

## IBI's July-September profit posts 44 percent growth

Profit before tax of Islamic banking industry (IBI) posted a notable growth of 44 percent during the quarter (July to Sep, 2017) compared to previous quarter. According to Islamic Banking Bulletin for (July-Sep quarter) issued by State Bank of Pakistan (SBP) on Wednesday, profit before tax of Islamic banking industry increased by Rs 5.4 billion to stood at Rs 17.6 billion during July-Sep 2017 compared to Rs 12.2 billion in the previous quarter (May-June 2017).

Profitability ratios like Return on Assets (ROA) and Return on Equity (ROE) before tax of Islamic banking industry were recorded at 1.2 percent and 18.1 percent, respectively, by end September, 2017. Like previous quarters, Operating expense to gross income ratio of Islamic banking industry remained higher than that of overall banking industry's average.

Assets of Islamic banking industry (IBI) continued to post sufficient growth and increased by Rs 48 billion during the quarter July to September, 2017. Overall assets of Islamic banking industry were reached Rs 2.083 trillion compared to Rs 2.035 trillion in the previous quarter (May-June 2017).

This increase in assets was mainly on account of financing (net) that recorded quarterly growth of 5.9 percent. In contrast, investments (net) of Islamic banking industry declined by 2.3 percent during the review quarter. Market share of Islamic banking industry's assets in overall banking industry's assets increased to 11.9 percent by end September, 2017 compared to 11.6 percent 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 59.2 percent and 40.8 percent, respectively, by end September, 2017. Investments (net) of Islamic banking industry decreased by Rs 12 billion (2.3 percent) during the period under review and were recorded at Rs 525 billion by end September, 2017.

Deposits of Islamic banking industry were recorded at Rs 1,729 billion by end September, 2017 compared to Rs 1,720 billion in the previous quarter, showing an increase of Rs 9 billion. Market share of Islamic banking assets and deposits in overall banking industry was recorded at 11.9 percent and 13.7 percent, respectively by end September, 2017. Market share of Islamic banking industry's deposits in overall banking industry's deposits stood at 13.7 percent. Category wise breakup of deposits shows that fixed and saving deposits witnessed growth of Rs 22 billion and Rs 2 billion respectively, while, current (non-remunerative) deposits declined by Rs 26 billion during the period under review

The network of Islamic banking industry consisted of 21 Islamic banking institutions including 5 full-fledged Islamic banks and 16 conventional banks having standalone Islamic banking branches by end September, 2017. Branch network of Islamic banking industry stood at 2,368 branches (spread across 110 districts) by end September, 2017. Province/Region wise breakup of branches

shows that Punjab and Sindh accounted for 47.2 percent and 29.7 percent share, respectively, in overall Islamic banking industry's branch network.

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