

Press Clippings

By Corporate Affairs, Malaysia

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Islamic credit card mart to grow rapidly

THE Islamic credit card market will mature and grow rapidly from the current base of less than one million accounts to as many as six million accounts by 2012, according to a report by US-based research and advisory outfit TowerGroup.

The Islamic credit card market is in its infancy but has the potential to build volume, given the addressable population of over 250 million.

Current experience is limited to a very select niche, often tied to private banking rela-

tionships and an established retail banking experience, it said in a report entitled "No Interest In Interest: Islamic 'Credit' Card Banking Takes Its Place in Global Commerce".

It noted that two types of Islamic card issuers are launching credit cards in the Gulf and Asian market.

One type is global banks that own Islamic banking enterprises. The other is new and emerging Islamic banks.

Citigroup Inc, BNP Paribas, HSBC Holdings plc, UBS AG, and Standard Chartered plc

operate Islamic banking subsidiaries and offer Islamic cards in their product suites, which include investment, retail, and wholesale banking products.

In contrast, Islamic-owned banks such as Emirates Islamic Bank, AmBank (M) Bhd, Bank Islam Malaysia Bhd, PT Bank Rakyat Indonesia (Perseero) Tbk, Shamil Bank of Bahrain BSC, and Arab Banking Corporation BSC provide more traditional credit card products as part of their product offerings.

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Organised by Furqan Research, the forum is chaired by Prof Dr Malik Muhammad M Al-Awan, former chief academic officer & dean of the faculty at International Center for Education in Islamic Finance of Malaysia (INCEIF).