



قاعدة بيانات صالح كامل للاقتصاد الإسلامي
Saleh Kamel Islamic Economy Database



الاقتصاد الإسلامي
ALBARAKA FORUM

Regional Brief Series South Asia Regional Brief

Saleh Kamel Islamic Economy Database
December 2024



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Islamic Economy in South Asia



Islamic Banks

19



Islamic Fintech*

36



Islamic windows
for conventional banks**

51



Halal Accreditation bodies

2



Takaful

24



Halal Certification bodies

15

*Including digital banks

** Including microfinance banks



Islamic Banking

«Global Mapping»

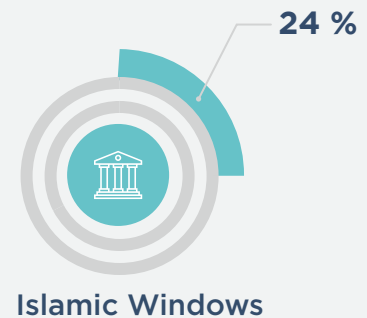
1 Distribution of Islamic Banking Institutions among Regions

Region	Islamic Banks	Islamic Windows
Europe	14	9
GCC	40	36
Other MENA	103	38
Sub-Saharan Africa	30	31
Southeast Asia	33	33
South Asia	19	51
Central Asia	3	3
Other Asia	5	12
Americas	2	4

Islamic banking is expanding globally, with significant growth in regions like the GCC and Other MENA region. However, South Asia stands out with 19 Islamic banks and 51 Islamic windows, driven by a large Muslim population, supportive regulatory frameworks, and rapid economic development. This makes South Asia a key player in the global Islamic finance landscape, highlighting its potential for further growth and financial inclusion.

2 South Asia's share of the total Islamic Banking Globally

South Asia accounts for 8% of the world's Islamic banks and 24% of Islamic windows, highlighting its significant role in the global Islamic banking sector. This substantial share of Islamic windows indicates a strong preference for Sharia-compliant financial services within conventional banks. The region's large Muslim population and supportive regulatory frameworks in key countries drive this notable presence in the Islamic finance landscape.

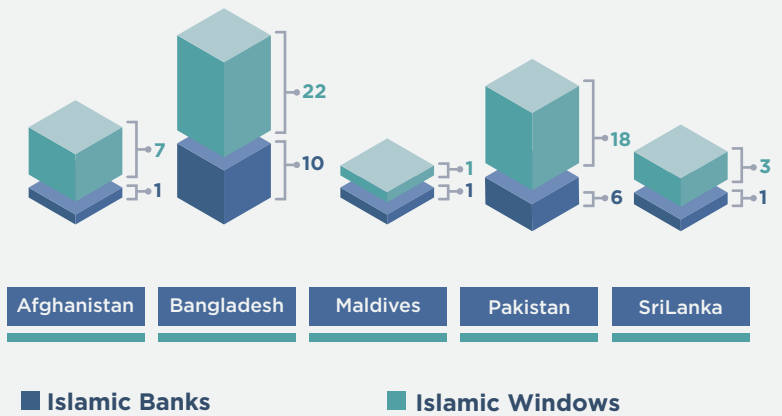




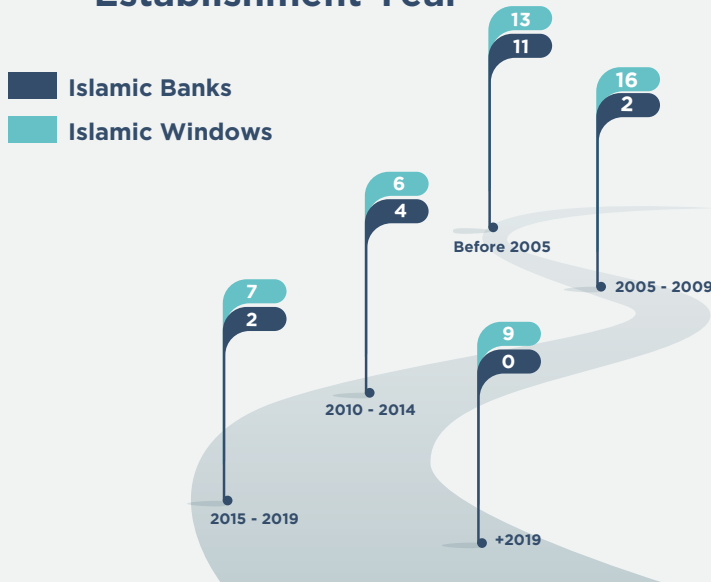
«Regional Distribution»

In South Asia, Islamic banking is notably concentrated in a few countries. Bangladesh leads with 10 Islamic banks and 22 Islamic windows, reflecting its strong commitment to Sharia-compliant finance. Pakistan follows with 6 Islamic banks and 18 Islamic windows, 2 of which are microfinance Islamic banks, supported by a robust regulatory framework. Afghanistan, Maldives, and Sri Lanka have smaller but significant presences, with Afghanistan having 1 Islamic bank and 7 windows, Maldives 1 bank and 1 window, and Sri Lanka 1 bank and 3 windows. This distribution underscores the varying levels of Islamic banking adoption across the region.

3 Islamic Banking Institutions Distribution across South Asia



4 Number of South Asia's Islamic Banking Institutions - Establishment Year



The establishment of Islamic banking institutions in South Asia shows a varied timeline. Before 2005, there were 11 Islamic banks and 13 Islamic windows. Between 2005 and 2009, the number of Islamic windows surged to 16, while only 2 banks were established. From 2010 to 2014, 4 banks and 6 windows were set up, showing steady growth. The period from 2015 to 2019 saw 2 banks and 7 windows established, and post-2019, there has been 9 windows established, reflecting ongoing expansion and adaptation to market demands.

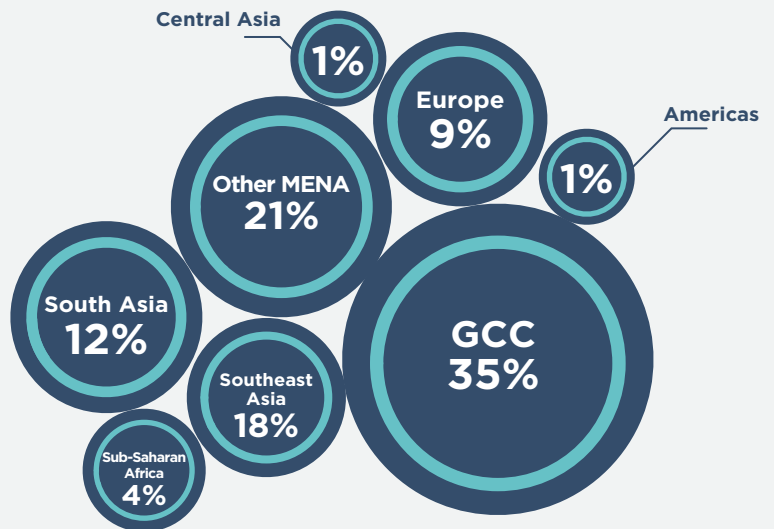


Takaful

«Global Mapping»

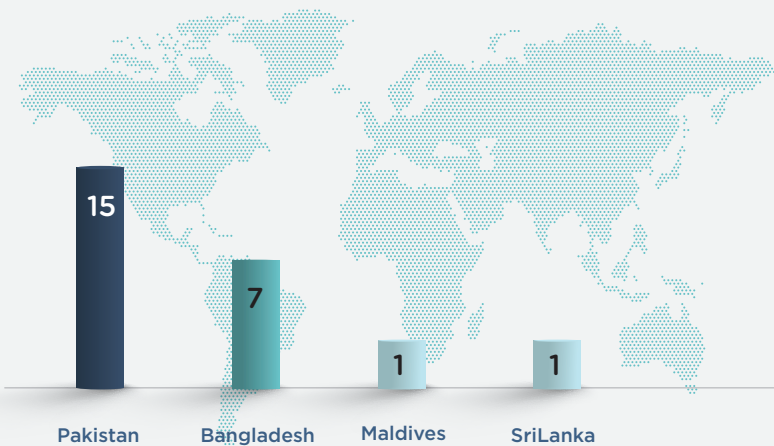
South Asia holds a 12% share of the global Takaful (Islamic insurance) market, reflecting its significant role in this sector. While the GCC leads with 35%, and Other Mena follows with 21%, Southeast Asia's share is notable given the region's large Muslim population and growing demand for Sharia-compliant financial products. This market share underscores the region's potential for further growth and development in the Takaful industry, driven by increasing awareness and supportive regulatory frameworks.

1 Distribution of Takaful Companies among Regions



«Regional Distribution»

2 Takaful Companies Distribution across South Asia



In South Asia, the distribution of Takaful companies is concentrated in a few key countries. Pakistan leads with 15 institutions, reflecting its strong commitment to Islamic finance. Bangladesh follows with 7 takaful companies, while the Maldives and Sri Lanka each have 1 institution. This distribution highlights the varying levels of market development and the potential for growth in the Takaful sector across the region.



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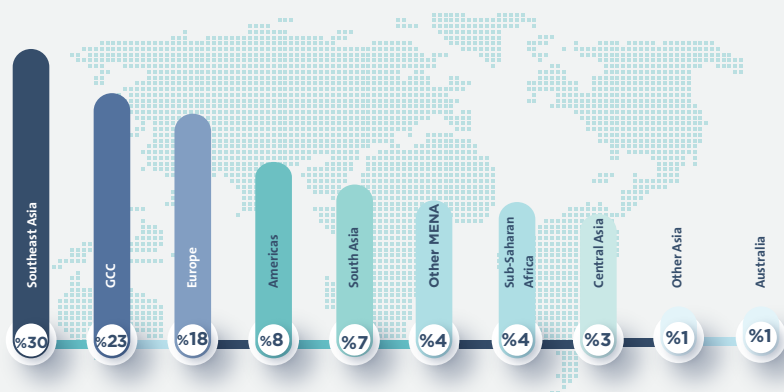


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Islamic Fintech

«Global Mapping»

1 South Asia's Fintech Market Share

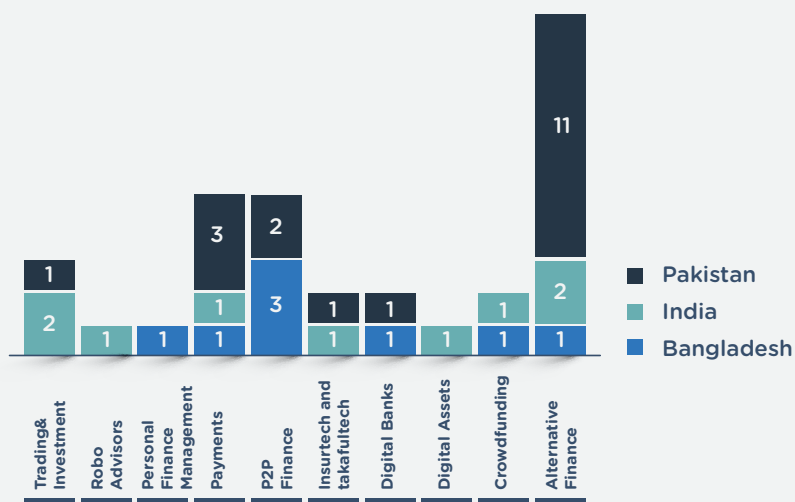


The Islamic Fintech industry is experiencing significant global growth, with Southeast Asia leading the market at 30%. The GCC follows with 23%, and Europe holds 18%. South Asia, with a 7% share, is emerging as a notable player in this sector. The region's potential for further expansion and innovation in Islamic Fintech is substantial, contributing to the overall development of the global Islamic finance landscape.

«Regional Distribution»

Within South Asia, the Islamic Fintech industry shows diverse development across various sectors. Pakistan leads with 19 institutions, most of which are alternative finance service providers. India's Islamic Fintech sector has 9 institutions, distributed across various sectors. Bangladesh also has a notable presence with 8 institutions, distributed among most sectors, with a focus on P2P finance. This distribution highlights the region's growing engagement with Islamic Fintech, driven by innovation and a large, tech-savvy population.

2 Fintech Institutions Distribution across South Asia - by Service





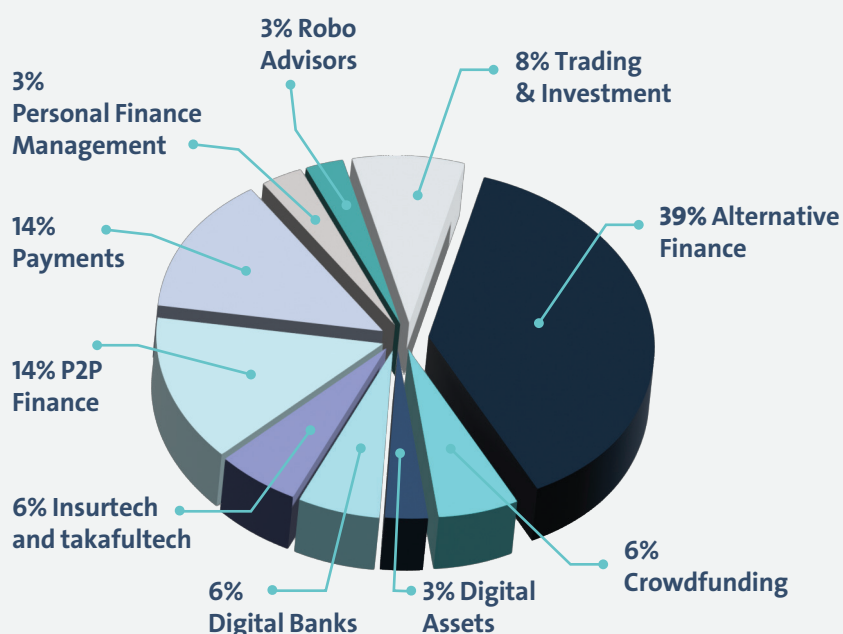
3 Fintech Timeline in South Asia from 2004 to 2023



The Fintech industry in South Asia has shown a steady growth trend from 2004 to 2023. Starting with just one institution in 2004, the number of establishments gradually increased, with notable spikes in 2016, 2017, and 2018, each seeing the establishment of 4 institutions. The growth continued, peaking in 2021 with 8 new institutions. This trend reflects the region's increasing adoption of financial technology, driven by innovation and a growing demand for digital financial services.

4 Percentages of Spread of each Service of Fintech in South Asia

Alternative Finance dominates the Islamic fintech sector in the South Asia accounting for nearly 40% of the entire market. P2P and Payments come next with each taking up around 15% each, showing how important it is to facilitate fundraising and transaction functions based on Islamic principles. The rest of services, control a modest share thereby signaling possible areas for growth or innovation within this ecosystem across South Asia region's.

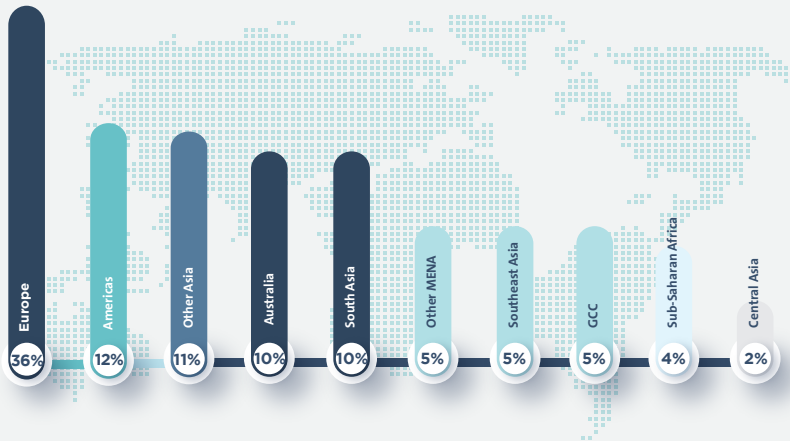




Halal Industry

«Global Mapping»

1 South Asia's Halal Certification Bodies Market Share



The Halal industry in South Asia is supported by 2 Accreditation bodies and 22 certification bodies*, reflecting the region's commitment to ensuring products meet Islamic Sharia standards. This is part of a broader global network of certification bodies, where Europe leads with more than a third of the total certification bodies globally, and the Americas, Other Asia, and Australia also have significant numbers. South Asia's robust certification infrastructure highlights its dedication to maintaining Halal standards and supporting the growing demand for Halal products.

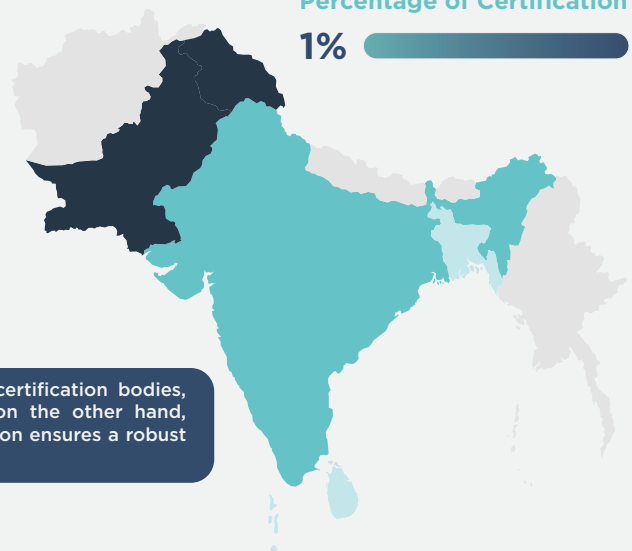
«Regional Distribution»

2 Halal Certification Bodies Distribution across South Asia

Within South Asia, Pakistan leads with 15 Halal certification bodies, reflecting its strong commitment to ensuring Halal compliance. India follows with 4 certification bodies, while Bangladesh, Maldives, and Sri Lanka each have 1 certification body. This distribution highlights the region's dedication to maintaining Halal standards and supporting the growing demand for Halal products.

Percentage of Certification bodies

1% ————— 31%



*Accreditation bodies, evaluate and recognize the competence of certification bodies, ensuring they meet international standards. Certification bodies, on the other hand, directly assess and certify products or services as Halal. This distinction ensures a robust and reliable Halal certification process globally.

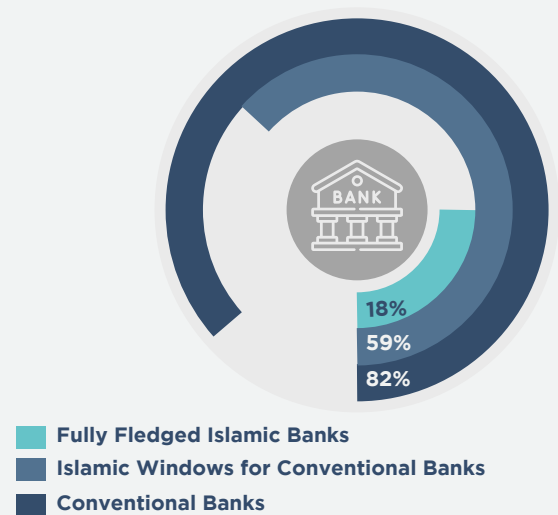


Country Focus - Pakistan

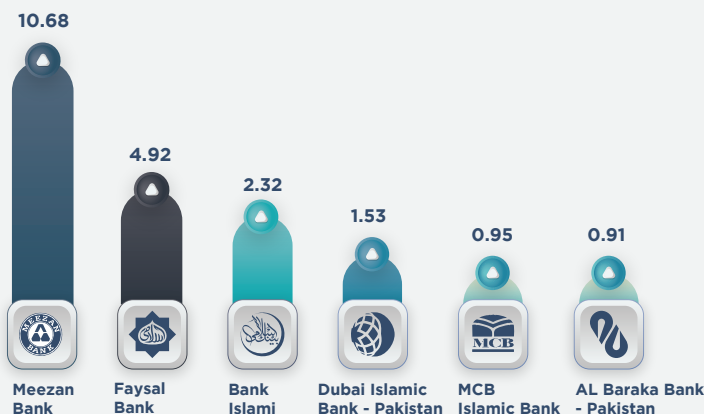
«Banking Sector»

Islamic banks constitute 18% of the total banking sector, which includes 33 banks. Conversely, Pakistan is witnessing increasing growth in Islamic windows, with Islamic windows accounting for about 60% of the total conventional banks, amounting to 16 conventional banks in addition to two windows for conventional microfinance banks. This places Pakistan at the forefront globally in terms of the number of Islamic windows, helping to enhance financial inclusion by providing alternatives for consumers and businesses seeking Sharia-compliant banking solutions. This growth is expected to continue in the coming years, contributing to the development of the Pakistani economy.

1 Banking Sector in Pakistan



2 Total Assets for Islamic Banks in Pakistan in billion USD in 2023



Source: Moody's analytics, 2024

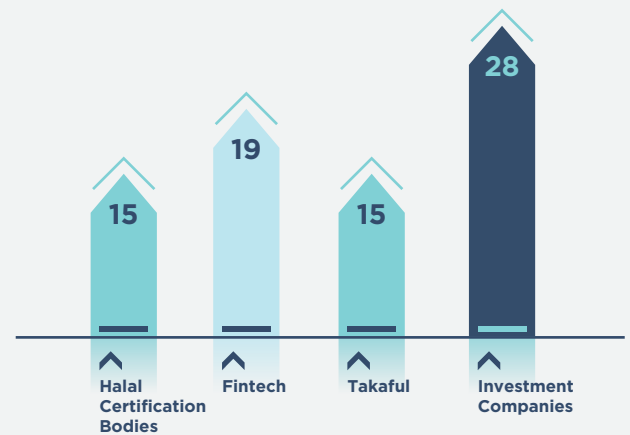
In 2023, the total assets of Pakistani Islamic banks reached 21 billion USD, reflecting the significant role these banks play in the country's financial landscape, driven by their commitment to providing Sharia-compliant financial services. The leading bank in this sector, Meezan Bank, has set a high benchmark with its substantial asset base, highlighting the effectiveness of its customer-focused approach. Overall, the collective performance of these banks demonstrates the growing trust and reliance on Islamic banking in Pakistan.



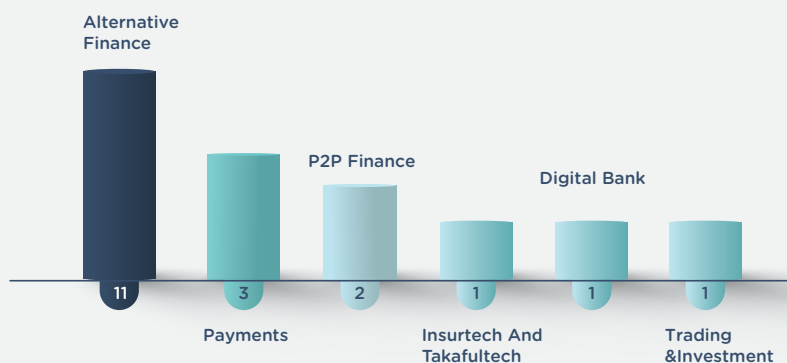
«Other Islamic Non-Banking Financial Services and Halal Services»

In addition to Islamic banking, Pakistan is witnessing significant growth in the non-banking financial services and Halal sector, reflecting the robustness of these sectors and the immense potential of the Islamic economic sector in the country. Investment companies in Pakistan play a vital role in the Islamic finance sector, with 28 companies, 24 of which are Modaraba companies. These specialized non-banking financial institutions operate under Islamic principles, providing Shariah-compliant investment and financing solutions. They contribute significantly to the Islamic financial sector by offering diverse and compliant financial options, thereby strengthening Pakistan's Islamic financial landscape. The takaful sector is also expanding, with 15 institutions offering Shariah-compliant insurance services. The halal industry is a crucial component of the wider Islamic economic system, significantly contributing to the verification and regulation of halal products and services. This is evident with the presence of 15 halal certification bodies.

3 Pakistan - Islamic Non-Banking Financial Services and Halal



4 Pakistan - Number of Islamic Fintech Institutions - by Services



The Islamic fintech industry in Pakistan is highly developed, with around 19 institutions offering a range of fintech services. The diversity of these services indicates a wide array of Sharia-compliant fintech innovations that meet the various financial needs of Pakistani consumers and businesses. Alternative finance leads this sector with 11 institutions, followed by the payments sector with 3 institutions. The growth of the fintech industry in Pakistan is expected to continue, with ongoing development and expansion of the services offered.



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