

Frequently Asked Questions

Branch Conversion from Conventional to Islamic Banking

A) General Questions

Q1. What does branch conversion mean?

Ans. Branch conversion refers to the process of changing a bank branch from a conventional banking system (interest-based) to an Islamic banking system (Shariah-compliant, interest-free).

Q2. Why is the branch being converted to Islamic banking?

Ans. The branch is being converted to provide customers with Shariah-compliant financial services, meeting the growing demand for Islamic banking.

Q3. What is the difference between conventional and Islamic banking?

Ans. Conventional banking operates on interest (riba), while Islamic banking is based on profit-sharing, trade, and risk-sharing principles according to Islamic Shariah.

Q4. Will the bank's name or ownership change after conversion?

Ans. No, Only the branch operations will shift to Islamic banking. The bank's overall name and ownership remain the same.

Q5. Is Islamic banking regulated in the same way as conventional banking?

Ans. Yes, Islamic banking is regulated by the State Bank of Pakistan (SBP) and must also comply with Shariah principles.

B) Customer Accounts & Services

Q6. What will happen to my existing account after conversion?

Ans. Your account will be shifted to an Islamic banking account with your consent. New agreements based on Shariah principles will replace old ones.

Q7. Do I need to close my current account to open an Islamic account?

Ans. No, your account can be converted smoothly into Islamic Current Account based on Qard

Q8. Will my account number or IBAN change?

Ans. Normally, account numbers remain the same, unless required by system changes. Customers will be informed in advance.

Q9. Will I continue to get the same banking facilities?

Ans. Yes. Services such as ATM, online banking, debit cards, and mobile apps will continue with no interruption.

Q10. Will my existing cheque book remain valid?

Ans. Yes, in hand cheque book will remain valid.

Q11. Will my cheque in clearing process honored?

Ans. Yes, all cheque in clearing process during the conversion process will be honored.

Q12. What to do with my TDR?

Ans. You have to encash them and reissue Islamic TDR for the remaining tenure

Q13. What would be the profit rate of my saving account?

Ans. After conversion upon your Consent Islamic declared profit rate will be applicable

Q14. I am non-Muslim account holder, what you will do with my Current and saving account?

Ans. For non-Muslim account holder for Current & Saving account we must take your consent before converting your account into Islamic account.

Q15. I am Muslim current account holder what you do with my account?

Ans. Under the SBP guidelines all Muslim account holder of CA active account will convert into Islamic CA by default

C) Deposits & Returns

Q16. Will I still earn profit on my savings?

Ans. Yes. Instead of fixed interest, you will earn profit based on Shariah-approved modes such as Mudarabah.

Q17. How is profit calculated in Islamic banking?

Ans. Profit is calculated based on actual business performance of the bank's Shariah-compliant investments.

Q18. Is the profit guaranteed like conventional interest?

Ans. No, profit is variable and depends on the performance of Shariah-compliant investments.

Q17. What would be the profit rate of my saving account?

Ans. After conversion upon your Consent Islamic declared profit rate will be applicable

Q19. I am saving account holder?

Ans. We will must obtain your consent in writing before converting the account into Islamic

Q20. What will happen if I don't agree to convert my CA /Saving / TDR?

Ans. In such condition you have to submit a Decent letter to the branch in writing so the branch will transfer your account to the nearby conventional branch

Q21. Would you intimate us about this conversion?

Ans. Yes, under the SBP guideline we will definitely issue intimation letter to your given mailing address, print add on newspapers, place a banner on your branch about the branch conversion

Q22. Who is the Shariah advisor of your Islamic banking

Ans. Mufti Awais Naeem is the resident Shariah advisor of the bank

D) Loans & Financing

Q23. Can I apply for new loans after conversion?

Ans. Yes, but financing will be offered through Shariah-compliant products instead of interest-based loans.

Q24. Will Islamic financing be more expensive than conventional loans?

Ans. Costs may vary, but Islamic financing is competitive and based on real trade and risk-sharing, not interest.

E) Shariah & Compliance

Q25. Who ensures that the branch operates according to Shariah?

Ans. The bank has a Shariah Board and Shariah Compliance Department to monitor and approve all products and transactions.

Q26. Are all investments made by the bank halal?

Ans. Yes, funds are invested only in Shariah-compliant businesses and projects.

F) Process & Timeline

Q27. When will the branch officially convert to Islamic banking?

Ans. The bank will announce a specific conversion date, ensuring a smooth transition with prior customer notice.

Q28. Will customers face any service interruptions during conversion?

Ans. The bank will ensure minimum disruption, with advance communication about any temporary downtime.