# ISLAMIC BANKING BULLETIN

**July - September 2021**

**Islamic Banking Department**
**State Bank of Pakistan**

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## Progress & Market Share of Islamic Banking Industry

### Overview

**Assets** of Islamic Banking Industry (IBI) increased by Rs 87 billion during the quarter July to September, 2021 and were recorded at Rs 4,884 billion. **Deposits** of IBI stood at Rs 3,822 billion by end September, 2021. The year on year (YoY) growth of assets and deposits of IBI recorded at 28.2 percent and 26.0 percent, respectively by end September, 2021. Market share of Islamic banking assets and deposits in the overall banking industry was 17.0 percent and 18.6 percent, respectively, by end September, 2021 (**Table-1**).

**Table-1: Industry Progress and Market Share** (Amount in Rs Billion)

| Particulars | Period | | | Yearly Growth (YoY) in % | | | Share in Overall Banking Industry (in %) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sep-20 | Jun-21 | Sep-21 | Sep-20 | Jun-21 | Sep-21 | Sep-20 | Jun-21 | Sep-21 |
| Assets | 3,809 | 4,797 | 4,884 | 27.2 | 32.0 | 28.2 | 16.0 | 17.0 | 17.0 |
| Deposits | 3,034 | 3,822 | 3,822 | 26.0 | 29.7 | 26.0 | 17.3 | 18.7 | 18.6 |
| No. of Islamic Banking Institutions | 22 | 22 | 22 | - | - | - | - | - | - |
| No. of Branches* | 3,303 | 3,583 | 3,651 | 10.9 | 9.4 | 10.5 | - | - | - |
| No. of Islamic Banking Windows | 1,386 | 1,562 | 1,579 | 2.4 | 12.1 | 13.9 | - | - | - |

** including sub-branches*

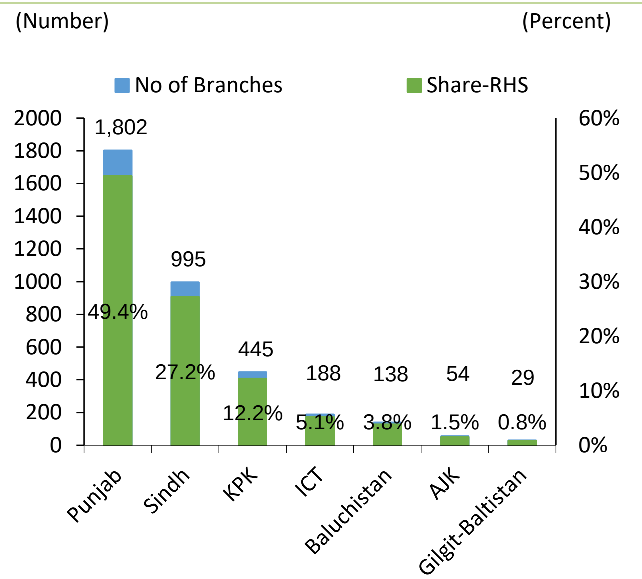
*Source: Data submitted by banks under quarterly Reporting Chart of Accounts (RCOA)*

### Branch Network of Islamic Banking Industry

The composition of the industry remained same with 22 Islamic Banking Institutions (IBIs), consisting of 5 full-fledged Islamic Banks (IBs) and 17 conventional banks having Islamic Banking Branches (IBBs). During the quarter under review, 68 stand-alone branches were added to the overall branch network of IBI taking the total to 3,651 (spread across 124 districts of the country) by end September, 2021. **Figure-1** illustrates geographical distribution of branches of IBI in different regions of Pakistan.

The number of Islamic banking windows (dedicated counters at conventional branches) operated by IBBs were recorded at 1,579 by end September, 2021 (see **Annexure I** for details).

**Figure-1: Region Wise Branch Network**



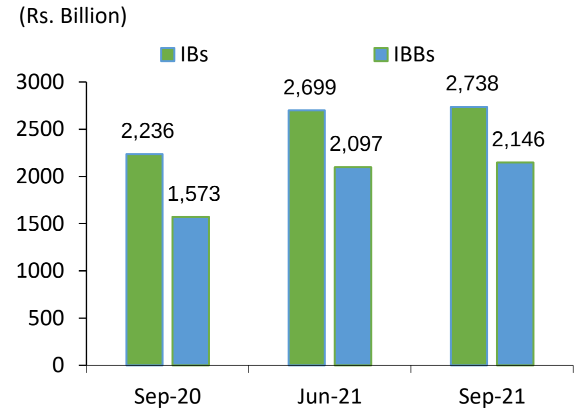

Source:SBP

## Assets and Liabilities Structure

### Assets

During the period under review, assets of IBI depicted a rise of Rs 87 billion and were recorded at Rs 4,884 billion by end September, 2021. This expansion in assets was largely contributed by financing (net), which exhibited an increase of Rs 149 billion during the period under review. Similarly, other major component of assets of IBI i.e. investments (net), also up by Rs 8 billion. In contrast, due from financial institutions declined by Rs 50 billion during the period under review. Market share of IBI's assets in overall banking industry's assets registered at 17.0 percent by end September, 2021. The review of composition of assets of IBI shows that the share of net financing and investments in total assets (net) of IBI stood at 46.4 percent and 28.1 percent, respectively by end September, 2021 (see section below on **Investments** and **Financing** for details).

**Figure-2: Breakup of Assets**




Source: SBP

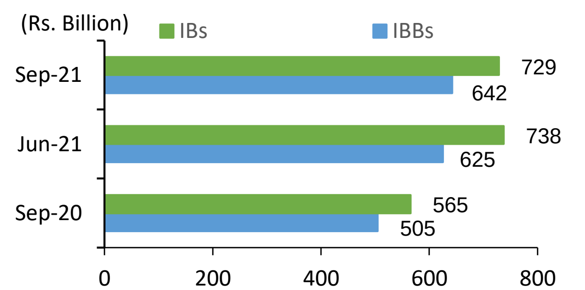
### Breakup of Assets of IBs and IBBs

Bifurcation of assets among IBs and IBBs divulges that the assets of IBs rose by Rs 38 billion during the quarter under review and reached Rs 2,738 billion by end September, 2021. On the other hand, assets of IBBs experienced a relatively higher growth of Rs 49 billion and stood at Rs 2,146 billion by end September, 2021. Moreover, the share of IBs and IBBs in overall assets of IBI was recorded at 56 percent and 44 percent, respectively (**Figure-2**).

### Investments

Investments (net) of IBI observed a rise of Rs 8 billion during the quarter under review and reached Rs 1,371 billion by end September, 2021. The review of investments (net) portfolio of IBs and IBBs shows that investments (net) of IBs declined by Rs 9.0 billion during the period under review and stood at Rs 729 billion by end September, 2021. However, investments (net) of IBBs increased by Rs 17 billion to reach Rs 642 billion (**Figure-3**).

**Figure-3: Breakup of Investments**

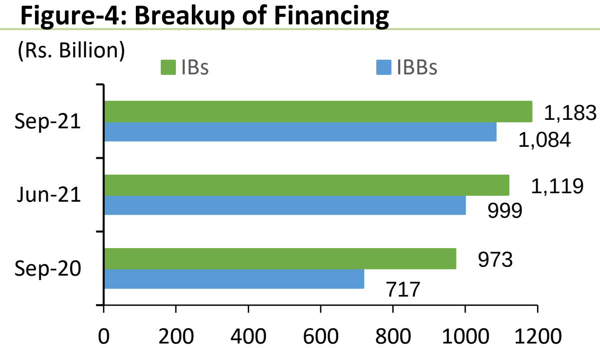



Source: SBP

### Financing & Related Assets

During the period under review, financing & related assets (net) of IBI grew by Rs 149 billion and were recorded at Rs 2,267 billion by end

**Figure-4: Breakup of Financing**




Source: SBP

September, 2021. Bifurcation of financing and related assets (net) among IBs and IBBs demonstrates that financing & related assets (net) of IBs witnessed an increase of Rs 64 billion during the period under review to reach Rs 1,183 billion. While, IBBs exhibited relatively higher increase of Rs 85 billion to reach Rs 1,084 billion **(Figure-4)**.

Mode wise break-up of financing transpires that the share of Diminishing Musharaka (35.1 percent) remained highest in overall financing of IBI, followed by Musharaka (22.0 percent) and Murabaha (15.9) by end September, 2021 (**Table-2**).

**Table-2: Mode Wise Financing (Share in Percent)**

| Mode | Sep-20 | Jun-21 | Sep-21 |
|---|---|---|---|
| Murabaha | 13.3 | 15.3 | 15.9 |
| Ijarah | 5.3 | 4.8 | 4.8 |
| Musharaka | 23.5 | 21.4 | 22.0 |
| Diminishing Musharakah | 34.5 | 35.0 | 35.1 |
| Salam | 1.5 | 2.1 | 1.7 |
| Istisna | 7.9 | 7.6 | 6.9 |
| Others | 14.0 | 13.8 | 13.6 |
| **Total** | **100.0** | **100.0** | **100.0** |

In terms of sector wise break-up of financing, textile (15.1 percent) and production & transmission of energy (12.1 percent) remained two leading sectors in overall financing of IBI by end September, 2021 (**Table-3**).

**Table-3: Sector Wise Financing (Share in Percent)**

| Sector | Sep-20 | Jun-21 | Sep-21 | Overall Banking Industry |
|---|---|---|---|---|
| Chemical & pharmaceuticals | 4.8 | 3.6 | 3.7 | 3.3 |
| Agribusiness | 7.8 | 11.3 | 11.5 | 8.4 |
| Textile | 14.3 | 13.9 | 15.1 | 15.8 |
| Cement | 3.8 | 3.2 | 3.1 | 2.1 |
| Sugar | 2.1 | 3.4 | 1.8 | 2.0 |
| Shoes and leather garments | 0.5 | 0.5 | 0.5 | 0.4 |
| Automobile & transportation equipment | 1.2 | 1.1 | 1.2 | 1.8 |
| Financial | 0.3 | 0.2 | 0.2 | 2.9 |
| Insurance | 0.0 | 0.0 | 0.0 | 0.1 |
| Electronics & electrical appliances | 0.8 | 1.0 | 1.1 | 1.3 |
| Production & transmission of energy | 15.6 | 13.6 | 12.1 | 14.5 |
| Individuals | 10.2 | 11.1 | 11.6 | 10.0 |
| Others | 38.5 | 37.1 | 38.2 | 37.4 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** |

Review of client wise breakup of financing reveals that the share of corporate sector (67.9 percent) remained highest in overall financing of IBI followed by commodity financing (16.1 percent) and consumer finance (10.9 percent). Further, the share of SMEs and agriculture financing

**Table-4: Client Wise Financing Portfolio (Share in Percent)**

| Segment | Sep-20 | Jun-21 | Sep-21 | Overall Banking Industry |
|---|---|---|---|---|
| Corporate Sector | 72.1 | 68.8 | 67.9 | 70.4 |
| SMEs | 3.0 | 2.6 | 2.4 | 4.6 |
| Agriculture | 0.3 | 1.2 | 0.9 | 4.2 |
| Consumer Finance | 9.9 | 10.6 | 10.9 | 8.2 |
| Commodity Financing | 13.4 | 15.2 | 16.1 | 10.7 |
| Others | 1.3 | 1.6 | 1.7 | 2.0 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** |

remained low compared to the overall banking industry averages (**Table-4**).

## Asset Quality

During the quarter under review, key indicators of asset quality indicators including non-performing finances (NPFs) to financing (gross) and net NPFs to net financing were recorded at 3.1 percent and 0.4 percent, respectively by end September, 2021. It is worth mentioning here that on overall basis the above mentioned both asset quality ratios of IBIs have shown further improvement compared to last quarter. Further, these ratios were relatively better than the overall banking industry averages (**Table-5**).

**Table-5: Assets Quality Ratio (Share in Percent)**

| Ratio | Sep-20 | Jun-21 | Sep-21 | Overall Banking Industry |
|---|---|---|---|---|
| NPFs to Financing (gross) | 3.7 | 3.3 | 3.1 | 8.9 |
| Net NPFs to Net Financing | 0.9 | 0.5 | 0.4 | 1.1 |
| Provisions to NPFs | 77.5 | 84.5 | 86.2 | 89.0 |

## Liabilities

Deposits of IBI were recorded at Rs 3,822 billion by end September, 2021. Market share of Islamic banking industry's deposits in overall banking industry's deposits stood at 18.6 percent by end September, 2021. The category wise breakup of deposits of IBI shows that saving deposits and current deposits increased by Rs 50 billion and Rs 10 billion, respectively. However, fixed deposits witnessed a decline of Rs 10 billion (**Table-6**). The share of deposits of IBs and IBBs in overall deposits of IBI stood at 57 percent and 43 percent, respectively, by end September, 2021.

**Table-6: Break up of Deposits (Rs in Billion, Growth in Percent)**

| Category | Sep-20 | Jun-21 | Sep-21 | Yearly Growth (YoY) in % | Quarterly Growth in % |
|---|---|---|---|---|---|
| **A. Deposits (1+2)** | **3,034** | **3,822** | **3,822** | **26.0** | **-** |
| **1. Customers** | **2,814** | **3,494** | **3,538** | **25.7** | **1.3** |
| Fixed Deposits | 609 | 652 | 642 | 5.4 | (1.5) |
| Saving Deposits | 1,159 | 1,398 | 1,448 | 24.9 | 3.6 |
| Current Deposits | 1,010 | 1,395 | 1,405 | 39.1 | 0.7 |
| Others | 36 | 49 | 43 | 19.4 | (12.2) |
| | | | | | |
| **2. Financial Institutions** | **220** | **328** | **284** | **29.1** | **(13.4)** |
| Remunerative Deposits | 213 | 316 | 272 | 27.7 | (13.9) |
| Non-remunerative Deposits | 7 | 12 | 12 | 71.4 | - |
| | | | | | |
| **Local Currency Deposits** | 2,861 | 3,629 | 3,622 | 26.6 | (0.2) |
| **Foreign Currency Deposits** | 173 | 193 | 200 | 15.6 | 3.6 |

## Liquidity

The ratios of 'liquid assets to total assets' and 'liquid assets to total deposits' stood at 27.0 percent and 34.5 percent, respectively by end September, 2021. Financing to deposits ratio (net) of IBI increased by 3.9 percent during the period under review, mainly due to increase in financing portfolio of IBI. Financing to deposits ratio (net) of IBI was recorded at 59.3 percent by end September, 2021 compared to 55.4 percent in the previous quarter. It is noteworthy that financing to deposits ratio of IBI is considerably higher than the overall industry average (**Table-7**).

**Table-7: Liquidity Ratios (Share in Percent)**

| Ratios | Sep-20 | Jun-21 | Sep-21 | Overall Banking Industry |
|---|---|---|---|---|
| Liquid Assets to Total Assets | 24.8 | 27.5 | 27.0 | 56.6 |
| Liquid Assets to Deposits | 31.2 | 34.5 | 34.5 | 79.4 |
| Financing to Deposits (Net) | 55.7 | 55.4 | 59.3 | 44.7 |

## Capital

The ratios of 'capital to total assets' and 'capital minus net NPAs to total assets' of IBI were registered at 6.3 percent and 6.0 percent, respectively by end September, 2021 (**Table-8**).

**Table-8: Capital Ratios (Share in Percent)**

| Ratios | Sep-20 | Jun-21 | Sep-21 | Overall Banking Industry |
|---|---|---|---|---|
| Capital to Total Assets | 6.8 | 6.0 | 6.3 | 6.5 |
| (Capital - Net NPAs) to Total Assets | 6.3 | 5.7 | 6.0 | 6.2 |

## Profitability

Profit before tax of IBI stood at Rs 66.4 billion by end September, 2021 compared to Rs 69.9 billion in the corresponding quarter last year. Whereas, earning ratios **'**Return on Assets (ROA)' and 'Return on Equity (ROE)' (before tax) were recorded at 1.9 percent and 31.3 percent, respectively. During the period under review, 'operating expense to gross income' of IBI reduced by 1.6 percent and was recorded at 50.7 percent by end September, 2021 (**Table-9**).

**Table-9: Profitability Ratios (in Percent)**

| | Sep-20 | Jun-21 | Sep-21 | Overall Banking Industry |
|---|---|---|---|---|
| Profit before tax (Rs billion) | 69.9 | 42.6 | 66.4 | 327.8 |
| ROA before tax | 2.6 | 1.9 | 1.9 | 1.6 |
| ROE before tax | 39.0 | 31.1 | 31.3 | 23.7 |
| Operating Expense to Gross Income | 45.7 | 52.3 | 50.7 | 52.7 |

## Country Model: The Sultanate of Oman

### i. Introduction:

The Sultanate of Oman is a rural agricultural country, and fishing and exports are essential to Oman's economy. Since the discovery of oil in 1964, Oman has been relying heavily on oil exports. Oil revenues represent roughly two-fifths of gross domestic product (GDP) and about three-fourths of the government's income.

### ii. Islamic Banking and Finance

Islamic Banking in Oman began with the promulgation of Royal Decree No. 69/2012 in 2012. The Royal decree helped amend the Banking Laws, establish Islamic Regulatory Framework, and form a robust Shariah governance framework, which included, among other things, the establishment of High Shariah Supervisory Authority in the Central Bank of Oman (CBO).

Since the inception of Islamic Banking in Oman, the industry has registered tremendous growth and has recently achieved the status of domestic systematic importance. There are two fully-fledged Islamic Banks and five Islamic windows. The market share of Islamic banking and Islamic windows increased to 14.3 percent at end-2020, with total assets of USD13.5 billion. In 2020, Islamic Banking in Oman grew by 9.9 percent, driven by the support of conventional banks offering Islamic products through their windows. The share of Oman in global Islamic banking asset stood at 0.7 percent by end of third quarter 2020, making the country 16th largest in terms of global Islamic banking assets.

### iii. Regulatory Environment

In 2012, the Central Bank of Oman released the Islamic Banking Regulatory Framework (IBRF), and then in 2015 established a dedicated Islamic banking department. IBRF allowed the undertaking of Islamic Banking activities by way of setting up full-fledged Islamic banks or Islamic banking windows within the conventional banks. Meanwhile, the Capital Market Authority (CMA), under whose purview falls Islamic capital market activities and Takaful, issued regulations in 2016 that included the Takaful Law and rules for issuing Sukuk.

According to Central Bank of Oman (CBO)'s Financial Stability Report 2021, CBO is taking several steps to further strengthen the Islamic banking sector in Oman. Such initiatives include preparing medium-term strategy for the development of Islamic banking, developing central bank Shariah compliant liquidity tools, including lender of last resort facility for Islamic banking entities, and designing a Shariah compliant Deposit Insurance Scheme in Oman. These initiatives will complement the ongoing initiatives in the Sultanate for enhancing financial inclusion, promoting SME development, and supporting economic diversification.

### iv. Sukuk

The Sukuk Market of Oman is relatively new as compared to other GCC member countries. Oman has issued multiple sovereign Sukuk since the launch of the first sovereign Sukuk in 2015. However, rapid growth in the Sukuk issuance has been observed over the past couple of years. Oman made its debut dollar Sukuk issuance in 2017 with a USD2 billion facility, followed in 2018 by its sophomore USD1.5 billion facility, whose order book topped USD3.5 billion. Most recently, its third sovereign Sukuk offering under its 2019 program raised USD526.32 million in September 2020. The Government of Oman completed the issuance of Series 4 under the Omani Rial Sukuk Issuance Programme in November 2020 for an amount over Rial Omani 200 million (USD518.15 million). To share the investment opportunity with the wider public, the Government of Oman also launched the public offering under Series 5 Sukuk certificates. The public offer presented a unique opportunity for retail investors to participate in the government's Sukuk programme with minimum subscription amount of Rial Omani 100 million (USD259.08 million).

### v. Takaful

With the passing of the Takaful Law in 2016, Oman's Takaful industry has shown immense growth. According to the annual report of the Capital Market Authority of Oman for 2020, the gross direct premium of Takaful companies increased to Rial Omani 64.48 million in 2020, representing 14% of the gross direct premiums of the insurance companies. In 2021, Royal Decree No 45/2021 was issued to amend the Takaful Law. This decree introduced changes to the Takaful Law 2016, aiming at regulating health Takaful and separating it from other Takaful activities, making health Takaful a standalone branch of Oman's Takaful industry.

### vi. Way forward

The country's Islamic Banking Sector can exhibit a higher degree of growth, primarily because it is a Muslim majority country with a relatively low financial inclusion. Islamic banking penetration is likely to increase through training and awareness campaigns, new products and the greater use of fintech to target customers. There is ample support from the government and vigorous enforcement from the regulators that have resulted in a promising future for Islamic financial institutions in the country, despite continuing pressure from the negative impact of the COVID-19 outbreak.

**Sources of Information**

- The World Bank {https://www.worldbank.org/}
- IMF World Economic Outlook Report {https://www.imf.org/
- Islamic Financial Service Board Stability Report {https://www.ifsb.org/}
- Central Bank of Oman {https://cbo.gov.om/}, {FSR https://cbo.gov.om/sites}
- Capital Market Authority Annual Report {https://cma.gov.om/}
- International Islamic Financial Market {https://www.iifm.net/}
- Islamic Finance News { https://www.islamicfinancenews.com/}
- Fitch Rating { https://www.fitchratings.com/ }

## Special Section: Overview of Global Islamic Financial Services Industry

(**In the special section of this issue, an abridged version of the IFSB's Islamic Financial Services Industry – Stability Report 2021 is being presented, with focus on two sectors namely Islamic Banking and Islamic Capital Markets**).

The year 2020 was characterized by significant economic impacts globally as a result of the widespread public health measures triggered by the global pandemic. However, extraordinary and timely policy support measures helped to ease financial conditions and to mitigate any potential financial stability risks for the financial sector. The global risk appetite remained relatively resilient, and financial conditions improved over the year, although with significant differences across countries. Reinforced by policy actions, financial conditions remained favorable and continued to be supportive of growth for a large number of countries.

The global Islamic Financial Services Industry (IFSI) maintained its growth momentum in 2020 despite the global pandemic and is estimated to be worth USD 2.70 trillion in 2020, marking a growth of 10.7% year-on-year (y-o-y) in assets in USD terms [2019: USD 2.44 trillion]. The Islamic banking *[68.3% share]*, and Islamic capital markets *[Sukuk 25.6% share, Islamic Fund Assets 5.3% share]* sectors contributed to the increase in total worth of the global IFSI, while takāful contributions *[0.9% share]* experienced a slight contraction.

### Developments in the Islamic Financial Services Industry

- **Islamic Banking Sector:**

The global Islamic banking industry in 2020 experienced growth of assets by 4.3% y-o-y, slowing down from the momentum gained a year earlier [2019: 12.4%] with total assets as at 3Q20 amounting to USD 1.84 trillion [3Q19: USD 1.77 trillion]. Notably, the number of jurisdictions where Islamic banking has achieved domestic systemic importance increased to 15 as at 3Q20 [3Q19: 13 jurisdictions]. Oman and Pakistan are the latest additions to the list of systemically important jurisdictions. Collectively, the 15 systemically important Islamic banking jurisdictions comprise a 92.4% share of the global Islamic banking assets as at 3Q20 [3Q19: 91.4%].

In terms of the top jurisdictions for Islamic banking assets, Saudi Arabia accounted for 28.5% [3Q19: 24.9%], increasing its relative share, while Iran accounted for 22.1% [3Q19: 28.6%], Malaysia 11.4% [3Q19: 11.1%], the UAE 9.2% [3Q19: 8.7%] and Qatar 6.5% [3Q19: 6.1%], making up the top five jurisdictions in 2020. The other countries in the top 10 Islamic banking jurisdictions, in order of size, are Kuwait, Bahrain, Turkey, Bangladesh and Indonesia.

The GCC [Gulf Cooperation Council] countries' Islamic banking assets share remains substantial and improved by 14.7% y-o-y to end 3Q20 with a value of USD 979.9 billion [3Q19: USD 854.0 billion]. The region accounts for 53.2% [3Q19: 48.4%] of global Islamic banking assets. The MESA [Middle East and South Asia] region's worth of Islamic banking assets declined by – 14.6% y-o-y. Nonetheless, the region's

Islamic banking asset worth of USD 499.0 billion [3Q19: USD 584.34 billion] accounts for 27.1% [3Q19: 33.1%] of global Islamic banking assets. The SEA [South East Asia] region's Islamic banking assets grew by 7.4% y-o-y to reach USD 258.2 billion [3Q19: USD 240.5 billion]. The Africa region recorded the highest improvement in asset worth: 27.1% y-o-y to end 3Q20 at USD 43.1 billion [3Q19: USD 33.9 billion]. Turkey and the countries from Europe and the CIS [Commonwealth of Independent States] region have been classified as "Others". This group registered a growth of 16.4% y-o-y in Islamic banking assets, worth USD 61.8 billion [3Q19: USD 53.1 billion].

The Islamic banking sector across jurisdictions nonetheless generally registered structural improvements. This change is based on the remarkable growth of assets y-o-y, especially in some emerging economies and in some with a systemically important Islamic banking sector. In USD terms, the compound annual growth rate (CAGR) for Islamic banking assets between 3Q18 and 3Q20 is 6.1% as at end-3Q20. Analysis of country-level growth rates shows 12 jurisdictions out of 19, for which data were available whose CAGR achieved double-digit asset growth rates in the year up to 3Q20. This growth can be attributed, in at least nine out of 17 of these countries, to financing growth that was also in the double digits. Deposits, on the other hand, grew by at least two digits in nine countries, out of 13 for which data were available.

❖ **<u>Islamic Banking: Rebound Amid Uneven Recovery</u>**

Buffered by gains from the implementation of various comprehensive banking reforms post the GFC of 2007–8, Islamic banks entered the pandemic better equipped to withstand its impact through being more highly capitalized, more profitable and more liquid, especially since 1Q20. This strong position was aided by a flurry of swift policy measures by various RSAs that helped to ease the financial conditions and enhance the financial soundness and resilience of the Islamic banking industry from 2Q20 onwards. The jurisdictions that entered the pandemic period with a high capital and liquidity buffer, and that also have broader fiscal space and a greater capacity to speed up the procurement and roll-out of the COVID19 vaccine, the positive rebound recorded in 2020 across various soundness indicators is expected to strengthen in 2021.

➢ **Islamic Capital Market**

❖ **Sukuk:**

The sukuk market proved to be fairly resilient in 2020 despite the unprecedented and wide-ranging impact of a global pandemic. Sukuk outstanding continued its growth trend to reach USD 703 billion in 2020. The overall sukuk issuances by the end of 2020 proved to be relatively strong, with total issuances worth USD 163.4 billion.

Sovereign issuances made up about 53% of all issuances [2019: 56%], followed by 37% from corporates [2019: 36%] and 10% from multilaterals [2019: 8%]. In a reversal from 2019, Saudi Arabia was the biggest sovereign issuer in 2020, followed by Indonesia, Malaysia and Kuwait. The contraction in sovereign issuances during the year reflected the economic shock and deep recession brought about by the COVID-19 pandemic in all core Islamic finance jurisdictions, which was further exacerbated in some jurisdictions by low oil prices.

Corporate issuance volume was robust but slightly lower than 2019, due to the uncertain environment and the greater reliance on other forms of financing supported by government policy measures. Malaysia continues to be the largest corporate issuer in terms of overall volume of issuances, followed by the UAE, Saudi Arabia and Turkey. Investment-grade sukuk issued in 2020 made up about USD 25.9 billion of total issuances (16%) and were predominantly USD-denominated international issuances. The sectoral distribution remains concentrated in the government and financial sectors, consistent with the previous trend. Green and SRI (socially responsible investment) sukuk continued its growth trajectory in 2020, which included issuances from Indonesia, Saudi Arabia, the UAE and Malaysia.

The COVID-19 pandemic may also increase the issuance of social sukuk that target social needs in countries to finance economic recovery. Sukuk issuances in 2020 for this purpose included the IsDB's USD 1.5 billion sustainability sukuk, the proceeds of which will go towards helping the IsDB's member countries cope with the impact of the pandemic. Innovative instruments such as social sukuk and digital and blockchain-based issuances are likely to support an increase in sukuk issuances with a retail investor focus, which are currently limited.

### ❖ Islamic Funds

The total assets under management (AuM) of Islamic funds grew by 31.9% in 2020 despite the pandemic. While total AuM grew significantly, the total number of funds increased at a slower rate, which is a positive indication of growth in the average size of funds. Contrasting with the previous year, about 47% of funds now hold AuM of USD 1 billion or more each, while only 1% of funds hold AuM of less than USD 10 million (2019: only 2% held AuM of more than USD 1 billion each). Islamic funds continue to remain concentrated by domicile in three core markets – Saudi Arabia, Malaysia and Iran – constituting around 81% of the total. On the whole, notwithstanding the initial shock experienced in early 2020, inflows into Islamic funds in many countries picked up in the latter part of 2020, enabling the overall growth trend to continue into 2020.

### ❖ Islamic Equity Market

Global equity markets rebounded strongly from pandemic lows, with notable differentiation across countries depending on the spread of the virus, the scope of policy support and sectoral composition. Overall, 2020 was an exceptional year for the equity markets, with a bull market at the beginning of the year, followed by a steep crash from the initial market shock of the pandemic and a short-lived bear market, before once again entering a bull market. This positive trajectory is expected to continue into 2021, barring the materialization of any downside risks. Islamic indices, while moving similarly to the conventional market, continued to outperform their conventional counterparts in 2020 in keeping with the past trend, but with a growing differential. In terms of sector performance, the information technology sector was the strongest overall, with the top-performing companies being those that acted as enablers to remote working and e-commerce. The consumer discretionary sector was the second-highest performer in 2020. This was followed by materials, which gained during the latter part of the year while technology stocks reversed, with gold hitting an all-time high and copper reaching at eight-year high.

## ❖ Islamic Capital Market Resilience and Stability

The sukuk markets proved to be fairly resilient during the year, supported by accommodative policy actions. Several sukuk issuances in 2020 were oversubscribed, indicating a continued inflow of funds into emerging market sukuk despite the pandemic. Additionally, despite an increase in the underlying credit risk, credit conditions remained favorable in 2020. While there is a notable proportion of sukuk outstanding that are investment grade, the share of sukuk having lower than investment-grade ratings is also increasing. Short-term sukuk issuances contracted slightly but remained a significant portion of issuances in 2020. The issuance of sukuk with maturities longer than 10 years also saw a contraction in 2020 relative to 2019. The geographical distribution of sukuk investors for international issuances in 2020 indicates that there is no longer a regional bias in sukuk investors, with all issuances receiving interest from international investors.

Investment funds weathered the market turmoil in early 2020 without any significant disruptions. Islamic funds were primarily concentrated in money market, equity and fixed-income asset classes in 2020. The size of Islamic funds has notably improved, particularly funds that have assets under management greater than USD 95 million. Overall, in terms of financial stability risks in the near term, materialization of any downside risks could result in an increase in risk aversion along with a surge in demand for safe assets.

The global equity markets demonstrated a rapid recovery from the losses suffered due to market volatility and the steep crash in March 2020. Departing from the previous trend, emerging markets indices outperformed developed markets indices in 2020. While the performance of the equity market in 2020 and early 2021 has been broadly in line with forward looking indicators, the risk of an abrupt equity market correction remains elevated, albeit diminishing.

Full report is available at IFSB website: Islamic Financial Services Industry Stability Report 2021

## Events and Developments at Islamic Banking Department (IBD)–State Bank of Pakistan (SBP)

### A. Events

**SBP in collaboration with United Kingdom–International Finance Corporation (UK-IFC) held meetings of the Working Group (WG) – Pakistan Chapter**

SBP in collaboration with UK-IFC held the 5th and 6th meeting of the Working Group–Pakistan Chapter, on July 29, 2021 and September 30, 2021, respectively. The UK-IFC was established in 2005 as a specialist advisory and developmental body focused on promoting and enhancing the global Islamic and ethical finance industry. The Working Group is inter alia working on the development and promotion of sustainable banking in Pakistan.

**Training Program on "Fundamentals of Islamic Banking operations" (FIBO)**

IBD, SBP in collaboration with National Institute of Banking and Finance (NIBAF) conducted 'Fundamentals of Islamic Banking (FIBO)' program in Quetta during August 09 – 13, 2021. This program was aimed to enhance the capacity of the industry professionals, Shariah scholars, and academia, etc.

**Capacity Building Programs on "Islamic Banking Branch Operations" (IBBO)**

Keeping in view the eagerness of the industry, short-duration capacity building program named 'Islamic Banking Branch Operation (IBBO)' was launched for second-tier cities across the country. During the quarter ending September 2021, IBD, SBP conducted two (02) iterations of IBBO program. These programs were conducted in Sahiwal during August 04 – 06, 2021, and AJK during August 24 – 26, 2021.

**Islamic Banking Awareness Session in Collaboration with Institute of Business Management (IoBM)**

In order to increase awareness of Islamic Banking, SBP and SBP-BSC in collaboration with IoBM arranged an awareness session at IoBM, Karachi on July 26, 2021. The program was attended by the students and academia of IoBM. In the session, the audience was briefed on the fundamentals of Islamic banking and the measures undertaken by SBP for the development and promotion of Islamic banking in the country.

## Islamic Banking News and Views

### I. Local Industry News

**Pakistan Stock Exchange wins best Islamic bourse award**

Pakistan Stock Exchange (PSX) has been awarded the best Islamic stock exchange award by Global Islamic Finance Awards (GIFA) for the year 2021. PSX has a robust platform for providing Shariah-compliant products including dedicated Islamic indices, equities and debt instruments. Speaking at the occasion, PSX Chairperson Dr. Shamshad Akhtar stated that it was definitely an immense achievement for PSX to have won the award. "Islamic equity and debt products form a large portion of the demand in international capital markets. PSX's winning this accolade shows that it is a premium platform for listing and investing of Islamic capital market products," she remarked.

https://www.dawn.com

**Islamic banking promotes financial inclusion, says Finance Minister Tarin**

Federal Minister for Finance and Revenue Shaukat Tarin highlighted that Islamic finance promotes financial inclusion by bringing that particular segment in financial ambit, which has consciously excluded themselves due to their faith-related sensitivities. He stated this while delivering a keynote address via video link during the Round Table Conference (RTC) organized by the Daily Pakistan Observer on the topic "Islamic Banking – The Way Forward" in Karachi. Apart from its faith-based appeal, the increasing interest in Islamic finance industry stems from its strong economic and social considerations. Its skewness towards asset backed and equity based transactions help promote entrepreneur friendliness and consideration of project viability, he added. Tarin also underlined the efforts by the government and the State Bank of Pakistan for facilitating the Islamic Banking Industry through provision of tax neutrality vis-a-vis conventional banking system.

https://pakobserver.net/

**GCWUF launches degree programme in Islamic banking, finance**

Providing quality education to female students is our primary goal to bring about positive change in society, said Vice Chancellor Government College Women's University Faisalabad (GCWUF) Prof. Dr. Rubina Faruq at the inaugural function of BS Islamic Banking and Finance, a four-year program organized by the GCWUF and State Bank of Pakistan (Banking Services Corporation) Faisalabad. She said for the sake of our next generations, it is important that they acquire professional skills so that they do not face any difficulty in the future. Vice Chancellor Prof. Dr. Rubina Farooq and Muhammad Ashraf Khan, Managing Director State Bank of Pakistan signed a Memorandum of Understanding (MoU).

https://www.brecorder.com/

## II. International Industry News

**Bahrain Islamic Bank launches financial literacy program with MasterCard**

Bahrain Islamic Bank (BISB) has launched its 'Future Leaders' youth program, featuring the market's first wearable wristband branded by MasterCard. Future Leaders is a prepaid solution for children and teenagers that enables parents to issue children's allowances digitally, enabling better financial literacy for the children and more financial control for parents. The digital allowance is stored securely on a wristband, ensuring access to a trendy and convenient wearable for kids from 7 to 18 years old. A prepaid card option is also available. The cashless payment solution allows kids to conduct transactions, manage their finances and track their spending on the go.

https://ibsintelligence.com/

**National Australia Bank taps into Islamic finance market with sharia-compliant loans**

National Australia Bank (NAB) will officially launch sharia-compliant loans of over $5 million for commercial property and construction, the first of the Big Four banks to do so. And at least two entities are seeking a license to establish Islamic banks in Australia, alongside non-bank financial institutions that already offer sharia-compliant services. Construction company Binah said the NAB's sharia-compliant finance meant it could take on projects with development partners and fund them while maintaining core values of their faith. Islamic Banking Australia - a group of Muslim Australians and industry veterans -have

applied for a license for a digital bank that is totally sharia-compliant. Melbourne-based investment advisory firm Hejaz Financial Services has also applied for a banking license after seeing huge demand for its sharia-compliant finance, mortgages and superannuation since 2013. The firm will also soon offer a sharia-compliant prepaid card.
https://www.smh.com.au/

**UK firm rolls out billion-dollar Islamic PE (Private Equity) fund to capitalize on Shariah compliant and ethical innovations**

A UK-based entity, backed by international investors, is setting up a US$1 billion fund to invest in Islamic and ethical financial innovations, underscoring the swelling interest in Islamic fintech and Shariah finance. It will invest in emerging innovators in financial services including banking, asset management, payments and technology areas such as blockchain, robotics, artificial intelligence, cybersecurity, life sciences and healthcare, among other verticals. Worth over US$3 trillion by some estimates, Islamic finance is gaining mainstream recognition, particularly as being part of the burgeoning ethical and impact finance industry, which has caught the attention of conventional fund managers.
https://www.islamicfinancenews.com/

**Blockchain trade finance platform supports Bangladeshi companies with new Shariah compliant domestic network**

Decentralized global trade service provider Contour has launched a fully digital trade finance network specifically designed to offer Bangladeshi SMEs support in trade finance, particularly with letter of credit (LC) processing times, with plans to onboard over 50 corporates supported by local and international banks within the next six months. The decentralized, digital service addresses the specific pain points of Bangladeshi businesses with LCs, which remain one of the most popular trade payment methods in the country and which have historically been plagued with unnecessary complexity, delays and high costs. The company is also looking at supporting Islamic transactions, for which it has seen increasing demand across Asia and the Middle East. Earlier this year, Contour facilitated the first-ever cross-border Islamic blockchain LC transaction on its platform with Bangladesh's City Bank, a process that only took 38 minutes.
https://www.islamicfinancenews.com/

**New Islamic neobank to enter US market in December 2021**

The US market, which currently only has Fair as its lone challenger bank catering to Muslims in the country, can expect to welcome a new player by December 2021 as Islamic neobank Fardows finalizes its launch. The bank, which will be offering deposit taking, payments and robo-advisory services, had opened its waitlist late last month, which has seen thousands of sign-ups so far. Fardows told IFN that it also plans to eventually offer Halal financing and business banking, which is something new for Islamic digital banks. California-based Fardows has already started establishing partnerships with other financial institutions to offer its customers Islamic financial products, including debit cards and other payment systems.
https://www.islamicfinancenews.com/

## III. Articles and Views

**The state of Islamic banking**

Among the few positive takeaways from the global coronavirus pandemic has been the broad resilience shown by the global financial system, which has done much to assure the world that lessons from the 2008 global financial crisis (GFC) have been learnt. And among the various banking sectors that have stood tall, Islamic finance has arguably shone the brightest. According to a report published in late June by Middle East financial advisory specialists Alpen Capital and Alpen Asset Advisors, the Islamic-finance industry has remained resilient amidst the pandemic. "Islamic finance and [the] wealth management industry faced the dual shocks of adjusting to the pandemic and historically low oil prices in 2020," noted Sameena Ahmad, Alpen Capital's managing director. "While the industry slowed down during the year after experiencing record growth in 2019, it showed resilience and total Islamic finance assets in 2020 are estimated to match the previous year's figures." According to S&P Global Ratings, the $2.2-trillion global Islamic-finance industry could grow by 10 to 12 percent over 2021-22, thanks mainly to an expected increase in Islamic bond issuance and a modest economic recovery in the main Islamic-finance markets.
https://internationalbanker.com/

**Value-based Intermediation Takaful Framework: A new game changer**

To safeguard the people's wellbeing, the World Bank proposed some pertinent reforms to address the rising risks, including deepening the social protection system and improving the coordination of targeted approaches and delivery of social protection programs. These proposed reforms are consonant with the Value-based Intermediation for Takaful (VBIT) Framework. The VBIT Framework marked another milestone for the Takaful industry in particular, and Malaysia's Islamic finance industry in general. The VBIT Framework could potentially assist the industry in addressing its long standing issues such as low Takaful penetration rate, lack of Takaful awareness, shortage of talent and dearth of suitable products for certain segments of customers. The VBIT Framework is therefore a game changer as it provides an avenue for the proliferation of sustainable microTakaful products, reducing the risks and vulnerability of the underserved and unserved segments, particularly microenterprises and the low-income B40 group. The deployment of new digital technology like big data and artificial intelligence can further enhance Takaful delivery channels to these communities.
https://www.islamicfinancenews.com/

**2021: The pool of capital for Shariah compliant tech companies is increasing**

This year was significant for the number of new funders for Islamic tech — Employees Provident Fund (Malaysia), Ethos Invest (UK), Watheeq Financial Services (Saudi Arabia) and Yas. Still, there is a new trend that may prove significant for the Islamic VC markets — the emergence of the 'solo VCs' — VC funds featuring a single large physical investor. These funds are easier to operate — no general partners relations officers, no general partners meetings, etc. And needless to say, the investment policies of such VC funds are largely shaped by their single general partner's investment preferences and attitudes. It is an open secret in Silicon Valley that this group of investors is willing to offer founders better terms and higher prices than the traditional VCs in exchange for a chance to back fast-growing start-ups. Another advantage of solo VCs: they make deals quicker than regular VC firms. Liquidity Fund (US-UAE) — to name

a few key players. At least two more players in the GCC are about to make similar announcements in October. The current leading solo VCs include Harry Stebbings, Oren Zeev, Lachy Groom and others.
https://www.islamicfinancenews.com/

## Annexure I: Islamic Banking Branch Network

| Islamic Banking Branch Network (As of September 30, 2021) | | | |
|---|---|---|---|
| Type | Name of Bank | No. of Branches | Windows |
| Islamic Banks | AlBaraka Bank (Pakistan) Limited | 174 | - |
| | BankIslami Pakistan Limited | 229 | - |
| | Dubai Islamic Bank Pakistan Limited | 210 | - |
| | Meezan Bank Limited | 849 | - |
| | MCB Islamic Bank Limited | 173 | - |
| | **Sub-Total** | **1,635** | |
| Conventional Banks having Standalone Islamic Banking Branches | Allied Bank Limited | 117 | 110 |
| | Askari Bank Limited | 92 | - |
| | Bank Al Habib Limited | 133 | 144 |
| | Bank Alfalah Limited | 198 | - |
| | Faysal Bank Limited | 520 | 10 |
| | Habib Bank Limited | 163 | 754 |
| | Habib Metropolitan Bank Limited | 43 | 218 |
| | National Bank of Pakistan | 188 | - |
| | Silk Bank Limited | 27 | - |
| | Sindh Bank Limited | 14 | 13 |
| | Soneri Bank Limited | 30 | - |
| | Standard Chartered Bank (Pakistan) Limited | 2 | 41 |
| | Summit Bank Limited | 14 | 35 |
| | The Bank of Khyber | 98 | 39 |
| | The Bank of Punjab | 102 | 14 |
| | United Bank Limited | 114 | 201 |
| | Zarai Taraqiati Bank Limited | 5 | - |
| | **Sub-Total** | **1,860** | **1,579** |
| | **Total Full-Fledged Branches** | **3,495** | **-** |
| Sub Branches | AlBaraka Bank (Pakistan) Limited | 6 | - |
| | Askari Bank Limited | 3 | - |
| | BankIslami Pakistan Limited | 113 | - |
| | The Bank of Khyber | 3 | |
| | Dubai Islamic Bank Pakistan Limited | 25 | |
| | The Bank of Punjab | 2 | - |
| | Faysal Bank Limited | 1 | |
| | Habib Bank Limited | 1 | - |
| | United Bank Limited | 2 | - |
| | **Total Sub-Branches** | **156** | **-** |
| | **Grand Total Branches/Sub-Branches** | **3,651** | **1,579** |

*Source: Information/Data obtained from different banks*

## Annexure II: Province/Region wise Break-up of Islamic Banking Branch Network

**Province/Region wise Break-up of Islamic Banking Branch Network**
(As of September 30, 2021)

| Type | Name of Bank | Azad Kashmir | Baluchistan | Federal Capital | Gilgit-Baltistan | Khyber Pakhtunkhwa | Punjab | Sindh | Grand Total |
|---|---|---|---|---|---|---|---|---|---|
| Islamic Banks | AlBaraka Bank (Pakistan) Limited | 2 | 5 | 6 | 3 | 15 | 97 | 46 | 174 |
| | BankIslami Pakistan Limited | 4 | 14 | 9 | 4 | 22 | 100 | 76 | 229 |
| | Dubai Islamic Bank Pakistan Limited | 7 | 5 | 15 | 3 | 10 | 86 | 84 | 210 |
| | Meezan Bank Limited | 7 | 28 | 39 | 3 | 61 | 454 | 257 | 849 |
| | MCB Islamic Bank Limited | 2 | 12 | 9 | 1 | 15 | 83 | 51 | 173 |
| | **Sub-Total** | **22** | **64** | **78** | **14** | **123** | **820** | **514** | **1,635** |
| Conventional Banks having Standalone Islamic Banking Branches | Allied Bank Limited | 2 | 4 | 6 | 1 | 12 | 69 | 23 | 117 |
| | Askari Bank Limited | - | 3 | 9 | 1 | 13 | 46 | 20 | 92 |
| | Bank Al Habib Limited | 1 | 5 | 8 | 1 | 24 | 42 | 52 | 133 |
| | Bank Alfalah Limited | 1 | 6 | 14 | - | 21 | 113 | 43 | 198 |
| | Faysal Bank Limited | 7 | 22 | 23 | 7 | 46 | 286 | 129 | 520 |
| | Habib Bank Limited | 7 | 4 | 9 | 1 | 19 | 99 | 24 | 163 |
| | Habib Metropolitan Bank | 1 | - | 1 | - | 9 | 13 | 19 | 43 |
| | National Bank of Pakistan | 9 | 4 | 6 | 1 | 40 | 94 | 34 | 188 |
| | Silk Bank Limited | - | 1 | 3 | - | 4 | 11 | 8 | 27 |
| | Sindh Bank Limited | 1 | 1 | | - | 2 | 7 | 3 | 14 |
| | Soneri Bank Limited | - | 1 | 2 | 1 | 8 | 13 | 5 | 30 |
| | Standard Chartered Bank (Pakistan) Limited | - | - | - | - | - | 1 | 1 | 2 |
| | Summit Bank Limited | - | 1 | 2 | 2 | 1 | 2 | 6 | 14 |
| | The Bank of Khyber | - | 4 | 3 | - | 78 | 10 | 3 | 98 |
| | The Bank of Punjab | 1 | 6 | 6 | - | 14 | 75 | - | 102 |
| | United Bank Limited | 1 | 5 | 7 | - | 20 | 45 | 36 | 114 |
| | Zarai Taraqiati Bank Limited | | - | 1 | - | 1 | 2 | 1 | 5 |
| | **Sub-Total** | **31** | **67** | **100** | **15** | **312** | **928** | **407** | **1,860** |
| | **Total Full-Fledged Branches** | **53** | **131** | **178** | **29** | **435** | **1,748** | **921** | **3,495** |
| Sub Branches | AlBaraka Bank (Pakistan) Limited | - | - | - | - | - | | 6 | 6 |
| | Askari Bank Limited | - | 1 | - | - | 1 | 1 | - | 3 |
| | BankIslami Pakistan Limited | 1 | 6 | 9 | - | 5 | 41 | 51 | 113 |
| | Dubai Islamic Bank Pakistan Limited | - | - | - | - | - | 9 | 16 | 25 |
| | Faysal Bank Limited | | - | - | - | - | 1 | - | 1 |
| | Habib Bank Limited | - | - | - | - | - | - | 1 | 2 |
| | The Bank of Khyber | - | - | - | - | 3 | - | - | 3 |
| | The Bank of Punjab | - | - | - | - | - | 2 | - | 2 |
| | United Bank Limited | - | - | 1 | - | 1 | - | - | 2 |
| | **Total Sub-Branches** | **1** | **7** | **10** | **0** | **10** | **54** | **74** | **156** |
| | **Grand Total** | **54** | **138** | **188** | **29** | **445** | **1,802** | **995** | **3,651** |

## Annexure III. District wise Break-up of Islamic Banking Branch Network

**District wise Break-up of Islamic Banking Branch Network**
(As of September 30, 2021)

| S. No. | Province | District | No. of Branches* | S. No. | Province | District | No. of Branches* |
|---|---|---|---|---|---|---|---|
| 1 | Sindh | Badin | 3 | 67 | Khyber Pakhtunkhwa | Abbottabad | 29 |
| 2 | | Dadu | 8 | 68 | | Bannu | 13 |
| 3 | | Ghotki | 5 | 69 | | Batagram | 3 |
| 4 | | Hyderabad | 66 | 70 | | Buner | 7 |
| 5 | | Jacobabad | 5 | 71 | | Charsadda | 11 |
| 6 | | Jamshoro | 3 | 72 | | Chitral | 7 |
| 7 | | Karachi City | 797 | 73 | | Dera Ismail Khan | 18 |
| 8 | | Kashmore | 2 | 74 | | Hangu | 9 |
| 9 | | Khairpur | 4 | 75 | | Haripur | 16 |
| 10 | | Larkana | 9 | 76 | | Karak | 3 |
| 11 | | Matiari | 4 | 77 | | Kohat | 13 |
| 12 | | Mirpurkhas | 13 | 78 | | Lakki Marwat | 1 |
| 13 | | Naushahro Feroze | 5 | 79 | | Lower Dir | 21 |
| 14 | | Shaheed Benazir Abad | 19 | 80 | | Malakand | 18 |
| 15 | | Sanghar | 15 | 81 | | Mansehra | 20 |
| 16 | | Shikarpur | 1 | 82 | | Mardan | 23 |
| 17 | | Sukkur | 20 | 83 | | Nowshera | 25 |
| 18 | | Shahdadkot | 2 | 84 | | Peshawar | 113 |
| 19 | | Tando Allahyar | 4 | 85 | | Shangla | 5 |
| 20 | | Tando Mohammad Khan | 3 | 86 | | Swabi | 11 |
| 21 | | Thatta | 3 | 87 | | Swat | 40 |
| 22 | | Umer Kot | 4 | 88 | | Tank | 2 |
| **Sindh Total** | | | **995** | 89 | | Torghar | 1 |
| 23 | Punjab | Attock | 25 | 90 | | Upper Dir | 11 |
| 24 | | Bahawalnagar | 25 | 91 | | Kohistan | 2 |
| 25 | | Bahawalpur | 34 | 92 | | Bajaur Agency | 5 |
| 26 | | Bhakkar | 6 | 93 | | Khyber Agency | 11 |
| 27 | | Chakwal | 20 | 94 | | Mohmand Agnecy | 1 |
| 28 | | Chiniot | 7 | 95 | | Orakzai Agency | 2 |
| 29 | | Dera Ghazi Khan | 23 | 96 | | Kurram Agency | 3 |
| 30 | | Faisalabad | 141 | 97 | | North Waziristan Agency | 1 |
| 31 | | Gujranwala | 89 | **KPK Total** | | | **445** |
| 32 | | Gujrat | 68 | 98 | ICT | Islamabad | 188 |
| 33 | | Hafizabad | 9 | **Islamabad Total** | | | **188** |
| 34 | | Jhang | 17 | 99 | Gilgit-Baltistan | Astore | 1 |
| 35 | | Jhelum | 21 | 100 | | Baltistan | 1 |
| 36 | | Kasur | 23 | 101 | | Ghizer | 1 |
| 37 | | Khanewal | 34 | 102 | | Hunza | 1 |
| 38 | | Khushab | 8 | 103 | | Skardu | 4 |
| 39 | | Lahore City | 554 | 104 | | Diamir | 7 |
| 40 | | Layyah | 8 | 105 | | Gilgit | 14 |
| 41 | | Lodhran | 5 | **Gilgit-Baltistan Total** | | | **29** |
| 42 | | Mandi Bahauddin | 17 | 106 | Balochistan | Chaghi | 2 |
| 43 | | Mianwali | 10 | 107 | | Gawadar | 8 |
| 44 | | Multan | 106 | 108 | | Harnai | 1 |
| 45 | | Muzaffargarh | 17 | 109 | | Jaffarabad | 1 |
| 46 | | Nankana Sahib | 9 | 110 | | Kech | 2 |
| 47 | | Narowal | 11 | 111 | | Khuzdar | 3 |
| 48 | | Okara | 32 | 112 | | Lasbela | 5 |
| 49 | | Pakpattan | 17 | 113 | | Loralai | 6 |
| 50 | | Rahim Yar Khan | 51 | 114 | | Noshki | 1 |
| 51 | | Rajanpur | 7 | 115 | | Nasirabad | 1 |
| 52 | | Rawalpindi | 180 | 116 | | Panjgur | 3 |
| 53 | | Sahiwal | 38 | 117 | | Pishin | 7 |
| 54 | | Sargodha | 43 | 118 | | Qilla Abdullah | 7 |
| 55 | | Sheikhupura | 30 | 119 | | Qilla Saifullah | 7 |
| 56 | | Sialkot | 62 | 120 | | Quetta | 71 |
| 57 | | Toba Tek Singh | 27 | 121 | | Sibi | 2 |
| 58 | | Vehari | 28 | 122 | | Turbat | 2 |
| **Punjab Total** | | | **1,802** | 123 | | Zhob | 6 |
| 59 | Azad Kashmir | Bagh | 3 | 124 | | Ziarat | 3 |
| 60 | | Bhimber | 2 | **Baluchistan Total** | | | **138** |
| 61 | | Dadyal | 4 | | | | |
| 62 | | Hattian Bala | 1 | | | | |
| 63 | | Kotli | 6 | | | | |
| 64 | | Mirpur | 20 | | | | |
| 65 | | Muzaffarabad | 13 | | | | |
| 66 | | Poonch | 5 | | | | |
| **Azad Kashmir Total** | | | **54** | **Grand Total** | | | **3,651** |

*including sub-branches