

**Islamic banking assets grow 8.1pc in April-June**

KARACHI: The asset base of Islamic banking industry (IBI) grew by 8.1 per cent to reach to Rs3,633 billion while deposits jumped 9.5pc to Rs2,946bn during April-June, said a report issued by the State Bank of Pakistan on Friday.

Similarly, 'financing and investments (net)' recorded a quarterly increase of 15.5pc and reached Rs2,597bn whereas while surging 20.8pc year-on-year.

In terms of market share, IBI now stands at 15.3pc and 16.9pc, respectively in assets and deposits of overall banking industry. Moreover, profit before tax of IBIs came in at Rs49bn during FY20.

At the end of June, infrastructure of IBI remained same with 22 Islamic banking institutions; five full-fledged Islamic banks and 17 conventional banks having standalone Islamic banking branches.

However, the branch network of IBIs increased from 2,913 to 3,274 during FY20 with major share concentrated in Punjab, followed by Sindh and Khyber-Pakhtunkhwa.

Assets of IBI increased to Rs3,633bn at the end of June, from Rs3,360bn — registering an increase of Rs273bn. At the end of June 2020, the market share of Islamic banking industry's assets in overall banking industry's assets increased from 15.2 per cent to 15.3 per cent.

According to the report, the Net Financing and Investments constituted the lion's share (71.5pc) in total assets of the IBI by end of June, though lower when compared with the overall banking's 80.3pc.

The respective share of financing and investments (net) in total assets of IBIs was 46.7pc and 24.7pc as they rose 3.9pc and 46.3pc, respectively.

By June, investments (net) of IBI surged by 46.3pc (Rs284.6bn) to hit Rs899.2bn, compared to a deceleration of 1.8pc in the corresponding period of 2019.

Review of client-wise financing reveals that corporate sector accounted for 71.9pc in overall financing of IBI, followed by commodity and consumer financing with shares of 14.3pc and 9.2pc, respectively.