Islamic Banking Bulletin

December 2017

Islamic Banking Department
State Bank of Pakistan

Table of Contents

Islamic Banking Industry - Progress & Market Share

Overview

Assets of Islamic banking industry grew by 9.1 percent (Rs. 189 billion) during the quarter October to December, 2017 and were recorded at Rs. 2,272 billion, compared to Rs. 2,083 billion in the previous quarter. On the funding side, deposits of Islamic banking industry reflected a quarterly growth of 9 percent (Rs. 156 billion) during the period under review to reach Rs. 1,885 billion, compared to Rs. 1,729 billion in the previous quarter. During CY17, assets and deposits of Islamic banking industry witnessed year-on-year growth of 22.6 percent and 19.8 percent, respectively. Market share of Islamic banking assets and deposits in the overall banking industry increased to 12.4 percent and 14.5 percent, respectively by end December, 2017 **(see Table 1)**. Profit (before tax) of Islamic banking industry was recorded at Rs. 23 billion by end December, 2017 compared to Rs. 17 billion in the same quarter last year.

Table 1: Industry Progress and Market Share

Particulars	Industry Progress			YoY Growth (%)	Share in Overall Banking Industry (%)		
	Dec-16	Sep-17	Dec-17	Dec-17	Dec-16	Sep-17	Dec-17
Total Assets (Rupees in billion)	1,853	2,083	2,272	22.6	11.7	11.9	12.4
Deposits (Rupees in billion)	1,573	1,729	1,885	19.8	13.3	13.7	14.5
Number of Islamic banking institutions	21	21	21	-	–	–	-
Number of Islamic banking branches*	2,322	2,368	2,581	11.1	–	–	-

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

*Including sub-branches

Branch Network of Islamic Banking Industry

The network of Islamic banking industry consisted of 21 Islamic banking institutions; 5 full-fledged Islamic banks and 16 conventional banks having standalone Islamic banking branches by end December, 2017. During the period under review, 213 branches were added to branch network of Islamic banking industry. With this addition, the aggregate number of Islamic banking branches reached to 2,581 branches (spread across 111 districts) by end December, 2017 compared to 2,368 branches in the previous quarter. The number of Islamic banking windows operated by conventional banks having standalone Islamic banking branches was recorded at 1,277 by end December, 2017 (see **Annexure I** for details).

Table 2: Region Wise Branches (December 31, 2017)

Province/Region	Total Number	Share (%)
Punjab	1,234	47.8
Sindh	750	29.1
Khyber Pakhtunkhwa	296	11.5
Baluchistan	106	4.1
Federal Capital	134	5.2
AJK	40	1.5
Gilgit Baltistan	12	0.5
FATA	9	0.3
Total	**2,581**	**100.0**

Asset and Liability Structure

Assets: Assets of Islamic banking industry witnessed a quarterly growth of 9.1 percent (Rs. 189 billion) during the quarter October to December, 2017 and stood at Rs. 2,272 billion, compared to Rs. 2,083 billion in the previous quarter. This growth in assets of Islamic banking industry was mainly contributed by financing that depicted a quarterly growth of 16.6 percent. Further, investments (net) recorded a rise of 1.8 percent during the period under review. On the back of growing asset base, market share of Islamic banking industry's assets in overall banking industry's assets increased to 12.4 percent by end December, 2017 compared to 11.9 percent in the previous quarter. The share of net financing and investments in total assets (net) of Islamic banking industry stood at 53.1 percent and 23.5 percent, respectively by end December, 2017 (see section below on **Investments** and **Financing** for details).

Analysis of assets by breakup among full-fledged Islamic banks and Islamic banking branches of conventional banks reveals that assets of full-fledged Islamic banks observed a growth of 9.7 percent (Rs. 119 billion) during the review quarter to reach Rs. 1,352 billion, compared to Rs. 1,233 billion in the previous quarter. During the same period, assets of Islamic banking branches of conventional banks posted quarterly growth of 8.2 percent (Rs. 70 billion) and were recorded at Rs. 920 billion, compared to Rs. 850 billion in the previous quarter. The share of full-fledged Islamic banks and Islamic banking branches of conventional banks in overall assets of Islamic banking industry was recorded at 59.5 percent and 40.5 percent, respectively by end December, 2017.

Investments

Investments (net) of Islamic banking industry recorded an increase of 1.8 percent (Rs. 9 billion) during the period under review and were recorded at Rs. 534 billion by end December, 2017 compared to Rs. 525 billion in the previous quarter. Breakup of investments (net) among full-fledged Islamic banks and Islamic banking branches of conventional banks shows that investments (net) of full-fledged Islamic banks increased to Rs. 231 billion by end December, 2017 compared to Rs. 220 billion in the previous quarter. However, investments (net) of Islamic banking branches of conventional banks witnessed a decline of Rs. 2 billion and were recorded at Rs. 303 billion by end December, 2017 compared to Rs. 305 billion in the previous quarter.

Financing and Related Assets

Financing and related assets (net) of Islamic banking industry reflected double-digit growth of 16.6 percent (Rs. 172 billion) during the review quarter and were recorded at Rs. 1,207 billion by end December, 2017 compared to Rs. 1,035 in the previous quarter. Breakup of financing and related assets (net) among full-fledged Islamic banks and Islamic banking branches of conventional banks reveals that financing and related assets (net) of full-fledged Islamic banks increased by 13.1 percent (Rs. 88 billion) during the review quarter and stood at Rs. 761 billion by end December, 2017. Similarly, financing and related assets (net) of Islamic banking branches of conventional banks observed a quarterly growth of 23.1 percent (Rs. 84 billion) and recorded at Rs. 445 billion by end December, 2017. In terms of financing mix, Diminishing Musharaka remained the leading mode of financing followed by Musharaka and Murabaha (see **Table 3**).

Table 3: Financing Mix (% Share)

	Dec-16	Sep-17	Dec-17
Murabaha	15.8	14.1	13.2
Ijarah	6.8	8.3	6.4
Musharaka	15.6	21.0	22.0
Diminishing Musharaka	34.7	29.1	30.7
Salam	4.4	3.8	2.8
Istisna	8.4	6.2	8.2
Others	14.3	17.5	16.7
Total	**100.0**	**100.0**	**100.0**

In line with the overall banking industry's trend, major portion of financing of Islamic banking industry was extended to production & transmission of energy and textile sectors and their share in overall financing of Islamic banking industry stood at 16.4 percent and 13 percent, respectively by end December, 2017 (see **Table 4**).

Table 4: Financing Concentration (% Share)				
	Dec-16	**Sep-17**	**Dec-17**	**Industry**
Chemical and Pharmaceuticals	6.6	5.4	4.2	3.4
Agribusiness	3.9	10.3	9.3	8.9
Textile	15.7	11.5	13.0	14.1
Cement	1.9	1.6	1.9	1.6
Sugar	2.7	3.1	4.4	3.5
Shoes and leather garments	0.5	0.4	0.4	0.4
Automobile and transportation equipment	1.6	0.9	0.8	1.5
Financial	0.6	1.0	0.8	2.5
Electronics and electrical appliances	1.1	1.4	1.3	1.4
Production and transmission of energy	15.8	12.9	16.4	14.8
Individuals	12.1	12.0	11.0	8.8
Others	37.5	39.5	36.5	39.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

Review of client wise financing depicts concentration of financing in the corporate sector; its share in overall financing of Islamic banking industry stood at 70.6 percent by end December, 2017. During the period under review, the share of commodity financing increased to 13.9 percent compared to 5.6 percent in the same quarter last year. Like previous quarters, the share of small and medium enterprises (SMEs) financing and agriculture financing in overall financing of Islamic banking industry remained low compared to overall banking industry's averages (see **Table 5**).

Table 5: Client Wise Financing Portfolio (% Share)				
	Dec-16	**Sep-17**	**Dec-17**	**Industry**
Corporate Sector	77.5	71.3	70.6	68.7
SMEs	3.4	3.1	3.3	6.4
Agriculture	0.8	0.5	0.5	4.5
Consumer Financing	10.5	10.8	9.9	6.4
Commodity Financing	5.6	12.3	13.9	10.5
Others	2.2	2.0	1.8	3.5
Total	**100.0**	**100.0**	**100.0**	**100.0**

Asset Quality

During the period under review, asset quality indicators of Islamic banking industry including non-performing finances (NPFs) to financing (gross) and net NPFs to net-financing showed further improvement compared to previous quarter and were recorded at 3 percent and 0.5 percent, respectively. It is pertinent to mention here that

Table 6: Assets Quality Ratios (%)				
	Dec-16	**Sep-17**	**Dec-17**	**Industry**
NPFs to Financing (gross)	4.1	3.5	3.0	8.4
Net NPFs to Net Financing	0.7	0.7	0.5	1.2
Provision to NPFs	84.7	80.0	82.5	87.2

both these ratios were better than those of overall banking industry's averages. Provision to NPFs ratio was recorded at 82.5 percent compared to industry's average of 87.2 percent by end December, 2017 (see **Table 6**).

Liabilities

Deposits of Islamic banking industry showed a quarterly growth of 9 percent (Rs. 156 billion) during the quarter October to December, 2017 to reach Rs. 1,885 billion compared to Rs. 1,729 billion in the previous quarter. In contrast, deposits of overall banking industry witnessed a quarterly growth of 3.2 percent during the period under review. As a result, market share of Islamic banking industry's deposits in overall banking industry's deposits increased to 14.5 percent by end December, 2017 compared to 13.7 percent in the previous quarter. The category wise breakup of deposits reveals that current (non-remunerative) and saving deposits increased by Rs. 77 billion and Rs. 48 billion, respectively; while, fixed deposits recorded an increase of Rs. 21 billion during the period under review (see **Table 7**).

Table 7: Break up of Deposits

	Rupees in billion			% Growth	
	Dec-16	**Sep-17**	**Dec-17**	**YoY**	**QoQ**
Customers					
Fixed Deposits	338	352	373	10.4	6.0
Saving Deposits	604	685	733	21.4	7.0
Current accounts – Remunerative	9	8	9	-	12.5
Current accounts - Non-remunerative	504	555	632	25.4	13.9
Others	7	11	16	128.6	45.5
Sub-total	**1,462**	**1,611**	**1,763**	**20.6**	**9.4**
Financial Institutions					
Remunerative Deposits	109	107	121	11.0	13.1
Non-remunerative Deposits	2	11	1	(50.0)	(90.9)
Sub-total	**111**	**118**	**122**	**9.9**	**3.4**
Total	**1,573**	**1,729**	**1,885**	**19.8**	**9.0**

Breakup of deposits among full-fledged Islamic banks and Islamic banking branches of conventional banks reveals that deposits of full-fledged Islamic banks increased by 9.1 percent (Rs. 94 billion) during the period under review and were recorded at Rs. 1,133 billion compared to Rs. 1,039 billion in the previous quarter. Similarly, deposits of Islamic banking branches of conventional banks grew by 8.9 percent (Rs. 62 billion) and stood at Rs. 752 billion by end December, 2017 compared to Rs. 690 billion in the previous quarter. The share of full-fledged Islamic banks and Islamic banking branches of conventional banks in overall deposits of Islamic banking industry stood at 60.1 percent and 39.9 percent, respectively by end December, 2017.

Liquidity

During the review quarter, liquid assets to total assets and liquid assets to total deposits ratios were recorded at 27 percent

Table 8: Liquidity Ratios (%)

	Dec-16	Sep-17	Dec-17	Industry
Liquid Asset to Total Assets	32.9	28.8	27.0	54.0
Liquid Assets to Total Deposits	38.8	34.7	32.6	76.1
Financing to Deposits (net)	52.2	59.8	64.0	50.1

and 32.6 percent, respectively. Like previous quarter, both these ratios witnessed slight decline during the period under review. In contrast, financing to deposits ratio (net) of Islamic banking industry increased to 64 percent by end December, 2017 compared to 59.8 percent in the previous quarter (see **Table 8**). This increase in financing to deposits ratio (net) can be associated with higher growth in financing of Islamic banking industry that outpaced deposits' growth rate during the period under review.

Capital

Capital base of Islamic banking industry was recorded at Rs. 141 billion by end December, 2017 compared to Rs. 135 billion in the previous quarter. Capital to total assets and capital minus net non-performing assets to total assets ratios of Islamic banking industry were recorded at 6.2 percent and 5.8 percent, respectively (see **Table 9**).

Table 9: Capital Ratios (%)

	Dec-16	Sep-17	Dec-17	Industry
Capital to Total Assets	6.7	6.5	6.2	7.5
(Capital-Net NPAs) to Total Assets	6.4	6.0	5.8	7.1

Profitability

Profit before tax of Islamic banking industry was registered at Rs. 23 billion by end December, 2017 compared to Rs. 17 billion in the same quarter last year. Profitability ratios like return on assets and return on equity (before tax) were recorded at 1.1 percent and 17.1 percent, respectively during the review quarter (see **Table 10**). Operating expense to gross income ratio witnessed some improvement but this ratio is still higher than that of overall banking industry's average.

Table 10: Profitability & Earning Ratios (%)

	Dec-16	Sep-17	Dec-17	Industry
Profit Before Tax (Rupees in billion)	17	18	23	267
Return on Assets (before tax)	1.0	1.2	1.1	1.6
Return on Equity (before tax)	15.4	18.1	17.1	19.5
Operating Expense to Gross Income	75.1	71.0	69.8	57.1

Country Model: Afghanistan

Having 99 percent Muslim population and prevalence of huge financial exclusion presents Afghanistan as a natural market for Islamic finance to flourish. However, political instability and security concerns have adversely affected Islamic finance along with the overall economic and financial system of the country.

Regulatory Environment
In the rubbles of war, banking sector was re-established from scratch in 2003 in Afghanistan. Realising huge financial exclusion, the central bank of Afghanistan, Da Afghanistan Bank (DAB), launched five years plan in 2009 with the major objective to attract large customer base. Subsequently, an Islamic Finance Division and Shariah Board were established at DAB.

DAB, in the latter half of 2015 issued much-awaited Islamic finance regulations, which cover licensing of Shariah banks and windows, Islamic liquidity management, capital adequacy, asset classification, profit distribution and Shariah governance among others. These came into effect in February 2016. The year 2016 can be termed as an important period where major Islamic finance regulatory developments took place in Afghanistan. The year saw 46 manuals of regulations and guidelines released by the central bank, which can be termed as a positive step toward the further implementation of Shariah banking.

While Da Afghanistan Bank has the authority to provide regulations on specific services and products, as well as to issue licenses to commercial banks in order to perform Islamic banking services, commercial banks must establish a council of religious scholars to ensure their compliance with Islamic principles.

Islamic Banking & Finance
Banking and finance players have been positioning themselves in Afghanistan's nascent Islamic finance market, attracted by the high demand from the Muslim-majority population. There are 18 licensed banks in Afghanistan, according to the Ministry of Finance, with at least seven offering Shariah banking services on a window basis, including Afghanistan International Bank. Conventional lender Bakhtar Bank is in the process of transforming its operations to comply with Shariah principles, becoming the Republic's first full-fledged Islamic bank.

Islamic microfinance is also present in the country: the Foundation for International Community Assistance was the first institution to extend Shariah compliant (Murabahah) microcredit in 2006 and has led the way for others to follow suit, including non-governmental organization, Islamic Relief. Another prominent Islamic microfinance initiative was the Rural Finance and Cooperative Development program by the US Agency for International Development which ran from 2009-12 and which developed Islamic investment and finance cooperatives to enhance financial accessibility in southern and eastern Afghanistan. To boost microfinance activities in the country, the government in 2003 established the Microfinance Investment Support Facility for Afghanistan.

Capital Markets
The Ministry of Finance is working with an Islamic finance consultancy to introduce Sukuk; work is underway to set up a regulatory framework for the issuance of Sukuk. If this is done, it may return

investor confidence in the Afghan market, which has been talking about establishing an Afghanistan Stock Exchange for years.

Takaful

There are four insurance operators in Afghanistan: Afghan National Insurance Company, Insurance Corporation of Afghanistan, Insurance Group of Afghanistan and Afghan Global Insurance, which fall under the purview of the Afghanistan Insurance Authority (AIA); however, none of them are offering Shariah compliant products. The regulator is working on drafting a new insurance law and regulations to replace the law passed in July 2008; however, no specific takaful provisions are included, according to the AIA.

Future Outlook

With Muslim majority population, it appears that Islamic finance will stay and grow in Afghanistan. However, political uncertainties are likely to continue weighing on the Afghan economy which may dampen banking and finance activities. Yet there are pockets of opportunities for Islamic banking. The political will demonstrated by the government, through new regulatory measures, bodes well for the sector.

Given the peculiar situation of Afghanistan, the role of international investors is also significant. Moreover, capacity building of Islamic finance industry and awareness raising among masses can catalyse growth of Islamic finance in Afghanistan.

Sources of Information

- Central Bank of Afghanistan website https://dab.gov.af
- www.islamicfinancenews.com
- Global Islamic Finance Report 2015, Edbiz Consulting Limited , UK
- https://www.chemonics.com/can-islamic-banking-increase-afghans-access-to-finance/
- https://www.globalbankingandfinance.com/

IFSB-12: Guiding Principles on Liquidity Risk Management for Institutions offering Islamic Financial Services (excluding Islamic Insurance (Takaful) Institutions and Islamic Collective Investment Schemes)

Background, Purpose and Objectives

Owing to the growing market share of institutions offering Islamic financial services (IIFS) in many jurisdictions and their potential significance for systemic soundness and stability of the overall financial system, the need for a robust liquidity risk management framework for IIFS cannot be overemphasized.

Keeping in view the significance of this subject, the Council of the Islamic Financial Services Board (IFSB), in its 15th meeting in Kuala Lumpur, Malaysia, approved the establishment of a working group to develop a set of Guiding Principles on Liquidity Risk Management for IIFS (hereinafter collectively referred to as the "Guiding Principles"). These guiding principles endeavour to provide a set of principles for the robust management of liquidity risk by IIFS and its vigorous supervision and monitoring by supervisory authorities, taking into consideration the specificities of the IIFS and complementing relevant existing and emerging international best practices. There are 23 guiding principles in the area of liquidity risk management for IIFS (excluding (a) Islamic insurance (Takaful) institutions, and (b) Islamic collective investment schemes).

In previous edition of Islamic Banking Bulletin (September, 2017), first 15 principles of liquidity risk management were discussed. In the present edition, we will discuss the remaining 8 principles (principles 16-23), which relate to guiding principles for supervisory authorities.

Principle 16: Responsibility for Supervision of Liquidity Risk and Position

Supervisory authorities should make a regular evaluation of the overall liquidity positions and the liquidity risk management framework of an IIFS so as to ensure that it maintains an adequate level of liquidity at all times, and can withstand a period of liquidity stress. As a part of supervisory assessment, special emphasis should be given to the application of appropriate stress tests, the composition and robustness of liquidity buffers, and the effectiveness of contingency funding plans.

Principle 17: Need for Supervisory Regulations for IIFS

Supervisory authorities should develop regulations and guidelines for management of liquidity risk by IIFS, taking into account their specificities related to funding structure, financing and investment products, access to Shariah-compliant securities, as well as the stage of development of the Islamic money market in their jurisdiction.

Principle 18: Supervisors' Role as Provider of Liquidity Support

Supervisory authorities should provide maximum clarity of their roles as provider of liquidity support, in compliance with the Shariah, in both normal and stressed times, simultaneously seeking to harmonise and expand the eligibility of Shariah-compliant collateral for providing such liquidity support to IIFS.

Principle 19: Supervision of Liquidity Risk at Consolidated Level
In cases where full-fledged Islamic banks are part of a financial group, or where a conventional bank offers Islamic operations through Islamic windows, supervisory authorities should fully evaluate the liquidity risk management framework at both the group/parent level and Islamic entity level. The supervisory authorities should ensure that there is sufficient liquidity at both the levels to meet the funding needs during normal and stressed times.

Principle 20: Compilation of Information about Liquidity and Corrective Action
Supervisory authorities should require the IIFS to submit precise and timely qualitative and quantitative information to evaluate the liquidity risk profile and framework adopted by the IIFS in their jurisdiction. If the supervisory authority becomes aware of any major shortcomings in the liquidity position or liquidity risk management framework of an IIFS, it should require the IIFS to take timely corrective action to address the detected problems. Supervisory authorities should make use of various tools at their disposal, with appropriate escalation procedures, for ensuring that suitable corrective action is taken by the IIFS.

Principle 21: Home-Host and Cross-Sector Supervision of Liquidity Risk
For IIFS having cross-border operations, home and host supervisory authorities should collaborate, communicate and agree on their assessments of the consolidated liquidity position and the framework for managing liquidity risk by the respective entities. Through mutual cooperation, home and host supervisory authorities should take measures, which can protect their financial systems against any liquidity contagion due to idiosyncratic or market-wide stress situations. Supervisory authorities within a jurisdiction that monitor different business lines of IIFS should also take steps for coordinated supervision and information sharing on the liquidity positions and levels of risk of these entities.

Principle 22: Supervisors' Contingency Planning for the IIFS
Supervisory authorities should have a plan for identifying and dealing with liquidity stress in the IIFS sector as a part of their macro-prudential liquidity contingency framework for the financial sector. Such a framework should be supported by macro-level stress testing by the supervisory authorities, taking into consideration the balance sheet exposures submitted by IIFS as well as other relevant macroeconomic, geographic and political factors.

Principle 23: Supervisors' Role in the Development of Liquidity Infrastructure
Supervisory authorities should work closely with other relevant official or public sector bodies (e.g. the finance ministry and the deposit insurance provider) to facilitate the issuance of Shariah-compliant instruments/Sukuk by the government and the provision of Shariah-compliant deposit insurance. Supervisory authorities, together with other relevant bodies, should facilitate the availability of market makers in Shariah-compliant instruments/Sukuk in their jurisdictions so as to develop secondary markets in such instruments and to increase market liquidity.

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

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

Events

- **SBP-CIIT Capacity Building Workshops for Shariah Scholars, Bankers and Academia**

Islamic Banking Department (IBD), in collaboration with Centre of Islamic Finance (CIF), COMSATS Institute of Information Technology (CIIT) agreed to arrange six capacity building workshops on Islamic banking & finance in various cities. In this regard, fourth and fifth workshops were arranged during November 1-2 and December 12-13, 2017 at Islamabad and Sahiwal, respectively. The program in Islamabad was attended by 139 participants, while the workshop at Sahiwal was attended by 70 persons. Participants of the said workshops included local Shariah scholars, staff of Islamic banking institutions and academia from CIIT.

- **Training Programs on "Fundamentals of Islamic Banking Operations" (FIBO)**

IBD, in collaboration with National Institute of Banking & Finance (NIBAF), arranged four training programs titled 'Fundamentals of Islamic Banking Operations' (FIBO). The training programs had a focus on enhancing skills and knowledge base of field staff of Islamic banking institutions, particularly Branch Managers (BMs), Operation Managers (OMs) and Relationship Managers (RMs). These programs were organized during the October 16-20, October 23-27, November 20-24, and December 4-8, 2017 at Abbottabad, Swat, Gujrat and D.I. Khan, respectively. The training programs were also attended by Shariah scholars and academia of the respective regions, along with SBP/SBP-BSC officials.

- **Awareness-cum-Capacity Building Program on Islamic Banking & Finance for Shariah Scholars at Karachi**

Islamic Banking Department (IBD), SBP in collaboration with Dar-ul-Iqtisad-il-Islami agreed to arrange six iterations of 3-days awareness-cum-capacity building programs at various centers of the country. In this regard, the first program, in collaboration with SBP-BSC North Nazimabad Office, was arranged during December 30-31, 2017 to January 1, 2018 at Aleemiyah Islamic Degree College, Karachi. The program was facilitated by (i) Mufti Syed Zahid Siraj, Head Shariah Audit- AlBaraka Bank (Pakistan) Limited, (ii) Mufti Abdul Rehman, Resident Shariah Board Member- United Bank Limited and (iii) Mufti Muhammad Imran, Resident Shariah Board Member- National Bank of Pakistan. The program was attended by 41 Shariah scholars.

Islamic Banking News and Views

A. Local Industry News

Pakistan and Philippines sign MoU

The central banks of Pakistan and Philippines have signed an MoU on bilateral banking to facilitate cooperation in banking, payment and settlements as well as other areas of mutual interest, according to a press release. While Islamic banking was not explicitly mentioned, the Philippines is assertively pushing to develop its nascent Shariah banking sector and could leverage from Pakistan's experience.
https://www.islamicfinancenews.com/philippines-and-pakistan-sign-mou.html

Meezan launches e-IPO service

Meezan Bank has collaborated with the Central Depository Company (CDC) to establish an electronic IPO (e-IPO) subscription service to customers, according to a press statement. Customers can make payments through all of the bank's alternate distribution channels, including ATMs, internet banking facility and mobile app via the service. The e-IPO service will also allow the Islamic bank's customers who have a CDC sub-account to subscribe to the public offering of shares online via www. cdceipo.com.
www.islamicfinancenews.com

Sovereign Sukuk: Pakistan issues Sukuk

Pakistan issued Sukuk and Eurobond papers raising US$2.5 billion from the international market. According to The News International quoting Shahid Mehmood, the federal secretary of finance, the five-year Sukuk facility was floated for US$1 billion with a profit rate of 5.63%. The funds will be utilized to finance the current account deficit and aid the deteriorating foreign currency reserves.
www.islamicfinancenews.com

Positive response to PSX's Islamic trading proposal

The Shariah Advisory Board of the Securities and Exchange Commission of Pakistan (SECP) has given their in-principle approval to the Pakistan Stock Exchange (PSX)'s proposal of Shariah compliant trading counters, subject to the proper translation of the mechanism of real-time/same day settlement in the regulations of the exchange. The proposal puts forward the conversion of the T+2 settlement into a T+0 settlement mechanism in listed Shariah compliant securities.
www.islamicfinancenews.com

Pakistan's ratings affirmed

Standard & Poor (S&P) has affirmed Pakistan's long and short-term sovereign credit ratings at 'B' with a stable outlook for the long-term rating, according to a statement. Affirmation of Pakistan's ratings reflects that economic prospects remain favorable and external and fiscal metrics of the country will not worsen materially from their current level.
www.islamicfinancenews.com

SECP to adopt AAOIFI standards

The SECP has notified for public consultation three AAOIFI Shariah standards, namely Shariah standard No. 17 on investment Sukuk, Shariah standard No. 18 on possession (Qabd) and Shariah standard No. 23

on agency and the act of an un-commissioned agent (Fodooli). According to a press release, members of the public are invited to provide their comments.
www.islamicfinancenews.com

Experts call for strategy to use fintech in Islamic finance
Shariah-complaint banks shall adopt a strategy to make effective use of financial technology, which is triggering big changes to global financial markets. “At present, the Islamic finance industry has a share of 13.5 percent in the country with approximately five million Islamic finance customers from a figure of 110 million bankable customers. Out of which, we have 40 million potential mobile-using customers,” Ahmed Ali Siddiqui, director of Centre for Excellence in Islamic Finance at IBA, said at a seminar held recently. “For Islamic finance to benefit from the technological advancements in the continuously changing marketplace today, there has to be a strategy for Islamic finance in the digital world,” he added.
https://www.thenews.com.pk/print/255690-experts-call-for-strategy-to-use-fintech-in-islamic-finance

SBP allows US dollar insurance policies
SBP has announced in a statement that resident insurance companies, with a rating of at least ‘A’, will be allowed to issue US dollar-denominated insurance policies on a notional basis. This is to meet the condition of foreign lenders for foreign currency loans to be raised under para 8, chapter 19 of the Foreign Exchange Manual or for the projects undertaken in Pakistan as part of a bilateral agreement between the Pakistani government and a foreign country/multilateral agency. It is unclear if the rules also apply to takaful providers.
www.islamicfinancenews.com

SBP issues green banking guidelines
The State Bank of Pakistan (SBP) has issued green banking guidelines covering risk management, business facilitation and own impact reduction with the aim of reducing potential losses of banks and development financial institutions through proper management of the environment vulnerability of their financing portfolios. According to a circular, banks and development financial institutions have one year to implement these guidelines.
www.islamicfinancenews.com

B. International Industry News

AAOIFI issues 99th standard
AAOIFI in its recent board meeting issued the FAS 28 ‘Murabahah and Other Deferred Payment Sales’ standard as well as approved two exposure drafts: FAS on financial reporting for Sukuk-holders and FAS on risk reserves. According to a media statement, the standard-setting body has instructed the secretariat and respective working groups to incorporate amendments identified and issue the exposure draft for market feedback.
www.islamicfinancenews.com

IDB and D-8 collaborate
The IDB has signed a landmark deal with the members of the D-8, which are also member countries of the IDB. A press release said that the agreement focuses on various sectors, including among others, transportation, trade, investment and Islamic finance. Other areas of cooperation include the joint

implementation of projects, knowledge-sharing, the promotion of trade, education, SMEs and the provision of technical assistance. Separately, the research arm of the IDB, the Islamic Research and Training Institute (IRTI), is in plans to develop block chain-based financial products to aid financial inclusion efforts across its member countries.
www.islamicfinancenews.com

IFSB working on new standards
The IFSB expects to roll out three new standards next year and another in 2019, according to Zahid ur Rehman Khoker, the acting secretary general of the IFSB. The first three standards are on banking, takaful and Islamic capital markets, respectively while the one expected in 2019 is a technical note on financial inclusion and Islamic finance.
www.islamicfinancenews.com

AAOIFI signs agreement with AIFDC
AAOIFI has inked an agreement with the Academy of Islamic Finance Development in Countries along the Belt and Road (AIFDC), which will see AAOIFI's 58 Shariah standards, translated to Mandarin. According to a press release, the translation project will be implemented through a series of steps, which include preliminary translation, review as well as proofreading and linguistic intervention by native speakers. The completed translation will be published in a paper version, with complementary copies presented to government bodies and relevant scholarly circles, universities and research centers in China. A free digital version will also be accessible on AAOIFI's website.
www.islamicfinancenews.com

Malawi approves Islamic banking windows
The Malawi government has approved the provision of Shariah compliant banking products on a window basis, according to Nyasa Times. Reserve Bank Governor Dalitso Kabambe reportedly said that the regulator will shortly engage with banks in the country on reporting requirements for such products.
www.islamicfinancenews.com

Algeria: 6 government banks to offer Islamic banking by 2018
Algeria's Prime Minister, Ahmed Ouyahia, announced that Islamic banking and financial services are to be approved in two public government banks before the end of this year and will be approved in four other banks in 2018. This announcement came during Ouyahia's response to the deputies of the People's National Assembly (the first chamber of the parliament) during the ratification session of the government's plan of action. According to Ouyahia, this step shows the government's intention to move towards this option to attract financial masses from the parallel market to the banks. Currently, Algeria has about 29 banking institutions, seven of them are government-owned public banks and more than 20 foreign banks from the Gulf countries in particular, others are French and one is British.
https://www.middleeastmonitor.com/20170922-algeria-six-government-banks-to-offer-islamic-banking-by-2018/

SAMA to introduce new insurance rules
In a bid to drive consolidation in the insurance sector, Saudi Arabian Monetary Authority (SAMA) will release a new supervisory framework mandating higher capital requirements and stronger internal risk

controls, according to Reuters quoting unnamed sources. The framework is expected to be introduced in the coming months and proposed changes have reportedly already been discussed between the regulator and senior insurance executives. Currently, capital requirements for insurance and reinsurance operators are set at SAR100 million (US$26.65 million) and SAR200 million (US$53.3 million) respectively.
www.islamicfinancenews.com

AAOIFI issues 100th standard

AAOIFI has released its Governance Standard for Islamic Financial Institutions No. 8 Central Shariah Board which provides guidance on establishing central Shariah boards at a national level. According to a statement, this is AAOIFI's 100th standard. The new rule also presents a country-level approach for regulating the Islamic finance industry within borders, including products, practices and operations, among others.
www.islamicfinancenews.com

ASEAN launches standard for green Sukuk

The ASEAN Capital Market Forum (ACMF), in collaboration with the International Capital Market Association (ICMA), has launched the ASEAN Green Bond Standards (AGBS). This will apply to Sukuk and bonds where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible green projects. In the case of Sukuk facilities, they must also comply with relevant laws and requirements applicable for the issuance of Sukuk. Malaysia's Pelaburan Nasional is the first in the region to adopt these standards.
www.islamicfinancenews.com

IDB to fund more climate projects

The Islamic Development Bank (IDB), in a press release, said that it would increase its climate-related financing as part of its efforts to support sustainable development of its member countries. The president of the IDB, Dr Bandar Hajjar, said that the bank has joined the 'Mainstreaming Climate Action in Financial Institutions Initiative'. The bank will cooperate with member countries to develop technical capacities and strengthen their institutions to enable the translation of nationally determined contributions into policies, investment plans and financeable programs and projects. Dr Bandar also said that the bank has developed a new department on resilience, which is designed to aid climate action in IDB member countries.
www.islamicfinancenews.com

Islamic finance attracts non-Muslim countries

Islamic finance is extremely popular in Muslim-majority countries in the Middle East and South Asia. However, non-Muslim countries are now seeing the attraction in investing in it. According to Dealogic data, issuance of Islamic debt by non-Muslim countries is set to climb a three-year high in 2017 due to the perception of more tranquil market conditions and an improving regulatory backdrop. The value of Islamic bonds issues outside the Middle East and Southeast Asia by non-Muslim countries reached $2.25 billion in 11 months in 2017, shows data by Dealogic. In 2016, it was $2 billion and $1 billion in 2015.
https://tribune.com.pk/story/1588519/3-islamic-finance-attracts-non-muslim-countries/

GAB and Safaricom to launch mobile platform

Gulf African Bank (GAB), a full-fledged Islamic bank, and Safaricom, a communication company, will launch by March 2018 a platform called M-Shariah to offer Islamic mobile financial services, Agence Ecofin reported, quoting Abdullahi Adan, the director of banking services at GAB. Retail customers will be offered Islamic financing ranging from KES100 (94.91 US cents) to KES200,000 (US$1,898.19) while storekeepers will be offered Islamic financing ranging from KES50,000 (US$474.55) to KES500,000 (US$4,745.47).

www.islamicfinancenews.com

Law and legal frameworks: African countries revamp their regulations

A lot has happened over the past 12 months in Africa as many sovereigns have recently decided to jump onto the Islamic finance bandwagon by introducing new laws or reforming their existing ones. While other countries where the industry has already been up and running for several years have decided to rejuvenate their legal frameworks with an aim to ease market players' development.

www.islamicfinancenews.com

RHB launches digital products

RHB Bank, which offers Islamic services through RHB Islamic, has launched two digital solutions, according to a press release. The MyHome App is an application designed to provide convenience of mortgage applications and document submissions via mobile devices, whereas the Banking-at-Your-Doorstep service will allow new customers who have opened an RHB Smart Account/RHB Smart Account-i online to complete the process without having to visit bank branches. The Banking-at-Your-Doorstep service includes the delivery of customers' debit cards to their homes or workplaces, at a pre-arranged time where an on-the-spot verification process will be conducted. In 2018, RHB anticipates to open more than 50,000 RHB Smart Accounts/RHB Smart Accounts-i from which 30% are expected to opt for the Banking-at-Your-Doorstep service.

www.islamicfinancenews.com

C. Articles & Views

The continuing allure of Islamic finance

With the total Islamic finance industry estimated at around $ 1.9 trillion in assets for year end 2016, this market segment pales into insignificance compared with traditional finance. However, of particular interest is the growing popularity of Islamic finance from both Muslim and non-Muslim financial institutions and investors. Islamic assets are heavily concentrated in the banking sector which holds $1.5 trillion of the total, with Islamic bonds or sukuks worth $320 billion, and investment funds and insurance or so called takaful worth $56 billion and $25 billion, respectively.

http://english.alarabiya.net/en/views/news/middle-east/2017/09/03/The-continuing-allure-of-Islamic-finance-.html

Green Sukuk- a long way to go

Despite the sunny forecast for green Sukuk, it would be some time before the fresh asset class germinates as greenhorn investors continue to navigate an unfamiliar territory where standardization is absent and legal enforceability risk remains. Globally, green bonds have flourished since 2013, peaking at US$81

billion in 2016, up 92% from the year before, according to Climate Bonds Initiative; however, green Sukuk offerings have been few and far between.
www.islamicfinancenews.com

Islamic microfinance for the poor

Islamic finance as an industry has seen massive growth in recent years. Industry assets over the last few years jumped from an estimated US$1.65 trillion in 2013 to over US$1.8 trillion in 2014, and are projected to reach US$3.2 trillion by 2020. The industry itself encompasses a wide variety of sectors including Islamic micro financing and Islamic banking, which holds the lion's share of global industry assets at US$1.35 trillion in 2014. The main feature of the global Islamic microfinance sector is the application of concepts and techniques of Islamic banks, which are also applied on the asset side of Islamic microfinance companies. Most Shariah compliant contracts, such as Mudarabah, Musharakah, Murabaha, Ijarah as well as Salam and Istisnah, can be equally applied in an Islamic microfinance setting.
https://www.islamicfinancenews.com/islamic-microfinance-for-the-poor.html

Asset management of Islamic pension funds

The GCC region has been an outlier when it comes to the development of pension funds. High oil prices for most part of the past decade gave enough confidence to the GCC governments in their ability to fund any shortfalls that might arise in the future. Moreover, Islamic pension funds remain scarcely tapped in the GCC. Globally, Islamic pension funds represent less than 1% of global Islamic funds, amounting to US$305 million across a total of 60 funds outstanding by the end of 2016, according to the DIFC Wealth and Asset Management Report 2017.
www.islamicfinancenews.com

Islamic crowdfunding and the digital economy

Historically, Islamic finance may be perceived as a slow mover in the finance industry. Consumers seeking Shariah compliant finance products and opportunities were faced with limited options. But with the digitalization of financial services and the emergence of Shariah compliant alternative finance options, the playing field is starting to level out. Finally, it seems there are an increasing number of options to deliver against the increasing demand from consumers who desire Shariah compliant finance.
www.islamicfinancenews.com

Islamic banks to face teething problems when IFRS 9 comes into effect in January, 2018

In two months' time, Islamic financial institutions worldwide will face a new set of book-keeping challenges as the overhauled International Financial Reporting Standards (IFRS) come into effect; the problems, however, would only be temporary, according to the chair of the Islamic Finance Consultative Group of the International Accounting Standards Board (IASB). IFRS 9, which replaces IAS 39, and IFRS 15 which relooks at revenues, are among the new accounting treatments to be implemented from 1st January 2018; a revamped standard on leasing (IFRS 16) would also come into play the following year. Presently, the IFRS are adopted in over 125 countries, including Islamic financial hubs such as Malaysia and the UK, and permitted in many more.
www.islamicfinancenews.com

Restructuring Sukuk financing

The Islamic finance industry has witnessed several Sukuk restructurings over the past years. The most recent case in a series of restructurings is that of Dana Gas. The Dana Gas Sukuk restructuring has attracted the attention of the global Islamic finance industry. It illustrates certain legal complications that arise in the restructuring of Sukuk financing, both from an Islamic law perspective and from the perspective of the governing law of the Sukuk documentation.

www.islamicfinancenews.com

Race is on for a global Islamic finance hub

With Islamic finance assets leaping to an estimated $2tn for both banks and non-bank financial institutions, and forecasts putting the volume at $3.2tn by 2020, voices have grown louder to establish a global Islamic finance centre that could be home to a central regulatory body, the frequently mentioned envisaged Islamic mega-bank, as well as central supervisory authorities. Such a global hub would allow the integration of the currently dispersed and inhomogeneous industry with its broad variety of localised regulations, directives and interpretations of Shariah law and sometimes an outright lack of regulatory confidence. It would also have the critical mass to emerge as a full-fledged global centre for cross-border Islamic banking, fund raising and Islamic financial services.

http://www.gulf-times.com/story/572038/Race-is-on-for-a-global-Islamic-finance-hub

Shariah and corporate governance: toward greater standardization

Shariah governance is a set of institutional and organizational rules introduced with the aim of guaranteeing that Islamic products and services offered by a financial institution are fully Shariah compliant. The corporate governance determines the allocation of authority and responsibilities through which the business and affairs of a bank are carried out by its board and senior management. AAOIFI is one of the two most renowned international standard-setting bodies for Shariah compliant financial institutions. Since its establishment back in 1991, AAOIFI has published 54 Shariah standards and seven governance standards.

www.islamicfinancenews.com

Islamic trade finance: new players on the horizon

The total market trade finance is worth US$8 trillion and the global trade finance gap is estimated at around US$1.6 trillion, according to an Asian Development Bank report. Undoubtedly, Islamic finance can help bridge this gap. A few financial institutions in Malaysia, Bangladesh and the UK, among others, have already tapped this market, and a few new national and regional players are expected to emerge in the near future.

www.islamicfinancenews.com

Halal financing: an access point for Islamic finance

The Halal industry is a fast-growing business valued at US$4 trillion and expected to reach US$6.4 trillion by 2018, according to the Halal Industry Development Corporation (HIDC). It comprises a wide range of products and services including food valued at US$680 billion, cosmetics and personal care, agriculture, pharmaceuticals and health, logistic services, media as well as tourism, to name a few.

www.islamicfinancenews.com

Microfinance, mobile money, blockchain and cryptocurrency: a perfect fit?

The digitization of the microfinance industry has become unstoppable with disbursement of finance and repayments now happening everywhere through mobile money. In Kenya, M-Pesa has created a revolution through a mobile phone-based money transfer, financing and microfinancing service, launched in 2007 by Vodafone for Safaricom and Vodacom. It has since expanded to other countries and new mobile payment providers have sprung up the world over. Crowdfunding platforms have also been pushing into the informal space that previously was occupied by microfinance institutions with digital lending platforms like Musoni in Kenya, Jumo in South Africa and Islamic counterparts such as Blossom or Ethis in Indonesia and Malaysia.

www.islamicfinancenews.com

Annexure: I

Islamic Banking Branch Network

(As of December 31, 2017)

Type	Name of Bank	No. of Branches	Windows
Islamic Banks	AlBaraka Bank (Pakistan) Limited	180	-
	BankIslami Pakistan Limited	218	-
	Dubai Islamic Bank Pakistan Limited	200	-
	Meezan Bank Limited	601	-
	MCB Islamic Bank Limited	76	-
	Sub-Total	**1,275**	
Standalone Islamic Banking Branches of Conventional Banks	Allied Bank Limited	117	-
	Askari Bank Limited	91	-
	Bank Al Habib Limited	53	120
	Bank Alfalah Limited	152	121
	Faysal Bank Limited	197	-
	Habib Bank Limited	45	495
	Habib Metropolitan Bank Limited	29	214
	National Bank of Pakistan	169	-
	Silk Bank Limited	30	-
	Sindh Bank Limited	14	13
	Soneri Bank Limited	18	-
	Standard Chartered Bank (Pakistan) Limited	9	84
	Summit Bank Limited	14	35
	The Bank of Khyber	83	39
	The Bank of Punjab	64	-
	United Bank Limited	93	156
	Sub-Total	**1178**	**1,277**
	Total Branches	**2,453**	**-**
Sub Branches	AlBaraka Bank (Pakistan) Limited	8	-
	Askari Bank Limited	3	-
	BankIslami Pakistan Limited	112	-
	The Bank of Punjab	2	-
	Habib Bank Limited	2	-
	United Bank Limited	1	-
	Total Sub-Branches	**128**	**-**
	Grand Total Branches/Sub-Branches	**2,581**	**1,277**

Source: Information/Data obtained from different banks

Annexure: II

Province/Region wise Break-up of Islamic Banking Branch Network

(As of December 31, 2017)

Type	Bank Name	Azad Kashmir	Balochistan	FATA	Federal Capital	Gilgit-Baltistan	Khyber Pakhtunkhwa	Punjab	Sindh	Grand Total
Islamic Banks	AlBaraka Bank (Pakistan) Limited	3	6	-	7	1	16	100	47	180
	BankIslami Pakistan Limited	3	12	-	9	2	19	95	78	218
	Dubai Islamic Bank Pakistan Limited	7	5	-	11	-	8	85	84	200
	Meezan Bank Limited	6	23	-	31	2	36	306	197	601
	MCB Islamic Bank Limited	-	9	1	3	-	9	31	23	76
	Islamic Banks	**19**	**55**	**1**	**61**	**5**	**88**	**617**	**429**	**1,275**
Standalone Islamic Banking Branches of Conventional Banks	Allied Bank Limited	2	4	-	6	1	12	69	23	117
	Askari Bank Limited	-	3	-	8	1	13	46	20	91
	Bank Al Habib Limited	-	4	-	2	-	3	17	27	53
	Bank Alfalah Limited	1	5	-	11	-	8	89	38	152
	Faysal Bank Limited	2	10	1	8	1	24	109	42	197
	Habib Bank Limited	2	1	1	4	-	4	23	10	45
	Habib Metropolitan Bank Limited	-	-	-	1	-	6	8	14	29
	National Bank of Pakistan	9	5	2	5	1	31	85	31	169
	Silk Bank Limited	1	1	-	3	-	5	11	9	30
	Sindh Bank Limited	1	1	-		-	2	7	3	14
	Soneri Bank Limited	-	1	-	2	1	2	8	4	18
	Standard Chartered Bank (Pakistan) Limited	-	-	-	1	-	1	1	6	9
	Summit Bank Limited	-	1	-	2	2	1	2	6	14
	The Bank of Khyber	-	4	4	2	-	60	10	3	83
	The Bank of Punjab	1	-	-	5	-	10	48	-	64
	United Bank Limited	1	4		4	-	19	39	26	93
	Islamic Banking Branches Total	**20**	**44**	**8**	**64**	**7**	**201**	**572**	**262**	**1,178**
Sub Branches	AlBaraka Bank (Pakistan) Limited	-	-	-	1	-	-	1	6	8
	Askari Bank Limited	-	1	-		-	1	1	-	3
	BankIslami Pakistan Limited	1	6	-	8	-	5	41	51	112
	Faysal Bank Limited	-	-	-	-	-	-	-	-	-
	Habib Bank Limited	-	-	-	-	-	-	-	2	2
	The Bank of Punjab	-	-	-	-	-	-	2	-	2
	United Bank Limited	-	-	-	-	-	1	-	-	1
	Sub Branches Total	**1**	**7**	**0**	**9**	**0**	**7**	**45**	**59**	**128**
	Grand Total	**40**	**106**	**9**	**134**	**12**	**296**	**1,234**	**750**	**2,581**

Annexure: III

District wise Break-up of Islamic Banking Branch Network

(As of December 31, 2017)

S. No	Province	District	No of Branches*
1	Sindh	Badin	2
2		Dadu	6
3		Ghotki	3
4		Hyderabad	51
5		Jacobabad	5
6		Jamshoro	2
7		Karachi City	609
8		Khairpur	3
9		Larkana	5
10		Matiari	1
11		Mirpurkhas	10
12		Naushahro Feroze	1
13		Shaheed Benazir Abad	15
14		Sanghar	10
15		Shikarpur	1
16		Sukkur	16
17		Shahdadkot	1
18		Tando Allahyar	4
19		Tando Mohammad Khan	1
20		Thatta	1
21		Umer Kot	3
Sindh Total			**750**
22	Punjab	Attock	15
23		Bahawalnagar	12
24		Bahawalpur	20
25		Bhakkar	1
26		Chakwal	15
27		Chiniot	5
28		Dera Ghazi Khan	14
29		Faisalabad	98
30		Gujranwala	58
31		Gujrat	46
32		Hafizabad	5
33		Jhang	10
34		Jhelum	15
35		Kasur	17
36		Khanewal	18
37		Khushab	5
38		Lahore City	415
39		Layyah	6
40		Lodhran	5
41		Mandi Bahauddin	12
42		Mianwali	8
43		Multan	73
44		Muzaffargarh	7
45		Nankana Sahib	7
46		Narowal	6
47		Okara	17
48		Pakpattan	8
49		Rahim Yar Khan	35
50		Rajanpur	3
51		Rawalpindi	128
52		Sahiwal	28
53		Sargodha	28
54		Sheikhupura	21
55		Sialkot	39
56		Toba Tek Singh	17
57		Vehari	17
Punjab Total			**1,234**

S. No	Province	District	No of Branches*
58	Khyber Pakhtunkhwa	Abbottabad	20
59		Bannu	6
60		Batagram	3
61		Buner	4
62		Charsadda	9
63		Chitral	6
64		Dera Ismail Khan	13
65		Hangu	5
66		Haripur	8
67		Karak	1
68		Kohat	9
69		Lakki Marwat	1
70		Lower Dir	13
71		Malakand	13
72		Mansehra	12
73		Mardan	20
74		Nowshera	18
75		Peshawar	90
76		Shangla	4
77		Swabi	6
78		Swat	27
79		Tank	1
80		Torghar	1
81		Upper Dir	6
Khyber Pakhtunkhwa Total			**296**
82	Gilgit-Baltistan	Skardu	1
83		Diamir	5
84		Gilgit	6
Gilgit-Baltistan Total			**12**
85	FATA	Bajaur Agency	1
86		Khyber Agency	5
87		Mohmand Agnecy	1
88		Orakzai Agency	2
FATA Total			**9**
89	Federal Capital	Islamabad	134
Capital Total			**134**
90	Balochistan	Chaghi	1
91		Gawadar	6
92		Harnai	1
93		Turbat	2
94		Khuzdar	2
95		Lasbela	5
96		Loralai	5
97		Pishin	6
98		Quetta	60
99		Qilla Abdullah	6
100		Qilla Saifullah	4
101		Zhob	6
102		Ziarat	1
103		Panjgur	1
Balochistan Total			**106**
104	Azad Kashmir	Bagh	1
105		Bhimber	1
106		Dadyal	4
107		Hattian Bala	1
108		Kotli	5
109		Mirpur	16
110		Muzaffarabad	10
111		Poonch	2
Azad Kashmir Total			**40**
Grand Total			**2,581**

*including sub-branches