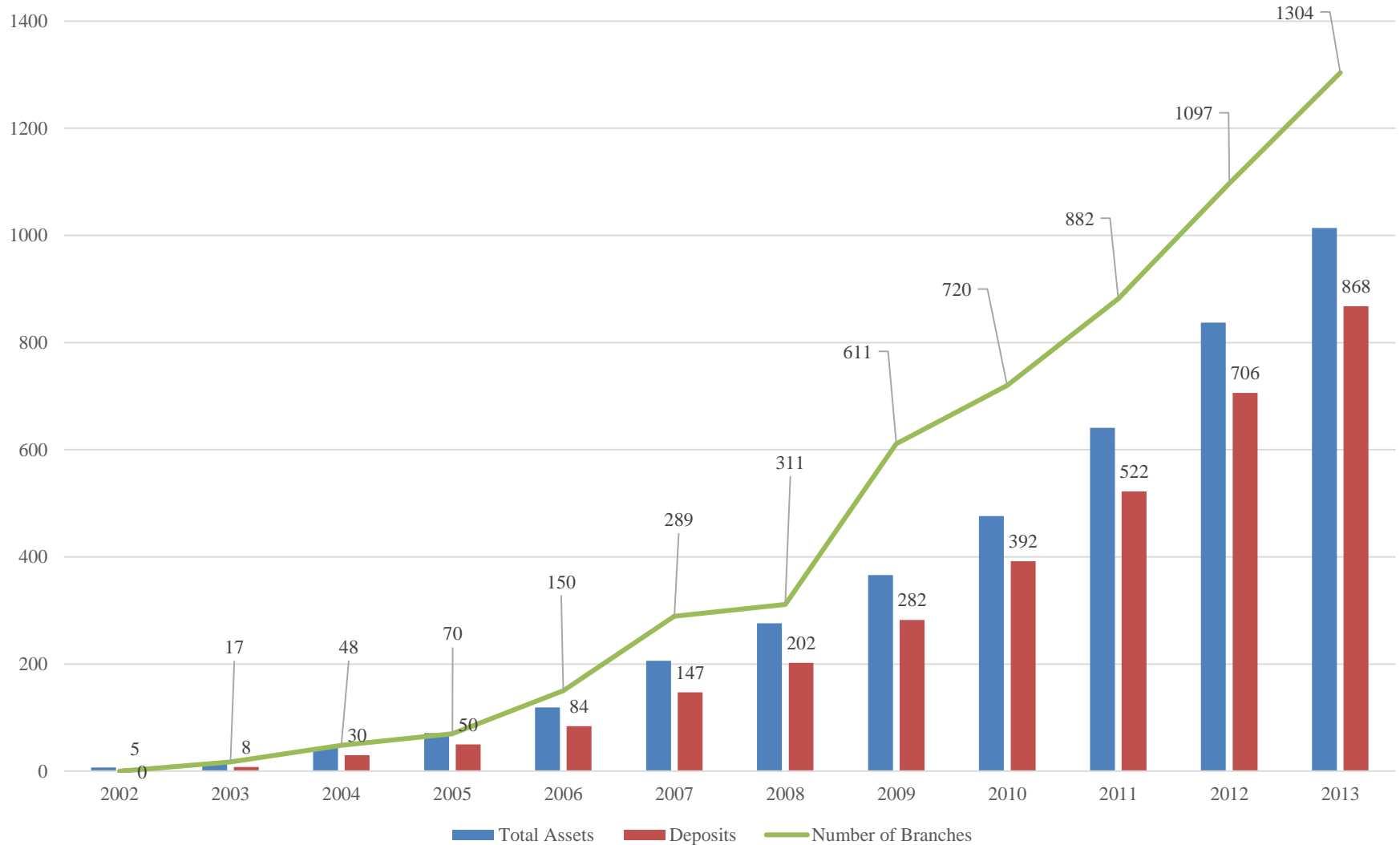
Corporate Reasons for Choosing Primary Bank

<u>Reasons</u>	<u>Very important</u>	<u>Important</u>
Location	51%	16%
Good financial solutions	49%	9%
Large branch network	37%	11%
Past relationship	43%	5%
Speed and quality of services	35%	12%
Interbank / Interbranch transactions	34%	10%
Confidentiality	38%	6%
Product range	15%	9%
Expertise	15%	6%
Foreign incorporated bank	10%	7%

Raising Finance Islamically



Growth in Islamic Banking Deposits, Assets, and Islamic Banking Branches



Growth in Islamic Banking

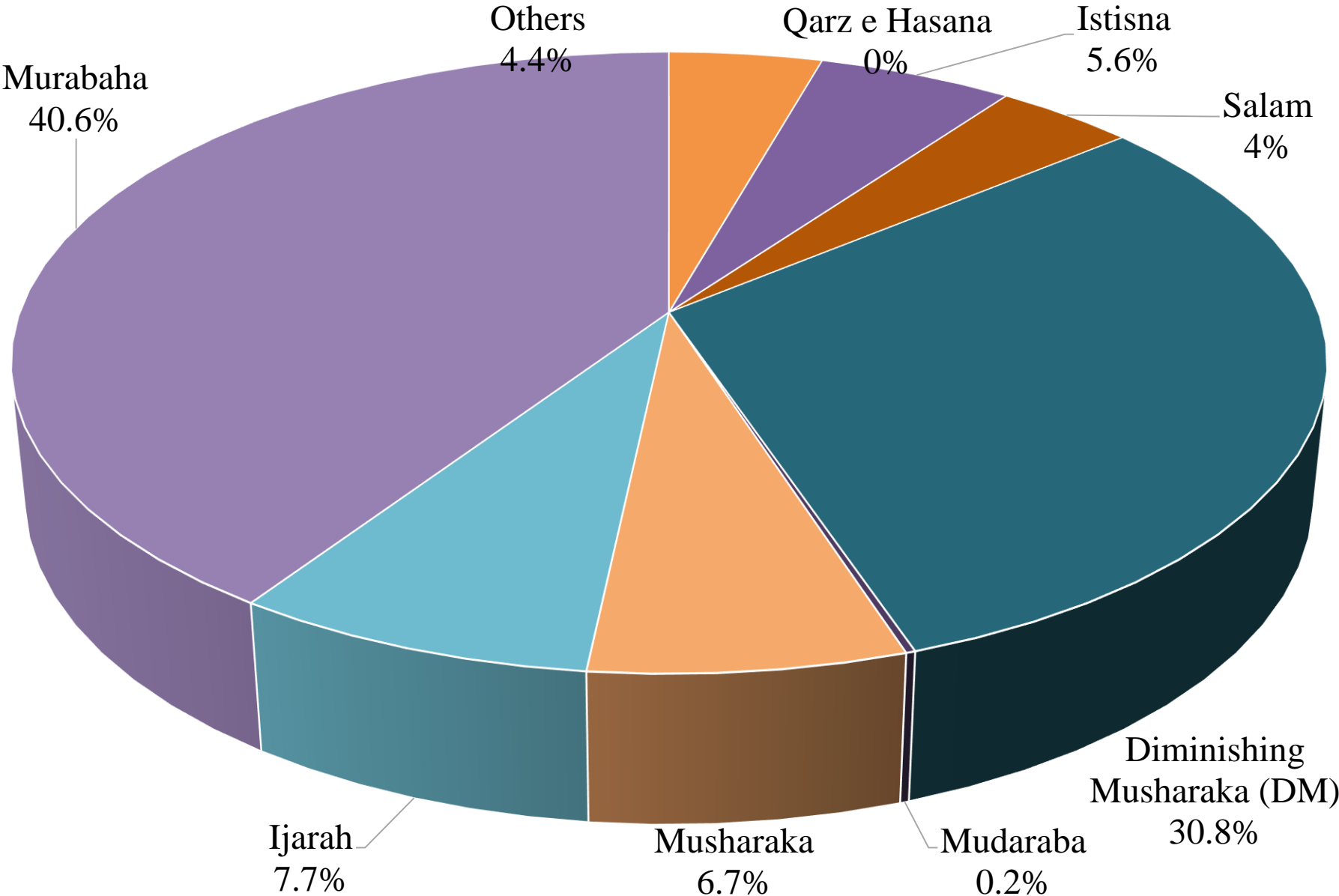
Growth in Percentage

Percentage Growth in Islamic banking	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average Growth
Total Assets	85	242	62	67	73	34	33	30	35	30	21	65
Investment and Net Financing	100	200	60	52	89	35	22	50	41	32	13	63
Deposits Growth	65	259	65	68	76	37	40	39	33	36	23	67

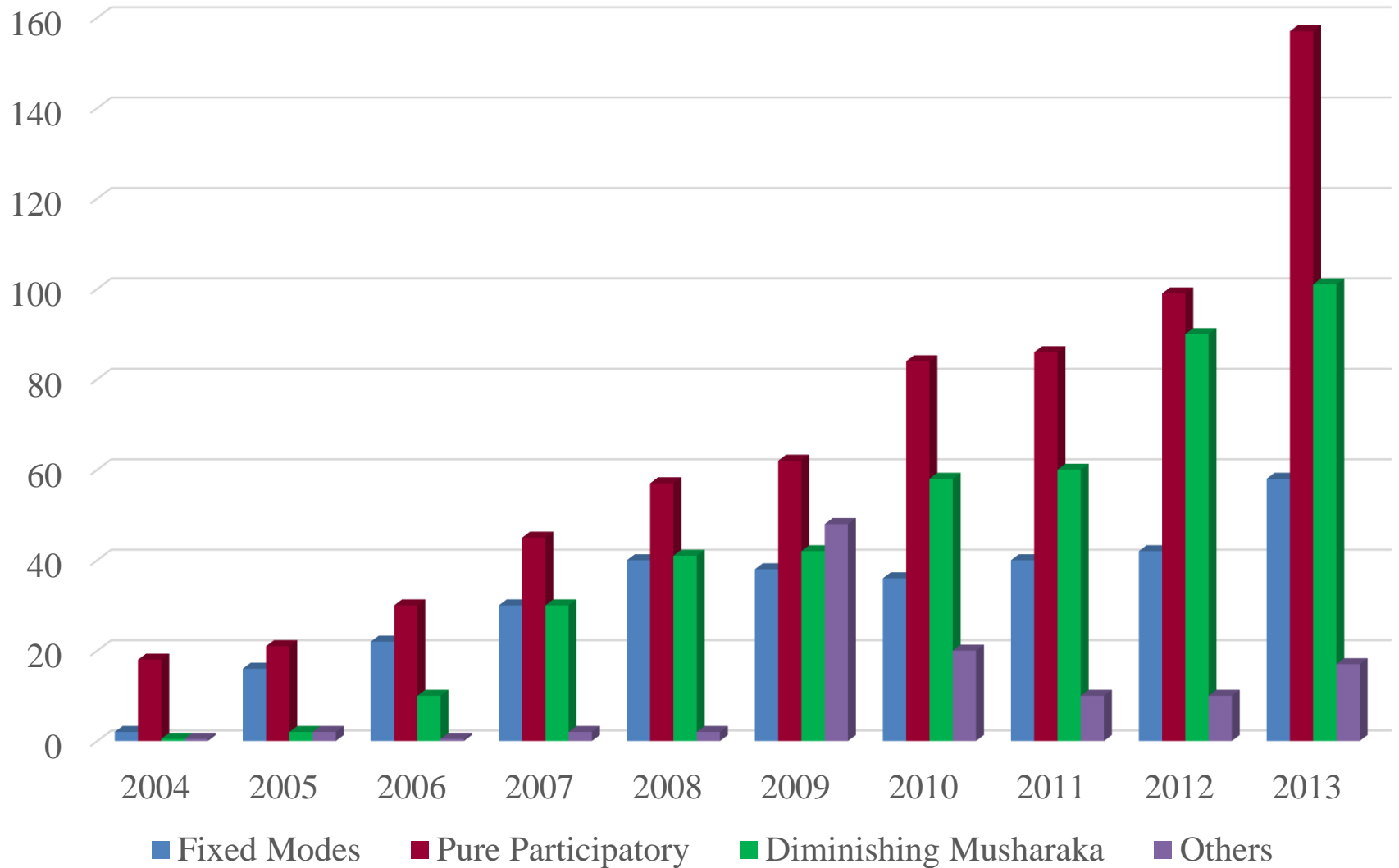
Growth in figures (Billion Rs.)

Growth in Islamic banking	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Share in banking industry (Percent) 2013
Total Assets	7	13	44	71	119	206	276	366	476	641	837	1014	9.6
Net Financing and Investments	5	10	30	48	73	138	186	226	338	475	626	709	8.5
Deposits	5	8	30	50	84	147	202	282	392	522	706	868	10.4
Number of Branches		17	48	70	150	289	311	611	720	882	1097	1304	

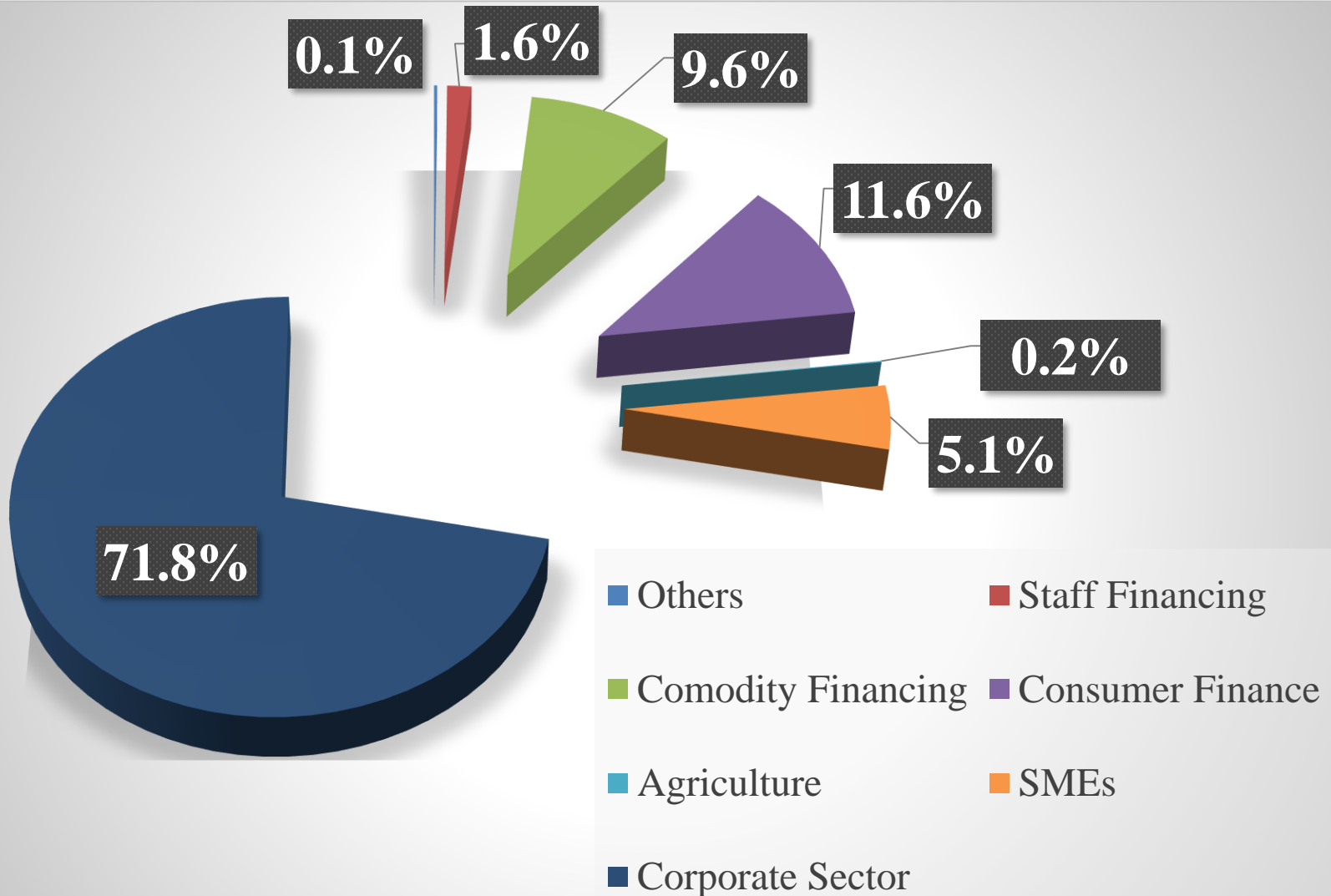
Mode Wise Financing



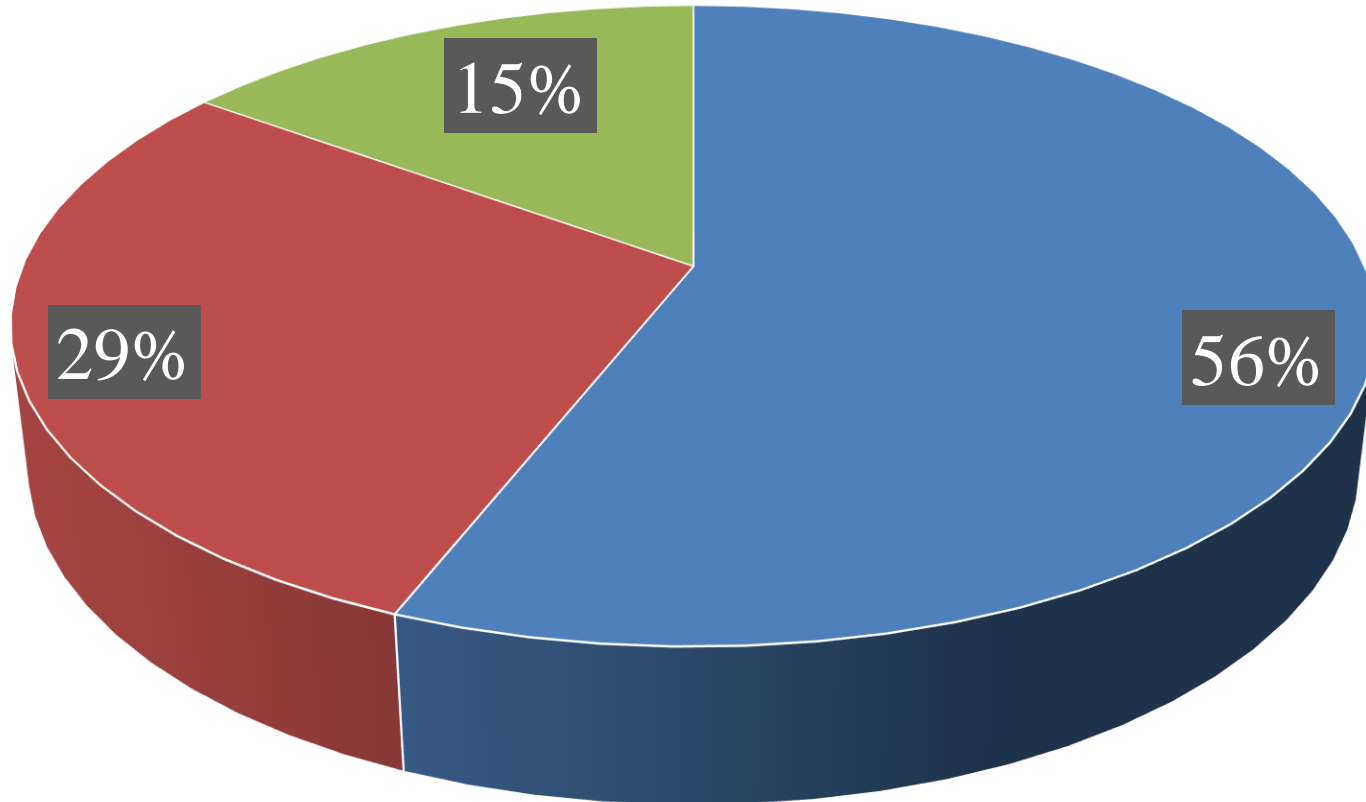
Trends in Islamic Modes of Financing



Trends in Financing Different Sectors

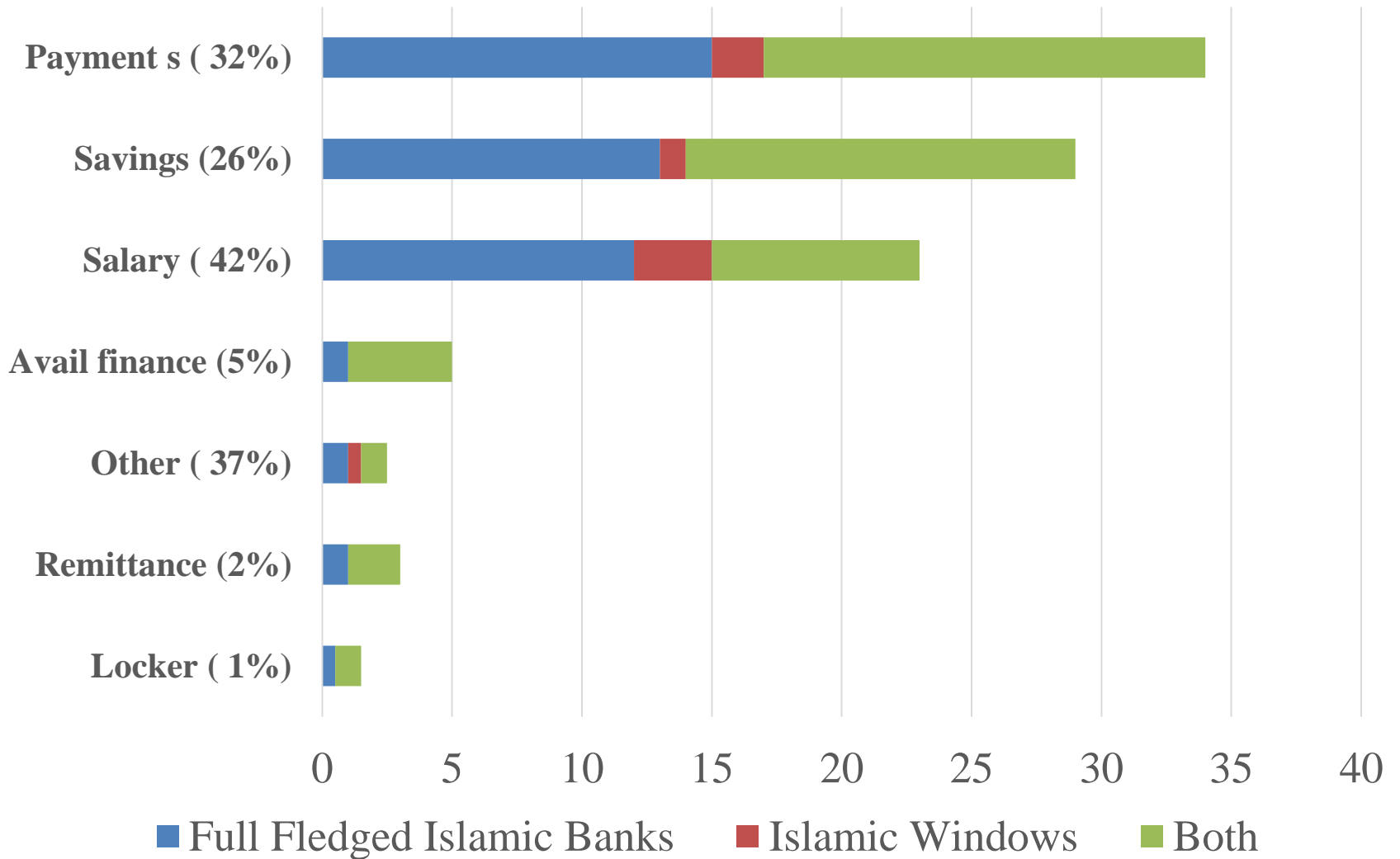


Non-Banked Demand for Bank Accounts

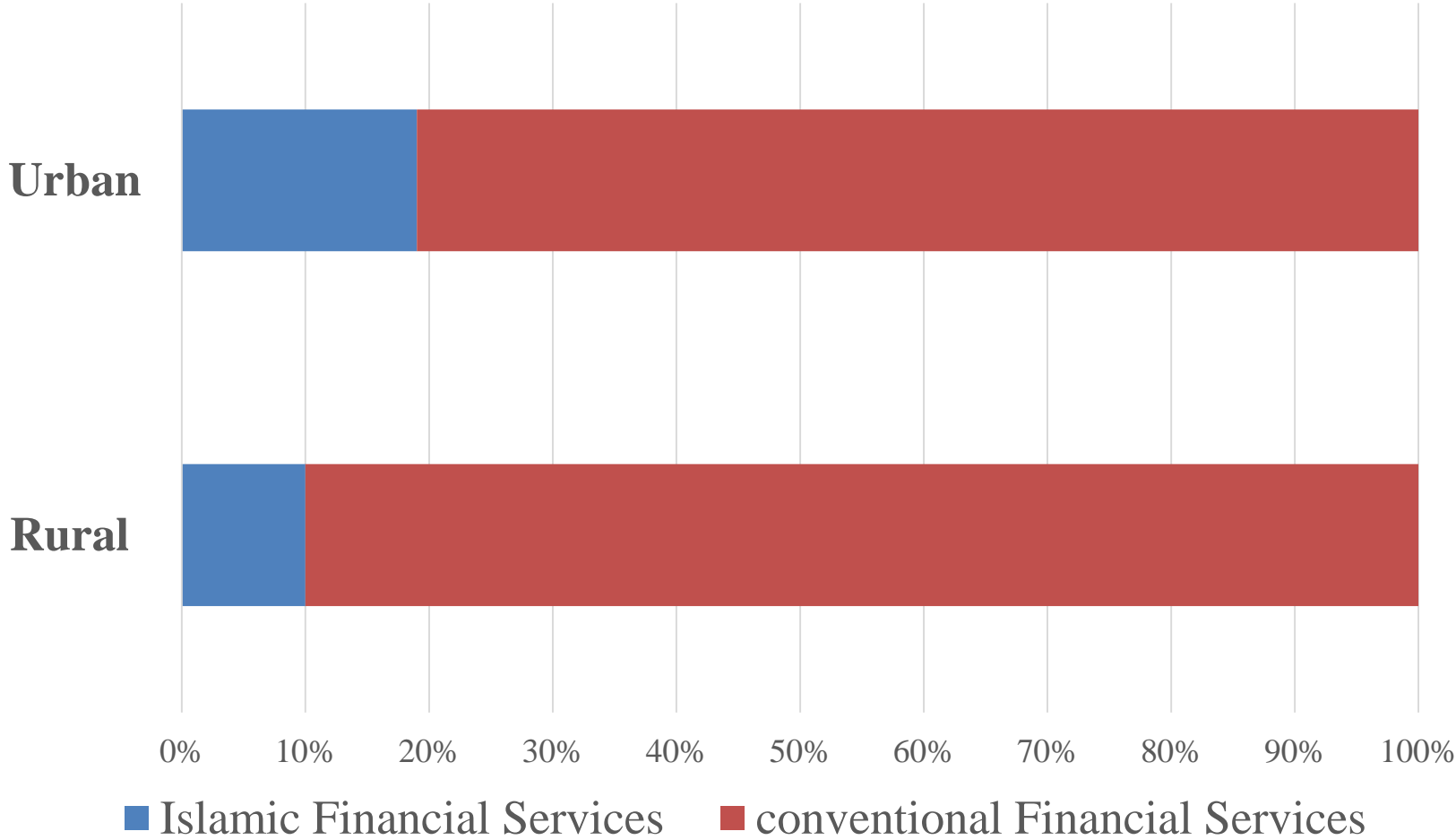


- Would like to have a bank account
- Would not like to have a bank account
- Not sure

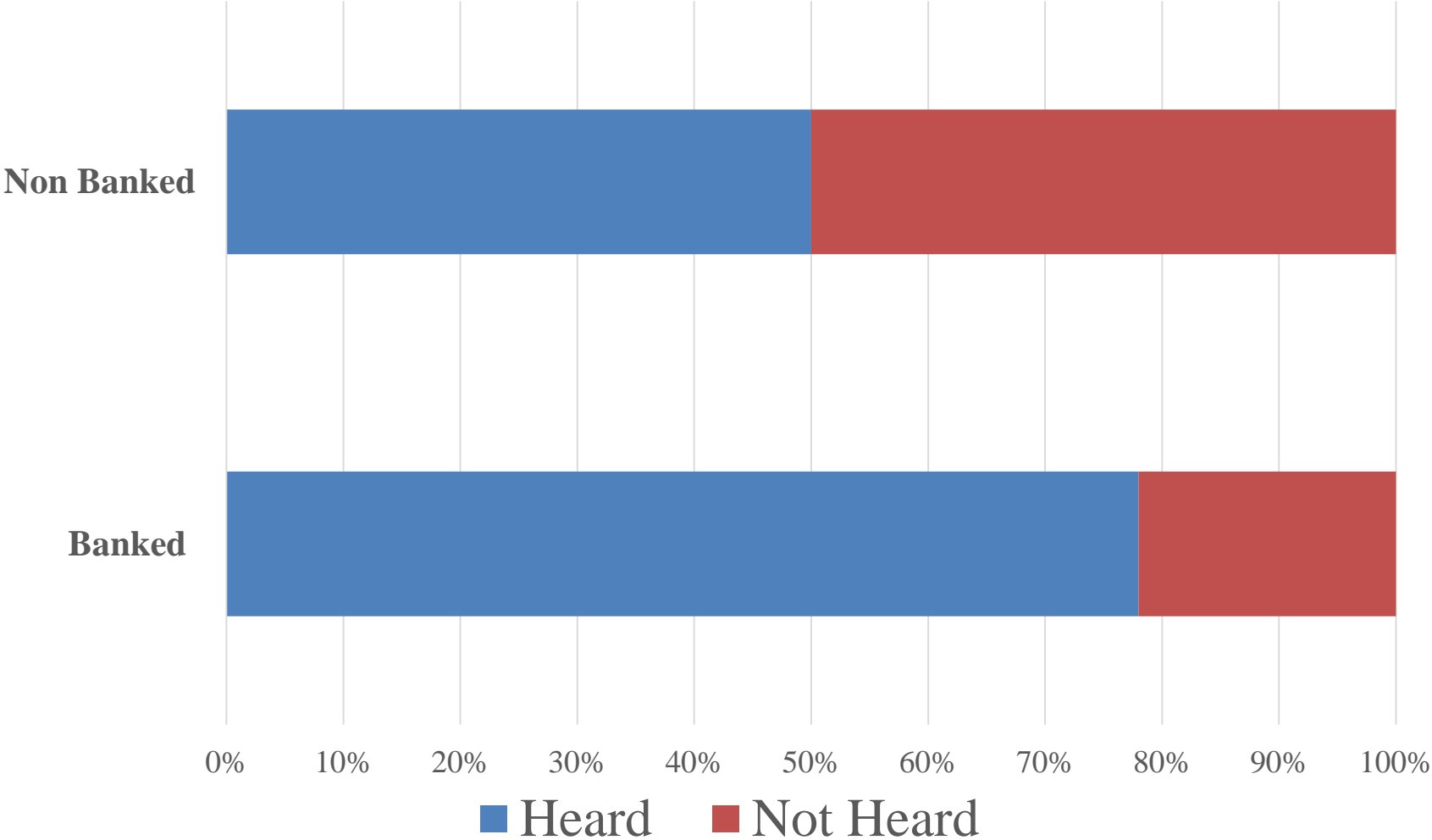
Reasons for Opening a Bank Account



Usage of Islamic Banking services according to geography.



Awareness of Islamic Banking



Sources of Information on Islamic Banking

