



# Islamic Banking

**June 2018**

# Islamic Banking Snapshot | Key Figures

**Islamic Banking Institutions**

**21**

**Islamic Banks**

**5**

**Conventional Banks with Islamic Branches**

**16**

**Total Assets**  
Mar18: 2,334bln

**Net Finances**  
Mar18: 1,284bln

**Total Deposits**  
Mar18: 1,916 bln

**Equity**  
Mar18: 144bln

**Total Investments**  
Mar18: 529bln

**Due from Financial Institutions**  
Mar18: 252bln

**Other Liabilities**  
Mar18: 106 bln

**Total Islamic Banks' Branches**  
Mar18: 1,465

**Cash & Bank Balance**  
Mar18: 153bln

**Other Assets**  
Mar18: 50bln

# System Share | Islamic Banking Industry

		<i>PKR bln</i>			
		Mar-18	Dec-17	Dec-16	Dec-15
<b>B/S</b>	Financing - Net	1,284	1,207	821	645
	Deposits and Other Accounts	1,916	1,885	1,573	1,375
	Total Equity	144	137	116	103
<b>Islamic Banking Share in Domestic Banking Industry</b>		Mar-18	Dec-17	Dec-16	Dec-15
<b>B/S</b>	Financing - Net	19%	19%	15%	13%
	Deposits And Other Accounts	15%	14%	13%	13%
	Total Equity	12%	11%	9%	9%

- Gradual rise in the system share of Islamic banking in the total banking universe

# Profitability | Islamic Banking Industry

		<i>PKR bln</i>			
		Mar-18	Dec-17	Dec-16	Dec-15
<b>P&amp;L</b>	Net Profit Income (Markup)	18	64	50	48
	Non - Profit Income (Non-Markup)	3	15	12	11
	Profit / (Loss) After Tax	5	16	12	12
<b>Share of Islamic banks in the Islamic Banking Industry</b>		Mar-18	Dec-17	Dec-16	Dec-15
<b>P&amp;L</b>	Net Profit Income	57%	58%	63%	63%
	Non - Profit Income	83%	80%	75%	69%
	Profit / (Loss) After Tax	46%	54%	57%	42%
<b>Islamic Banking Share in Domestic Banking Industry</b>		Mar-18	Dec-17	Dec-16	Dec-15
<b>P&amp;L</b>	Net Profit Income	14%	13%	10%	10%
	Non - Profit Income	7%	8%	6%	5%
	Profit / (Loss) After Tax	8%	6%	6%	6%

- Burj Bank has been merged into Al Baraka Bank Pakistan effective 1st November, 2016.
- Meezan bank largest profit contributor in Islamic banking.

# Financing Mix Quarter Wise | Islamic Banking Industry

(PKR bln)	Mar-18	Mar-18	Dec-17	Dec-17	Mar-17	Mar-17
Total	1,284	100	1,207	100	1,207	100
Diminishing Musharaka	416	32.4%	371	30.7%	390	32.3%
Musharaka	272	21.2%	266	22.0%	197	16.3%
Others	214	16.7%	202	16.7%	175	14.5%
Murabaha	168	13.1%	159	13.2%	198	16.4%
Istisna	99	7.7%	99	8.2%	107	8.9%
Ijarah	82	6.4%	77	6.4%	77	6.4%
Salam	32	2.5%	34	2.8%	63	5.2%

- ❑ Full-fledged Islamic banks witnessed a growth of 2.1% (Rs. 16 billion) 1QCY18 and were recorded at PKR 778bn.
- ❑ On the other hand, financing and related assets (net) of Islamic banking branches of conventional banks showed a quarterly growth of 13.7 % (Rs. 61 billion) and were recorded at PKR 506bn.
- ❑ Share of Diminishing Musharaka remained higher in overall financing of Islamic banking industry followed by Musharaka and Murabaha.

# Key Figures | Islamic Banks

## Balance Sheet

PKR mln

	Meezan Bank			BankIslami			Dubai Islamic			AlBaraka			MCB IBL		
	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16
Total Assets	769,485	785,967	657,767	206,402	216,165	180,846	199,779	182,272	152,133	118,783	120,661	126,799	63,196	51,771	28,569
Gross Financing	422,069	428,834	319,617	123,372	120,627	78,677	133,789	121,481	95,714	75,492	71,203	71,090	38,925	31,474	16,174
NPLs	6,794	6,606	6,847	16,281	15,837	14,534	2,372	2,308	2,414	7,350	7,651	7,146	1	1	1
Investments	117,522	119,238	130,156	44,558	42,092	46,317	41,198	41,474	27,212	19,710	19,393	24,602	12,256	9,186	5,770
Customer Deposits	665,831	667,948	559,741	152,798	157,879	137,983	150,440	136,774	126,232	91,973	93,300	94,357	30,756	27,272	12,095
Total Deposits	669,559	673,188	564,024	173,883	179,249	154,400	162,702	149,295	129,265	96,974	98,590	105,843	34,718	32,691	14,279
Borrowings	23,321	36,813	32,006	11,679	15,570	6,066	8,276	5,256	5,670	3,594	3,209	3,223	15,921	7,927	2,786
Capital	10,629	10,629	10,027	10,079	10,079	10,079	11,652	11,652	10,226	13,740	13,740	13,740	11,200	10,000	10,000
Equity (including Reval)	35,451	35,077	30,474	13,463	13,676	12,445	15,108	14,912	12,107	10,513	10,762	11,390	10,831	9,631	10,266

- Meezan – market leader in terms of system share

# Key Figures | Islamic Banks

## Profit & Loss

PKR mln

	Meezan Bank			BankIslami			Dubai Islamic			AlBaraka			MCB IBL		
	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16
Interest / Mark up Earned	9,989	36,087	31,430	2,857	10,354	10,127	3,021	10,798	9,486	1,739	6,718	5,158	725	2,061	1,527
Interest / Mark up Expensed	(4,144)	(15,273)	(12,873)	(1,501)	(5,249)	(5,791)	(1,187)	(4,198)	(4,274)	(797)	(3,078)	(2,795)	(399)	(1,006)	(577)
Net Interest/ Markup Revenue	5,845	20,814	18,557	1,355	5,105	4,336	1,835	6,600	5,213	942	3,640	2,363	326	1,055	950
Non-Interest Income	1,778	7,577	5,797	197	964	638	486	1,903	1,567	265	968	874	69	439	259
Expenses	(4,521)	(16,819)	(15,596)	(1,562)	(6,178)	6,160	(1,458)	(5,753)	(5,280)	(1,185)	(5,040)	(3,502)	(464)	(1,845)	(1,190)
(Provision)/Reversal	(122)	(1,320)	185	70	267	2,030	1	(186)	(129)	(370)	(98)	164	(0)	0	94
Profit / (Loss) before tax	2,980	10,252	8,943	60	157	844	864	2,564	1,371	(347)	(531)	(101)	(70)	(351)	114
Net Profit / (Loss) after tax	1,915	6,313	5,562	39	1,565	452	562	1,602	856	(221)	(389)	(156)	(45)	(263)	79

- Meezan – contributing predominantly in the profitability of the Islamic banking industry

# Key Figures | Islamic Banks

## Ratios

	Meezan Bank			BankIslami			Dubai Islamic			AlBaraka			MCB IBL		
	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16	Mar-18	Dec-17	Dec-16
RoE	5.4%	19.3%	19.6%	0.3%	12.0%	10.7%	3.7%	10.7%	8.5%	-2.1%	-3.5%	-1.8%	-0.4%	-2.6%	0.8%
RoA	0.2%	0.9%	0.9%	0.0%	0.8%	0.7%	0.3%	0.9%	0.6%	-23.6%	-0.3%	-0.1%	-0.1%	-0.7%	0.3%
Advances / T. Depsoits	63.0%	63.7%	56.7%	71.0%	67.3%	51.0%	82.2%	81.4%	74.0%	77.8%	72.2%	67.2%	112.1%	96.3%	113.3%
Non-Performing Advances / Gross Advances	1.6%	1.5%	2.1%	13.2%	13.1%	18.5%	1.8%	1.9%	2.5%	9.7%	10.7%	10.1%	0.0%	0.0%	0.0%
Loan Loss Provisions / Non-Performing Advances	132.1%	133.0%	116.6%	72.0%	74.0%	83.4%	85.0%	75.0%	74.7%	63.3%	56.3%	59.0%	227.7%	167.2%	123.8%
CAR		12.9%	13.0%	14.4%	14.5%	13.4%	13.4%	13.0%	11.2%		10.2%	15.9%	19.5%	23.8%	39.7%

- Significant provisioning coverage except by Al Baraka Bank



# Bibliography

1. **SBP Islamic Banking Bulletin – 2016, 2017-** <http://www.sbp.org.pk/ibd/bulletin/Bulletin.asp>
2. **SBP Quarterly Compendium of the Banking System** - <http://www.sbp.org.pk/ecodata/fsi.asp>

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