



Lloyds TSB

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LLOYDS TSB OPENS WAY FOR SHARIAH COMPLIANT WORLDWIDE MONEY TRANSFERS

Lloyds TSB has consolidated its position as a leading provider of Islamic financial services, by launching an account that allows banks to move money around the world on behalf of their individual and business clients, in keeping with Shariah law.

The Islamic Nostro Account¹ is the first of its kind to be offered by a mainstream Western bank and is a Shariah compliant version of the account used by all banks to distribute payments to customers across the world. Whenever individuals or businesses send money to other countries, the payments are made from one bank to another and are passed through a Nostro account in the process.

The new Lloyds TSB account is designed to ensure that the UK's two million Muslims and 100,000 Muslim firms can make and receive international payments without compromising their faith. Many of these customers regularly make, or receive, international payments through the estimated 250 Islamic banks worldwide. However, until now, the process of transferring this money between banks has not been in line with Islamic principles.

The Nostro account adheres to the principles of Islamic law, because it does not pay interest on money banks hold in the account; it does not provide an overdraft facility; and it does not allow any of the funds held to be invested in industries – such as alcohol and gambling – which are prohibited under the rules of the faith².

Diana Brightmore-Armour, CEO Corporate Banking and Co-Head Corporate Markets, Lloyds TSB, said: “Lloyds TSB has established itself as one of the leading providers of Islamic finance across the UK. But we are now seeing a rising demand, from Muslim businesses and personal customers, for Islamic banking across borders.

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Diana Brightmore-Armour continued: “We’ve designed this account to help the growing number of Islamic banks across the world, which deal with our customers’ transactions. We’re providing the missing link in the chain, so now any person or business receiving payments from abroad into their own Islamic account knows the money will be dealt with according to Islamic law, from start to finish.”

Simon Ratcliff, Head of Operations, Bank of London and The Middle East plc, said: “This account is a real milestone for banks like ours and means we can give our customers reassurance that their money is being dealt with according to Islamic law, from the moment it leaves their account to the moment it reaches its destination.”

The account adds to a suite of Islamic products and services³ Lloyds TSB has launched in the past two years, as it spearheads London’s drive to become a global centre for Islamic Finance. Last year, the bank launched a series of products including a current account, business and corporate account, mortgage and investment fund – each designed according to the principles of Islamic law.

The global Islamic financial services market is now worth an estimated \$480 billion – and is growing at almost 15 per cent a year. As the range of Shariah compliant products and services widens, with developments such as the Nostro account, the market is expected to grow even further.

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Notes to Editors:

¹The account is being marketed as The Islamic Nostro Account. The word Nostro is derived from the Latin for ‘ours’.

²Lloyds TSB’s entire range of Islamic financial services products has been sanctioned by an internationally renowned, independent board of Islamic scholars:

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Sheikh Nizam Yaquby

Sheikh Nizam Yaquby is a member of the Shariah Committee for several Islamic financial institutions. He has received an MSc in Finance (Canada) and is based in Bahrain. He has been a Professor of Tafsir, Hadith and Fiqh in Bahrain since 1976 and the author of several articles and publications on Islamic finance in English and Arabic.

Dr Muhammed Imran Ashraf Usmani

Dr. Muhammed Imran Ashraf Usmani holds a PhD in Islamic Finance. He has also obtained degrees in Islamic Jurisprudence from Karachi. Dr. Usmani is a faculty member of the Jamia Darul Uloom, Karachi and Institute of Business Administration (IBA), Karachi as well as the author of various books on Shariah.

Mufti Abdul Kadir Barkatullah

Mufti Abdul Kadir Barkatullah is the Imam at the North London Finchley Mosque. He acquired a Mufti (diploma) in Islamic law and Fazil (Bachelor of Islamic studies) from the Islamic University, India. He also works as a supervisor at the Islamic helpline for Fatwa and as a presenter at Vectone Urdu.

Muhammad Nurullah Shikder

Mufti Muhammed Nurullah Shikder is a Barrister-at-Law and Imam at the Tunbridge Wells Mosque. He received a LLB degree from London Guildhall University. He advises individuals and businesses on Islamic finance.

³Chronology of Lloyds TSB's Islamic product and service launches:

February 05 – Islamic Current Account pilot

March 05 – Islamic Home Finance pilot

June 06 – Islamic Current Account and Home Finance - nationwide

August 06 – Islamic Student Account

August 06 – Islamic Global Equity Fund

April 07 – Islamic Business and Corporate Account

For further information customers can call the Islamic financial services line on **08456 007 786**.

For more information:

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