STATISTICS ON SCHEDULED BANKS IN PAKISTAN

December 2017

STATE BANK OF PAKISTAN

STATISTICS & DATA WAREHOUSE DEPARTMENT

www.sbp.org.pk

Our Mission

To promote monetary and financial stability and foster a sound and dynamic financial system, so as to achieve sustained and equitable economic growth and prosperity in Pakistan.

Our Vision

To be an independent and credible central bank that achieves monetary and financial stability and inclusive financial sector development for the long-term benefit of the people of Pakistan.

Preface

Statistics & DWH Department of the State Bank of Pakistan makes all out efforts to publish quality statistics with minimum possible time lag. The publication "Statistics on Scheduled Banks in Pakistan" is a reflection of the one such efforts in this regard. The publication has significant importance and provides information on multi aspects of the financial sector which is widely used by users working in various disciplines.

The Statistics on Scheduled Banks in Pakistan is based on the half-yearly branch-wise data reported by the scheduled banks operating in Pakistan. The data is collected on various dimensions of bank's assets and liabilities i.e. deposits, advances, investments and bills purchased & discounted etc. This publication is divided into different parts, each part possesses its own significance. The data tables are supported by easy-to-understand graphs and charts which help to provide the insight of the complicated numbers in a glance. The quality and reliability of data has been improved significantly over the years. I appreciate the efforts of the team in compiling this valuable publication. Comments and suggestion for further improvements in the publication are welcome.

Dr. Azizullah Khattak
Director
Statistics & DWH Department

Acknowledgement

The team is greatly thankful to Dr. Azizullah Khattak, Director and Mr. Naseer Ahmed, Additional Director of Statistics & DWH Department for their invaluable feedback and continuous guidance in preparation of this publication. We are grateful to members of Monetary & Financial Statistics Unit of Statistics & DWH Department, Infrastructure Housing & SME Finance Department of the State Bank of Pakistan and all commercial banks for their valuable contribution in providing data for the publication.

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I. Introduction

Background

Banking sector plays a pivotal role in the economic development of a country. State Bank being a central bank and regulator of the banking system has to compile and disseminate statistics on the scheduled banks operating in Pakistan.

Statistics & DWH Department of State Bank of Pakistan compiles and disseminates data through different publications. Keeping up the pace with the increased use of IT, the data is also placed on the State Bank's website (www.sbp.org.pk) for the easy access by the users. The publication is based on the revised reporting system effective from June 1982. It was based on quarterly reporting of the banks that was subsequently changed to biannual from December 1992.

Standards and Classifications

Effective from December 2001, the category of deposit holders and advances classified by borrower for domestic constituents has been reclassified as Government, Non-Financial Public Sector Enterprises (NFPSE's), Non-Bank Financial Companies (NBFC's), Private Sector (Business), Trust Funds & Non-Profit Institutions (NPI's), Personal, and Others.

Major changes are carried out in the classification of banking sector attributes. The classification of economic groups under private sector has been enhanced in the light of International Standard Industrial Classification (ISIC)-Rev.3.1 of the United Nation's Statistics Division.

Composition of Banking Groups

The publication is based on data of all scheduled banks operating in Pakistan which are classified into three main groups namely public sector banks, domestic private banks and foreign banks. Public sector banks are further divided into public sector commercial banks and specialized banks.

Scheduled Banks

In terms of Section 13 of Companies Ordinance 1962, the scheduled banks maintain minimum required capital and reserve balance which is determined by SBP from time to time. Currently as per BSD circular No. 7 of 2009 an aggregate value not less than Rs. 10 billion by December 31, 2013&

onwards and conducting their affairs in a manner not detrimental to the interest of their depositors have been declared as scheduled banks.

As per State Bank of Pakistan Act, 1956 (clause (a) of Sub-Section (2) of Section 37) "scheduled bank" is defined as:

37-2. The Bank shall, by notification, in the official Gazette—

(a) Declare any bank to be scheduled bank which is carrying on the business of banking in Pakistan and which—

(i) is a banking company as defined in section 227F of the Companies Act, 1913, or a co-operative bank, or a corporation or a company incorporated by or established under any law in force in any place in or outside Pakistan;

(ii) has a paid-up capital and reserves of an aggregate value of not less than five lakhs of rupees: Provided that in the case of a co-operative bank, an exception may be made by the Bank;

(iii) satisfies the Bank that its affairs are not being conducted in a manner detrimental to the interest of its depositors;

(b) direct the de scheduling of any scheduled bank which ceases to fulfill the requirements mentioned in clause (a) or goes into liquidation or otherwise wholly or partly ceases to carry on banking business; Provided that the Bank may, on application of the scheduled bank concerned and subject to such conditions, if any, as it may impose, defer the making of a direction under clause (b) for such period as the Bank considers reasonable to give the scheduled bank an opportunity of fulfilling the requirements mentioned in sub-clauses (ii) and (iii) of clause (a); (c) alter the description in the list of scheduled banks whenever any scheduled bank changes its name.

Explanation:- In sub-Section (2) the expression "value" means the real or exchangeable and not the nominal value of the capital and reserves and the valuation made by the Bank shall be final.

Public Sector Banks

The banks incorporated in Pakistan and their shares& capital controlled by the Government units is referred to Public sector banks (Appendix II).

Public Sector Commercial Banks

These are the scheduled banks mainly involved in the activities of deposits mobilization and extending credit through a branch network. These banks deal in short term collateralized lending such as trade financing, overdraft and provide a range of financial services to the clients. With the liberalization of banking rules and laws, commercial banks are now allowed to undertake other related activities such as underwriting, portfolio investment, securities market operations, specialized financing and related services.

Specialized Banks

Specialized banks are established to provide credit facilities, assistance and advice to clients in a designated sector or in a designated line of credit; for example agriculture sector, industrial sector, housing sector, SME sector. These institutions perform lending function, but may not engage in routine commercial banking activities. These are established, organized, and chartered under special legislative acts instead of being chartered as a bank under the banking law.

Domestic Private Banks

The banks incorporated in Pakistan and controlled by the private sector are termed as domestic private banks.

Foreign Banks

Bank branches with head offices outside Pakistan are called foreign banks.

Islamic Banking

For the promotion of Islamic Banking in Pakistan, SBP issued policies/guidelines as per BPD circular No.1 of January 2003. Wherein a three-pronged strategy was adopted as under:

a) Establishment of full-fledged Islamic Bank(s) in the private sector.
b) Setting up subsidiaries for Islamic banking by existing commercial banks.
c) Allowing Stand-alone branches for Islamic banking in the existing commercial banks.

All Islamic banks, subsidiaries and stand-alone branches offer Sharia compliant products and services only.

“Sharia compliant products and services” means banking products and services offered by banks to their clients which are duly approved by their Sharia advisers/ Sharia Supervisory Committee.

Scope

This publication contains statistical tables prepared from the data supplied on half-yearly basis by the operating branches of the scheduled banks in Pakistan.

The publication starts with introduction followed by explanatory notes and review which includes summary tables on major statistics related to scheduled banks. The main variables are discussed in details aided by suitable graphs.

Some of the other major features include:

1. Key Statistics of Scheduled Banks at a Glance.
2. Distribution of Deposits, Advances, Bills Purchased & Discounted and Investments of Scheduled Banks by Groups.
3. Distribution of Type of Deposits of Scheduled Banks by Groups.
4. Maturity Breakup of Term Deposits of Scheduled Banks by Groups.
5. Advances Classified by Securities & Borrowers.
6. Advances by Modes of Financing.
7. Province/Region Wise Deposits and Advances.

II. Explanatory Notes

The scheduled banks statistics are based on branch-wise actual data (as on end position) reported on half-yearly basis by the scheduled banks in Pakistan. The data is collected on various dimensions of major sources (deposits) and resources (advances, investments and bills purchased & discounted) along with liabilities and assets statement. The data dimensions and terminology that need some explanation is discussed for information of the users.

Liabilities and Assets

The items of Capital and Reserves on the liability side pertain to the principal or head office of the bank.

Capital comprises paid-up capital of Pakistani Banks. In case of Foreign Banks, it is the equivalent Pakistani rupee amount kept with the State Bank of Pakistan as reserve capital required to be maintained under the rules.

Reserves include all types of reserves maintained by the scheduled banks.

Balances with other Scheduled Banks: This includes the balances of all Scheduled Banks with any other bank and excludes the balances with National Bank of Pakistan working as an agent of State Bank of Pakistan, which are included in 'Balances with State Bank of Pakistan'.

As per established accounting procedure, the reporting branches of Scheduled Banks adjust certain entries with their Principal/Head (inter-bank) offices to balance their positions. The gross amounts of credits and debits of these adjustments tend to be large compared with other heads of accounts. These adjustments of 'Head office / inter-banks are netted out to consolidate bank-wise position that have been added to arrive at overall position. It is significant to mention that the data on liabilities and assets in this publication may differ slightly from the data in Weekly Press Communiqué of Off-site Supervision & Enforcement Department of SBP due to difference in timing and coverage of the two sets of data.

Deposits

Outstanding Deposits: This shows the position of deposits held by banks at the end of the period (30th June or 31st December). Deposits are the amount held in various types of deposit accounts by bank, such as demand deposits, time and saving deposits. Deposits include all types of deposits excluding interbank deposits, placements and margin deposits (deposits held by banks as collateral against letters of credits, letters of guarantees).

The data on Deposits is collected and compiled on various dimensions explained as under:

Types of Accounts: Deposits accounts are classified under five main type's namely current, call, saving, fixed and other deposits.

Category of Deposit Holders: This describes the main business or profession of the deposit account holders. They are broadly classified as non-resident and domestic constituents, which is cascaded down to Government, Non- financial public sector enterprises (NFPSEs), Non-bank financial Companies (NBFCs), Private sector(Business), Trust Fund and Non-Profit Institutions, Personal and Others. The Private sector has been further distributed in sub-heads such as Agriculture, Fishing, Mining &Quarrying, Manufacturing, Ship breaking, Electricity and Construction according to the ISIC classification of United Nations.

Rate of Interest: It is the rate offered by Scheduled Banks on various types of deposits such as foreign currency accounts scheme, over five years maturity and unclaimed, overdue or matured fixed deposits maintained under conventional banking.

Rate of Return on PLS Deposits: It is the rate of profit given by the Scheduled Banks on various types of deposits such as call, saving and fixed deposits maintained under the scheme "Elimination of Riba from the Banking System". The rates are announced after the completion of the period of investment usually a half year based on June and December end in July and January.

Size of Deposits Accounts: The deposits accounts are classified under various classes on the basis of the balances in the respective accounts. As the number of accounts is considerably large, for reporting ease, the banks have option to club the accounts and amounts in cases where, the "Nature", "Type of Accounts", "Category of Deposit Holders" and "Rate of Interest/Return" is the same. For such grouped accounts it is the average size of the group instead of actual size of the component that determines the class to which it belongs. It is believed that the estimates would not differ significantly from the actual position.

Debits to Deposit and Turnover: The deposits are reported on net basis at the end of half-year. The debits on these accounts help in analyzing the turnover in the respective accounts during the period. The co-efficient of turnover are calculated by dividing the debits with the averages amounts on deposits as reported by the banks.

Advances

Outstanding Advances: The total amount of advances/loans recoverable at the end of the period (30th June or 31st December), are termed as outstanding. Advances includes all type of advances except interbank placements and is the amount of money borrowed from banks for a period of time at a rate of interest and at terms of repayments as agreed between the borrower and the banks backed by a collateral.

The main attributes of advances are as under:

Type of Securities: In banking business, the security, or collateral, consists of assets, property, deposits or valuables held as guarantee against a credit or a loan. Type of security helps in the analysis of the quality of advances of the banking system. A list of classification of securities has been prepared as per international classification that can be seen under the tables of advances classified by securities in the statistical tables.

Category of Borrowers: Borrowers are first classified on the basis of non-resident and domestic constituents. The latter is then further classified into government, non- financial public sector enterprises, non- bank financial companies, private sector (business), trust funds & non-profit institutions, personal and others.

Non-Resident: This covers the transactions with the non-residents working in our economy. This includes Officials (Embassies consulates, foreign missions), Business (Corporations working in Pakistan for short periods as construction companies) and Personals (Students, travelers).

Government: This includes Federal Government, Provincial & Local Governments advances. Further, disbursements to Government (Federal, Provincial & Local) are made by bank branches located in various regions/provinces, while in case of deposits, the bank branches located in the various regions/provinces have mobilized the deposits from the Government (Federal, Provincial & Local). Similarly, disbursements to eight main borrowers (Non-resident, Govt., NFPSEs, NBFCs, Private Sector, Trust Fund, Personal and Others) are made by bank branches located in various regions/provinces, while in case of deposits, the bank branches located in the various regions/provinces have mobilized the deposits from these eight categories.

NFPSE's (Non-Financial Public Sector Enterprises): These are the non-financial resident corporations which are controlled by government, through ownership of more than half the voting shares, legislation, decree, or regulations that establish specific corporate policy or allow the government to appoint the directors.

NBFC's (Nonbank Financial Companies)& Financial Auxiliaries: Non-banking financial companies, or NBFCs, are financial institutions that provide banking services, but do not hold a banking license while Financial Auxiliaries are all resident corporations and quasi corporations primarily engaged in activities closely related to financial intermediation but which do not themselves perform an intermediation role. NBFCs & Financial Auxiliaries are categorized into groups of development finance institutions, leasing companies, investment banks, modaraba companies, housing finance companies, mutual funds, venture capital companies, discount houses, stock exchange, exchange companies and insurance companies etc.

Private Sector: This is that part of the economy which is run for private business profit and is not controlled by the state. This includes the majors sectors like Agriculture, Manufacturing etc.

Trust Fund: This includes the Private Trusts and Non-profit Institutions, Non-government Organizations (NGOs)/Community Based and Organizations (CBOs).

Personal: This includes Bank Employees and Consumer Financing which are classified under advances, while in case of deposits, Salaried Persons, Self-employed and Other Persons (House-wives, students etc.) are included.

Others: This includes all those which are not classified elsewhere.

Rate of Interest/Return: This is the cost of using borrowed money expressed as a rate, or a percentage of the principal amount for a period of time usually a year. In case of Islamic modes of financing it is referred as rate of mark-up.

Size of Accounts for Advances: The classification and system for size of accounts for advances is identical to the size of accounts for deposit as explained above.

Rate of Margin: Margin for collateral is the excess of the market/assessed value of the collateral over the amount of loan. Banks typically prefer to provide loan amount less than the assessed value of collateral, because in the event of default, there are costs in loan recovery and substantial losses with performing collateral; hence a margin of collateral is maintained.

Bills Purchased & Discounted

Classification of Bills Purchased and Discounted provides the economic group wise claims of scheduled banks. Type of bills includes Export Bills, Import Bills, Inland Bills, Foreign Bills and Others. The nature of bills purchased and discounted may be interest based or Financing under Islamic modes which includes Purchase of Trade Bills on Exchange Rate

Differential or Purchase of Trade Bills on Commission.

Investments

The banks report their investment in domestic and foreign securities/shares with details of holdings of each type of securities/shares and classify them as free or encumbered according to disposability. The holdings are classified by issuing institutions of securities/shares such as Federal and Provincial Governments' securities, foreign securities and other securities/shares (including shares, debentures, NIT units, participation term certificates, Sukuk, term finance certificate, certificate of investment, mutual fund and modaraba certificates, shares of other public and private sector enterprises). The purchase price (book value), original value (face value) and market value (market price) in case of tradable securities/shares are also reported.

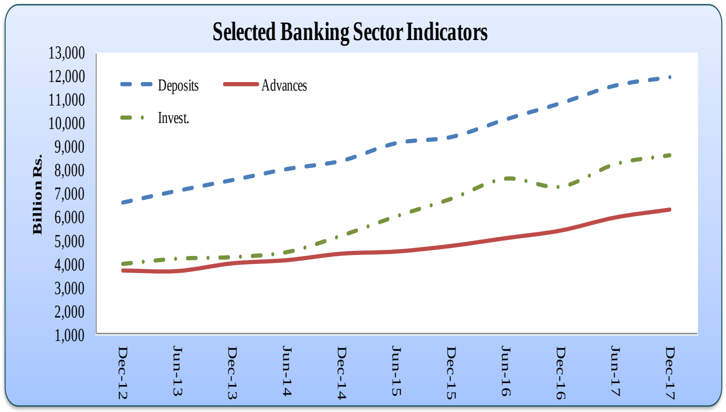
Regional Data

The regional/province wise data on Advances & Deposits by Borrowers/Categories is disseminated due to the increasing demand from the users. Regional distribution of data on "Outstanding Advances" is based on disbursements by the bank branches located in the respective regions and place of actual utilization for these advances may be different from the place of disbursements. The regional position therefore may not reflect the true picture since offices of large companies/firms operating in different regions might have used banking facilities located in different regions. Therefore, there comes a huge responsibility on the part of users to keep these limitations of data in mind while drawing any conclusion on the basis of these data.

III. Review

Overview

Banking sector of Pakistan is playing a key role in the growth of Pakistan economy. The progress of banking industry is due to the vigilant supervision of State Bank of Pakistan. Advances, deposits, investment in securities & shares, weighted average rates on advances and deposits are some of the important indicators of banking industry of Pakistan.



At the end of December 2017, deposits increased by 3.06% and 10.20% respectively as compared with the deposits at the end of June 2017 and December 2016, while Advances & Bills increased by 5.78% and 17.07% respectively as compared with the Advances & Bills of end June 2017 and end December 2016. Weighted average lending rate increased by 27 basis points and stood at 7.76 percent (p.a.) at the end of December 2017 from the previous period. Weighted average deposits rates increased by 09 basis points and stood at 3.93 percent (p.a.) at end December 2017 from the previous period. Summary position of selected banking indicators is given in the following table:

Table 1: Selected Banking Sector Indicators

(Billion Rs.)

Indicator	Dec-17	Jun-17	Dec-16	HY Growth	YOY Growth
Deposit	11,946.9	11,592.1	10,841.3	3.06%	10.20%
Advances and Bills	6,532.1	6,174.9	5,579.8	5.78%	17.07%
Investments in Securities and Shares	8,605.0	8,227.8	7,268.8	4.59%	18.38%
Advances to Private Sector (Business)	4,100.9	3,861.3	3,597.5	6.21%	13.99%
Advances to Personals	549.4	504.4	451.6	8.91%	21.64%
*WA Deposits Rate	3.93%	3.84%	3.92%	2.15%	0.19%
**WA Deposits Rate – Interest Bearing*	0.72%	0.87%	0.72%	-17.87%	-0.94%
**WA Deposits Rate – PLS *	4.21%	4.07%	4.16%	3.48%	1.09%
**WA Lending Rate	7.76%	7.49%	7.59%	3.60%	2.24%

* Excluding Current & Other Deposits

** WA stands for weighted average rates paid/earn per annum

The following sections highlight movements in branch network, liabilities/assets, deposits, advances, bills and investments, trends and banking activities concentration in various economic groups/sectors of the economy:

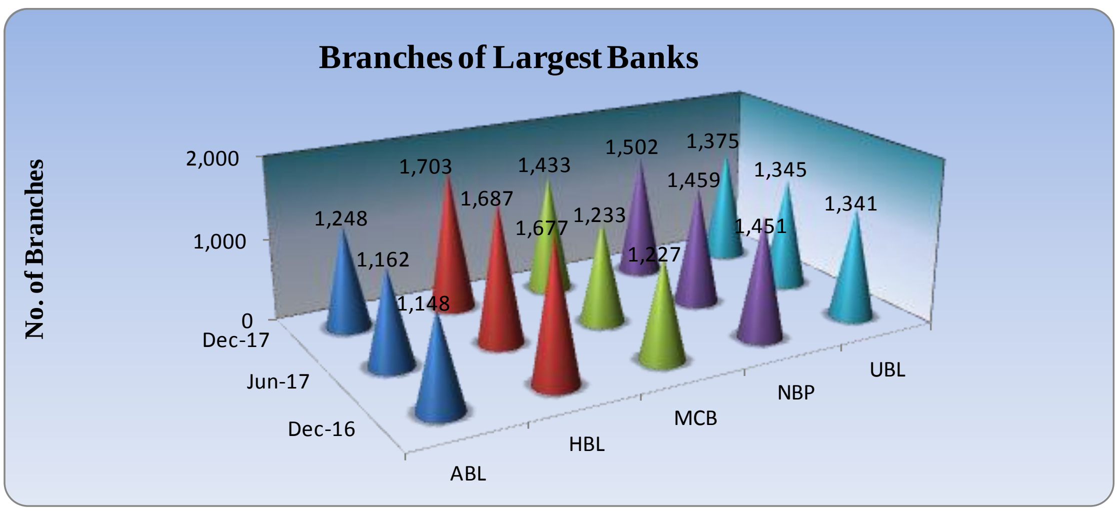
Banking Network

The numbers of scheduled banks operating in Pakistan were 33 at the end of December 2017. The branch network position of Scheduled Banks operating in Pakistan is as under:

Table 2: Comparative Position of Number of Banks and Branches in the Country

(Numbers)

Group or Type of Bank	Dec-17		Jun-17		Dec-16	
	Banks	Branches	Banks	Branches	Banks	Branches
1. Pakistani Banks	**29**	**13,618**	**30**	**13,029**	**30**	**12,983**
i. Public Sector	9	3,188	9	2,986	9	2,975
a. Commercial	5	2,534	5	2,360	5	2,347
b. Specialized	4	654	4	626	4	628
ii. Domestic Private	20	10,430	21	10,043	21	10,008
2. Foreign Banks	**4**	**10**	**4**	**10**	**4**	**10**
Total	**33**	**13,628**	**34**	**13,039**	**34**	**12,993**



Liabilities and Assets

Total liabilities/assets of all Scheduled Banks (see **Table-3**) stood at Rs. 27,553.4 billion at end December 2017, increased by Rs. 2,934.8 billion (11.92%) and Rs. 4,931.4 billion (21.80%) over end June 2017 and end December 2016 respectively. The assets/liabilities position of Public Sector Banks has shown an increase of Rs. 96.2 billion (1.76 percent) over end June 2017. The Domestic Private Banks assets/liabilities increased by Rs. 2,601.3 billion (13.98 percent) over end June 2017. While the assets/liabilities of foreign banks increased by Rs. 237.3 billion (43.63 percent) over the previous half year position.

Table 3: Composition of Overall Liabilities / Assets of Scheduled Banks

(Billion Rs.)

Group or Type of Banks	Dec-17	Jun-17	Dec-16	HY Growth	YOY Growth
1. Pakistani Banks	**26,772.0**	**24,074.5**	**22,196.3**	**11.20%**	**20.61%**
i. Public Sector Banks	5,561.11	5,464.9	5,228.6	1.76%	6.36%
ii Domestic Private Banks	21,210.87	18,609.6	16,967.7	13.98%	25.01%
2. Foreign Banks	**781.38**	**544.0**	**425.7**	**43.63%**	**83.55%**
Overall (1+2)	**27,553.4**	**24,618.6**	**22,622.0**	**11.92%**	**21.80%**

Total may differ due to rounding off.

Deposits

Total of demand and time deposits (excluding Inter-bank) at the end of the period under review (see **Table-4**) amounting to Rs. 11,946.9 billion, registered an increases of Rs. 354.8 billion (3.06 percent) over the end of June 2017 and Rs. 1,105.63 billion (10.20 percent) over the same period of the last year. Of this, demand deposits for the period end December 2017 stood at Rs. 4,186.6 billion decreased by Rs. 22.8 billion from end June 2017. Saving deposits stood at Rs. 5,129.3 billion increased by Rs.188.8 billion when compared with end June-2017. Term deposits stood at Rs. 2,631.0 billion increased by Rs. 188.7 billion as compared with end June2017 (see **Table-4.1**).

Table 4: Scheduled Banks' Deposits by Type of Banks

(Billion Rs.)

Group or Type of Banks	Dec-17	Jun-17	Dec-16	HY Growth%	YOY Growth%
1. Pakistani Banks	**11,787.7**	**11,438.4**	**10,703.2**	**3.05**	**10.13**
i. Public Sector Banks	2267.0	2,290.5	2,188.9	**-1.02**	**3.57**
ii Domestic Private Banks	9520.7	9,148.0	8,514.3	**4.07**	**11.82**
2. Foreign Banks	**159.2**	**153.7**	**138.0**	**3.60**	**15.32**
Overall (1+2)	**11,946.9**	**11,592.1**	**10,841.3**	**3.06**	**10.20**

* Total may differ due to rounding off.

Table 4.1: Distribution of Type of Deposits of Scheduled Banks by Group

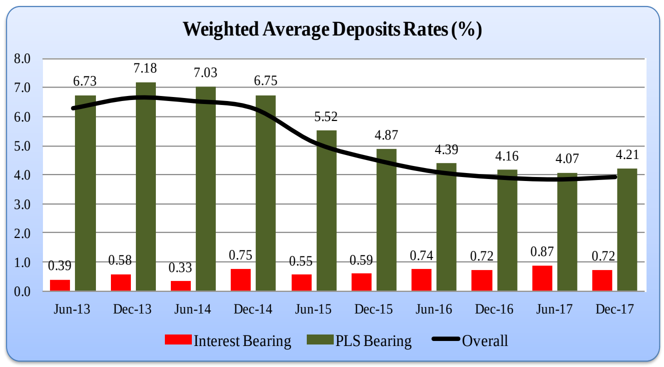
(Billion Rs)

Group	Demand		Savings		Term	
	Dec-17	Jun-17	Dec-17	Jun-17	Dec-17	Jun-17
All Banks	**4,186.6**	**4,209.4**	**5,129.3**	**4,940.5**	**2,631.0**	**2,442.2**
1. Public Sector Commercial Banks	648.7	699.0	956.4	951.5	580.6	573.3
2. Domestic Private Banks	3,476.9	3,444.9	4,088.3	3,905.3	1,955.5	1,797.8
3. Foreign Banks	47.6	48.5	63.7	65.6	47.9	39.6
4. Specialized Banks	13.4	17.0	20.9	18.1	47.0	31.6
Commercial Banks (1+2+3)	**4,173.2**	**4,192.4**	**5,108.4**	**4,922.4**	**2,584.0**	**2,410.6**

* Total may not match due to rounding

Rate of Return on Deposits

Weighted average rate of return on PLS (excluding current and other deposits) deposits stood at 4.21 percent at end December 2017 which increased by 14 and 05 basis points when compared with end June 2017 and end December 2017 respectively. Similarly weighted average rate of return on interest bearing deposits decreased by 15 and 0 basis points over the end June 2017 and end December 2016 respectively and stood at 0.72 percent per annum.



Borrowings

Scheduled banks borrowings at the end of December 2017 increased by Rs. 350.4 billion (13.48 percent) and by Rs. 1,135.2 billion (62.59 percent) when compared with end June 2017 and end December 2016 (see **Table-5**). Borrowings from SBP have been increased by Rs. 243.2 billion (13.13 percent) and Rs. 899.0 billion (75.12 percent) over end June 2017 and end December 2016 respectively.

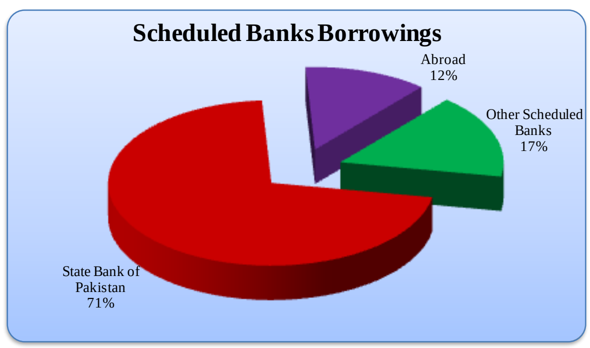


Table 5: Composition of Scheduled Banks' Borrowings

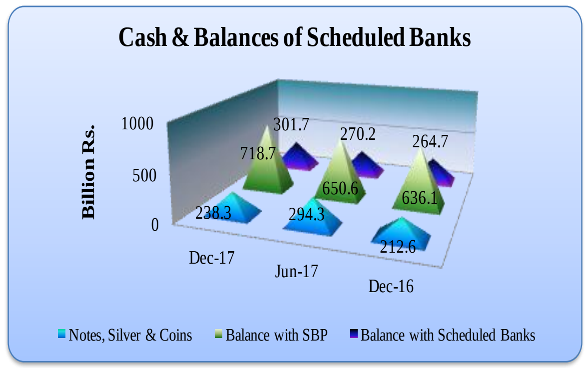
(Billion Rs.)

Source	Dec-17	Jun-17	Dec-16	HY Growth%	YOY Growth%
State Bank of Pakistan (SBP)	2,095.8	1,852.6	1,196.8	13.13	75.12
Abroad	340.1	318.2	210.1	6.89	61.90
Other Scheduled Banks	513.0	427.7	406.9	19.93	26.08
Total	**2,948.9**	**2,598.6**	**1,813.8**	**13.48**	**62.59**

* Total may differ due to rounding off.

Cash & Balances

Cash and balances of scheduled banks including balances held with the State Bank of Pakistan amounted to Rs. 1,258.7 billion at the end of the period under review as against Rs. 1,215.1 billion at end of previous half year and Rs. 1,113.4 billion at the end of the corresponding period of last year. Of these, balances held with State Bank of Pakistan increased by Rs.68.1 billion and stood at Rs.718.7 billion at end December 2017 compared with Rs. 650.6 billion at end June 2017.



Loans

Loans (***Advances*** **+** ***Bills***) of all scheduled banks stood at Rs. 6,532.1 and increased by Rs. 357.2 billion (5.78 percent) at end December, 2017 as compared to end June, 2017. Loans increased by Rs. 952.3 billion (17.07 percent) when compared with end December 2016. Bills purchased & discounted showed an increase of Rs. 16.7 billion over end June 2017.

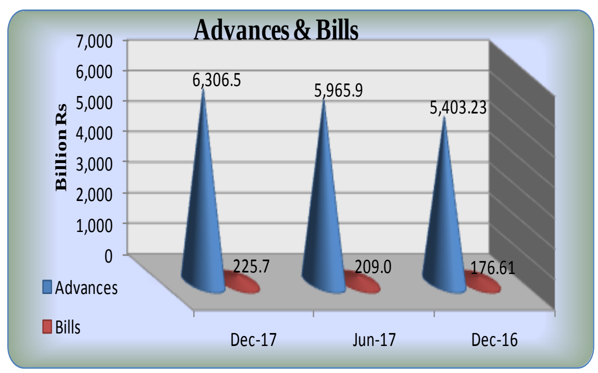


Table 6: Advances and Bills

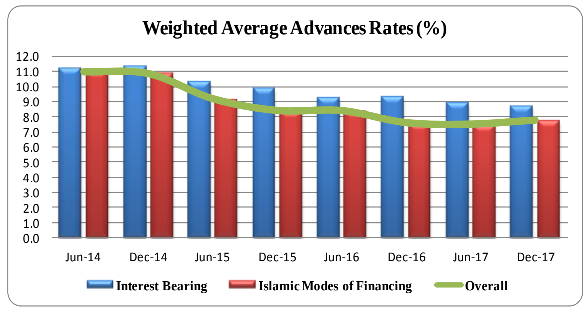
(Billion Rs.)

Source	Dec-17	Jun-17	Dec-16	HY Growth%	YOY Growth%
Advances	6,306.5	5,965.9	5,403.2	5.71	16.72
Bills	225.7	209.0	176.6	7.98	27.77
Total	**6,532.1**	**6,174.9**	**5,579.8**	**5.78**	**17.07**

* Total may differ due to rounding off.

Weighted Average Rate of Return on Advances

The weighted average rate of return on financing under Islamic modes and interest bearing modes at end December, 2017 worked out at 7.71 percent and 8.67 percent respectively.



Advances by Securities

Classification of scheduled banks' advances by securities (see Table-7) indicates that the residual group which includes Precious Metals, Securities/Shares and fixed deposits and insurance policies accounted for Rs. 272.5 billion of the total and decreased by Rs. 62.27 billion when compared with end June 2017. An amount of Rs. 1,851.9 billion (29.37 percent) of the total was advanced against "Merchandise" which increased by Rs. 119.11 billion when compared with previous half year. "Fixed Assets Including Machinery" amounted to Rs. 1,133.1 billion which decreased by Rs. 161.66 billion when compared with June 2017. Advances against "Real Estate" accounted for Rs. 793.0 billion at end December 2017 and increased by Rs. 111.54 billion when compared with end June 2017. Apart from all these, Other Secured (Guarantees, etc) and Unsecured advances accounted for Rs. 2,255.9 billion (35.77 percent).

Table 7: Scheduled Banks' Advances by Major Securities and their % Share

(Billion Rs.)

Type of Security	Dec-17	% Share
Gold, Bullion, Gold and Silver Ornaments, Precious Metals	61.2	0.97
Securities, Shares, and Other Financial Instruments	172.5	2.74
Merchandise	1,851.9	29.37
Fixed Assets Including Machinery	1,133.1	17.97
Real Estate	793.0	12.58
Fixed Deposits and Insurance Policies	38.7	0.61
Others	2,255.9	35.77
Total	**6,306.5**	**100.00**

Advances by Borrowers

Classification of advances by borrowers can be viewed in table given below showing the position as at the end of December 2017 compared with previous period and the corresponding period of last year.

Table 8: Scheduled Banks' Advances by Borrowers

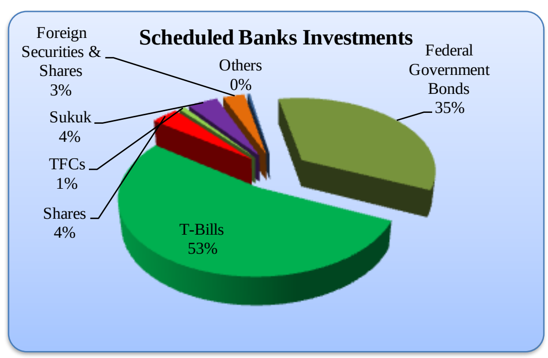
(Billion Rs.)

Borrowers	Dec-17	Jun-17	Dec-16	HY Growth%	YOY Growth%
Government	676.7	691.4	571.6	-2.13	18.40
Non-financial Public Sector Enterprises	880.8	804.4	683.9	9.50	28.78
Non-bank Financial Companies	79.2	81.4	79.0	-2.70	0.35
Private Sector (Business)	4,100.9	3,861.3	3,597.5	6.21	13.99
Trust Funds & Non- Profit Institutions	16.7	16.8	15.5	-0.81	7.23
Personal	549.4	504.4	451.6	8.91	21.64
Others	2.9	6.2	4.2	-54.04	-31.39
Total	**6,306.5**	**5,965.9**	**5,403.2**	**5.71**	**16.72**

* Total may differ due to rounding off.

Investments

Scheduled banks total investments (see **Table-9**) stood at Rs. 8,605.0 billion as on end December 2017 forming 31.2 percent of their total assets. Investment increased by Rs. 377.3 billion (4.59 percent) by Rs. 1,336.2 billion (18.38 percent) compared with previous and corresponding half years respectively. The investments in Federal Government Bonds at Rs. 2,965.9 billion were 34.47 percent of the total investments.



Whereas investment in treasury bills forming 53.32 percent of total investment followed by 'Sukuks' were forming 4.19 percent. Foreign securities & shares and term finance certificate (TFC's) form 2.99 percent and 0.87 percent of the total investment respectively. Total investment under the 'Others' is Rs. 357.0 billion which includes Shares, Debentures, Mutual Funds, Modaraba Certificate, Participant Term Certificate, NIT, Certificate of Investment and Other Items.

Table 9: Scheduled Banks' Investments

(Billion Rs.)

Securities / Shares	Dec-17	Jun-17	Dec-16	HY Growth%	YOY Growth%
Federal Government Bonds	2,965.9	3,374.8	3,144.8	-12.11	-5.69
Treasury Bills	4,588.5	3,783.6	3,145.7	21.27	45.87
Term Finance Certificate	75.2	101.9	77.4	-26.13	-2.81
Sukuk Bonds	361.0	349.5	446.3	3.28	-19.11
Foreign Securities & Shares	257.4	236.7	121.1	8.74	112.59
Others	357.0	381.3	333.5	-6.37	7.04
Total	**8,605.0**	**8,227.8**	**7,268.8**	**4.59**	**18.38**

* Total may differ due to rounding off.

Province/Region Wise Deposits and Advances

A graphical display of the position of Province/Region wise share of outstanding deposits and advances for the current, previous and corresponding period is given below:

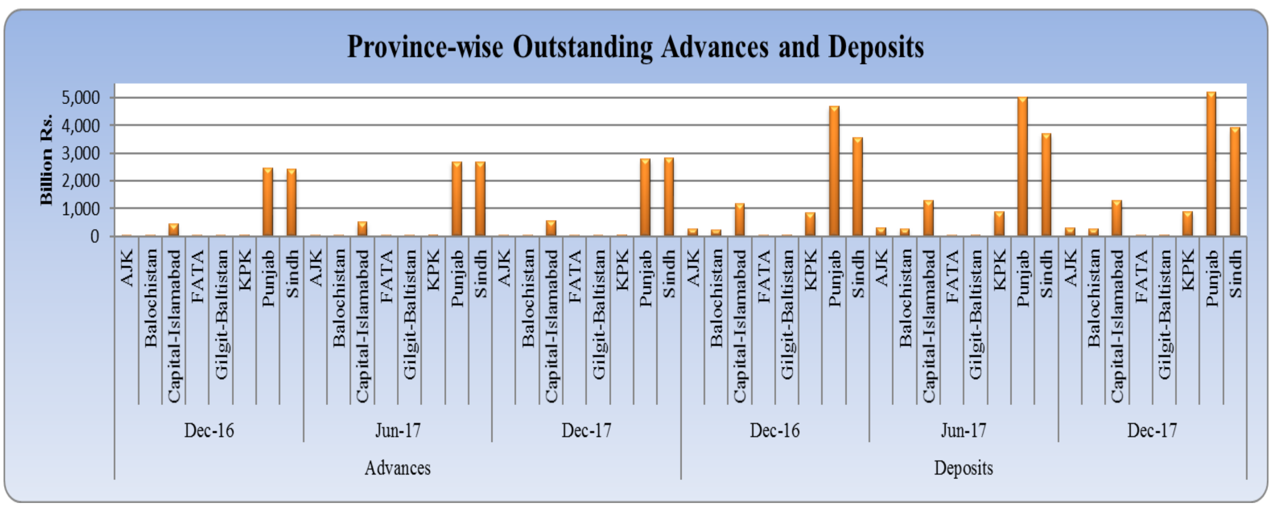


Table 10: Province/Region Wise Share of Scheduled Banks Deposits and Advances

(Percentage)

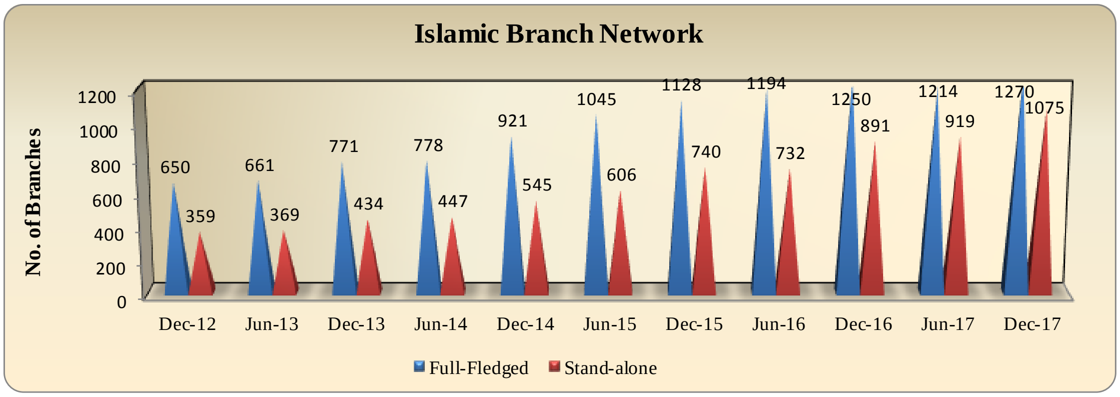
Province/Region	Dec-17		Jun-17		Dec-16	
	Deposits	Advances	Deposits	Advances	Deposits	Advances
Punjab	43.5	44.2	43.3	45.0	43.3	45.8
Sindh	32.8	45.1	32.0	45.2	32.9	44.5
KPK	7.5	0.9	7.6	0.9	7.7	0.9
Baluchistan	2.3	0.5	2.4	0.2	2.2	0.2
Capital-Islamabad	10.9	9.0	11.3	8.5	10.7	8.3
FATA	0.2	0.0	0.2	0.0	0.2	0.0
Gilgit-Baltistan	0.4	0.1	0.4	0.1	0.5	0.1
AJK	2.4	0.2	2.7	0.2	2.5	0.2

Provinces / Regions	Growth Rate	
	Deposits	Advances
Punjab	3.57%	3.97%
Sindh	5.70%	5.54%
Khyber Pakhtunkhwa	2.03%	3.44%
Balochistan	-2.78%	149.04%
Capital	-0.40%	12.78%
FATA	-18.62%	-26.29%
Gilgit - Baltistan	-11.97%	7.64%
AJK	-9.32%	7.40%

A positive growth in total outstanding deposits has been observed in Punjab, Sindh, and Khyber Pakhtunkhwa while negative growth is observed in Baluchistan, Capital Territory, FATA, Gilgit Baltistan and AJK as on end December 2017 when compared with end June 2017. The maximum growth in deposits is observed in Sindh (5.70%), followed by Punjab (3.57%), Khyber Pakhtunkhwa (2.03%), Capital (-0.40%), Balochistan (-2.78%), AJK (-9.32%), Gilgit Baltistan (-11.97%), FATA (-18.62%). The overall total outstanding advances have positive growth of 5.78%. Similar positive growth trends have been witnessed in advances of Gilgit-Baltistan, Punjab, Capital, AJK, Sindh and KP and Balochistan with growth rates 7.64%, 3.97%, 12.78%, 7.40%, 5.54%, 3.44% and 149.04% respectively. While FATA displayed a negative growth of 26.29% in outstanding advances during the period under review as compared to previous half year.

Islamic Banking

As on 31st December 2017, there were 21 banks involved in Islamic banking with a network of 2,345 branches in the country. Of these, 5 are full-fledged Islamic banks with 1270 branches and 16 of the existing scheduled banks have 1075 branches working as stand-alone ‘Islamic Banking Branches’ (see **Table-11**).



The activities of Islamic bank's branches have shown improvement at end December 2017 compared with end June 2017. Outstanding deposits in these branches increased by Rs. 134.3 billion. Whereas, number of accounts (see Table 12) increased by 762,334. Financing shows decrease in number of accounts by 45,462 and an increase in amount of Rs. 217.0 billion when compared with previous half year. Investments at book-value increased by Rs. 12.8 billion at the end of half-year under review compared with previous half-year (see **Table-12**).

Table 11: Summary of Islamic Banking Network
(Numbers)

Name of Banks	Dec-17	Jun-17	Dec-16
A. Full-fledged Islamic Scheduled Banks' Branches	**1,270**	**1,214**	**1,250**
Al Baraka Bank (Pakistan) Ltd.	175	173	210
Bankislami Pakistan Ltd.	218	204	203
Dubai Islamic Bank Ltd.	200	200	200
MCB Islamic Bank	76	66	66
Meezan Bank Ltd.	601	571	571
B. Stand-alone Islamic Branches of Existing Scheduled Banks	**1,075**	**919**	**891**
Allied Bank Limited	117	83	77
Askari Bank Ltd.	91	91	91
Bank Al Habib Ltd.	53	42	41
Bank Alfalah Ltd.	152	151	153
Faysal Bank Ltd	196	156	146
Habib Bank Ltd.	47	46	45
Habib Metropolitan Bank Ltd.	29	25	25
National Bank of Pakistan	113	90	84
SilkBank Ltd.	30	10	10
Sindh Bank Limited	14	14	14
Soneri Bank Ltd	17	17	14
Standard Chartered Bank (Pakistan) Ltd	9	9	10
Summit Bank Limited	11	11	9
The Bank of Khyber	83	79	77
The Bank of Punjab	64	48	48
United Bank Ltd.	49	47	47
Total	**2,345**	**2,133**	**2,141**

Table 12: Deposits, Financing and Investments of Islamic Banks on Gross Basis

(Billion Rs.)

Items		Dec-17	Jun-17	Dec-16	HY Growth (%)	YOY Growth (%)
Deposits	No. of Accounts	4,739,579	3,977,245	3,720,381	19.17	27.39
	Amount	1729.9	1595.6	1,433.8	8.42	20.65
Financing*	No. of Accounts	154,151	199,613	177,931	-22.78	-13.36
	Amount	1207.7	990.7	828.1	21.91	45.83
Investment	Book-value	502.5	489.7	445.5	2.61	12.80

*Includes advances & bills

Table 13: Key Statistics of Scheduled Banks at a Glance

(Billion Rs.)

Item	Dec-17	Jun-17	Dec-16
Number of All Banks	**33**	**34**	**34**
Public Sector Commercial Banks	5	5	5
Domestic Private Banks	20	21	21
Foreign Banks	4	4	4
Specialized Banks	4	4	4
Number of (Reporting) Branches	**13,628**	**13,039**	**12,993**
Total Liabilities/Assets	**27,553.4**	**24,618.6**	**22,622.0**
Cash	**1,258.7**	**1,215.1**	**1,113.4**
Total Deposits (Excluding Inter-bank)	**11,946.9**	**11,592.1**	**10,841.3**
Demand	4,186.6	4,209.4	3,769.2
Savings	5,129.3	4,940.5	4,601.8
Time	2,631.0	2,442.2	2,470.2
Number of Accounts of Deposit Holders	**50,565,334**	**49,006,112**	**46,491,242**
Average Deposits per Account (Thousand Rs.)	**236.3**	**236.5**	**233.2**
Total Advances (Excluding Inter-bank)	**6,306.5**	**5,965.9**	**5,403.2**
Number of Accounts of Borrowers	**3,555,512**	**3,327,343**	**3,389,777**
Average Advances per Account (Thousand Rs)	**1,773.7**	**1,793.0**	**1,594.0**
Bills Purchased and Discounted	**225.7**	**209.0**	**176.6**
Investments in Securities & Shares	**8,605.0**	**8,227.8**	**7,268.8**
Bank Loan (Advances + Bills)	**6,532.1**	**6,174.9**	**5,579.8**
Percentages:			
Deposits to Total Liabilities	43.36%	47.09%	47.92%
Cash to Deposits	10.54%	10.48%	10.27%
Advances to Total Assets	22.89%	24.23%	23.88%
Time Deposits to Total Deposits	22.02%	21.07%	22.79%
Advances to Deposits	52.79%	51.47%	49.84%
Investments to Deposits	72.03%	70.98%	67.05%
Bank Loan to Deposits	54.68%	53.27%	51.47%
(Loan + Investments) to Deposits	126.70%	124.25%	118.52%
Weighted Average:			
Deposits Rates (Excluding Zero Rate)			
• Overall	3.93%	3.84%	3.92%
• Interest Bearing	0.72%	0.87%	0.72%
• Profit & Loss Sharing	4.21%	4.07%	4.16%
Advances Rates	7.76%	7.49%	7.59%

Table 14: Distribution of Deposits, Advances, Bills Purchased & Discounted and Investments of Scheduled Banks by Group

(Billion Rs)

Group	Deposits		Advances		Bills		Investments	
	Dec-17	Jun-17	Dec-17	Jun-17	Dec-17	Jun-17	Dec-17	Jun-17
All Banks	**11,946.9**	**11,592.1**	**6,306.5**	**5,965.9**	**225.7**	**209.0**	**8,605.0**	**8,227.8**
1. Public Sector Commercial Banks	2,185.7	2,223.7	1,216.5	1,219.4	32.0	32.4	1,776.0	1,674.2
2. Domestic Private Banks	9,520.7	9,148.0	4,881.0	4,542.3	186.6	171.6	6,460.7	6,190.5
3. Foreign Banks	159.2	153.7	36.5	33.8	7.0	5.0	293.2	314.0
4. Specialized Banks	81.3	66.7	172.5	170.5	0.0	0.0	75.2	49.1
Commercial Banks (1+2+3)	**11,865.6**	**11,525.4**	**6,133.9**	**5,795.4**	**225.7**	**209.0**	**8,529.9**	**8,178.7**

* Total may differ due to rounding off.

Table 15: Maturity Breakup of Term Deposits of Scheduled Banks by Group

(Billion Rs.)

Period of Maturity	All Banks		Public Sector Commercial Banks		Domestic Private Banks		Foreign Banks		Specialized Banks	
	Dec-17	Jun-17	Dec-17	Jun-17	Dec-17	Jun-17	Dec-17	Jun-17	Dec-17	Jun-17
For Less Than 3 Months	451.9	349.9	48.1	40.9	374.1	291.4	22.8	15.3	6.9	2.3
For 3 Months and Over but Less Than 6 Months	510.6	464.4	63.9	62.4	407.1	370.9	19.1	22.2	20.5	9.0
For 6 Months and Over but Less Than 1 Years.	413.3	442.0	36.4	43.5	353.8	379.3	5.6	1.3	17.5	17.9
For 1 Year and Over but Less Than 2 Years.	990.9	913.8	338.8	335.8	650.3	576.9	0.3	0.0	1.5	1.1
For 2 Years and Over but Less Than 3 Years.	29.6	30.1	3.9	5.3	25.4	23.0	0.0	0.8	0.3	1.0
For 3 Years and Over but Less Than 4 Years.	56.0	68.7	12.4	11.3	43.7	57.4		0.0	0.0	0.0
For 4 Years and Over but Less Than 5 Years.	10.4	4.8	0.7	1.7	9.7	3.1			0.1	0.1
For 5 Years and Over	168.3	168.4	76.5	72.3	91.5	95.8	0.0	0.0	0.2	0.3
Total	**2631.0**	**2442.2**	**580.6**	**573.3**	**1955.5**	**1797.8**	**47.9**	**39.6**	**47.0**	**31.6**

Total may differ due to rounding off

Table 16: Advances by Modes of Financing

(Billion Rs.)

Modes of Financing	Dec-17		Jun-17		Dec-16	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
I. Interest Based	**265,642**	**350.2**	**292,722**	**329.1**	**368,796**	**269.1**
II. Islamic Modes	**3,289,870**	**5,956.3**	**3,034,621**	**5,636.9**	**3,020,981**	**5,134.1**
a) Mark-Up in Price on Deferred Payment Basis	2,632,952.0	4,608.0	2,464,848.0	4,445.2	2,516,741	4,052.0
b) Rent-Sharing	-	-	-	-	-	-
c) Qarz-e-Hasna	18,797.0	0.3	21,519.0	0.3	22,102	0.3
d) Musharaka or Profit and Loss	1,776.0	90.9	34,230.0	68.4	3,507	56.0
e) Leasing	74,812.0	137.4	71,961.0	102.9	63,896	80.4
f) Hire Purchase	34,726.0	22.1	32,986.0	18.6	30,044	16.2
g) Buy Back	61,647.0	139.8	72,263.0	134.0	73,713	139.8
h) Mark Down in Prices	-	-	-	-	-	-
i) Service Charges	43,922.0	2.2	42,485.0	2.1	40,261	2.0
j) Concessional Service Charges	-	-	-	-	-	-
k) Other Islamic Modes	421,238.0	955.6	294,329.0	865.4	270,717	787.2
Total (I+II)	**3,555,512**	**6,306.5**	**3,327,343**	**5,965.9**	**3,389,777**	**5,403.2**

* Total may differ due to rounding off

Table 17: Province/Region Wise Deposits and Advances

(Billion Rupees)

Provinces / Regions	Dec-17		Jun-17		Dec-16	
	Deposits	Advances	Deposits	Advances	Deposits	Advances
Overall	**11,946.9**	**6,306.5**	**11,592.1**	**5,965.9**	**10,841.3**	**5,403.2**
Punjab	5,202.1	2,789.9	5,023.0	2,683.3	4,696.3	2,473.0
Sindh	3,920.8	2,844.2	3,709.2	2,695.0	3,565.4	2,405.7
Khyber Pakhtunkhwa	896.6	56.8	878.8	54.9	832.3	51.2
Balochistan	270.5	28.8	278.3	11.6	237.2	12.5
Capital	1,301.2	570.0	1,306.4	505.4	1,163.3	446.5
FATA	21.8	0.5	26.7	0.7	23.8	0.6
Gilgit - Baltistan	44.9	4.4	51.0	4.1	52.4	3.7
AJK	289.0	11.8	318.7	11.0	270.5	10.1