

Islamic Banking Bulletin

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**Islamic Banking Department
State Bank of Pakistan**

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**Seminar on “Islamic Economics, Finance and Banking” Global Forum 2016
Organized by Institute of Islamic Banking, University of Management and Technology**

Address by Mr. Saeed Ahmad,
Deputy Governor, State Bank of Pakistan
Pearl Continental Hotel, Lahore
January 20-21, 2016

Distinguished Guests, Ladies and Gentlemen

Assalam-o-alaikum

I am delighted to be here today at this august gathering of leading researchers, scholars and practitioners of Islamic finance. The organizers of this seminar deserve special appreciation for holding this event. Such events not only stimulate demand of Islamic finance by enhancing awareness but also provide a platform to Islamic finance stakeholders to benefit from experience of each other. This can work as a catalyst for the growth of this emerging segment of the financial system.

Ladies & Gentlemen:

After the turbulent period of 2008- 09, significant reforms and efforts were made internationally in order to enhance the resilience of global financial system. At the same time, potential of Islamic finance as an alternative financial system began to generate appeal, especially given the fact that Islamic finance industry remained largely unaffected by the global financial crisis compared to its conventional counterparts. This increasing popularity is indicated by significant growth of this Shariah compliant financial system; asset base of global Islamic finance industry reached to US\$2 trillion¹ by March 2015.

Islamic economic system is not just about prohibition of interest, it is equity-based, asset-backed and socially responsible finance. Islamic finance rulings are derived from Shariah, which dictates that Islamic financial transactions should be supported by underlying productive activities. Therefore, Islamic finance warrants a close relationship between financial transactions and the real economy based on Shariah principles where intermediation is aligned to generate economic activities.

Eradication of poverty, promotion of socio-economic justice and equitable distribution of income are among the primary goals of Islam and should be features of an Islamic economic system. Hence, it is imperative on Islamic financial institutions to include social dimensions in their operations. There are various models and structures that Islamic system has instilled to distribute and redistribute income and wealth for the fulfillment of basic needs of all segments of the society. These models include, among others, Zakat, Waqf and Qard-al-Hasan.

¹ World Bank Report on Islamic Finance, March 2015

The concept of waqf has great significance in Islam and derives its origin from approximately fourteen centuries back. Waqf can play an important role in economic development and social uplift of Muslim societies. Similarly, Islamic microfinance can also be an effective mean in developing a better socio-economic system by virtue of its fundamentals i.e., poverty alleviation, sustainability of the client and fulfillment of needs of those who are at the lowest end of income spectrum (poorest of poor). Funds from Zakat and institutions based on Waqf can be utilized for providing subsidized financing, Qard-al-Hasan to poor clientele and for skill enhancement of microfinance clients.

Ladies & Gentlemen:

Pakistan is one of the active and effective players in global Islamic finance industry and State Bank of Pakistan has remained at forefront in developing and promoting Islamic finance in the country. Learning from past experience, SBP adopted an evolutionary approach for establishing Islamic banking in the country in 2001. Since then and the industry starting from scratch in 2001, has grown above 11 percent share in assets and 13 percent share in deposits of overall banking industry. I believe that in order to sustain growth momentum of Islamic finance industry in the country, it is important that all components of the financial industry including banking and the capital markets need to work in close collaboration with each other. In this regard an effective platform for collaboration between various stakeholders of the industry has been provided by the Steering Committee for Promotion of Islamic banking in Pakistan which was established by the Federal Government. During the last two years the committee has worked towards providing conducive environment for growth of Islamic finance in the country and some of its key recommendations like establishment of centers of excellence, launch of All Islamic Share Index and policy framework for establishment of Islamic banking subsidiaries have already been implemented.

Ladies & Gentlemen;

I feel that this fast growth would not have been possible without sound regulatory, supervisory and Shariah foundations laid down by the State Bank of Pakistan. However, we cannot afford to be complacent as the competitive advantage of Islamic banking and finance is yet to be capitalized as depicted by its lower penetration into strategic sectors like agriculture, microfinance, small & medium enterprises and low income housing especially in the context of the significant share and scope of these sectors in the GDP. Therefore, in order to sustain the growth momentum and achieve the core objective of Islamic finance, the industry will have to develop more products for these priority sectors as well as the other business sectors.

Being aware of the competitive edge of Islamic banking industry to reach out to these sectors, SBP is developing an incentive framework in collaboration with the industry aimed at encouraging Islamic banks to offer participatory modes based products and solutions. In order to increase outreach of Islamic Banks to priority sectors, State Bank of Pakistan has also assigned indicative targets to banks on SME and Agriculture financing. Similarly to encourage Islamic microfinance, SBP has allowed a comprehensive framework that permits establishment of full-fledged Islamic microfinance banks, Islamic microfinance services by full-fledged Islamic banks and Islamic microfinance divisions in conventional microfinance banks to offer Shariah compliant microfinance services. It is encouraging that NRSP Microfinance Bank Limited has started offering first Islamic microfinance banking services through dedicated Islamic microfinance branches.

Ladies & Gentlemen:

SBP launched its survey based study; “Knowledge, Attitude and Practices of Islamic Finance in Pakistan (KAP)”, during FY14. The survey findings reflect that there is a huge potential for further development of Islamic banking in Pakistan and significant proportion of demand lies amongst those who are still financially excluded. However, there is a need to create awareness of Islamic finance and to educate masses about this evolving industry. Educating customers would also help in providing better understanding to people about Islamic finance, its underlying principles and different types of services and products offered by the industry. The role of Shariah scholars should be enhanced and made more public in promoting Islamic banking and finance. Besides, Islamic financial institutions also need to improve their expertise in areas such as marketing and branding for spreading awareness among the people regarding Islamic finance.

SBP has been playing its due role in this regard; to create awareness about Islamic finance the central bank has not only launched an awareness campaign that consists of seminars, conferences, focused discussions for business community, academia, bankers and policy makers. Islamic banking industry is also running a mass media campaign for improving literacy of Islamic finance across the county with the support of SBP. This media campaign is instrumental in promoting Islamic banking as a viable and competitive banking system.

Ladies & Gentlemen:

Using this forum, I would like to highlight the paramount importance of investment in research and development particularly for an evolving sector like Islamic finance. Research and development can help Islamic banking industry to develop Shariah based solutions for various business and economic needs of the real economy and to achieve next level of growth trajectory. Therefore, I encourage Islamic banking institutions to focus on research & development activities and make adequate investment in this area.

State Bank of Pakistan being cognizant of the importance of skilled human resource for the industry is encouraging the culture of research and development in Islamic finance. The most significant achievement in this regard is the establishment of three Centers of Excellence in Islamic Finance Education at well renowned educational institutions i.e., Institute of Business Administration (IBA), Karachi, Lahore University of Management Sciences (LUMS), Lahore and Institute of Management Sciences (IM Sciences), Peshawar with the support of SBP. We are hopeful that these centers will not only help in supplying adequate human resource to growing needs of the industry but will also create knowledge environment that promotes innovation. Moreover, these centers will also act as a platform for the industry and key stakeholders to discuss/resolve various issues faced by the industry.

Ladies & Gentlemen:

The rapid growth of Islamic finance has also necessitated a need of strong corporate governance practices. The improvement in transparency and disclosure of transactions through enhanced financial reporting and effective monitoring is another key area for development of Islamic finance. In this regard, adoption of prudent corporate governance practices and the disclosure standards would help in achieving the objectives such as protection of depositors from negligence, investor rights, facilitating access to finance,

reducing the cost of capital, improving operational performance, as well as increasing institutions' soundness against external shocks.

In the end, I would like to congratulate the organizers for arranging this seminar and thank them for inviting me here. I look forward to the success and concrete outcomes of this great initiative.

Thank you.

Islamic Banking Industry- Progress & Market Share

Overview

Islamic banking industry (IBI) witnessed growth of 6.5 percent during the quarter October to December 2015 as its assets reached Rs 1,610 billion compared to Rs 1,511 billion in the previous quarter. Deposits of the IBI also increased during the review quarter to reach Rs 1,375 billion compared to Rs 1,271 billion in the third quarter of CY15. Hence, the market share of Islamic banking assets and deposits in overall banking industry increased during the review quarter and stood at 11.4 percent and 13.2 percent respectively (see **Table 1**). Profitability of IBI was registered at Rs 12.3 billion by end December 2015. Among earning and profitability indicators, both Return on Equity (ROE) and Return on Assets (ROA) witnessed improvement during the quarter under review compared to the previous quarter.

	Industry Progress			Growth (YoY)			Share in Industry		
	Dec-14	Sep-15	Dec-15	Dec-14	Sep-15	Dec-15	Dec-14	Sep-15	Dec-15
Total Assets	1259	1511	1610	24.2%	37.1%	27.9%	10.4%	11.2%	11.4%
Deposits	1070	1271	1375	23.3%	36.1%	28.5%	11.6%	13.1%	13.2%
Total Islamic Banking Institutions	22	22	22	–	–	–	–	–	–
Total No. of Branches*	1574	1783	2075	–	–	–	–	–	–
Islamic Banking Windows	929	1013	1047						

Source: Quarterly Unaudited Accounts

**number includes sub-branches*

IBI Network Expansion

During the review quarter, branch network of IBI continued to expand and crossed the benchmark of 2000 branches which was laid down by SBP for the IBI in its Strategic Plan (2014-18). In total, 292 branches were added to Islamic banking branch network during the review quarter. It is worth mentioning that two major mergers & acquisitions took place during 2015; Bank Islami Pakistan Limited acquired operations of KASB Bank Limited (108 branches) and Meezan Bank Limited acquired HSBC Oman's (S.A.O.G) Pakistani branches (10 branches). Apart from these merged branches, 174 new branches

Province/Region	Additional	Total	Share
Punjab	156	987	47.6
Sindh	85	642	30.9
Khyber Pakhtoonkhawa	23	219	10.6
Baluchistan	8	80	3.9
Gilgit Baltistan	-	8	0.4
FATA	1	7	0.3
Federal Capital	10	104	5.0
AJK	9	28	1.3
Total	292	2,075	100

were also included in the Islamic banking network during the review quarter. These additional branches were established across all regions of the country except Gilgit Baltistan (see **Table 2**). In terms of coverage, Islamic banking services expanded to one new district (Kashmore) during the review quarter. Windows operated by Islamic Banking Branches (IBBs) of conventional banks also increased during the review quarter; 1,047 compared to 1,013 in the previous quarter (see **Annexure I** for details).

Asset and Liability Structure

Assets: Asset base of IBI registered growth of 6.5 percent during the quarter October to December 2015 to reach Rs 1,610 billion from Rs 1,511 billion in the previous quarter. This growth in Islamic banking assets was higher compared to growth in overall banking industry assets² resulting in an increase in market share of assets of Islamic banking in overall banking industry's assets from 11.2 percent by end September 2015 to 11.4 percent by end December 2015.

Analysis of asset composition of IBI reveals that increase in assets was mainly contributed by financing that witnessed quarterly growth of 21.1 percent to reach Rs 645.3 billion by end December 2015 compared to Rs 532.9 billion in the previous quarter. Investments (net) also grew by 10.1 percent (Rs 39.5 billion) during the review quarter and were recorded at Rs 431.9 billion by end December 2015 compared to Rs 392.4 billion by end September 2015. The share of net financing and investments in total assets (net) of IBI stood at 40.1 percent and 26.8 percent respectively at the end of the quarter under review (see section on **Investments** and **Financing** for details). In contrast, financing to financial institutions depicted a decline of Rs 88 billion (25.2 percent) over the previous quarter which indicates that IBI mainly deployed funds towards financing and investment activities during the review quarter.

Analysis of assets by breakup among Islamic Banks (IBs) and Islamic Banking Branches (IBBs) of conventional banks shows that assets of both IBs and IBBs recorded growth of 5.3 percent and 8.6 percent respectively compared to the previous quarter. However, the share of IBs (61.9 percent) remained higher than that of IBBs (38.1 percent) in overall assets of IBI.

Investments

Investments (net) of IBI grew by 10.1 percent to reach Rs 431.9 billion by end December 2015 compared to Rs 392.4 billion by end September 2015 (see **Table 3**). The growth in investments was mainly contributed by investment in Federal government securities as it grew by 16.7 percent during the review quarter owing to issuance of Government of Pakistan (GoP) Ijara Sukuk of Rs 117.7 billion in December 2015. Other components of investments like fully paid up ordinary shares and Bonds/PTCs/Sukuk certificates also reflected a quarterly growth of 6.2 percent and 2.9 percent respectively during the review quarter; though these components still constitute a very small share in investments.

Table 3: Investments					
Rupees in billion					
				Growth	
	Dec-14	Sep-15	Dec-15	YoY	QoQ
Federal government securities	240.5	263.5	307.4	27.8	16.7
Fully paid up ordinary shares	5.4	11.3	12.0	122.2	6.2
Bonds/ PTCs/Sukuk certificates	45.1	55.1	56.7	25.7	2.9
Other investments	67.3	67.2	62.5	(7.1)	(7.0)
Total Investments	358.3	397.1	438.7	22.4	10.5
Provisions & deficit/ (surplus)	(1.6)	(4.7)	(6.7)	318.8	42.6
Investments (net)	356.7	392.4	431.9	21.1	10.1

² Assets of overall banking industry grew by 4.6 percent during the last quarter CY15

Break up of investments among IBs and IBBs reveals that investments of IBBs increased by 15.6 percent (Rs 30.2 billion) during the review quarter compared to the increase of 4.7 percent (Rs 9.3 billion) in investments of IBs.

Financing

Financing and related assets (net) of IBI witnessed growth of 21.1 percent during the quarter October to December 2015 and reached Rs 645.3 billion. Both IBs and IBBs witnessed growth in financing (net), however financing by IBs grew more (26 percent) compared to IBBs (11.3 percent). The fast paced growth in financing compared to deposits' growth (8.2 percent) resulted in improving Financing to Deposits ratio (FDR) which was registered at 46.9 percent during the review quarter compared to 41.9 percent in the previous quarter. A further analysis of FDR shows that FDR of IBs remained higher (52.2 percent) compared to FDR of IBBs (38.1 percent).

	Dec-14	Sep-15	Dec-15
Murabaha	30.1	24.8	24.5
Ijarah	7.7	7.5	6.6
Musharaka	11.0	13.6	14.0
Mudaraba	0.1	-	-
Diminishing Musharaka (DM)	32.6	34.2	31.7
Salam	4.5	4.4	5.3
Istisna	8.3	9.5	8.6
Others	5.6	6.0	9.3
Total	100.0	100.0	100.0

	Dec-14	Sep-15	Dec-15	Industry
Chemical and Pharmaceuticals	7.1	8.7	7.7	4.2
Agribusiness	1.4	7.0	5.8	8.9
Textile	21.1	15.9	18.0	14.3
Cement	0.6	2.6	1.8	1.1
Sugar	3.1	2.5	3.4	2.7
Shoes and leather garments	1.0	1.0	0.7	0.5
Automobile and transportation equipment	2.1	1.5	1.5	1.0
Financial	0.3	0.5	0.7	2.8
Electronics and electrical appliances	2.0	1.7	1.9	1.5
Production and transmission of energy	11.8	9.3	9.4	12.8
Individuals	13.0	12.8	10.9	8.5
Others	36.6	36.6	38.1	41.7
Total	100.0	100.0	100.0	100.0

In terms of concentration of financing among various sectors, textile remained the leading sector and its share in overall financing registered an increase of 2.1 percent during the review quarter compared to the previous quarter. Besides, production & transmission of energy, chemical & pharmaceuticals and individuals were some other major sectors (see **Table 5**) in terms of their share in financing of IBI.

Review of client wise financing reveals that financing of IBI remained concentrated in the corporate sector, having a share of 74.4 percent, followed by consumer financing (10 percent) and commodity financing (8.6 percent) (see **Table 6**). Like previous quarters, financing, extended by IBIs to SMEs and agriculture remained lower compared to overall banking industry's averages.

	Dec-14	Sep-15	Dec-15	Industry
Corporate Sector	76.9	73.5	74.4	67.0
SMEs	3.6	2.8	3.1	6.2
Agriculture	0.4	0.8	0.6	5.9
Consumer Finance	11.9	11.3	10.0	6.6
Commodity Financing	5.3	7.9	8.6	12.1
Staff Financing	1.6	1.5	1.3	2.1
Others	0.3	2.2	2.0	0.1
Total	100.0	100.0	100.0	100.0

Asset Quality

Asset quality indicators of the Islamic banking industry, including NPFs to Financing and Net NPFs to Net Financing improved compared to the previous quarter. Moreover both NPFs to Financing and Net NPFs to Net Financing of the Islamic banking industry are lower compared to overall banking industry. Among other asset quality indicators Provisions to NPFs ratio was 95.6 percent as of December 2015 compared to the industry average of 84.9 percent (see **Table 7**).

	Dec-14	Sep-15	Dec-15	Industry
NPFs to Total Financing	4.7	5.6	4.9	11.4
Net NPFs to Net Financing	0.8	0.6	0.2	1.9
Provisions to NPFs	83.9	90.2	95.6	84.9
Net NPAs to Total Capital	4.8	1.0	1.6	7.3
Non Performing Assets & Financing (Rupees in billions)				
Non Performing Assets	22.6	34.6	40.9	690.0
Non Performing Financing	19.9	31.4	33.1	605.4
Provision against Financing	16.7	28.3	31.7	514.3

Liabilities

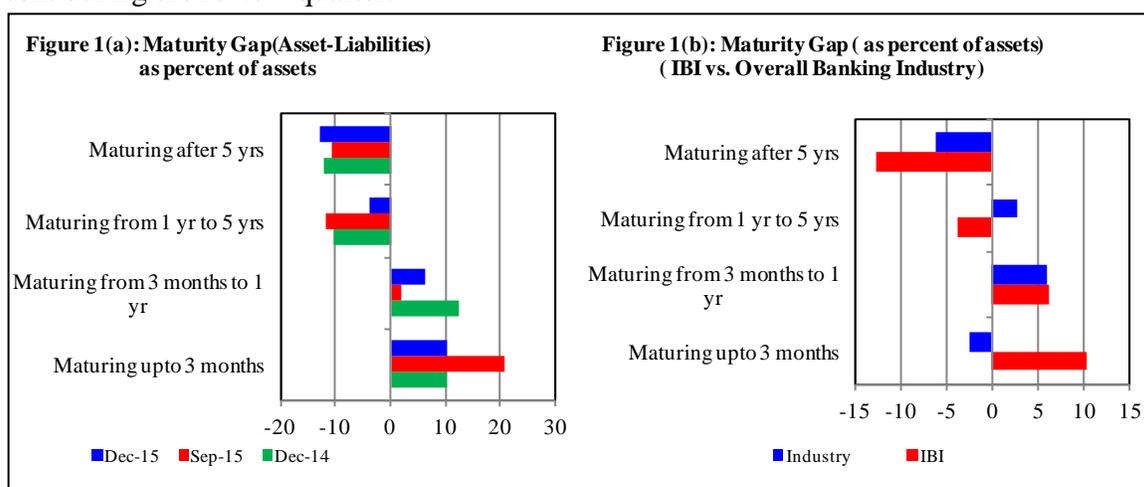
Deposits of IBI witnessed a growth of 8.2 percent during the quarter October to December 2015 and reached Rs 1,375 billion compared to Rs 1,271 billion in the previous quarter. Resultantly, the market share of IBI's deposits in overall banking industry's deposits also increased from 13.1 percent by end September 2015 to 13.2 percent by end December 2015. Both customers' deposits as well as financial institution' deposits witnessed positive growth and grew by Rs 96 billion (8 percent) and Rs 8 billion (10.3 percent) respectively during the review quarter.

The breakup of deposits shows that current (non-remunerative) and saving deposits increased by Rs 51 billion and Rs 39 billion respectively during the review quarter (see **Table 8**). Bifurcation of deposits among IBs and IBBs reveals that deposits of both; IBs and IBBs, witnessed increase of Rs 65 billion (8.2 percent) and Rs 39 billion (8.1 percent) respectively. Likewise financing, the share of IBs (62.5 percent) in overall deposits of IBI was higher than IBBs (37.5 percent).

Table 8: Break up of Deposits					
Rupees in billion and growth in percent					
	Dec-14	Sep-15	Dec-15	Growth	
				YoY	QoQ
Deposits	1,070	1,271	1,375	29	8.2
Customers	1,004	1,188	1,284	28	8.0
Fixed Deposits	292	341	345	18	1.1
Saving Deposits	411	495	534	30	8.0
Current accounts - Remunerative	4	4	6	63	29.3
Current accounts - Non-remunerative	292	342	393	35	14.7
Others	5	6	6	31	6.4
Financial Institutions	66	83	91	39	10.3
Remunerative Deposits	62	81	90	45	11.2
Non-remunerative Deposits	4	2	1	(66.0)	(27.0)

Maturity Gap

Short term assets in bucket of up to 3 months (ms) witnessed a decline during the last quarter CY15 and resulted in reducing the positive gap of this category from 20.7 percent in the previous quarter to 10.3 percent during the review quarter (see **Figure 1(a)**). However, for overall banking industry the gap in the above mentioned category is negative (see **Figure 1 (b)**). For the category of 3ms to 1 year (yr), IBI showed positive gap owing to relatively high growth in assets of 3ms to 1yr compared to liabilities of the same bucket. Similarly for longer term categories from 1yr to 5yrs, the negative gap decreased from 11.9 percent to 3.7 percent due to increase in assets of this category as well. While, for the category of above 5 yrs, the negative gap increased from 10.8 percent to 12.8 percent during the review quarter.



Liquidity Ratios

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

Table 9 : Liquidity Ratios (In Percent)				
	Dec-14	Sep-15	Dec-15	Industry
Liquid Asset to Total Assets	32.6	33.8	35.1	53.8
Liquid Assets to Total Deposits	38.4	40.2	41.2	73.3

Capital

The capital base of IBI stood at Rs 106.2 billion by end December 2015. As few IBs are in the process of building up their capital to meet regulatory requirement, therefore, ratios like

Table 10 : Capital Ratios (In Percent)				
	Dec-14	Sep-15	Dec-15	Industry
Capital to Total Assets	6.5	6.6	6.6	8.4
Total Capital to Total RWA	13.8	16.9	13.8	17.3

Capital to Assets (6.6 percent) and Total Capital to Total RWA of IBI (13.8 percent) were lower than those of industry averages which were at 8.4 percent and 17.3 percent respectively (see **Table 10**).

Profitability & Earnings

Profit after tax (PAT) of IBI was recorded at Rs 12.3 billion by the end December 2015 compared to Rs 12.7 billion in the same quarter last year. During the review quarter, both ROE and ROA improved by 3.5 percent and 0.3 percent respectively compared to the previous quarter. In line with general trend, Operating Expense to Gross Income of IBI remained higher than that of overall banking industry mainly due to expansionary phase of the industry.

Table 11: Profitability & Earnings of IBI (In Percent)				
	Dec-14	Sep-15	Dec-15	Industry
Return on Assets (ROA) after tax	1.2	0.6	0.9	1.5
Return on Equity (ROE) after tax	16.5	9.8	13.3	15.7
Operating Expense to Gross Income	66.0	68.2	70.0	47.8
Personnel Expense to Operating Expense	38.6	37.5	40.3	40.4

Country Model

Azerbaijan

The launch of Islamic finance in Azerbaijan can be credited to the Islamic Development Bank (IDB) which was involved in setting up of an Islamic investment fund known as the Caspian Investment Company (CIC) in 2012, a joint-venture of the IDB and Azerbaijani government. Commencement of the joint-venture helped in increasing interest of Azerbaijan towards Islamic finance. Consequently, International Bank of Azerbaijan (IBA), the largest bank of the country, started offering Shariah compliant financial services through its window in 2013.

Since its initiation, Islamic banking has developed slowly in the former Soviet State, mainly due to absence of appropriate legislation and regulation for Islamic banking in the country. Despite slow growth of Islamic banking and finance in the country, the authorities in the country have ambitions of elevating Baku, capital of Azerbaijan, as a regional hub of Islamic finance. The country is in negotiations with Iran for creation of a joint bank. Moreover, work on Islamic banking law is in progress.

Apart from Islamic banking services, Islamic leasing, Islamic microfinance and Islamic takaful services are also being offered in Azerbaijan. Amongst various modes used for Shariah compliant financing in the country, Ijara, Wakala, Murabaha and Mudaraba remain prominent.

Role of IBA in Promotion of Islamic Banking in Azerbaijan

Since starting Islamic banking services in 2013, IBA has remained at the forefront of all Islamic banking activities in Azerbaijan. In 2014, a dedicated Islamic banking department was established in IBA for promoting Islamic banking activities. The Shariah compliant financial services of IBA are not just confined to Azerbaijan, but the bank has also established a subsidiary in Moscow, Russia. The bank has not only been working with various international Islamic banks but is also engaged with national authorities for drafting Islamic banking law. Moreover, the bank has plans to issue the country's first Sukuk in near future.

Legal Framework for Islamic Banks in Azerbaijan

As stated earlier, there is absence of appropriate legislation and regulation for Islamic banking in Azerbaijan. Though the existing banking law does not prohibit Islamic banking, however, there are no specific regulations for Islamic banking. In order to establish legislation for Islamic banking in the country, Central Bank of Azerbaijan, IBA and various ministries of the country are working with IDB. In this regard, a package of amendments and additions to existing legislation in areas including taxation, corporate law, contracts, banking law, real estate, licensing and securities are under consideration for regulating Islamic banking activities in the country. The new regulations are expected to materialize in 2016 and would allow Islamic banking to operate in parallel to conventional banking.

Way Forward

Considering the geographical location of Azerbaijan and having Muslim population of more than ninety percent, there are opportunities for Islamic banking and finance to develop in the country. The authorities in the country are also working for creating a conducive environment for Islamic banking and finance by

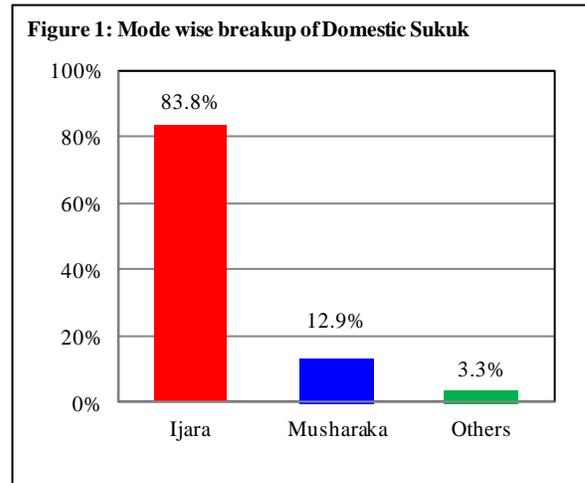
introducing legal amendments to cover Islamic banking and finance. Islamic capital market in the country is also likely to get a boost as issuance of Azerbaijan's first Sukuk is likely in near future. If developments like these continue, the presence of Azerbaijan in Islamic finance industry is likely to improve in coming years.

Sources

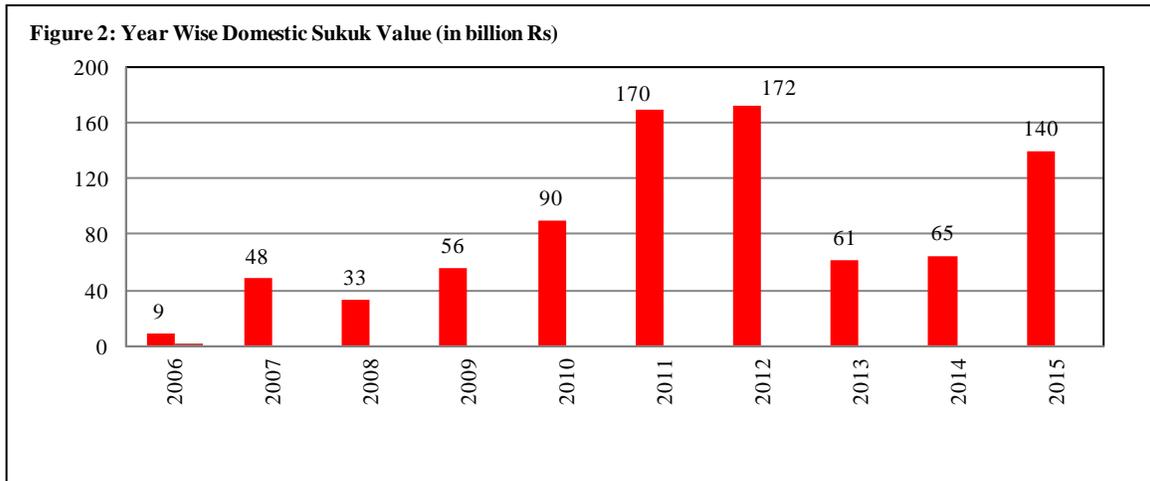
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Special Section: Sukuk Market in Pakistan

The history of Sukuk market in Pakistan can be traced back to issuance of its first international sovereign Sukuk of US\$ 600 million in 2005. However, the first Sukuk in domestic market was issued in 2006 and since then a total of 89 Sukuk (16 sovereign and 73 corporate) amounting to Rs 843.4 billion have been issued up to 2015. In terms of value, majority of the domestic Sukuk in Pakistan have been issued using Ijara mode (83.8 percent) followed by Musharaka (12.9 percent) (see **Figure 1**).

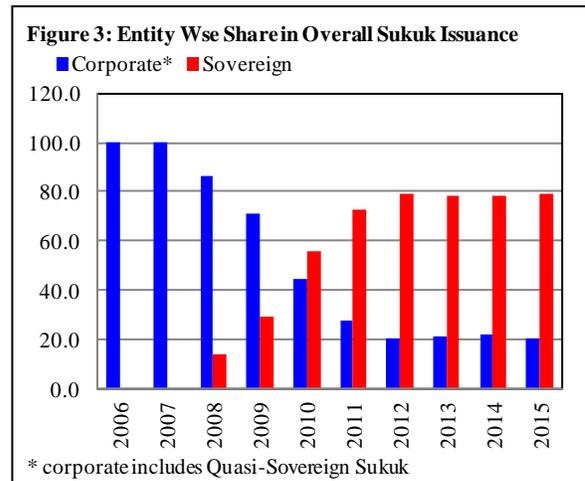


The chronological development of domestic Sukuk market shows that in terms of value, the period 2010 to 2012 witnessed maximum Sukuk amount (see **Figure 2**). This can be attributed to series of Sukuk



issuance by the Government of Pakistan (GoP) during the period. Domestic Sukuk market relatively slowed down during 2013 and 2014 as only two GoP Ijara Sukuk were issued during the period (one in each year). In 2015, though only one GoP Ijara Sukuk was issued but given that in terms of value it was the highest GoP Ijara Sukuk to date (amounting nearly Rs 118 billion) it provided some impetus to the Sukuk market.

In terms of Sukuk issued by various entities, during, corporate Sukuk dominated the domestic market during initial years. However, since the issuance of first GoP Ijara Sukuk in 2008, the share of sovereign Sukuk in total value of Sukuk issued in the country



started rising and presently constitutes a share of 79.3 percent (see **Figure 3**).

Further analysis of GoP Ijara Sukuk reveals that the Pakistani domestic market has witnessed 16 auctions of GoP Ijara Sukuk (see **Table 1**) amounting above Rs 668 billion. Of late the State Bank of Pakistan (SBP) has been allowed buying or selling of these Sukuk from the industry on deferred payment basis (Bai Muajjal) through open market operations. This has provided the central bank a Shariah compliant monetary management tool. Moreover, the government has also used this instrument to secure funding from Islamic banking industry in recent past.

Table 1: Auction Summary of 3 Years Ijara Sukuk by the Government of Pakistan				
	Auction Date	Issue Date	Target Amount	Amount of Sukuk
GoP Ijara Sukuk - 1	15/9/2008	26/9/2008	10,000.00	6,522.50
GoP Ijara Sukuk - 2	20/12/2008	29/12/2008	10,000.00	6,000.00
GoP Ijara Sukuk - 3	5/3/2009	11/3/2009	10,000.00	15,325.00
GoP Ijara Sukuk - 4	5/9/2009	17/9-2009	10,000.00	14,396.00
GoP Ijara Sukuk - 5	8/11/2010	15/11/2010	40,000.00	51,837.00
GoP Ijara Sukuk - 6	13/12/2010	20/12/2010	40,000.00	37,174.00
GoP Ijara Sukuk - 7	1/3/2011	7/3/2011	45,000.00	47,539.70
GoP Ijara Sukuk - 8	9/5/2011	16/5/2011	45,000.00	45,803.70
GoP Ijara Sukuk - 9	20/12/2011	26/12/11	50,000.00	70,269.10
GoP Ijara Sukuk - 10	23/2/2012	2/3/2012	50,000.00	38,123.90
GoP Ijara Sukuk - 11	23/4/2012	30/4/2012	25,000.00	29,632.00
GoP Ijara Sukuk - 12	20/6/2012	28/6/2012	25,000.00	48,765.80
GoP Ijara Sukuk - 13	11/9/2012	18/9/2012	45,000.00	47,017.80
GoP Ijara Sukuk - 14	26/3/2013	28/3/2013	43,000.00	43,018.00
GoP Ijara Sukuk - 15	20/6/2014	25/6/2014	49,000.00	49,537.00
GoP Ijara Sukuk - 16	15/12/2015	18/12/2015	100,000.00	117,723.00
Total GoP Ijara Sukuk				668,684.50

On global front, the Government of Pakistan has thus far entered the international Sukuk market twice: in 2005 and 2014 (see **Table 2**). Both Sukuk received overwhelming response from international investors depicted by oversubscription of the Sukuk compared to their targeted amount.

Table 2: International Sukuk by the Govt. of Pakistan			
Auction	Issue Date	Maturity Date	Amount of Sukuk
Pakistan First International Sukuk	Jan-05	Jan-10	US\$ 600 million
Pakistan Second International Sukuk	Nov-14	Nov-19	US\$ 1,000 million

It is pertinent to note that Securities and Exchange Commission of Pakistan (SECP), regulator of the capital market in Pakistan, is taking various measures for improving the domestic Sukuk market. Most significant of these is the introduction of Regulations for Issuance of Sukuk, 2015.

Despite witnessing growth over the years, domestic Sukuk market is still confronted with issues such as lack of short term and long term Sukuk of high quality, absence of secondary market for trading, identification of assets for sovereign Sukuk and no requirement of disclosure of usage of Sukuk proceedings to fully exploit the potential of Sukuk. Going forward, coordinated efforts from all stake holders including issuers, regulators and investors are required for increasing depth of the Sukuk market.

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

IRTI – SBP Joint Training Course on “Liquidity Management in Islamic Banking” Held on 5 – 9 October 2015 at PC Hotel, Karachi

A 5-day joint training program under the theme “Liquidity Management in Islamic Banking” was conducted by Islamic Research and Training Institute (IRTI) – a member of the Islamic Development Bank Group (IDB), and SBP during October 5 – 9, 2015 at PC Hotel, Karachi. The course was attended by both international and local speakers and participants from field of treasury and product development, etc. Arranging such capacity building programs in collaboration with international institutions is in line with IBD’s objective of improving and enhancing awareness of Islamic finance among different segments of society.

Workshop on “Islamic Hedging and Liquidity Management” Held on October 6, 2015 at PC Hotel, Karachi

A workshop on “Islamic Hedging and Liquidity Management” was arranged by SBP on October 6, 2015 at PC Hotel, Karachi wherein (1) Mr. Ijlal Ahmed Alvi, CEO – International Islamic Financial Market (IIFM), (2) Mr. Ismail Ebrahim Dadabhoy, Advisor to CEO – IIFM and (3) Mr. Khurram Hilal, Head of Global Islamic Products – Standard Chartered Bank were guest speakers. The workshop was chaired by Mr. Muhammad Ali Malik, Executive Director – FMRM and was attended by SBP officials, Shariah Advisors, bankers, etc.

Workshop on “Sukuk Structuring” Held on October 8, 2015 at PC Hotel, Karachi

A full day workshop on “Sukuk Structuring” was arranged by SBP on October 8, 2015 at PC Hotel, Karachi. The workshop was conducted by (1) Dr. Shahin Shayan, CEO – Hoda International Financial Engineering Company and (2) Mufti Irshad Ahmad Aijaz, Chairman Shariah Supervisory Board – BankIslami Pakistan Limited. The workshop was attended by SBP officials, Shariah Advisors, bankers, investment heads, Islamic banking practitioners, etc.

Training Programs on “Fundamentals of Islamic Banking Operations” (FIBO) Held during January 4 – 8, 2016 and January 11 – 15, 2016 at Faisalabad and Sialkot respectively

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

Islamic Banking News and Views

News

State Bank of Pakistan voted as the best central bank for promoting Islamic finance

State Bank of Pakistan (SBP) has been voted as the best central bank for promoting Islamic finance by a poll conducted by ‘International Finance News’, an arm of Red Money Group Malaysia. The votes were received from various institutions, practitioners and academicians from all over the world. After the announcement, Deputy Governor, SBP Mr. Saeed Ahmad stated “SBP remains committed in promoting Islamic banking and finance and will continue to play a proactive and facilitative role domestically as well as globally. It is heartening to learn about recognition at the International level of efforts of SBP for developing Islamic Banking Industry on a sound and sustainable basis.”

<http://www.sbp.org.pk/press/2016/SBP-Best-CB-08-Jan-16.pdf>

The IDB, UN and World Bank propose issuing Sukuk to ease refugee crisis and support reconstruction efforts

The IDB, World Bank Group and United Nations (UN) are working toward issuing Sukuk and bonds to alleviate the worsening refugee crisis as well as support humanitarian efforts in areas ravaged by war. Proposing a dual-pronged financing initiative, the joint action will see the mobilization of billions of dollars into the MENA region including Syria, Yemen, Iraq and Libya to finance economic recovery and reconstruction projects. “History has taught us that it is never too early to plan for post-conflict recovery and reconstruction,” said IDB Group president Ahmad Mohamed Ali Al Madani in a joint statement. World Bank Group president Jim Yong Kim echoed Ahmad’s sentiments, adding that: “It is our collective responsibility to support the MENA region at this critical time, and this requires significant resources – more than any one country or organization is able to provide on its own.”

www.islamicfinancenews.com

Ernst & Young: Islamic banking to grow despite uncertainty

In a joint press conference with the World Islamic Banking Conference (WIBC), Ernst & Young highlighted part of its World Islamic Banking Competitiveness Report 2015-2016 in a statement. According to the statement the GCC Islamic banking profit pool crossed \$12 billion for the first time in 2014, with expectations that the sector will continue to grow amid regional economic uncertainty. “Nine core markets are currently the growth engines for the global Islamic finance industry,” the statement said.

<http://gulfnews.com/business/sectors/banking/ernst-young-islamic-banking-to-grow-despite-uncertainty-1.1610861>

Islamic finance: Meeting global aspirations

Islamic finance has undergone a rapid expansion reflecting its ability to meet the changing demands of consumers and businesses, and fostering higher and more inclusive growth. Once a very esoteric industry, the market for Islamic financial products is becoming more global. According to recent estimates, worldwide Islamic finance industry assets exceed \$1.87 trillion—a quantum leap from merely \$150 billion in the mid-1990s. According to IMF Survey the role that Islamic finance in today’s global financial system can be broadly classified in two areas (i) Islamic finance can contribute towards greater

global financial stability, stronger global growth, and (ii) Broader availability of Islamic financial services foster social inclusion and increased market.

<http://www.imf.org/external/pubs/ft/survey/so/2015/NEW110915A.htm>

IMF to include Islamic finance in surveillance

International Monetary Fund will include Islamic finance in its monitoring of financial sectors around the world, IMF Managing Director Christine Lagarde said, in a sign of the industry's growing economic weight. "We are keen to pursue this agenda and to further strengthen our policy advice by incorporating best practices for Islamic banking and finance into our surveillance work," Lagarde told a conference on Islamic finance in Kuwait. The IMF has traditionally focused on conventional banking. But last year it launched discussions with an external advisory group of Islamic finance experts and industry bodies, and this month it published a report on the impact of monetary policies on Islamic banking in Gulf countries.

<http://www.reuters.com/article/imf-islam-financing-idUSL8N12Z04N20151111>

ISDA and IIFM release Islamic Cross currency swap standard

The International Swaps and Derivatives Association (ISDA) and the International Islamic Financial Market (IIFM) today launched a new hedging documentation standard designed to assist Islamic financial institutions in mitigating currency risks and managing cash flow at a time when Islamic finance is expanding into new markets and seeing a rise in cross-border activities. The ISDA/IIFM Islamic Cross Currency Swap Standard is an arrangement between two parties to exchange one currency and its associated profit rate over a period of time, enabling a party to access foreign currency and hedge its liabilities in that currency. The product template – part of the ISDA/IIFM Tahawwut Master Agreement (TMA) – utilizes a commodity Murabahah and a reverse Murabahah, linked with a unilateral Waad committed separately by each counterparty.

www.islamicfinancenews.com

SECP becomes IFSB member

The Securities and Exchange Commission of Pakistan (SECP) has become member of the Islamic Financial Services Board (IFSB), Malaysia, aimed at furthering the Islamic financial services industry in Pakistan. IFSB serves as an international standard-setting body of regulatory and supervisory agencies that have vested interest in ensuring the soundness and stability of the Islamic financial services industry which is defined broadly to include banking, capital market and insurance, a statement of SECP said. The council of the IFSB in its 27th meeting held on December 8, 2015 at the Islamic Development Bank Headquarters in Jeddah, Saudi Arabia, approved the membership of the SECP for IFSB, Malaysia. The SECP's membership means that the SECP benefits from cooperation amongst IFSB members in developing the Islamic financial services industry in Pakistan.

<http://www.dailytimes.com.pk/business/10-Dec-2015/secp-becomes-malaysia-s-islamic-services-member>

MCB Bank demerges Islamic banking group against Rs7.946bln

The board of directors of MCB Bank Limited has approved the sale of the bank's entire Islamic banking operation to its wholly-owned subsidiary MCB Islamic Bank Limited (MCBIBL) for Rs7.946 billion according to MCB officials. The officials said MCB Bank Limited has finalised the sale of the entire operations of its Islamic banking group to MCBIBL. An official said the bank's board of directors

approved the scheme of compromises, arrangements and reconstruction between MCB Bank and MCBIBL, “which aims to segregate and demerge operations, assets and liabilities of Islamic banking group of MCB Bank and to transfer the same to MCBIBL, which is wholly-owned subsidiary of MCB Bank against payment of cash worth Rs7.946 billion.”

<http://www.thenews.com.pk/print/82274-MCB-Bank-demerges-Islamic-banking-group-against-Rs7946bln>

Islamic Index of Pakistan launched

Federal Minister for Finance Senator Ishaq Dar said that the government was aggressively working on promoting Islamic banking and Shariah compliant trading at stock exchanges of the country to transform economy into Islamic way. Speaking at the launching ceremony of the All Shares Islamic Index of Pakistan he said that 250 big listed companies have been included in this index, which has been declared as Shariah compliant by Shariah advisers. “Islamic banking and trading are very close to my heart. I stand by my commitment to promote Islamic financial and capital system in Pakistan,” the minister said. He said that this important index had been developed by KSE and Meezan Bank Limited. He also stroke the trade opening bell at KSE. He said that he had set up a steering committee under State Bank of Pakistan (SBP) Deputy Governor Saeed Ahmed for speedy move towards the Islamic banking and trading of shares at the stock exchanges. “We also worked on Islamic index and it is done today. It would prove a milestone towards shariah compliant trading of shares,” he added.

<http://www.dailytimes.com.pk/business/18-Nov-2015/islamic-index-of-pakistan-launched>

SBP reiterates its policy for Islamic Banking’s promotion

State Bank of Pakistan (SBP), in order to remove any ambiguity and doubt among the general public, on Wednesday reiterated its commitment for promotion and development of Islamic banking in Pakistan. Islamic banking in Pakistan operates under the close supervision of State Bank’s Shariah Board. State Bank has developed regulatory and supervisory framework to ensure Shariah compliance of Islamic banking based on rulings of its Shariah Board. Further, it has developed Shariah compliant open market operations for managing liquidity of Islamic banking sector, which is quite unique in the Islamic world. State Bank Shariah Board has also approved structure of government of Pakistan Ijara Sukuk Shariah compliant medium term investment instruments issued in the past and all such structures for future issues will be approved by SBP Shariah Board before their launch. With these efforts at State Bank, the share of Islamic banking is expected to grow to 20 per cent by the year 2020 and thereafter Islamic banking could build momentum to achieve faster growth.

<http://www.pakistantoday.com.pk/2015/11/05/news/sbp-reiterates-its-policy-for-islamic-bankings-promotion/>

Articles/Views:

Project finance: Pushing ahead

Project finance deals have been picking up in recent years — in 2013 the Middle East saw 28 deals close at over US\$38 billion, according to IJ Global — a 137% increase in terms of investment compared to 2012, while total global investment via bank lending was up 19%, suggesting considerably increased liquidity in the system. With banks still riding high on the accumulated liquidity of years of high oil

prices, there is still plenty to go round — and Islamic options are providing an increasingly interesting alternative — driven by activity in the markets that are managing to ride the wave.

www.islamicfinancenews.com

Battling financial inclusion dilemma with Islamic banking and digitalization

The World Bank has set a goal to achieve universal financial inclusion by 2020. Financial inclusion is a universal problem and not just a problem pertinent to Pakistan alone. However, the rest of the world is far, far ahead of Pakistan in combating the same and eradicating this financial gap. In harmony with the Government of Pakistan's Vision 2025, the State Bank of Pakistan has designed and implemented the National Financial Inclusion Strategy (NFIS) which works toward enhancing access to credit for Small and Medium Enterprises and focuses on financial inclusion and deepening. The rapid growth of Islamic finance world-wide over the past decade —with assets of Islamic financial institutions more than doubling since 2006—leads us to conclude that Islamic Banking can contribute significantly to increasing financial inclusion by reducing the incidence of religious self-exclusion in some segments of society. The government-backed National Financial Inclusion Strategy launched recently has identified Islamic banking as a key area to focus on besides agriculture, SME and microfinance.

<http://pakobserver.net/detailnews.asp?id=279726>

Global Islamic crowdfunding

Islamic Crowdfunding has the potential to change our world for the better. When an online community unites and pools resources, this community has the financial and social clout and capability to create and re-create multiple aspects of the world and directly impact society. Islamic Crowdfunding allows the building of communities and promotes ethical and social responsibility which are critical aspects of the Islamic Worldview. Islamic Crowdfunding is an unprecedented opportunity that very rarely comes. We have been deeply entrenched in a Godless capitalist system where profit-motive is the highest arbiter. With this new wave, Muslims are empowered to create an ecosystem based on values of universal good, enshrined in Islamic Tenets. Notwithstanding Islamophobia, Islamic Principles do not contradict the ideals of modern society – rather it complements and augments the natural affinity of humankind for justice and societal harmony.

<http://www.crowdsourcing.org/editorial/global-islamic-crowdfunding-2015---an-opinion-piece-from-singapore/52107>

Corporate governance in Islamic finance

The rapid growth of Islamic finance has necessitated strong and transparent corporate governance practices across all sectors. Many regulators have called upon the establishment of proper mechanisms and strategies to effectively implement suitable corporate practices in Islamic financial institutions. Correct corporate governance practices will contribute added value by enhancing the protection of depositor and investor rights, facilitating access to finance, reducing the cost of capital, improving operational performance, as well as increasing institutions' soundness against external shocks.

www.islamicfinancenews.com

		Annexure: I	
<i>Islamic Banking Branch Network</i>			
(As of December 31, 2015)			
Type	Name of Bank	No of Branches*	Windows
Islamic Banks and Subsidiary	AlBaraka Bank (Pakistan) Limited	136	
	BankIslami Pakistan Limited	205	
	Burj Bank Limited	74	
	Dubai Islamic Bank Pakistan Limited	199	
	Meezan Bank Limited	547	
	MCB -Islamic Bank Limited (Subsidiary)	6	
		1167	
Islamic Branches of Conventional Banks	Allied Bank Limited	27	0
	Askari Bank Limited	76	0
	Bank AL Habib Limited	29	48
	Bank Alfalah Limited	157	22
	Faysal Bank Limited	68	0
	Habib Bank Limited	45	488
	Habib Metropolitan Bank Limited	20	204
	MCB Bank Limited	34	0
	National Bank of Pakistan	82	0
	Silkbank Limited	10	10
	Sindh Bank	13	2
	Soneri Bank Limited	16	0
	Standard Chartered Bank (Pakistan) Limited	10	91
	Summit Bank Limited	10	2
	The Bank of Khyber	66	39
	The Bank of Punjab	49	0
United Bank Limited	42	141	
		754	1047
Sub Branches	AlBaraka Bank (Pakistan) Limited	14	
	Askari Bank Limited	3	
	BankIslami Pakistan Limited	133	
	Faysal Bank Limited	1	
	Habib Bank Limited	2	
	United Bank Limited	1	
		154	
		2075	

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

Annexure: II										
<i>Province wise Break-up of Islamic Banking Branch Network</i>										
(As of December 31, 2015)										
Type	Bank Name	Azad Kashmir	Balochistan	FATA	Federal Capital	Gilgit-Baltistan	Khyber Pakhtunkhwa	Punjab	Sindh	Grand Total
Islamic Banks and Subsidiary	AlBaraka Bank (Pakistan) Limited	3	4		4	1	14	78	32	136
	BankIslami Pakistan Limited	3	12	1	9	2	15	96	67	205
	Burj Bank Limited	1	2		4		3	32	32	74
	Dubai Islamic Bank Pakistan Limited	5	5		10		10	84	85	199
	Meezan Bank Limited	6	20		25	1	35	275	185	547
	MCB -Islamic Bank Limited (Subsidiary)		2				1	1	2	6
	IB. Total	18	45	1	52	4	78	566	403	1,167
Islamic Branches of Conventional Banks	Allied Bank Limited		2		2		3	17	3	27
	Askari Bank Limited		2		7	1	9	41	16	76
	Bank AL Habib Limited		1				2	8	18	29
	Bank Alfalah Limited	1	5		9		8	94	40	157
	Faysal Bank Limited		2		3		17	29	17	68
	Habib Bank Limited	2	2	1	4		4	21	11	45
	Habib Metropolitan Bank Limited				1		3	8	8	20
	MCB Bank Limited		1		2		2	17	12	34
	National Bank of Pakistan	3	2	1	1		17	43	15	82
	Silkbank Limited		1		1		2	4	2	10
	Sindh Bank	1					2	7	3	13
	Soneri Bank Limited		1		2	1	2	6	4	16
	Standard Chartered Bank (Pakistan) Limited				1		1	2	6	10
	Summit Bank Limited		1		1	2	1	1	4	10
	The Bank of Khyber		3	4	2		45	9	3	66
	The Bank of Punjab	1			4		6	38		49
	United Bank Limited	1	4		1		9	12	15	42
	SAIBBs Total	9	27	6	41	4	133	357	177	754
Sub Branches	AlBaraka Bank (Pakistan) Limited				1			12	1	14
	Askari Bank Limited		1				1	1		3
	BankIslami Pakistan Limited	1	7		10		6	50	59	133
	Faysal Bank Limited							1		1
	Habib Bank Limited								2	2
	United Bank Limited						1			1
	Sub Branches Total	1	8	-	11	-	8	64	62	154
	Grand Total	28	80	7	104	8	219	987	642	2,075

Annexure: III								
<i>District wise Break-up of Islamic Banking Branch Network</i>								
(As of December 31, 2015)								
S. No	Province	District	No of Branches		S. No	Province	District	No of Branches
1	Sindh	Badin	3		56	Khyber Pakhtunkhwa	Abottabad	15
2		Dadu	5		57		Banu	4
3		Ghotki	3		58		Batagram	4
4		Hyderabad	36		59		Buner	3
5		Jacobabad	2		60		Charsadda	6
6		Jamshoro	1		61		Chitral	5
7		Karachi City	537		62		Dera Ismail Khan	8
8		Kashmore	1		63		Hangu	3
9		Larkana	4		64		Haripur	7
10		Matiali	1		65		Kohat	6
11		Mirpurkhas	10		66		Lower Dir	5
12		Naushero Feroze	1		67		Malakand	5
13		Nawabshah	8		68		Mansehra	13
14		Sanghar	7		69		Mardan	17
15		Shahdadkot	2		70		Nowshera	16
16		Sukkur	13		71		Peshawar	69
17		Tando Allahyar	5		72		Shangla	1
18		Tando Mohammad Khan	1		73		Swabi	6
19		Umer Kot	2		74		Swat	18
Sindh Total			642		75		Tank	1
20		Attock	21		76		Upper Dir	7
21	Punjab	Bahawalnagar	13		KP Total			219
22		Bahawalpur	13		77	Gilgit-Baltistan	Baltistan	2
23		Bhakkar	1		78		Diamir	4
24		Chakwal	10		79		Gilgit	2
25		Chiniot	1			GB Total		8
26		Dera Ghazi Khan	12		80	FATA	Bajaur Agency	1
27		Faisalabad	82		81		Khyber Agency	3
28		Gujranwala	41		82		Orakzai Agency	3
29		Gujrat	41		FATA Total			7
30		Hafizabad	4		83	Capital	Islamabad	104
31		Jhang	8		Capital			104
32		Jhelum	13		84	Balochistan	Chagi	1
33		Kasur	13		85		Gawadar	1
34		Khanewal	17		86		Kila Abdullah	6
35		Khushab	6		87		Killa Saifullah	4
36		Lahore City	328		88		Lasbela	3
37		Layyah	4		89		Loralai	11
38		Lodhran	3		90		Pishin	1
39		Mandi Bahauddin	9		91		Quetta	50
40		Mianwali	6		92		Zhob	3
41		Multan	60		Balochistan Total			80
42		Muzaffargarh	6		93	Azad Kashmir	Bhimber	1
43		Nankana Sahib	2		94		Kotli	2
44		Narowal	3		95		Mirpur	16
45		Okara	12		96		Muzaffarabad	7
46	Pakpattan	6		97	Poonch		2	
47	Rahim Yar Khan	22		AJK Total			28	
48	Rajanpur	1						
49	Rawalpindi	120						
50	Sahiwal	16						
51	Sargodha	26						
52	Sheikhupura	17						
53	Sialkot	32						
54	Toba Tek Singh	6						
55	Vehari	12						
Punjab Total			987		Grand Total			2075