

Islamic banking in Tanzania

Absa has launched Islamic banking in Tanzania through its subsidiary the National Bank of Commerce (NBC), in line with its strategy of expanding its offering in Africa. It will offer the options of a cheque account and saving account with an embedded funeral plan. Christo de Vries, NBC's MD, said this new service is part of its business banking strategy to provide innovative products to meet the needs of the market. Though this service will mostly appeal to our Muslim clientele, it is open to everyone regardless of their faith.



The concept of NBC's Islamic Banking is built around the Shariah Laws which govern the way in which Muslims live their lives and conduct their daily business including their financial affairs. The service will be managed in line with clear guidelines Shari'ah lays down for the management of money, one of these guidelines being the absence of interest on current and savings accounts. The Shariah Law forbids the earning of interest. Funds deposited in the accounts will be invested in businesses that are approved under Shariah Law.

Islamic Banking services will be available to all who choose an alternative to conventional banking. "Muslim and non-Muslims globally are choosing to make use of Islamic Banking. It is a service that gives them the assurance that their money will be invested well. All investments made under Islamic Banking are never associated with any of the traditional 'sin' industries, such as alcohol, tobacco, gambling or pornography; as a result the product stands on an individual's faith, ensuring not only financial security but also moral and mental satisfaction," said NBC Islamic Banking Board Chairman Dr. Mussa Assad.

In terms of account opening, Islamic Banking will be conducted in exactly the same manner as opening a conventional account, however, the product features will differ based on the Shariah principles. The costs associated with opening Islamic Banking accounts will also remain the same as for conventional accounts.

NBC will be the largest bank in Tanzania with the broadest branch and ATM footprint offering Islamic Bank services. This will combine the best of traditional Islamic values with the technology and innovation that characterise the best of modern banking.