Islamic Banking Bulletin

March 2016

Islamic Banking Department
State Bank of Pakistan

Table of Contents

Seminar on "Islamic Finance, Banking and Business Ethics Global Conference 2016"
Islamic Finance -The Way Forward
Organized by Lahore University of Management Sciences (LUMS), Lahore

Address by Mr. Saeed Ahmad,
Deputy Governor, State Bank of Pakistan
Lahore University of Management Sciences (LUMS), Lahore
March 26, 2016

Mr. Dawood Vicaray -CEO, INCEIF, Dr Junaid Ashraf-Director, Centre of Excellence in Islamic Finance Education, LUMS, Distinguished Speakers, Ladies & Gentlemen

Assalam- o- Alaikum

It is indeed a great pleasure to see Centers of Excellence in Islamic Finance Education playing their role effectively by creating linkages with other reputable local and international academic institutions. Presence of renowned academics and scholars is recognition of the success of this initiative. I am confident that the research papers presented here will help in addressing issues and challenges faced by the Islamic finance industry.

Ladies & Gentlemen:
Religion has remained instrumental in the past in promoting ethics in business, however, its contributions are not emphasized upon in the current discourse and literature on business ethics. The concept of tawḥīd, such as accountability to God and belief in life in the Hereafter appear to be the unique features of Islamic business and financial ethics. Hence, theoretically, the institutionalisation of Islamic finance is aimed at promoting ethical values like prohibition of unjust practices and assisting the underprivileged.

Emerging from post global financial crisis, Islamic finance has gained global attention as an equitable and relatively more sustainable form of financing. Islamic finance is therefore fast becoming part of global finance and demonstrating its potential as a competitive financial system not only in Muslim countries but also outside the Muslim world. The asset base of global Islamic finance industry reached to US$ 2 trillion and currently Islamic finance is being practiced in more than 50 jurisdictions.

The Sukuk market has been pivotal in placing the Islamic banking sector as one of the most rapidly expanding financial sectors in the last few years. The geographical outreach of the Sukuk market has become more extensive, the investor base spans from Asia, the Middle East, Africa, America and Europe. As many of you would be aware, that the United Kingdom's relatively small issue of £ 200 million sovereign Sukuk was met by overwhelming demand of £ 2.1 billion. Moreover, in last two years, some non Muslim countries like Luxembourg (€ 200 million issuance), Hong Kong (US$ 1 billion issuance) and South Africa (US$ 500 million issuance) have entered the global Sukuk market by issuing sovereign Sukuk.

Ladies & Gentlemen:
Ethics has become increasingly important in the financial sector on the basis that aim of business activities in general and financial services in particular should be the creation of value for consumer. There is increasing awareness that if ethics played a larger role in the financial sector, the recent global financial crisis might have been averted.

For Muslims, Islam is a way of life and not merely a religion and therefore business ethics cannot be separated from ethics in other aspects of their daily life. The Quran speaks about ethics in business. Holy Prophet Muhammad Sallah Allahu' alayhi wa aalihi wa sallam who was born in Makkah-a major trading centre during that period, spent a considerable period of his life as a businessman. We can therefore find many Prophetic traditions related to business ethics. According to al-Tirmidi, Prophet Muhammad Sallah Allahu' alayhi wa aalihi wa sallam said, "*The honest and trustworthy businessman [on the Day of Resurrection] will be amongst the Prophets, those who are truthful and the martyrs*". As a Muslim, this is the highest possible recognition for honest and trustworthy businessmen.

Ladies & Gentlemen:
The inherent fundamentals derived from Shariah including prohibitions of riba, gharar, maysir and involvement in ḥaram activities and the objective of Islamic financial system to establish socio-economic justice highlight the ethicality of Islamic Finance. However, there is general sentiment that Islamic financial industry is yet to differentiate itself significantly from the practice of conventional banking. Islamic financial institutions thus need to establish strong linkages of their business model with the real economy.

Over the years, a number of initiatives have been taken at international level to develop the ethical foundation of the Islamic finance industry and to strengthen the relevant moral, social and religious dimensions in conducting business. International standard setting bodies like Accounting and Auditing Organisation for Islamic Financial Institution (AAOIFI) and Islamic Financial Service Board (IFSB) have issued guiding documents/standards on ethical behavior and governance for Islamic financial institutions including Code of Ethics for Accountant and Auditors of Islamic financial institutions, Code of Ethics for Employees of Islamic financial institutions, Standard on Corporate Social Responsibility Conduct and Disclosure for Islamic Financial Institutions.

Ladies & Gentlemen:
In Pakistan, the Islamic banking industry has shown significant progress particularly over the last one and half decade. At present, the Islamic banking industry has acquired above 11.4 percent share in assets and 13.2 percent share in deposits of overall banking industry. State Bank of Pakistan (SBP), the country's Central Bank has been at the forefront of all major initiatives for development of the industry. SBP is among the few regulators who have introduced a comprehensive legal, regulatory, and Shariah compliance framework for the Islamic banking industry. Promoting Islamic finance has remained an important component of the strategic goals of the Central Bank.

I consider the present time as highly conducive for sustainable growth of Islamic finance industry in the country as the Present Government has shown a strong commitment towards the promotion of Islamic finance in the country. Establishment of a higher level Steering Committee for Promotion of Islamic Banking in Pakistan is one of the most significant steps of the Government in this regard. The Committee had representation from banking industry, Shariah community, regulators, ministries and industry. The committee has recently completed its tenure of two years and major achievements under this platform include commencement of Shariah compliant Open Market Operations, policy framework for establishment of Islamic banking subsidiaries, establishment of Centers of Excellence in Islamic Finance Education and launching of All Shares Islamic Index of Pakistan.

Ladies & Gentlemen:
Despite showing growth over the years, the true potential of Islamic banking in Pakistan is still to be explored. However, to achieve next level of growth trajectory; Islamic finance needs to emphasize on value adding and value based financial intermediation. Value adding implies to intermediating and facilitating real economic activities while value based refers that Islamic financial institution should aim at benefitting society.

Like globally, Islamic finance industry in the Pakistan has not penetrated enough to serve financial needs of small and medium enterprises (SMEs), poor households (Microfinance), agriculture and low cost housing. Entering into these sectors will bring positive impact on the sustainability of Islamic financial institutions and enable them to contribute towards the desired goal of improving welfare of the society. In order to persuade the Islamic banking industry to reach out to SMEs and agriculture, SBP has introduced targets in second Strategic Plan of Islamic Banking Industry 2014-18 for Islamic banking institutions. Further, SBP recently has assigned annual targets to overall banking industry including Islamic banks for increasing financing to these sectors.

Ladies & Gentlemen:
The development and sustainability of any industry critically hinges upon the development of adequate human resource. One of the biggest challenges faced by the Islamic finance industry is shortage of qualified Islamic finance professionals, who can lead the industry into the next level of growth and development. Moreover, the growing interest in this sector coupled with expansion and consolidation by some of the current players, requires availability of skilled human resources.

The Centers of Excellence for Islamic Finance Education are expected to focus on three key areas – ensuring adequate supply of skilled human resource by developing and introducing degree level programs; improving the quality and capability of the existing work force by designing dedicated programs. One of the most important objectives of these Centers is undertaking research that not only contributes towards developing theoretical knowledge base but also helps in developing solutions and innovative product structures enabling the industry to offer Shariah compliant differentiated products.

In the end, I would like to reiterate support of the Central Bank for development of Islamic finance in the country and also would like to congratulate the organizers for arranging such an impressive forum.

Thank you.

Islamic Banking Industry - Progress & Market Share

Overview

Assets and deposits of Islamic banking industry (IBI) were recorded at Rs. 1,625 billion and Rs. 1,336 billion respectively by end March 2016. Market share of Islamic banking assets and deposits in overall banking industry stood at 11.4 percent and 12.9 percent respectively by end March 2016 (see **Table 1**). Profitability of IBI was registered at Rs. 2.9 billion during the review quarter. Among profitability indicators, Return on Equity (ROE) and Return on Assets (ROA) recorded at 10.8 percent and 0.7 percent respectively during the review quarter.

Table 1: Industry Progress and Market share

	Industry Progress (Rupees in billion)			Growth (YoY)			Share in Industry		
	Mar-15	**Dec-15**	**Mar-16**	**Mar-15**	**Dec-15**	**Mar-16**	**Mar-15**	**Dec-15**	**Mar-16**
Total Assets	1,302	1,610	1,625	28.2%	27.9%	24.8%	10.4%	11.4%	11.4%
Deposits	1,122	1,375	1,336	28.7%	28.5%	19.0%	12.2%	13.2%	12.9%
Total Islamic Banking Institutions	22	22	22	–	–	–	–	–	–
Total No. of Branches*	1,597	2,075	2,082	–	–	–	–	–	–
Islamic Banking Windows	922	1,050	1,064						

Source: Data submitted by banks under Reporting Chart of Accounts (RCOA)

* *number includes sub-branches*

Branch Network of Islamic Banking Industry

Branch network of IBI was recorded at 2,082 branches (including sub-branches) by end March 2016. Province/Region wise breakup of branches reveals that IBI's branch network is concentrated in two provinces i.e. Punjab and Sindh as both these provinces collectively account for nearly 79 percent branches of overall IBI's branch network. In terms of cities, 56 percent branch network of IBI is centered in 5 five cities (Karachi, Lahore, Rawalpindi, Islamabad and Faisalabad). The number of Islamic banking windows operated by conventional banks having Islamic banking branches stood at 1,064 by end March 2016 compared to 1,050 by end December 2015 (see **Annexure I** for details).

Table 2: Region Wise Branches (Jan-Mar 2016)

Province/Region	Total Number	Share (percent)
Punjab	992	47.6
Sindh	644	30.9
Khyber Pakhtoonkhawa	218	10.5
Baluchistan	80	3.8
Gilgit Baltistan	8	0.4
FATA	7	0.3
Federal Capital	104	5.0
AJK	29	1.4
Total	**2,082**	**100**

Asset and Liability Structure

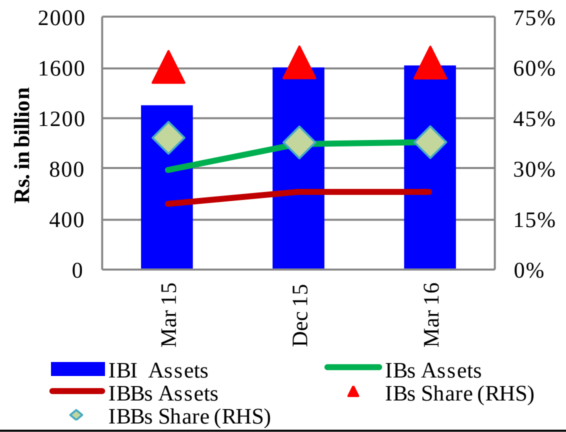
Assets: Asset base of IBI reached at Rs. 1,625 billion by end March 2016. Market share of IBI in overall banking industry remained at 11.4 percent as assets of both IBI as well as the overall banking industry grew almost at the same pace[1] during the review quarter.

[1] Assets of overall banking industry recorded growth of around 1.0 percent during the quarter January to March 2016.

Analysis of assets composition of IBI shows that investments grew by 35.9 percent during the review quarter and recorded at Rs. 586.9 billion by end March 2016 compared to Rs. 431.9 billion by end December 2015. Financing (net) witnessed an increase of Rs. 3 billion (0.5 percent) during the review quarter and reached Rs. 648.3 billion by end March 2016 compared to Rs. 645.3 billion by end December 2015. The share of net financing and investments in total assets (net) of IBI stood at 39.9 percent and 36.1 percent respectively at the end of the quarter under review (see section on **Investments** and **Financing** for details).

Analysis of assets by breakup among Islamic Banks (IBs) and Islamic Banking Branches (IBBs) of conventional banks shows that assets of both IBs and IBBs increased by Rs. 7.9 billion (0.8 percent) and Rs. 6.7 billion (1.1 percent) respectively during the review quarter. Like previous quarters, the share of IBs (61.9 percent) was higher (see **Figure 1**) than that of IBBs (38.1 percent) in overall assets of IBI.

Figure 1: Assets of IBs vs. IBBs



Investments

Investments (net) of IBI increased by Rs. 155 billion to reach Rs. 586.9 billion by end March 2016 compared to Rs. 431.9 billion by end December 2015 **(see Table 3)**. This increase in investments was mainly contributed by investment in federal government securities as it recorded growth of 35.8 percent during the review quarter. It is pertinent to mention that Government of Pakistan (GoP) issued Ijara Sukuk of Rs. 80.4 billion during the review quarter. As a result, Investments to Deposits ratio (IDR) of IBI reached at 43.9 percent by end March 2016 compared to 31.4 percent by end December 2015.

Table 3: Investments

					Rupees in billion
				Growth (in percent)	
	Mar-15	**Dec-15**	**Mar-16**	**YoY**	**QoQ**
Federal government securities	248.7	307.4	417.6	67.9	35.8
Fully paid up ordinary shares	5.8	12.0	12.4	113.8	3.3
Bonds/ PTCs/Sukuk certificates	50.2	56.7	50.6	0.8	(10.8)
Other investments	64.9	62.5	113.0	74.1	80.8
Total Investments	**369.7**	**438.7**	**593.6**	60.6	35.3
Provisions & deficit/ (surplus)	(1.5)	(6.7)	(6.7)	346.7	0.0
Investments (net)	**368.2**	**431.9**	**586.9**	**59.4**	**35.9**

Break up of investments among IBs and IBBs reveals that investments of IBs increased by 51.8 percent (Rs. 107.5 billion) during the review quarter compared to the increase of 21.2 percent (Rs. 47.5 billion) in investments of IBBs witnessed during the review quarter.

Financing

Financing and related assets (net) of IBI recorded growth of Rs. 3 billion during the quarter January to March 2016 and reached at Rs. 648.3 billion. Financing to Deposits ratio (FDR) of IBI was at 48.5 percent by end March 2016 compared to 46.9 percent by end December 2015. A further analysis of FDR shows that FDR of IBs remained higher (52.7 percent) compared to FDR of IBBs (41.6 percent). Mode wise break up of financing shows that both Diminishing Musharaka and Murabaha jointly account for 54.5 percent share in overall financing of IBI **(see Table 4)**.

Table 4: Financing Mix (Percent Share)

	Mar-15	**Dec-15**	**Mar-16**
Murabaha	27.2	30.1	22.1
Ijarah	7.9	7.7	7.2
Musharaka	11.4	11.0	14.5
Mudaraba	0.1	0.1	0.0
Diminishing Musharaka (DM)	35.4	32.6	32.4
Salam	5.3	4.5	5.3
Istisna	7.4	8.3	8.0
Others	5.2	5.6	10.6
Total	**100.0**	**100.0**	**100.0**

Table 5: Financing Concentration (Percent Share)

	Mar-15	**Dec-15**	**Mar-16**	**Industry**
Chemical and Pharmaceuticals	7.8	7.7	7.7	4.2
Agribusiness	1.4	5.8	5.9	7.9
Textile	21.4	18.0	16.6	14.0
Cement	0.5	1.8	1.6	1.2
Sugar	4.4	3.4	4.7	4.4
Shoes and leather garments	1.1	0.7	0.7	0.4
Automobile and transportation equipment	1.9	1.5	1.7	1.3
Financial	0.6	0.7	0.6	2.7
Electronics and electrical appliances	1.8	1.9	1.5	1.3
Production and transmission of energy	12.2	9.4	9.2	12.6
Individuals	13.9	10.9	12.6	8.7
Others	33.0	38.1	37.2	41.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

In terms of sector wise financing, textile remained the leading sector and its share in overall financing was 16.6 percent by end March 2016. In addition, production & transmission of energy, chemical & pharmaceuticals were some other major sectors (see **Table 5**) in terms of their share in overall financing of IBI.

Table 6: Client Wise Financing Portfolio (Percent Share)

	Mar-15	**Dec-15**	**Mar-16**	**Industry**
Corporate Sector	76.6	74.4	74.3	68.4
SMEs	3.4	3.1	2.6	5.8
Agriculture	0.4	0.6	0.7	5.8
Consumer Financing	12.4	10.0	10.9	6.6
Commodity Financing	2.9	8.6	9.0	11.3
Staff Financing	1.7	1.3	1.3	2.0
Others	2.7	2.0	1.2	0.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

Like overall banking industry, client wise financing of IBI remained concentrated in corporate sector, having a share of 74.3 percent, followed by consumer financing (10.9 percent) and commodity financing (9.0 percent) (see **Table 6**). Financing extended by IBI to Small and Medium Enterprises (SMEs) and Agriculture remained lower compared to overall banking industry's averages indicating limited outreach of IBI to these two sectors.

Asset Quality

Non Performing Assets (NPAs) of IBI were recorded at Rs. 41.4 billion by end March 2016. Assets quality indicators of IBI like Non Performing Finances (NPFs) to Financing (gross), Net NPFs to Net Financing and Net NPAs to Total Capital were better than those of overall banking industry (see **Table 7**). Further, Provisions to NPFs ratio was 90.6 percent as of March 2016 compared to the industry's average of 83.6 percent (see **Table 7**).

Table 7: Assets Quality Ratios in percent

	Mar-15	Dec-15	Mar-16	Industry
NPFs to Financing (gross)	4.8	4.9	5.0	11.7
Net NPFs to Net Financing	0.6	0.2	0.5	2.1
Provisions to NPFs	87.2	95.6	90.6	83.6
Net NPAs to Total Capital	3.7	1.6	3.2	8.4

Table 8: Break up of Deposits

Rupees in billion and growth in percent

				Growth	
	Mar-15	**Dec-15**	**Mar-16**	**YoY**	**QoQ**
Deposits	**1,122**	**1,375**	**1,336**	**19.0**	**(2.8)**
Customers	**1,067**	**1,283**	**1,253**	**17.5**	**(2.3)**
Fixed Deposits	332	345	318	(4.2)	(7.7)
Saving Deposits	430	534	534	24.3	(0.0)
Current accounts - Remunerative	4	6	6	43.6	(1.8)
Current accounts - Non-remunerative	298	393	389	30.7	(0.9)
Others	4	6	7	63.4	6.3
Financial Institutions	**55**	**91**	**83**	**49.5**	**(9.7)**
Remunerative Deposits	45	90	82	83.1	(9.3)
Non-remunerative Deposits	11	1	1	(89.8)	(21.4)

Liabilities

Deposits of IBI were recorded at Rs. 1,336 billion by end March 2016. Market share of IBI's deposits in overall banking industry's deposits was 12.9 percent by end March 2016. The breakup of deposits shows that the share of customers' deposits and financial institutions' deposits in overall deposits of IBI was 93.8 percent and 6.2 percent respectively during the review quarter (see **Table 8**). The share of IBs and IBBs in overall deposits of IBI stood at 62.5 percent and 37.5 percent respectively by end March 2016.

Liquidity Ratios

During the review quarter, both Liquid Assets (LA) to Total Assets (TA) and LA to Deposits ratios witnessed growth compared to the previous quarter (see

Table 9 : Liquidity Ratios in percent

	Mar-15	Dec-15	Mar-16	Industry
Liquid Asset to Total Assets	31.7	35.1	36.7	55.9
Liquid Assets to Deposits	36.8	41.2	44.6	77.3

Table 9). This increase in liquidity ratios can be mainly associated with relatively higher growth in government securities during the review quarter.

Capital

The capital base of IBI stood at Rs. 107.8 billion by end March 2016 compared to Rs. 106.2 billion by end December 2015. As few IBs are in the process of building up their capital, therefore, ratios like Capital to Assets (6.6 percent) and Capital-Net NPAs to Total Assets of IBI (6.4 percent) were lower than those of industry averages which were at 7.9 percent and 8.2 percent respectively (see **Table 10**).

Table 10 : Capital Ratios in percent

	Mar-15	Dec-15	Mar-16	Industry
Capital to Total Assets	6.4	6.6	6.6	7.9
(Capital-Net NPAs) to Total Assets	6.2	6.5	6.4	8.2

Profitability

IBI registered profit after tax (PAT) of Rs. 2.9 billion by end March 2016. During the review quarter, IBs and IBBs earned PAT of Rs. 1.7 billion and Rs. 1.2 billion respectively. ROE and ROA of IBI recorded at 10.8 percent and 0.7 percent respectively during the review quarter (see **Table 11**). In line with general trend, Operating Expense to Gross Income of IBI remained higher than that of overall banking industry mainly due to expansionary phase of the industry.

Table 11: Profitability & Earnings of IBI in percent

	Mar-15	Dec-15	Mar-16	Industry
Return on Assets (ROA)	1.2	0.9	0.7	1.5
Return on Equity (ROE)	18.7	13.3	10.8	16.3
Operating Expense to Gross Income	63.9	70.0	77.6	50.6

Country Model

Tunisia

Islamic banking started in Tunisia with the arrival of Albaraka Bank in 1983. At present, apart from Albaraka Bank, one more Islamic Bank (Zitouna Bank established in 2009) is operating in the country. Moreover, UAE's Noor Bank is also present in the Republic through a representative office. The country is a member of the Islamic Development Bank (IDB) while Central Bank of Tunisia is an associate member of the Islamic Financial Services Board (IFSB). Apart from Islamic banking institutions, Islamic fund management companies and Takaful companies are also offering Islamic financial services in Tunisia. It is, however, pertinent to note that despite offering services in the country for more than three decades, Islamic finance still accounts for only 2.5 percent of Tunisia's financial sector.

Regulatory Framework for Islamic Banks in Tunisia

Presently, there is no exclusive Islamic banking regulatory framework in Tunisia and the industry is operating under the country's civil law framework. A comprehensive Islamic finance regulatory framework covering Sukuk issuance, Banking, Takaful, Zakat and Waqf has been drafted in November 2012 though the government has not yet approved the draft framework. However, additional legislations relating to Islamic finance have been passed including Sukuk law, specific tax mechanisms for Sukuk &Shariah funds and insurance law providing legislative framework for Takaful. Further, the parliament has also issued a draft law of banks and financial institutions in 2015 which has defined few Islamic finance contracts.

Sukuk

Tunisia has been contemplating issuing a sovereign Sukuk since 2014, however, to date no sovereign Sukuk has been issued from the Republic. According to reports the proposed Sukuk is likely to be issued in 2016 and IDB has agreed to guarantee Tunisia's sovereign Sukuk of up to US$600 million. It is however, encouraging to note that a corporate Sukuk has been issued in the country by Tunisian Islamic Bank Zitouna in December 2015 valued at 22.5 million euros.

Way Forward

A number of conventional banks in Tunisia have shown inclination towards starting Islamic financial services. These include Amen Bank, the country's second-largest conventional private sector bank, which has formally requested the Central Bank to create an Islamic bank as a subsidiary or, where appropriate, an Islamic window. Moreover, leasing firm El Wifack has signed an advisory services contract and term sheet with the Islamic Corporation for the Development of the Private Sector (ICD) to facilitate its conversion into a full-fledged Islamic bank. In addition to new entrants, existing Islamic banks in the country have also indicated aggressive expansion plans for 2016. Islamic capital market in the country is also likely to get a boost as issuance of Tunisia's first sovereign Sukuk is likely in near future. With an increased focus of Islamic banking and finance in the country, complemented with a large Muslim population, Tunisia has potential to create an important place for itself in the African Islamic banking and finance industry in the coming years.

Sources

- www.islamicfinancenews.com
- Global Islamic Finance Report, Edbiz Consulting Limited, various editions.

A Brief on Islamic Financial Services Board (IFSB)'s Project on Prudential and Structural Islamic Financial Indicators (PSIFIs)

Background:
Article 4 of the Islamic Financial Services Board's (IFSB) Articles of Agreement mandates the IFSB to establish a global database of the Islamic Financial Services Industry (IFSI). In this background, IFSB undertook a project to establish a global prudential database of indicators on Islamic financial services in 2004. The Prudential and Structural Islamic Financial Indicators (PSIFIs) were created as a parallel system to the IMF Financial Soundness Indicators (FSIs) with appropriate adaptions for Islamic finance.

Objective of Prudential and Structural Islamic Finance Indicators (PSIFIs):
The underlying purpose of the project "Prudential and Structural Islamic Financial Indicators (PSIFIs)" is to facilitate macro-prudential analysis and to help assess the structure and state of development of the IFSI.

There are five key objectives of the PSIFIs project

- to facilitate the monitoring and analysis of the soundness and stability of the IFSI through a set of prudential, structural and financial strength indicators, as well as by fostering cooperation among central banks/monetary authorities and other relevant supervisory authorities;
- to support and help coordinate the formulation, development and enhancement of appropriate international prudential standards by the IFSB;
- to help promote the development of the IFSI as a vehicle for stimulating economic development and reducing disparities in economic progress between nations;
- to help strengthen transparency and international comparability of domestic IFSI in order to facilitate their integration into the international financial system through public accessibility to the PSIFIs and other published cross-country industry data in IFSB research reports; and
- to help ascertain the market shares of Shariah compliant financial transactions, products and services as a percentage of the entire financial system, at both the national and global levels, so as to gauge the performance of the IFSI at any given time.

Phases of PSIFIs:
The PSIFI project has been developed by IFSB in different phases. The initial two phases i.e. Phase I and II of this project went through a series of background activities. Initially, a pilot study was conducted comprising of four countries; Indonesia, Malaysia, Pakistan, and Sudan. Later a taskforce comprising of IFSB members was created to advise and provide assistance in preparing a Compilation Guide to calculate (at the aggregate level) Prudential and Structural Islamic Finance Indicators (PSIFIs). Accordingly, the Council adopted a Compilation Guide in 2007 which was updated in 2011 to incorporate recent regulatory changes.

The current phase, i.e. Phase – III of the PSIFI project, was initiated in 2014 which focuses on collection and dissemination of data from participating countries. The major components of the new phase are:

- prepare an updated list of indicators, incorporating new IFSB standards, global regulatory developments such as Basel III framework and current supervisory best practices at the global level;
- collect accurate, reliable and up-to-date indicators on the soundness and structure of the industry from the member jurisdictions on a regular basis;
- compile corresponding ‘metadata’ that describe the methodology and procedures used in each country to compile the indicators; and
- set up a secure, online system to receive data from participating jurisdictions and disseminate it to the stakeholders on the IFSB website.

Accordingly, a supplement of the Compilation Guide has been issued in May 2015. IFSB has also started collecting data on various indicators (details provided in section below), and information of these indictors is available on IFSB website starting from December 2013. A dedicated portal has been created to access and download the data.

Currently aggregated country-level Islamic banking data is reported by banking regulatory and supervisory authorities from 17 countries (including Pakistan) which is updated on quarterly basis. Separate data for stand-alone Islamic banks and Islamic windows of conventional banks[2] is available on the website. A comprehensive metadata, providing information description of the reported data is also available.

Type of Indicators:
The project includes two type of indicators, called Prudential Islamic Financial Indicators and Structural Islamic Financial Indicators. Prudential Islamic Financial Indicators are further divided into Core and Additional Indicators. A brief description of these indicators is provided below:

1. **Prudential Islamic Financial Indicators:**
    1. **"Core Prudential Islamic Financial Indicators"** are the key indicators that are believed to best capture the strengths and vulnerabilities of the sector. The indicators are grouped into six categories: capital adequacy, asset quality, earnings, leverage, liquidity, and sensitivity to risks.
    2. **"Additional Prudential Islamic Financial Indicators"** are recommended when they are relevant to a country and are feasible to collect. These indicators collect additional information on: a) income distributed to investment account holders (IAH) out of total income from assets funded by profit-sharing investment accounts (PSIA), b) total off-balance-sheet items to total assets, c) foreign-currency denominated funding to total funding, d) foreign-currency denominated financing to total financing, e) value of Sukuk holdings to total capital, f) value (or percentage) of Shariah-compliant financing by

[2] In Pakistan stand-alone Islamic banks are generally referred to as full fledged Islamic banks while Islamic windows of conventional banks are generally referred to as Islamic Banking Branches of Conventional Banks.

economic activity, g) value (or percentage) of gross NPF by economic activity, and h) value (or percentage) of returns by major type of Shariah compliant contracts.

2. **"Structural Islamic Financial Indicators"** are indications of the size and structure of the Islamic banking sector. The indicators include a) number of Islamic banks/windows, b) number of employees, c) total assets, d) total funding/liabilities, e) total revenues, f) earnings before taxes and Zakat, and g) value (percentage) of financing by major type of Shariah-compliant contracts.

The project "Prudential and Structural Islamic Financial Indicators (PSIFIs) is highly commendable as it has served the purpose of providing a set of reliable and consistent internationally comparable measures of the soundness, growth and structure of Islamic banking systems across member countries. At present only Islamic banking data is available, however, IFSB plans to collect and disseminate data on other sectors (Takaful, Islamic capital markets and other nonbank financial institutions) at a later stage which will further increase the utility of the project.

Source:

- IFSB website http://www.ifsb.org/

Events and Developments at Islamic Banking Department (IBD)-SBP

Training Programs on “Fundamentals of Islamic Banking Operations” (FIBO) Held during 4 – 8 January 2016, 11 – 15 January 2016, 8 – 12 February 2016 and 28 March – 1 April 2016 at Faisalabad, Sialkot, Muzaffarabad and Multan respectively

Four iterations of training program titled “Fundamentals of Islamic Banking Operations” (FIBO), focused on enhancing skills and knowledge base of field staff of Islamic Banking Institutions (IBIs) particularly Branch Managers (BMs), Operation Managers (OMs) and Relationship Managers (RMs), were organized from the platform of NIBAF at Faisalabad, Sialkot, Muzaffarabad and Multan during 4 – 8 January 2016, 11 – 15 January 2016, 8 – 12 February 2016 and 28 March – 1 April 2016 respectively. The duration of each program was five days and were attended by academia, students and Shariah scholars of the respective regions, along with human resource of Islamic banking industry.

Knowledge Sharing Sessions for Senior Management of SBP and SBP BSC Held on February 15, 2016 and April 13, 2016 at SBP

SBP arranged a knowledge sharing session on “Islamic Banking – Basic Principles, Concepts and Major Misperceptions” specially for the senior management of SBP and SBP BSC (Executive Directors, Managing Director, SBP BSC, Directors, HoDs) on February 15, 2016 at LRC, SBP wherein Dr. Muhammad Imran Usmani (Resident Shariah Board Member, Meezan Bank Limited) and Mufti Irshad Ahmad Aijaz (Chairman Shariah Board, BankIslami Pakistan Limited) were the guest speakers. The session was attended by senior management of SBP and SBP BSC including Governor, SBP and Deputy Governor (FM, IB & SIs). Similarly, another knowledge sharing session was arranged on April 13, 2016 for senior management of SBP wherein Dr. Mohammed Daud Bakar, Chairman Shariah Advisory Council, Bank Negara Malaysia (BNM) was the guest speaker. Organizing such sessions is in line with IBD’s objective of improving and enhancing awareness of Islamic finance among different internal and external stakeholders.

Training Program on Islamic Banking & Finance for Shariah Scholars Held during February 20 – 24, 2016 at Sheikhupura

Keeping in view the training needs identified at various forums, SBP, in collaboration with SBP BSC, Lahore office, arranged a 5-day training program on Islamic Banking & Finance during February 20 – 24, 2016 at Sheikhupura. The program was attended by Shariah scholars of Jamia Nizamia Rizvia and was delivered by (i) Mufti Syed Sabir Hussain, Resident Shariah Board Member, MCB Islamic Bank Limited and (ii) Mr. Muhammad Mujeeb Baig, Divisional Head Product Development and Research, MCB Islamic Bank Limited.

Awareness Session on Islamic Banking & Finance for Shariah Scholars Held on February 27, 2016 at Jamia Ashrafia, Lahore

SBP arranged an awareness session on Islamic Banking & Finance on February 27, 2016 at Jamia Ashrafia, Lahore. The session was attended by Shariah scholars of Jamia Ashrafia and was delivered by (i) Mufti Hassaan Kaleem, Resident Shariah Board Member, Dubai Islamic Bank Pakistan Limited, (ii) Dr. Zeeshan Ahmed, Associate Professor, Karachi School of Business & Leadership and (iii) Mr. Farhan ul Haq Usmani, SVP, Meezan Bank Limited. Conducting such programs is in line with IBD's objective of improving awareness of Islamic finance among different segments of society.

Knowledge Sharing Session on Sukuk Held on February 25, 2016 at LRC, SBP

SBP organized a Session on Sukuk on February 25, 2016 at LRC, SBP wherein two international experts i.e. (i) Mr. Mohammed Dawood (HSBC, Dubai) and (ii) Mr. Anzal Mohammed (Allen & Overy LLP) were the guest speakers. The session focused on short term liquidity management instruments for Islamic banks and long term project & infrastructure sukuk (including government's developmental projects). The session was chaired by Deputy Governor (FM, IB & SIs) and attended by Shariah experts and market practitioners associated with IBIs including treasurers, legal experts, product development etc. The session was also attended by officials of reputed Legal and Chartered Accountants firms, along with SBP officials.

Knowledge Sharing Sessions on Islamic Finance for Officials of Ministries Held on February 26, 2015 at NIBAF, Islamabad

SBP arranged a half-day Session on Sukuk on February 26, 2016 at National Institute of Banking and Finance (NIBAF), Islamabad for officials of Ministry of Finance, SECP, WAPDA, Ministry of Water and Power, Planning Commission, PIA, etc. In this regard, a team comprising Mufti Irshad Ahmad Aijaz Chairman Shariah Board BankIslami Pakistan Limited, along with two international experts i.e. (i) Mr. Mohammed Dawood (HSBC, Dubai) and (ii) Mr. Anzal Mohammed (Allen & Overy LLP) briefed the participants.

Seminar on "Introduction to Islamic Finance" Held on March 17, 2016 at Jalalbaba Auditorium, Abbottabad

SBP arranged a seminar on "Introduction to Islamic Finance" on March 17, 2016 at Jalalbaba Auditorium, Abbottabad. The seminar, aimed to cover academia of Hazara region, was chaired by Managing Director, SBP BSC and was also attended by (i) Mufti Muhammad Najeeb Khan, Resident Shariah Board Member, Summit Bank Limited and (ii) Mr. Muhammad Imran, Head of Islamic Banking, United Bank Limited as Guest Speakers. The program was attended by academia of Hazara region including (i) Hazara University, (ii) COMSATS Institute of Information Technology, (iii) University of Haripur and (iv) Abbottabad University of Science & Technology.

Knowledge Sharing Session with Dr. Daud Bakar Held on April 13, 2016 at LRC, SBP

SBP arranged a knowledge sharing session on April 13, 2016 at LRC, SBP wherein Dr. Muhammed Daud Bakar, Chairman Shariah Advisory Council, Bank Negara Malaysia (BNM) was the guest speaker. The session was attended by Shariah Board members of Islamic Banking Institutions. Organizing such sessions is in line with IBD's objective of improving and enhancing awareness of Islamic finance among different internal and external stakeholders.

Islamic Banking News and Views

News

Softer Sukuk market in 2016 opens opportunities for other Islamic asset classes to shine

A drop in Sukuk volumes is likely to translate into an upside for other asset classes including Islamic equities as investors face a lack of Sukuk options amid a slowdown in issuance anticipated over the next 12 months. The Sukuk market, which shrunk 45% last year on an annual comparison, is expected to sustain its downtrend this year as tanking global oil prices, weaker global growth and tighter liquidity continue to exert pressure on market activity. From US$ 63.5 billion in 2015 and US$ 116.4 billion the year before, S&P has forecasted Sukuk issuances to moderate to US$ 50-55 billion this year. With Sukuk market potentially taking a backseat this year, this then creates an opportunity for other investment vehicles to shine including Shariah compliant equities.
www.islamicfinancenews.com

Islamic banking growth on the increase across globe: Ernst & Young (EY)

Islamic banking, termed participant banking, is outgrowing conventional banking in many of the world's predominantly Islamic countries. Today the total participant banking market is worth around $920 billion, which is projected to grow to more than $1.6 trillion by 2020, research by EY shows. Particularly the Gulf States are seeing rapid participant banking growth. RoE within the sector remains relatively robust at 12.6%. In a recent EY study, titled 'World Islamic Banking Competitiveness Report 2016', the professional services firm explores the Islamic Banking landscape. The report is built up from an analysis of 69 participation banks (Islamic Banks) and 45 conventional banks, covering the markets of Bahrain, Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates, Turkey, Kuwait and Pakistan.
http://www.consultancy.uk/news/3102/ey-islamic-banking-growth-on-the-increase-across-globe

Islamic indexes outperform conventional peers

The Dow Jones Islamic Market World and S&P Global BMI Shariah ended the year in the red dropping 2.2% and 1.7% respectively. However, the index provider said in a statement that they both outperformed their conventional counterpart by 2%. Additionally, The S&P 500 Shariah had a flat year, but US equities outperformed all major global regions, both generally and in the Shariah space while MENA equities continued to be driven lower by falling oil prices as the S&P Pan Arab Composite Shariah fell 6.1% in the fourth quarter, capping a 17.5% annual decline.
www.islamicfinancenews.com

Islamic Finance News (IFN) launches platform dedicated to women in Islamic finance

The world is a very different place now as compared to the last few decades with the rising stature of women altering business and economic as well as social and politic al landscapes worldwide. The meteoric ascendency of women in the education and work spheres is unprecedented as the chorus calling for equality and social justice grows louder, yet despite encouraging numbers, a closer look at different segments, particularly the finance industry, reveals that women in general, still face gender-based challenges preventing them from further enhancement and empowerment as well as access to equal opportunities as their male counterparts. Recognizing both the immense contribution women can give to

the Islamic finance industry and the prevailing glass ceiling, IFN has launched 'Women in Islamic Finance', a dedicated weekly segment to highlight success stories of women leaders in the industry and tackle pertinent issues revolving around female participation in Islamic finance.
www.islamicfinancenews.com

Developments in Islamic finance and regulation

In recent years, the Shariah finance industry has expanded to include many individuals looking to invest not only based on Islamic principles, but also seeking a satisfactory return, and increasingly, non-Muslims looking to tap an attractive pool of investment resources. This development has led to calls for an increased regulation and standardization of Islamic products, with initiatives emerging from a number of authorities. The drive toward regulation and standardization should be treated with caution as prescriptive standards could stifle innovation, while the Islamic community's emphasis on individual understanding and the lack of a central authority mean that universally acceptable standards may be difficult to attain. Rather, there should be a development of principal standards that leave room for innovation, while increased transparency among individual practitioners enables market participants to make clear judgments about the acceptability of their products.
www.islamicfinancenews.com

6 Key trends that will transform Islamic finance in 2016

Some of the key trends that have shaped the Islamic banking world in 2015 and will continue to do so in 2016 include (i) An internationally rosy picture (ii) The GCC is invested (iii) Sukuk are slow, but will rise (iv) Shariah-compliant investments to grow (v) Social media engagement needs to occur (vi) Customers want more innovation.
http://businesspulse.qa/en/eqstory/ZAWYA20160103052700/

Islamic trade finance: One to watch for 2016

Islamic trade finance is a growing sector that receives relatively little publicity but is nevertheless returning exceptional results compared to other investment sectors, in a global economic climate that rewards arbitrage and volatility while challenging traditional investment avenues. Trade finance might be a closed book to most retail investors, but its success story is taking flight a nd the sector has spread its wings in recent years as the advantages of Shariah compliance and its ideal fit with the needs and challenges of trade financing are increasingly recognized. The growing appeal of trade finance for investors is understandable when you look at the returns they are experiencing.
www.islamicfinancenews.com

IRTI, CIBAFI in deal to set up Islamic finance data repository

The Islamic Research and Training Institute (IRTI), a member of the Islamic Development Bank Group, and the General Council for Islamic Banks and Financial Institutions (CIBAFI), the global umbrella of Islamic financial institutions, have signed a deal for a joint project to establish the first-of-its kind Islamic financial industry data repository. The online repository, to be named the 'Islamic Financial Industry Intelligence (IFII)', is aimed to be a one-stop shop for comprehensive and reliable Islamic financial and non-financial data and information, said a statement.
http://tradearabia.com/news/BANK_301881.html

SBP voted best central bank for promoting Islamic finance

State Bank of Pakistan (SBP) has been voted as the best Central Bank for promoting Islamic finance by a poll conducted by 'International Finance News', an arm of Red Money Group Malaysia. The votes were received from various institutions, practitioners and academicians from all over the world, said SBP statement here on Friday. After the announcement, Deputy Governor SBP Saeed Ahmad reacted that SBP remained committed in promoting Islamic banking and finance and would continue to play a proactive role domestically as well as globally. It is heartening to learn about recognition at the international level of efforts of SBP for developing Islamic banking industry on a sound and sustainable basis. Under the dynamic leadership of Federal Minister for Finance, Revenue and Economic Affairs Senator Mohammad Ishaq Dar and of patronage of SBP Governor Ashraf Mahmood Wathra, a number of initiatives had been taken to support the growth of Islamic finance, he said.
http://www.brecorder.com/pakistan/banking-a-finance/271850-sbp-voted-best-central-bank-for-promoting-islamic-finance.html

SECP adopts 4 int'l Shariah standards

In line with its efforts to bring standardization and harmonization in Shariah-related matters of Islamic financial institutions (IFIs) under its regulation and supervision, the Securities and Exchange Commission of Pakistan (SECP) has adopted Shariah Standards number 3, 8, 9 and 13, issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Prior to adopting the standards, the SECP circulated them among stakeholders/industry to solicit their feedback, says a statement issued by the commission. The comments received from the stakeholders/industry were placed alongside the standards before the Shariah Advisory Board (SAB) for its consideration. After the concurrence of the SAB, the SECP approved the above-mentioned standards for adoption by IFIs with certain amendments/clarifications as suitable for the capital market.
http://www.dailytimes.com.pk/business/28-Jan-2016/secp-adopts-4-int-l-shariah-standards

Articles/Views:

Synergy and innovation driving Waqf assets optimization

Capable of mobilizing capital from the rich to the poor, Waqf is a tool for wealth generation and redistribution. The sector has the potential to address education, health care and other societal needs, especially in emerging economies. However, the potential remains largely untapped, mainly due to the lack of technical and financial resources of the stakeholders. Traditionally, land and assets are endowed as Waqf by individuals and are managed solely by the state religious councils. As a Waqf institution is not profit-oriented, the Waqf assets are developed using income derived mostly from donations. However, the lack of legitimate sources of funding renders the collection incapable of meeting its target, thus hindering the development of its assets. Recognizing the sector's potential in advancing the societal income and the creation of private wealth, Waqf assets can truly achieve its value propositions and developmental objectives via a strategic collaboration between the state religious councils and financial institutions.
www.islamicfinancenews.com

Fintechs – opportunities for Islamic banks

From pure online banks to instant mobile money transfers, the financial industry is undergoing an unprecedented digital revolution driven by financial technology (fintech) companies which are essentially created with the goal of disrupting the market. The fast-rising stature of fintech startups poses a threat to the intermediary role of the traditional banking system but rather than buckle down, farsighted industry players are finding opportunities from this disruption to their advantage. Instead of shunning fintech companies, an increasing number of banks are reaching out to them to capitalize on their set of expertise and technology to boost the banks' existing digital presence.

www.islamicfinancenews.com

Sukuk: A tool to utilize surplus liquidity of Islamic financial institutions

Conventional as well as Islamic banks are required to maintain a minimum amount with the State Bank of Pakistan (SBP) and the amount is kept mainly in the form of risk-free government securities. While conventional banks are authorized to invest in interest-bearing government papers, Islamic financial institutions are not allowed to exercise this option. Therefore, they remain shy in mobilizing deposits to avoid a buildup of non-remunerative deposits. Since investment options are limited, Islamic financial institutions always remain shy in accepting large deposits. This, on one hand, keeps a significant amount out of the formal banking system and on the other, those keen in earning Riba free returns on their investments are deprived of the opportunities. In the country, the government of Pakistan (GoP) is the biggest borrower, which also offers an attractive rate of return. This offers enormous opportunities to conventional banks but Islamic financial institutions just cannot benefit from the prevailing situation. Cognizant of the situation, the government started issuing government of Pakistan Sukuk Ijarah (GIS).

www.islamicfinancenews.com

Islamic pensions: A problem waiting to surface

Much has been written about the need for a functional pension system across the Islamic world. The Islamic pension sector is currently viewed as a market segment that is lagging behind due to the lack of demand and understanding, but nonetheless an area that bears significant potential. Industry observers have attributed this to a limited product range, lack of diversification and low levels of public awareness. More often than not, the working population in Muslim countries naturally saves in their home markets. In these markets, the only way to encourage and stimulate a healthy pension cycle is to set up a regulation based pension scheme to jump-start the segment.

www.islamicfinancenews.com

Annexure: I

Islamic Banking Branch Network

(As of March 31, 2016)

Type	Name of Bank	No of Branches*	Windows
Islamic Banks	AlBaraka Bank (Pakistan) Limited	136	
	BankIslami Pakistan Limited	206	
	Burj Bank Limited	74	
	Dubai Islamic Bank Pakistan Limited	199	
	Meezan Bank Limited	547	
	MCB -Islamic Bank Limited	6	
		1,168	
Islamic Branches of Conventional Banks	Allied Bank Limited	27	0
	Askari Bank Limited	76	0
	Bank AL Habib Limited	32	58
	Bank Alfalah Limited	157	25
	Faysal Bank Limited	68	0
	Habib Bank Limited	45	492
	Habib Metropolitan Bank Limited	20	204
	MCB Bank Limited	34	0
	National Bank of Pakistan	85	0
	Silkbank Limited	10	10
	Sindh Bank	13	2
	Soneri Bank Limited	16	0
	Standard Chartered Bank (Pakistan) Limited	10	91
	Summit Bank Limited	10	2
	The Bank of Khyber	66	39
	The Bank of Punjab	49	0
	United Bank Limited	42	141
		760	**1,064**
Sub Branches	AlBaraka Bank (Pakistan) Limited	14	
	Askari Bank Limited	3	
	BankIslami Pakistan Limited	133	
	Faysal Bank Limited	1	
	Habib Bank Limited	2	
	United Bank Limited	1	
		154	
		2,082	

* *Source: Banking Policy & Regulations Department, State Bank of Pakistan.*

Annexure: II

Province wise Break-up of Islamic Banking Branch Network

(As of March 31, 2016)

Type	Bank Name	Azad Kashmir	Balochistan	FATA	Federal Capital	Gilgit-Baltistan	Khyber Pakhtunkhwa	Punjab	Sindh	Grand Total
Islamic Banks	AlBaraka Bank (Pakistan) Limited	3	4		4	1	14	78	32	136
	BankIslami Pakistan Limited	3	12	1	9	2	15	96	68	206
	Burj Bank Limited	1	2		4		3	32	32	74
	Dubai Islamic Bank Pakistan Limited	5	5		10		10	84	85	199
	Meezan Bank Limited	6	20		25	1	35	275	185	547
	MCB -Islamic Bank Limited		2				1	1	2	6
	IB. Total	**18**	**45**	**1**	**52**	**4**	**78**	**566**	**404**	**1,168**
Islamic Branches of Conventional Banks	Allied Bank Limited		2		2		3	17	3	27
	Askari Bank Limited		2		7	1	9	41	16	76
	Bank AL Habib Limited		1				2	11	18	32
	Bank Alfalah Limited	1	5		9		8	94	40	157
	Faysal Bank Limited	1	2		3		16	29	17	68
	Habib Bank Limited	2	2	1	4		4	21	11	45
	Habib Metropolitan Bank Limited				1		3	8	8	20
	MCB Bank Limited		1		2		2	17	12	34
	National Bank of Pakistan	3	2	1	1		17	45	16	85
	Silkbank Limited		1		1		2	4	2	10
	Sindh Bank	1					2	7	3	13
	Soneri Bank Limited		1		2	1	2	6	4	16
	Standard Chartered Bank (Pakistan) Limited				1		1	2	6	10
	Summit Bank Limited		1		1	2	1	1	4	10
	The Bank of Khyber		3	4	2		45	9	3	66
	The Bank of Punjab	1			4		6	38		49
	United Bank Limited	1	4		1		9	12	15	42
	SAIBBs Total	**10**	**27**	**6**	**41**	**4**	**132**	**362**	**178**	**760**
Sub Branches	AlBaraka Bank (Pakistan) Limited				1			12	1	14
	Askari Bank Limited		1				1	1		3
	BankIslami Pakistan Limited	1	7		10		6	50	59	133
	Faysal Bank Limited							1		1
	Habib Bank Limited								2	2
	United Bank Limited						1			1
	Sub Branches Total	**1**	**8**	**-**	**11**	**-**	**8**	**64**	**62**	**154**
Grand Total		**29**	**80**	**7**	**104**	**8**	**218**	**992**	**644**	**2,082**

Annexure: III

District wise Break-up of Islamic Banking Branch Network

(As of March 31, 2016)

S. No	Province	District	No of Branches	S. No	Province	District	No of Branches
1	Sindh	Badin	3	56	Khyber Pakhtunkhwa	Abottabad	14
2		Dadu	5	57		Banu	4
3		Ghotki	3	58		Batagram	4
4		Hyderabad	36	59		Buner	3
5		Jacobabad	2	60		Charsadda	6
6		Jamshoro	1	61		Chitral	5
7		Karachi City	539	62		Dera Ismail Khan	8
8		Kashmore	1	63		Hangu	3
9		Larkana	4	64		Haripur	7
10		Matiari	1	65		Kohat	6
11		Mirpurkhas	10	66		Lower Dir	5
12		Naushero Feroze	1	67		Malakand	5
13		Nawabshah	8	68		Mansehra	13
14		Sanghar	7	69		Mardan	17
15		Shahdadkot	2	70		Nowshera	16
16		Sukkur	13	71		Peshawar	69
17		Tando Allahyar	5	72		Shangla	1
18		Tando Mohammad Khan	1	73		Swabi	6
19		Umer Kot	2	74		Swat	18
Sindh Total			**644**	75		Tank	1
20	Punjab	Attock	21	76		Upper Dir	7
21		Bahawalnagar	12	**KP Total**			**218**
22		Bahawalpur	15	77	Gilgit-Baltistan	Baltistan	2
23		Bhakkar	1	78		Diamir	4
24		Chakwal	10	79		Gilgit	2
25		Chiniot	1		**GB Total**		**8**
26		Dera Ghazi Khan	12	80	**FATA**	Bajaur Agency	1
27		Faisalabad	82	81		Khyber Agency	3
28		Gujranwala	41	82		Orakzai Agency	3
29		Gujrat	42	**FATA Total**			**7**
30		Hafizabad	4	83	**Capital**	Islamabad	104
31		Jhang	8		**Capital**		**104**
32		Jhelum	13	84	Balochistan	Chagi	1
33		Kasur	13	85		Gawadar	1
34		Khanewal	17	86		Kila Abdullah	6
35		Khushab	6	87		Killa Saifullah	4
36		Lahore City	329	88		Lasbela	3
37		Layyah	4	89		Loralai	11
38		Lodhran	3	90		Pishin	1
39		Mandi Bahauddin	9	91		Quetta	50
40		Mianwali	6	92		Zhob	3
41		Multan	60	**Balochistan Total**			**80**
42		Muzaffargarh	6	93	**Azad Kashmir**	Bhimber	1
43		Nankana Sahib	2	94		Kotli	2
44		Narowal	3	95		Mirpur	17
45		Okara	12	96		Muzaffarabad	7
46		Pakpattan	6	97		Poonch	2
47		Rahim Yar Khan	22	**AJK Total**			**29**
48		Rajanpur	1				
49		Rawalpindi	121				
50		Sahiwal	16				
51		Sargodha	26				
52		Sheikhupura	17				
53		Sialkot	32				
54		Toba Tek Singh	6				
55		Vehari	13				
Punjab Total			**992**	**Grand Total**			**2,082**