



Islamic Banking

February 2017



Islamic Banking Snapshot | Key Figures

Islamic Banking Institutions	22
Islamic Banks	6
Conventional Banks with Islamic Branches	16

Total Assets
Sep16: 1,788

Net Finances
Sep16: 683 bln

Total Deposits
Sep16: 1,476 bln

Equity
Sep16: 104 bln

Total Investments
Sep16: 663 bln

Due from Financial Institutions
Sep16: 178 bln

Other Liabilities
Sep16: 54 bln

Total Islamic Banks Branches
Sep16: 1,384

Cash & Bank Balance
Sep16: 126 bln

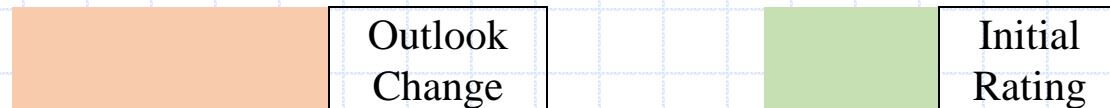
Other Assets
Sep16: 56 bln

Amounts in PKR bln



Islamic Banks | Ratings' Transition

Sr. #	Bank	Latest Rating (Jan17)	Outlook	Rating Agency	Last Rating	Last change	Listed
1	Meezan Bank Limited	AA	Stable	JCR	AA-	Jun-13	✓
2	Dubai Islamic Bank (Pakistan) Limited	A+	Stable	JCR	A	Jun-14	x
3	Bank Islami Pakistan Limited	A+	RW-Developing	PACRA	A	Apr-15	✓
4	Albaraka Bank (Pakistan) Limited	A	RW-Developing	PACRA	A-	Dec-10	x
	Albaraka Bank (Pakistan) Limited	A	RW-Developing	JCR	No change	Jul-11	



- Only two Islamic banks are listed



System Share | Islamic Banking Industry

PKR bln

		Sep-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
B/S	Financing - Net	683	645	409	315	231	200
	Deposits and Other Accounts	1,476	1,375	1,070	868	706	521
	Total Equity	105	103	82	70	63	56
Islamic Banking Share in Domestic Banking Industry		Sep-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
B/S	Financing - Net	14%	13%	10%	8%	6%	6%
	Deposits And Other Accounts	13%	13%	12%	11%	10%	8%
	Total Equity	10%	9%	8%	8%	8%	7%

- Gradual rise in the system share of Islamic banking in the total banking universe



Profitability | Islamic Banking Industry

PKR bln

		Sep-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
P&L	Net Profit Income	37	48	39	31	29	26
	Non - Profit Income	10	11	11	8	7	4
	Profit / (Loss) After Tax	8	12	13	8	8	9

Share of Islamic banks in the Islamic Banking Industry		Sep-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
P&L	Net Profit Income	64%	63%	62%	62%	64%	65%
	Non - Profit Income	75%	69%	69%	71%	60%	90%
	Profit / (Loss) After Tax	58%	42%	41%	40%	43%	47%

Islamic Banking Share in Domestic Banking Industry		Sep-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
P&L	Net Profit Income	10%	10%	10%	10%	9%	8%
	Non - Profit Income	7%	5%	7%	6%	6%	4%
	Profit / (Loss) After Tax	6%	6%	8%	7%	7%	8%

- Meezan bank largest profit contributor in Islamic banking.



Key Figures | Islamic Banks

Balance Sheet

(PKR in mln)

	Meezan Bank			BankIslami			Dubai Islamic			AlBaraka			Burj Bank			MCB IBL	
	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15
Total Assets	595,020	531,850	437,405	192,816	174,231	101,984	152,161	157,093	101,553	91,613	86,933	94,349	27,670	32,736	34,091	30,035	26,879
Financing	222,994	207,569	175,711	81,436	69,576	41,097	25,930	23,822	58,841	49,637	47,645	47,023	16,151	18,079	19,960	14,276	12,474
NPLs	6,778	7,064	6,912	13,945	15,231	1,062	2,037	2,212	2,389	5,647	4,517	4,177	1,861	1,477	1,813	1	1
Investments	197,167	76,910	114,089	72,171	35,886	30,655	18,045	6,419	18,259	21,183	17,358	19,561	16,151	18,079	8,165	7,301	5,995
Customer Deposits	497,556	465,674	375,670	138,284	143,873	89,020	123,041	126,517	83,684	70,510	70,738	70,035	18,874	21,880	23,107	12,894	6,515
Total Deposits	500,939	471,821	380,421	155,074	153,058	90,331	129,265	136,743	83,844	77,959	75,483	80,223	20,281	25,637	25,809	14,099	9,450
Borrowings	36,090	13,610	15,465	18,254	3,198	561	5,573	4,552	3,567	4,630	2,108	2,212	1,938	1,268	1,795	5,015	632
Capital	10,027	10,027	10,027	10,079	10,079	5,759	6,976	6,976	6,976	8,935	8,935	8,935	8,168	8,168	8,168	10,000	10,000
Equity (including Reval)	28,112	26,347	23,890	12,276	11,186	6,867	8,703	7,976	7,439	5,740	6,273	6,223	3,999	4,389	4,804	10,036	9,958

- Meezan – market leader in terms of system share



Key Figures | Islamic Banks

Profit & Loss

(PKR in mln)

	Meezan Bank			BankIslami			Dubai Islamic			AlBaraka			Burj Bank			MCB IBL	
	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15
Interest / Mark up Earned	22,642	33,114	28,803	7,624	8,834	7,812	7,127	8,726	7,523	3,509	6,269	6,683	1,443	2,528	4,266	1,203	-
Interest / Mark up Expensed	(9,278)	(14,897)	(15,440)	(4,375)	(5,119)	(4,459)	(3,267)	(4,091)	(3,434)	(1,930)	(3,791)	(4,513)	(701)	(1,395)	(2,951)	(419)	-
Net Interest/ Markup Revenue	13,365	18,217	13,363	3,249	3,715	3,353	3,860	4,634	4,089	1,579	2,478	2,170	742	1,133	1,314	784	-
Non-Interest Income	4,314	4,597	4,755	517	570	632	1,252	1,274	1,117	491	656	726	321	458	469	211	-
Expenses	(11,358)	(13,799)	(10,753)	(4,457)	5,188	3,498	(3,950)	(5,010)	(3,989)	(2,384)	(2,854)	(2,594)	(1,582)	(2,102)	(2,287)	(752)	-
(Provision)/Reversal	312	(563)	(466)	1,698	631	(17)	(4)	(187)	(292)	(318)	125	(85)	(141)	30	(111)	(56)	-
Profit / (Loss) before tax	6,633	8,451	6,899	1,006	(272)	470	1,158	712	926	(632)	407	217	(659)	(480)	(615)	186	-
Net Profit / (Loss) after tax	4,114	5,023	4,570	595	(196)	314	724	431	601	(466)	240	146	(429)	(400)	143	111	-

- Meezan – contributing predominantly in the profitability of the Islamic banking industry
- Burj merged with AlBaraka as of today.



Key Figures | Islamic Banks

Ratios

	Meezan Bank			BankIslami			Dubai Islamic			AlBaraka			Burj Bank			MCB IBL	
	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15	Dec-14	Sep-16	Dec-15
RoE	14.6%	19.1%	19.1%	4.8%	-1.8%	5.4%	8.3%	5.4%	8.1%	-8.1%	3.8%	2.3%	-10.7%	-9.1%	3.0%	1.1%	0.0%
RoA	0.7%	0.9%	1.0%	0.3%	-0.1%	0.3%	0.5%	0.3%	0.6%	-0.5%	0.3%	0.2%	-1.5%	-1.2%	0.4%	0.4%	0.0%
Advances / T. Deposits	44.5%	44.0%	46.2%	52.5%	45.5%	45.5%	20.1%	17.4%	70.2%	63.7%	63.1%	58.6%	79.6%	70.5%	77.3%	101.3%	132.0%
Non-Performing Advances / Gross Advances	2.9%	3.3%	3.8%	14.6%	18.0%	2.5%	7.3%	8.5%	3.9%	10.2%	8.7%	8.2%	10.3%	7.6%	8.3%	0.0%	0.0%
Loan Loss Provisions / Non-Performing Advances	117.8%	116.2%	22.7%	87.0%	89.6%	56.6%	82.7%	72.8%	65.8%	57.1%	71.8%	66.9%	82.5%	98.1%	86.7%	116.3%	0.0%
CAR		11.0%	11.9%	13.0%	12.3%	17.0%		11.1%	17.1%	15.9%	15.9%	14.2%		18.1%	18.6%	42.2%	46.4%

- Significant provisioning coverage except by Dubai bank



Bibliography

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