



KPMG Taseer Hadi & Co.
Chartered Accountants

Banking Results 2019

Commercial Banks Operating in Pakistan

18 June 2020







Foreword

This report has been prepared by KPMG Taseer Hadi & Co. and summarizes the performance of selected commercial banks in Pakistan for the year ended 31 December 2019.

The results and KPIs compared for each bank include:

- Total Assets
- Deposits
- Advances
- Impairment cover
- Spread
- Market Capitalization
- Profit before and after tax
- Capital Adequacy Ratio (CAR)
- Return on Average Equity (ROE)
- Average Advances to Average Deposits Ratio
- EPS

Reference should be made to the published financial statements of the banks and KPI definitions included in this report to enhance the understanding of ratios and analysis of performance of a particular bank.

The financial statements of First Women Bank Limited, Summit Bank Limited, Silk Bank Limited, and MUFG Bank Limited – Karachi Branch were not published till the date of our publication, and accordingly their results are not included in this report.

Comparative numbers of 2018 as reported in our Banking Results 2018 publication have been updated to correspond with comparative numbers reported in 2019 financial statements.

We have tried to provide relevant financial analysis of the banks which we thought would be useful for benchmarking and comparison. We welcome any comments, which would facilitate improving the contents of this report. The comments may be sent to syedanjum@kpmg.com.

Karachi: 18 June 2020



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Executive Summary

In a birds eye view Performance of Banking Sector in Pakistan

Despite the overall economic slowdown, the calendar year ended 31 December 2019 proved to be an exceptional year for the banking sector in Pakistan with overall profitability increasing by approximately 27.5%. Islamic Banking segment performed exceptionally with 90.6% increase in profitability.

The key driver for the stellar performance of the banking sector was the significant increase in interest rates. The banking spread of banks included in the report increased to 5.67% from 4.41% in 2018. According to SBP statistical publication weighted average lending rate in 2019 was 11.7% compared to 8.2% in 2018 and average deposit rate in 2019 was 5.9% compared to 3.3% in 2018. The growth of 22.3% in advances in 2018 also contributed to increase in 2019 profits. The significantly higher growth in profitability of the Islamic Banks is due to strong total assets growth in 2018 and 2019 and the higher spreads resulting from higher interest rates.

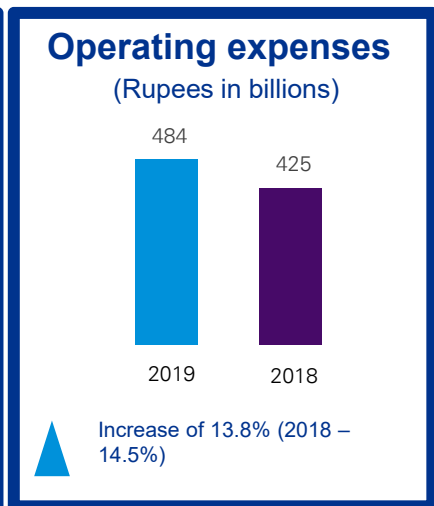
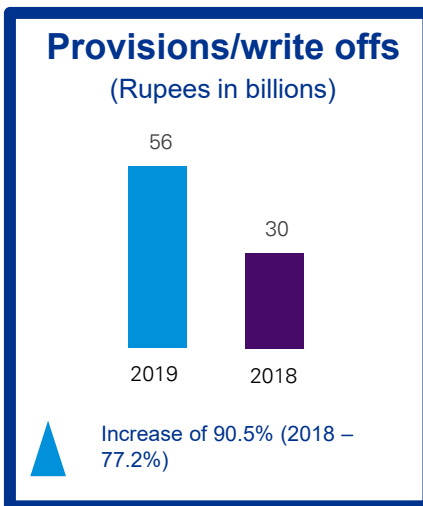
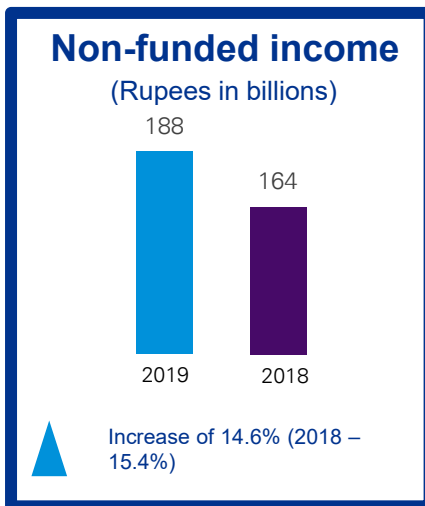
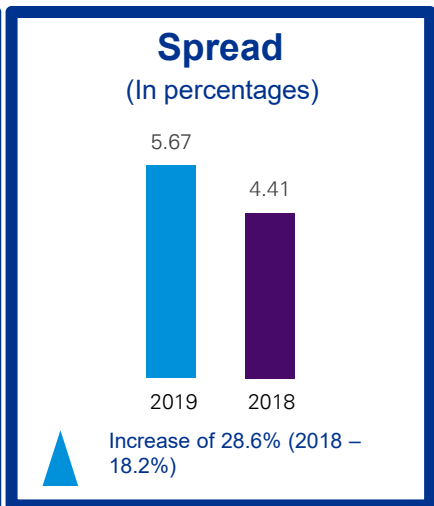
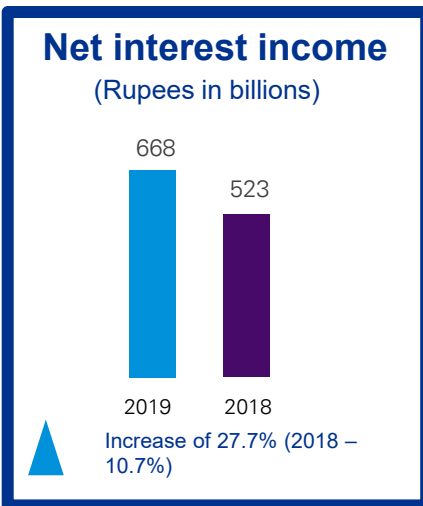
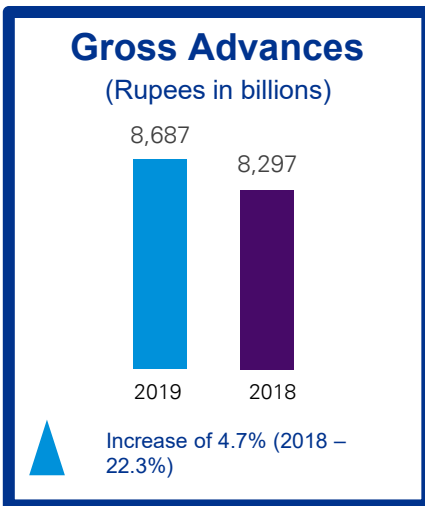
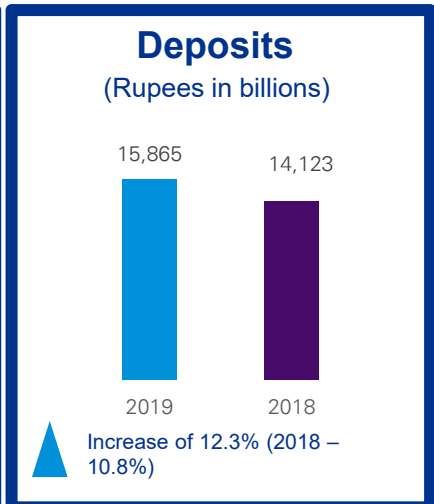
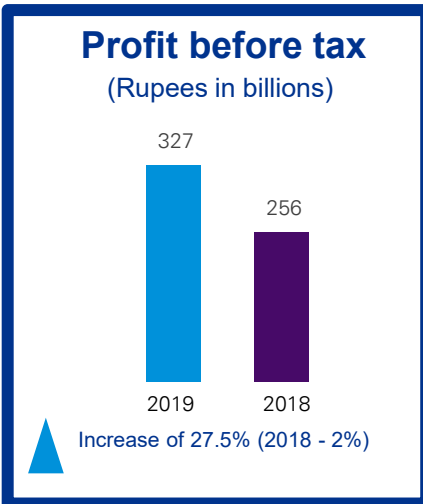
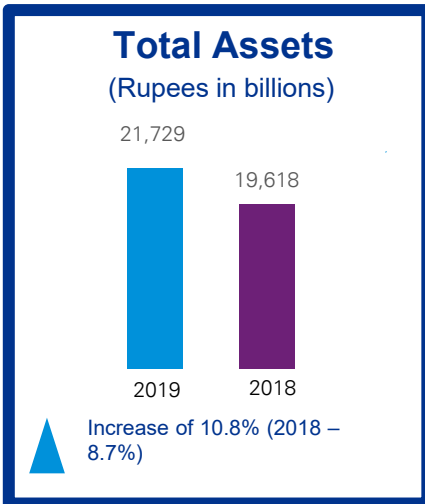
In 2019 the annualized increase in deposits was 12.3% while advances grew by 4.7% only, primarily due to the prevalence of the higher interest rate scenario. The availability of government paper and high returns resulted in banks focusing on earning healthy and secure returns. Further, the high interest cost resulted in lower offtake from businesses who considered borrowing mostly unfeasible.

2020 is expected to be a much difficult year due to the ongoing pandemic scenario. Interest rates have already witnessed a decline of 525 basis point to date and are expected to go down further.

The post pandemic situation is unpredictable but based on the existing outlook, banking sector profitability is expected to be under pressure due to reduced offtake of advances under recessionary market conditions and cautious customer outlook, drop in fee income on distribution of wealth products due to volatility in capital market, increased credit losses / delinquencies as a consequence of lockdowns etc.



Snapshot (Banks included in report)

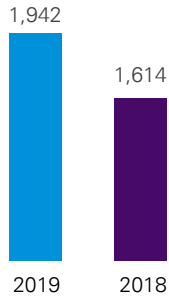




Snapshot (Islamic banks)

Total Assets

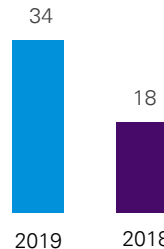
(Rupees in billions)



Increase of 20.3% (2018 – 17.7%)

Profit before tax

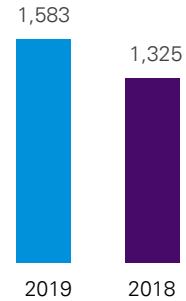
(Rupees in billions)



Increase of 90.6% (2018 – 50.9%)

Deposits

(Rupees in billions)



Increase of 19.4% (2018 – 17.9%)

Gross Islamic Financing and Related Assets

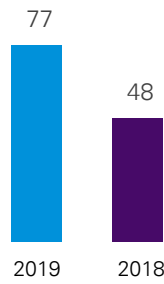
(Rupees in billions)



Increase of 1.6% (2018 – 20.6%)

Net interest income

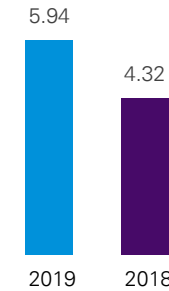
(Rupees in billions)



Increase of 58.7% (2018 – 31.0%)

Spread

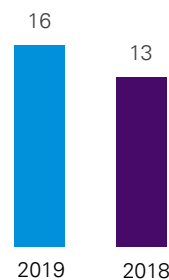
(In percentages)



Increase of 37.4% (2018 – 0.6%)

Non-funded income

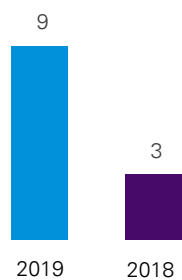
(Rupees in billions)



Increase of 19.1% (2018 – 16.3%)

Provisions/write offs

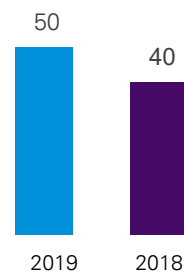
(Rupees in billions)



Increase of 197.2% (2018 – 142.0%)

Operating expenses

(Rupees in billions)

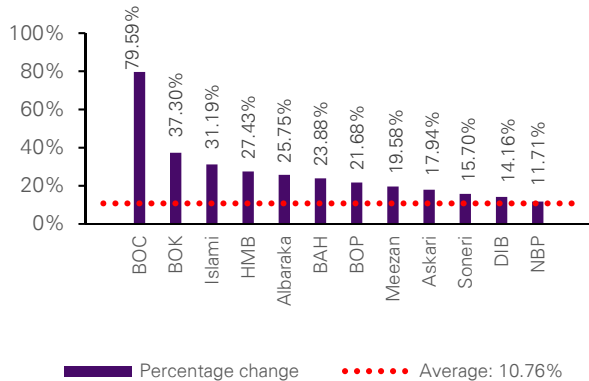


Increase of 22.6% (2018 – 12.6%)

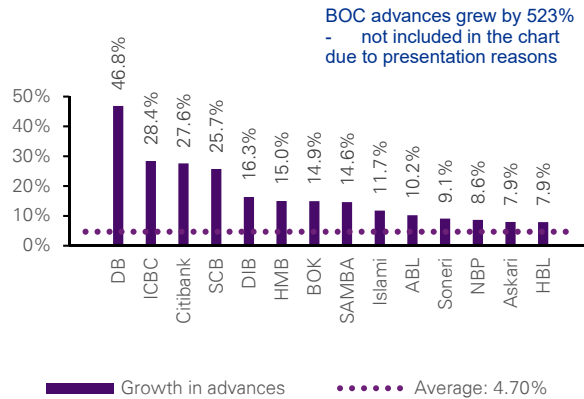


Snapshot (Top performers)

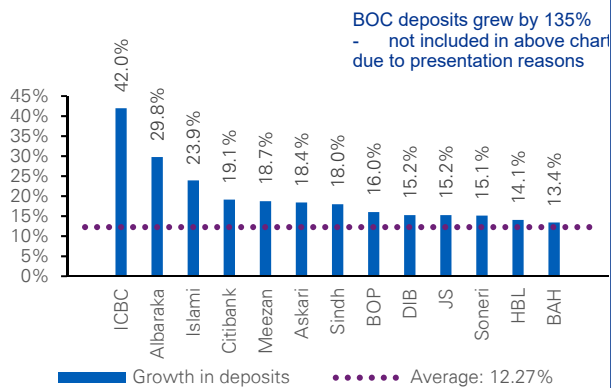
Higher growth in total assets than average



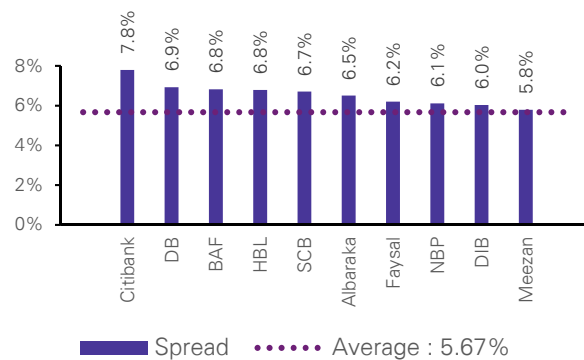
Higher growth in advances than average



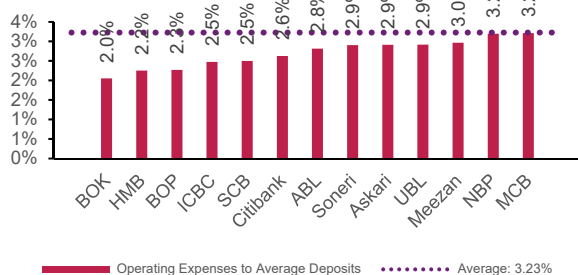
Higher growth in deposits than average



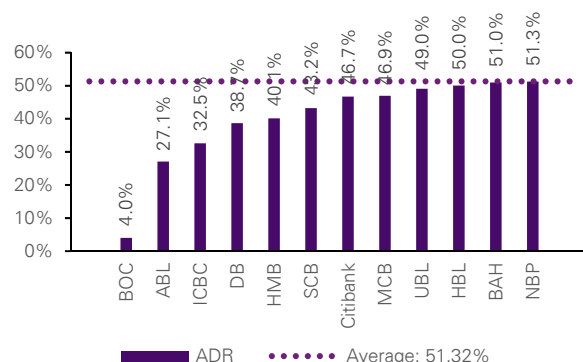
Higher spread than average



Lower operating expenses to deposits than average



Lower ADR than average





At a Glance

	HBL		NBP		UBL		MCB	
	2019	2018	2019	2018	2019	2018	2019	2018
Ranking								
By total assets	1	1	2	2	3	3	4	4
By net assets	2	1	1	2	3	3	4	4
By profit before tax	4	4	3	2	2	3	1	1
Profit before tax (Rupees in millions)	28,881	21,585	28,978	29,880	35,731	25,552	40,154	30,806
Net Interest Margin	3.9%	3.3%	2.8%	2.7%	4.0%	3.5%	4.9%	3.6%
Spread	6.8%	5.1%	6.1%	5.0%	4.9%	3.7%	5.6%	4.4%
Return on Average Equity	7.3%	6.4%	7.4%	10.3%	10.6%	8.8%	14.8%	13.3%
Return on Average Assets	0.5%	0.4%	0.6%	0.8%	0.9%	0.7%	1.5%	1.4%
Operating Cost to Net Interest Income Ratio	92.1%	91.8%	93.4%	94.4%	70.5%	69.0%	60.8%	76.1%
Operating Expenses to Average Deposit Ratio	4.0%	3.7%	3.2%	3.1%	2.9%	3.0%	3.2%	3.4%
Net provision / (reversal) (Rupees in millions)	3,314	5,009	13,557	11,205	7,314	12,447	2,674	(822)
Impairment cover (Times)	9.7	5.3	3.1	3.7	5.9	3.1	16.0	-
Non Funded Income (Rupees in millions)	22,749	15,157	32,554	31,599	22,218	20,442	15,448	15,652
Non Performing Advances to Gross Advances	6.6%	7.0%	13.0%	12.7%	10.2%	8.5%	8.4%	8.0%
Total Assets (Rupees in millions)	3,227,132	3,025,853	3,132,360	2,803,886	2,023,738	2,002,493	1,612,215	1,585,210
Net Assets (Rupees in millions)	224,752	199,252	239,223	211,061	190,872	168,624	171,347	151,323
Capital Adequacy Ratio	15.35%	16.18%	15.82%	16.69%	17.96%	16.98%	17.84%	17.02%
Average Advances to Average Deposits	50.0%	48.2%	51.3%	50.2%	49.0%	51.4%	46.9%	50.6%
CASA	82.6%	82.2%	81.8%	81.5%	73.1%	73.5%	87.1%	87.5%
Earnings per share (EPS)	10.45	8.22	7.79	9.36	15.60	12.65	20.14	17.17
Market Price	157.42	120.45	43.3	42.03	164.5	122.64	204.94	193.57
Market Capitalization (Rupees in millions)	230,912	176,682	92,121	89,419	201,378	150,133	242,866	229,392

	ABL		BAH		MEEZAN		BAF	
	2019	2018	2019	2018	2019	2018	2019	2018
Ranking								
By total assets	5	5	6	6	7	8	8	7
By net assets	5	5	9	6	8	8	6	6
By profit before tax	7	5	9	9	6	8	8	7
Profit before tax	24,702	21,233	19,040	14,306	26,978	15,180	22,915	18,184
Net Interest Margin	3.4%	2.8%	3.8%	3.5%	4.9%	3.5%	5.1%	3.8%
Spread	4.9%	4.1%	4.6%	3.6%	5.8%	4.0%	6.8%	5.3%
Return on Average Equity	12.8%	12.0%	20.0%	17.6%	29.7%	22.3%	15.7%	15.3%
Return on Average Assets	1.0%	1.0%	1.0%	0.8%	1.5%	1.1%	1.3%	1.1%
Operating Cost to Net Interest Income Ratio	67.5%	74.3%	68.8%	76.7%	56.2%	71.6%	66.8%	78.7%
Operating Expenses to Average Deposit Ratio	2.8%	2.7%	3.3%	3.1%	3.0%	2.7%	3.9%	3.7%
Net provision / (reversal)	547	(1,090)	3,399	221	4,186	1,168	3,029	(16)
Impairment cover (Times)	46.2	-	6.6	65.8	7.4	14.0	8.6	-
Non Funded Income	8,091	6,732	9,103	6,873	10,647	8,455	10,091	9,412
Non Performing Advances to Gross Advances	3.2%	3.5%	1.5%	1.1%	1.8%	1.3%	4.2%	3.6%
Total Assets	1,483,383	1,352,383	1,299,139	1,048,726	1,126,115	941,751	1,067,110	1,008,605
Net Assets	117,212	108,790	61,933	49,995	62,781	43,577	89,283	77,022
Capital Adequacy Ratio	21.79%	22.05%	14.42%	13.52%	17.17%	14.88%	16.69%	14.85%
Average Advances to Average Deposits	27.1%	24.6%	51.0%	49.7%	56.1%	62.4%	61.9%	53.9%
CASA	80.7%	78.9%	75.9%	77.9%	73.3%	72.3%	75.9%	75.4%
Earnings per share (EPS)	12.65	11.38	10.07	7.61	12.12	6.96	7.35	6.14
Market Price	95.6	107.47	76.16	68.79	95.13	92.39	45.7	40.59
Market Capitalization	109,469	123,061	84,646	76,455	122,348	108,022	81,216	72,021

	BOP		HMB		ASKARI		FAYSAI	
	2019	2018	2019	2018	2019	2018	2019	2018
Ranking								
By total assets	9	9	10	11	11	10	12	12
By net assets	12	12	11	11	13	13	10	10
By profit before tax	11	10	12	11	13	14	14	13
Profit before tax	14,072	12,272	11,629	10,345	10,390	6,879	10,158	8,212
Net Interest Margin	3.6%	3.2%	2.4%	2.8%	3.2%	3.1%	4.2%	3.2%
Spread	4.8%	4.4%	4.1%	2.7%	5.1%	3.9%	6.2%	5.4%
Return on Average Equity	19.5%	22.5%	15.8%	15.2%	18.5%	13.4%	12.2%	11.7%
Return on Average Assets	1.0%	1.1%	0.9%	1.0%	0.9%	0.6%	1.0%	0.9%
Operating Cost to Net Interest Income Ratio	55.9%	63.4%	74.2%	72.2%	83.0%	85.4%	82.7%	92.8%
Operating Expenses to Average Deposit Ratio	2.3%	2.2%	2.2%	2.2%	2.9%	3.0%	4.0%	3.8%
Net provision / (reversal)	1,727	(1,222)	420	382	773	1,461	842	(422)
Impairment cover (Times)	9.1	-	28.7	28.1	14.4	5.7	13.1	-
Non Funded Income	3,638	3,580	8,476	5,912	6,390	5,130	7,488	6,402
Non Performing Advances to Gross Advances	12.0%	11.7%	6.0%	7.0%	7.1%	7.2%	9.1%	8.3%
Total Assets	869,682	714,716	865,030	678,839	833,443	706,666	629,861	599,938
Net Assets	46,867	37,876	47,830	40,452	42,402	33,600	55,205	43,475
Capital Adequacy Ratio	14.7%	13.0%	14.7%	13.1%	13.4%	12.5%	19.1%	16.7%
Average Advances to Average Deposits	62.8%	63.4%	40.1%	37.1%	57.6%	56.2%	70.7%	69.0%
CASA	68.2%	64.4%	61.6%	57.2%	82.0%	84.8%	70.7%	68.8%
Earnings per share (EPS)	3.09	2.85	6.34	5.90	5.58	3.51	3.96	3.18
Market Price	11.33	11.97	36.35	45.81	18.54	23.92	19.02	24.07
Market Capitalization	29,953	31,645	38,089	48,001	23,365	30,145	28,867	36,531

	SCB		ICBC		JS		SONERI	
	2019	2018	2019	2018	2019	2018	2019	2018
Ranking								
By total assets	13	13	14	15	15	14	16	16
By net assets	7	7	14	14	18	15	17	16
By profit before tax	5	6	10	12	23	19	17	17
Profit before tax	27,199	18,447	16,264	8,412	(86)	1,071	3,247	2,905
Net Interest Margin	5.8%	4.1%	3.5%	2.1%	1.7%	2.2%	2.1%	2.1%
Spread	6.7%	5.2%	2.3%	2.1%	4.3%	4.1%	4.2%	3.1%
Return on Average Equity	22.9%	17.3%	29.9%	23.5%	-1.4%	3.4%	10.0%	9.8%
Return on Average Assets	2.7%	2.1%	2.0%	1.2%	-0.1%	0.2%	0.5%	0.5%
Operating Cost to Net Interest Income Ratio	42.2%	60.0%	14.2%	27.8%	164.5%	120.6%	102.6%	106.1%
Operating Expenses to Average Deposit Ratio	2.5%	2.7%	2.5%	3.6%	3.4%	3.6%	2.9%	3.0%
Net provision / (reversal)	(17)	(1,218)	65	147	(89)	158	(589)	(71)
Impairment cover (Times)	-	-	250.7	58.2	-	7.8	-	-
Non Funded Income	9,090	8,409	2,324	2,256	4,928	4,208	3,053	2,742
Non Performing Advances to Gross Advances	7.5%	9.3%	-	-	4.2%	3.3%	5.1%	5.8%
Total Assets	619,971	576,081	505,398	459,264	473,213	460,541	442,541	382,498
Net Assets	72,917	67,238	37,714	26,258	19,481	18,439	20,214	17,989
Capital Adequacy Ratio	16.9%	19.1%	26.2%	18.8%	13.7%	12.8%	15.8%	14.7%
Average Advances to Average Deposits	43.2%	38.5%	32.5%	25.1%	63.4%	62.6%	51.9%	53.9%
CASA	89.8%	91.1%	78.5%	53.6%	46.6%	53.7%	62.0%	58.8%
Earnings per share (EPS)	4.14	2.90	-	-	(0.21)	0.34	1.73	1.62
Market Price	23.6	24.12	-	-	5.4	7.37	9.85	12.67
Market Capitalization	91,369	93,383	-	-	7,006	9,562	10,859	13,968

	BOK		ISLAMI		DIB		ALBARAKA	
	2019	2018	2019	2018	2019	2018	2019	2018
Ranking								
By total assets	17	18	18	19	19	17	20	22
By net assets	20	20	16	18	15	17	22	22
By profit before tax	18	20	19	22	16	16	22	23
Profit before tax	2,261	707	1,869	560	5,688	4,120	8	(245)
Net Interest Margin	1.8%	2.6%	4.7%	3.5%	4.5%	4.0%	4.4%	4.4%
Spread	3.8%	3.1%	5.3%	4.1%	6.0%	5.0%	6.5%	5.2%
Return on Average Equity	10.1%	3.4%	6.2%	2.2%	17.2%	15.9%	-1.6%	-2.4%
Return on Average Assets	0.5%	0.2%	0.4%	0.1%	1.3%	1.2%	-0.13%	-0.2%
Operating Cost to Net Interest Income Ratio	77.1%	79.3%	72.2%	113.4%	65.3%	74.2%	104.6%	115.1%
Operating Expenses to Average Deposit Ratio	2.0%	2.5%	3.7%	3.8%	3.4%	3.6%	4.5%	4.9%
Net provision / (reversal)	(21)	(171)	2,773	(3)	722	222	1,190	770
Impairment cover (Times)	-	-	1.7	-	8.9	19.6	1.0	-
Non Funded Income	809	650	961	1,155	2,392	2,248	1,494	1,149
Non Performing Advances to Gross Advances	4.4%	4.7%	10.6%	11.9%	2.5%	1.9%	11.4%	8.8%
Total Assets	306,305	223,095	284,464	216,833	264,639	231,823	161,982	128,813
Net Assets	14,201	11,705	20,454	15,276	22,163	16,750	12,732	10,705
Capital Adequacy Ratio	15.3%	12.3%	14.9%	15.0%	17.1%	14.0%	13.3%	11.8%
Average Advances to Average Deposits	57.7%	54.5%	63.2%	68.7%	82.1%	80.0%	66.7%	75.5%
CASA	58.3%	53.2%	58.5%	68.8%	66.7%	70.1%	64.2%	76.0%
Earnings per share (EPS)	1.31	0.47	1.08	0.33	2.87	2.15	(0.14)	(0.18)
Market Price	13.56	12.95	11.09	12.00	-	-	-	-
Market Capitalization	13,563	12,953	12,296	12,095	-	-	-	-



At a Glance

	SINDH		CITIBANK		SAMBA		DB		BOC	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Ranking										
By total assets	21	20	22	21	23	23	24	24	25	25
By net assets	19	21	23	23	21	19	24	24	25	25
By profit before tax	25	25	15	15	21	18	20	21	24	24
Profit before tax	(13,693)	(1,367)	8,494	5,952	1,100	1,110	1,137	614	(529)	(525)
Net Interest Margin	1.67%	3.9%	5.6%	3.5%	3.1%	2.5%	7.1%	3.8%	0.0%	0.3%
Spread	3.7%	3.6%	7.8%	4.0%	5.0%	3.6%	6.9%	3.9%	4.9%	(2.3)%
Return on Average Equity	-57.5%	-8.5%	42.9%	37.4%	5.1%	5.4%	8.8%	5.0%	-5.2%	-8.3%
Return on Average Assets	-5.2%	-0.6%	3.3%	2.8%	0.5%	0.6%	1.9%	1.0%	-1.7%	-2.6%
Operating Cost to Net Interest Income Ratio	240.7%	92.0%	39.5%	52.6%	78.5%	85.0%	69.9%	136.7%	22920.3%	2376.7%
Operating Expenses to Average Deposit Ratio	4.1%	3.7%	2.6%	2.4%	4.0%	3.8%	5.9%	6.1%	5.2%	15.5%
Net provision / (reversal)	10,034	1,382	(59)	(55)	502	68	-	(5)	-	-
Impairment cover (Times)	-	-	-	-	3.2	17.2	-	-	-	-
Non Funded Income	470	430	3,986	3,860	764	512	615	965	100	13
Non Performing Advances to Gross Advances	43.8%	31.2%	4.9%	6.4%	4.2%	4.3%	1.0%	1.5%	0.0%	0.0%
Total Assets	161,666	155,703	149,403	140,948	129,577	122,765	33,944	35,391	26,515	14,764
Net Assets	17,217	11,326	11,900	10,620	14,179	12,784	7,268	7,597	6,913	6,465
Capital Adequacy Ratio	14.0%	8.6%	22.6%	24.9%	18.0%	19.0%	30.3%	27.6%	49.9%	129.2%
Average Advances to Average Deposits	51.4%	49.7%	46.7%	40.3%	80.9%	76.0%	38.7%	28.1%	4.0%	1.9%
CASA	76.5%	83.5%	74.6%	70.8%	45.9%	54.9%	78.0%	59.0%	99.3%	7.3%
Earnings per share (EPS)	(7.95)	(1.17)	-	-	0.68	0.68	-	-	-	-
Market Price	-	-	-	-	8.00	8.04	-	-	-	-
Market Capitalization	-	-	-	-	8,066	8,106	-	-	-	-



At a Glance

(Islamic Banks)

	MEEZAN		ISLAMI		DIB		ALBARAKA		MCBIB	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Ranking										
By total assets	1	1	2	3	3	2	4	4	5	5
By net assets	1	1	3	3	2	2	4	4	5	5
By profit before tax	1	1	3	3	2	2	4	4	5	5
Profit before tax	26,978	15,180	1,869	560	5,688	4,120	8	(245)	(366)	(1,680)
Net Interest Margin	4.9%	3.5%	4.7%	3.5%	4.5%	4.0%	4.4%	4.4%	5.2%	2.4%
Spread	5.8%	4.0%	5.3%	4.1%	6.0%	5.0%	6.5%	5.2%	6.4%	4.1%
Return on Average Equity	29.7%	22.3%	6.2%	2.2%	17.2%	15.9%	-1.6%	-2.4%	-2.4%	-11.1%
Return on Average Assets	1.5%	1.1%	0.4%	0.1%	1.3%	1.2%	-0.1%	-0.2%	-0.2%	-1.5%
Operating Cost to Net Interest Income Ratio	56.2%	71.6%	72.2%	113.4%	65.3%	74.2%	104.6%	115.1%	112.8%	162.2%
Operating Expenses to Average Deposit Ratio	3.0%	2.7%	3.7%	3.8%	3.4%	3.6%	4.5%	4.9%	5.8%	5.8%
Net provision / (reversal)	4,186	1,168	2,773	(3)	722	222	1,190	770	200	896
Impairment cover (Times)	7.4	14.0	1.7	-	8.9	19.6	1.0	-	-	-
Non Funded Income	10,647	8,455	961	1,155	2,392	2,248	1,494	1,149	378	323
Non Performing Advances to Gross Advances	1.8%	1.3%	10.6%	11.9%	2.5%	1.9%	11.4%	8.8%	0.7%	0.0%
Total Assets	1,126,115	941,751	284,464	216,833	264,639	231,823	161,982	128,813	105,017	94,894
Net Assets	62,781	43,577	20,454	15,276	22,163	16,750	12,732	10,705	10,467	10,070
Capital Adequacy Ratio	17.2%	14.9%	14.9%	15.0%	17.1%	14.0%	13.3%	11.8%	13.8%	13.2%
Average Advances to Average Deposits	56.1%	62.4%	63.2%	68.7%	82.1%	80.0%	66.7%	75.5%	70.7%	86.1%
CASA	73.3%	72.3%	58.5%	68.8%	66.7%	70.1%	64.2%	76.0%	70.9%	81.0%
Earnings per share (EPS)	12.12	6.96	1.08	0.33	2.87	2.15	(0.14)	(0.18)	-	-
Market Price	95.13	92.39	11.09	12.00	-	-	-	-	-	-
Market Capitalization	122,348	108,022	12,296	12,095	-	-	-	-	-	-





Summary of Financial Information

Assets at at 31 December 2019

Bank	Cash & bank	Investments	Lendings to financial institutions	Advances - net of provisions	Operating fixed assets & intangible assets	Other assets	Total assets
<i>Rupees in millions</i>							
ABL	120,537	759,654	13,607	485,052	64,216	40,317	1,483,383
Albaraka	29,170	24,195	14,599	75,444	6,346	12,229	161,982
Askari	70,926	305,436	20,406	372,914	20,506	43,256	833,443
BAF	105,659	300,906	71,435	511,238	30,368	47,505	1,067,110
BAH	123,365	586,511	1,858	488,653	36,940	61,812	1,299,139
BOC	22,207	-	2,478	834	525	470	26,515
BOK	20,368	146,911	13,863	109,742	3,621	11,800	306,305
BOP	63,788	361,468	3,960	383,647	16,024	40,795	869,682
Citibank	12,008	76,154	2,951	51,869	473	5,948	149,403
DB	7,678	-	15,132	9,225	345	1,563	33,944
DIB	20,664	49,157	5,590	177,922	4,492	6,812	264,639
Faysal	63,204	203,594	-	309,573	26,082	27,407	629,861
HLB	408,842	1,379,607	45,303	1,166,957	89,552	136,871	3,227,132
HMB	73,405	443,527	22,197	273,593	8,489	43,819	865,030
ICBC	45,625	211,161	214,504	29,162	633	4,314	505,397
Islami	16,521	55,807	42,912	131,620	15,867	21,738	284,464
JS	26,067	143,125	30,321	243,285	12,996	17,420	473,213
MCB	164,329	757,442	6,061	548,473	66,181	69,730	1,612,215
Meezan	107,609	229,667	223,689	493,775	24,464	46,910	1,126,115
NBP	306,796	1,442,403	144,140	1,008,399	63,437	167,183	3,132,360
SAMBA	6,698	51,278	2,274	61,356	2,030	5,941	129,576
SCB	64,775	249,164	17,011	218,087	36,659	34,274	619,971
Sindh	14,647	65,013	3,645	61,981	3,881	12,499	161,666
Soneri	36,036	177,056	1,202	204,901	8,796	14,551	442,541
UBL	286,093	874,562	21,756	694,934	60,347	86,045	2,023,738
	2,217,018	8,893,796	940,895	8,112,635	603,270	961,209	21,728,824



Summary of Financial Information

Liabilities and Equity as at 31 December 2019

Bank	Bills payable	Borrowings	Deposits	Subordinated loans	Other liabilities	Equity	Total
<i>Rupees in millions</i>							
ABL	7,879	266,448	1,049,019	-	42,825	117,212	1,483,383
Albaraka	3,225	4,278	129,654	3,461	8,634	12,732	161,982
Askari	15,769	51,188	679,246	9,992	34,846	42,402	833,443
BAF	17,169	103,134	782,275	11,987	63,263	89,283	1,067,110
BAH	20,132	228,745	903,630	14,993	69,707	61,933	1,299,139
BOC	-	800	17,009	-	1,792	6,913	26,515
BOK	1,172	94,656	182,167	-	14,108	14,201	306,305
BOP	3,421	77,359	691,016	8,794	42,224	46,867	869,682
Citibank	2,040	11,699	113,232	-	10,532	11,899	149,403
DB	1,032	1,394	20,474	-	3,776	7,268	33,944
DIB	2,972	9,814	209,952	7,120	12,618	22,163	264,639
Faysal	8,356	72,747	457,784	-	35,767	55,205	629,861
HBL	29,681	382,206	2,437,597	22,360	130,536	224,752	3,227,132
HMB	11,541	145,812	611,261	-	48,587	47,830	865,030
ICBC	4,125	351,242	94,466	-	17,850	37,714	505,397
Islami	3,645	15,103	228,557	1,700	15,005	20,454	284,464
JS	3,804	54,467	368,544	7,495	19,421	19,481	473,213
MCB	12,795	92,860	1,226,593	-	108,620	171,347	1,612,215
Meezan	17,187	42,047	932,569	14,000	57,531	62,781	1,126,115
NBP	19,867	471,757	2,197,985	-	203,528	239,223	3,132,360
SAMBA	783	36,113	71,882	-	6,618	14,179	129,576
SCB	12,374	20,257	465,629	-	48,793	72,917	619,971
Sindh	495	4,992	134,086	-	4,876	17,217	161,666
Soneri	3,961	95,705	302,083	6,995	13,583	20,214	442,541
UBL	22,929	170,405	1,557,995	10,000	71,537	190,872	2,023,738
	226,358	2,805,229	15,864,704	118,897	1,086,576	1,627,057	21,728,824



Summary of Financial Information

Income Statement for the year ended 31 December 2019

Bank	Net markup / interest income	Non markup income	Non markup / interest expenses	Profit before provisions	Net provision / (reversal)	Profit / (loss) before tax	Taxation	Profit / (loss) from discontinuing operations	Profit / (loss) after tax	Other Comprehensive Income
<i>Rupees in millions</i>										
ABL	41,506	11,757	28,014	25,249	547	24,702	10,213	-	14,489	3,094
Albaraka	5,011	1,430	5,243	1,198	1,190	8	199	-	(192)	825
Askari	22,137	7,404	18,377	11,163	773	10,390	3,358	-	7,033	2,936
BAF	44,862	11,062	29,980	25,944	3,029	22,915	9,884	-	13,032	5,782
BAH	41,204	9,564	28,328	22,440	3,399	19,040	7,849	-	11,192	3,525
BOC	3	99	630	(529)	-	(529)	(178)	-	(351)	0
BOK	4,918	1,112	3,790	2,240	(21)	2,261	955	-	1,306	1,191
BOP	26,848	3,963	15,012	15,799	1,727	14,072	5,794	-	8,278	2,679
Citibank	7,356	3,984	2,905	8,435	(59)	8,494	3,661	-	4,833	169
DB	1,737	615	1,215	1,137	-	1,137	485	-	652	(19)
DIB	10,524	2,760	6,874	6,410	722	5,688	2,342	-	3,346	2,067
Faysal	21,127	7,351	17,476	11,001	842	10,158	4,154	-	6,004	5,883
HBL	101,323	24,162	93,290	32,195	3,314	28,881	13,381	-	15,500	17,324
HMB	17,967	7,410	13,329	12,048	420	11,629	4,667	-	6,962	2,768
ICBC	16,321	2,324	2,315	16,329	65	16,264	6,687	-	9,577	181
Islami	10,792	1,632	7,793	4,642	2,773	1,869	744	(21)	1,104	3,066
JS	7,195	4,464	11,833	(175)	(89)	(86)	171	-	(257)	2,102
MCB	63,718	17,518	38,748	42,827	2,674	40,154	16,206	-	23,947	15,085
Meezan	46,533	10,495	26,165	31,164	4,186	26,978	11,198	-	15,780	9,539
NBP	72,154	37,760	67,379	42,535	13,557	28,978	12,331	-	16,647	11,558
SAMBA	3,519	846	2,763	1,602	502	1,100	414	-	686	709
SCB	28,187	10,890	11,894	27,182	(17)	27,199	11,182	-	16,017	67
Sindh	2,126	-	5,116	(2,991)	10,034	(13,025)	(5,485)	-	(7,540)	2,399
Soneri	7,926	2,861	8,129	2,658	(589)	3,247	1,341	-	1,906	1,421
UBL	63,341	23,558	44,632	43,044	7,314	35,731	15,457	(1,225)	19,048	18,001
	668,332	205,020	491,233	383,549	56,294	327,255	137,010	(1,246)	188,999	112,351



Summary of Financial Information

(Islamic Banks)

Assets as at 31 December 2019

Bank	Cash & bank	Investments	Due from financial institutions	Islamic financing and related assets - net	Operating fixed assets & intangible assets	Other assets	Total assets
<i>Rupees in millions</i>							
Albaraka	29,170	24,195	14,599	75,444	6,345	12,229	161,982
DIB	20,664	49,157	5,590	177,922	4,492	6,812	264,639
Islami	16,521	55,807	42,912	131,620	15,867	21,738	284,464
MCBIB	19,076	16,310	5,852	51,310	6,499	5,971	105,017
Meezan	107,609	229,667	223,689	493,775	24,464	46,910	1,126,115
	193,040	375,136	292,643	930,071	57,667	93,660	1,942,217

Liabilities and Equity as at 31 December 2019

Bank	Bills payable	Due to financial institutions	Deposits	Subordinated loans	Other liabilities	Equity	Total
<i>Rupees in millions</i>							
Albaraka	3,224	4,278	129,654	3,461	8,634	12,732	161,982
DIB	2,972	9,814	209,952	7,120	12,618	22,163	264,639
Islami	3,645	15,104	228,557	1,700	15,005	20,454	284,464
MCBIB	974	4,128	81,854	-	7,596	10,467	105,017
Meezan	17,187	42,047	932,569	14,000	57,531	62,781	1,126,115
	28,002	75,371	1,582,586	26,281	101,382	128,595	1,942,217

Income Statement for the year ended 31 December 2019

Bank	Profit / return	Other income	Operating expenses	Profit before provisions	Net provision / (reversal)	Profit / (loss) before tax	Taxation	Profit / (loss) from discontinuing operations	Profit / (loss) after tax	Other Comprehensive Income
<i>Rupees in millions</i>										
Albaraka	5,011	1,430	5,243	1,198	1,190	8	199	-	(192)	825
DIB	10,524	2,760	6,874	6,410	722	5,688	2,342	-	3,346	2,067
Islami	10,792	1,632	7,793	4,642	2,773	1,869	744	(21)	1,104	3,066
MCBIB	3,994	343	4,503	(166)	200	(366)	(122)	-	(244)	291
Meezan	46,533	10,495	26,165	31,164	4,186	26,978	11,198	-	15,780	9,539
	76,853	16,660	50,578	43,248	9,072	34,176	14,362	(21)	19,794	15,787



Summary of Financial Information

(Islamic Banking Business of Conventional Banks)

Assets as at 31 December 2019

Bank	Cash & bank	Investments	Due from financial institutions	Islamic financing and related assets	Operating fixed assets	Other assets	Total assets
<i>Rupees in millions</i>							
ABL	2,045	12,452	11,554	12,615	2,042	872	41,581
Askari	9,312	7,796	6,331	46,802	1,896	3,469	75,607
BAF	13,687	13,738	37,790	87,512	5,950	2,503	161,182
BAH	11,850	21,670	1,858	50,689	402	7,596	94,065
BOK	13,098	11,602	4,831	45,792	613	4,736	80,672
BOP	7,098	8,936	3,395	27,271	1,762	4,802	53,264
Faysal	13,753	31,445	-	115,537	8,883	10,256	179,873
HBL	17,113	33,594	20,489	153,117	862	50,952	276,127
HMB	5,697	14,718	22,197	22,425	522	6,775	72,335
MCB	19,076	16,310	5,852	51,310	6,499	5,971	105,017
NBP	4,412	19,416	11,419	33,880	176	6,750	76,053
SCB	8,029	3,640	6,944	41,986	185	1,567	62,351
Sindh	277	807	-	2,496	235	112	3,927
Soneri	1,566	5,163	1,002	9,200	406	2,858	20,193
UBL	13,897	46,726	10,797	9,017	1,046	7,298	88,782
	140,908	248,015	144,460	709,650	31,480	116,517	1,391,029

Liabilities and Equity as at 31 December 2019

Bank	Bills payable	Due to financial institutions	Deposits	Other liabilities	Equity	Total
<i>Rupees in millions</i>						
ABL	165	1,700	34,389	1,978	3,349	41,581
Askari	1,051	2,188	62,859	4,227	5,283	75,607
BAF	4,017	6,974	122,023	13,058	15,110	161,182
BAH	46	9,719	67,981	7,057	9,262	94,065
BOK	286	18,892	50,079	4,895	6,520	80,672
BOP	250	-	46,089	3,170	3,755	53,264
Faysal	2,029	26,722	119,215	19,299	12,609	179,873
HBL	17	10,780	242,548	6,074	16,707	276,127
HMB	719	4,275	61,262	1,980	4,099	72,335
MCB	974	4,128	81,854	7,596	10,466	105,017
NBP	257	-	63,286	7,495	5,015	76,053
SCB	140	4,050	48,472	1,555	8,135	62,351
Sindh	12	417	3,093	244	161	3,927
Soneri	329	365	17,363	437	1,699	20,193
UBL	925	1,300	81,432	1,596	3,529	88,782
	11,214	91,509	1,101,946	80,662	105,700	1,391,029



Summary of Financial Information

(Islamic Banking Business of Conventional Banks)

Income Statement for the year ended 31 December 2019

Bank	Net profit / return	Other income / (loss)	Operating expenses	Profit / (loss) before provisions	Net provision / (reversal)	Profit / (loss) before tax
<i>Rupees in millions</i>						
ABL	1,203	161	1,285	79	0	79
Askari	3,052	276	2,066	1,261	185	1,076
BAF	8,767	1,098	4,992	4,873	95	4,778
BAH	4,000	395	1,787	2,609	58	2,550
BOK	3,752	274	1,674	2,353	(3)	2,356
BOP	2,638	94	1,419	1,314	28	1,285
Faysal	5,079	760	4,686	1,153	230	922
HBL	10,459	587	2,115	8,931	86	8,846
HMB	1,672	307	687	1,292	204	1,088
MCB	3,994	343	4,503	(166)	200	(367)
NBP	3,860	544	2,441	1,964	(76)	2,040
SCB	5,098	1,081	1,844	4,336	182	4,153
Sindh	31	19	191	(141)	-	(141)
Soneri	438	92	389	141	6	136
UBL	3,052	277	1,768	1,561	10	1,552
	57,095	6,308	31,845	31,559	1,204	30,353



Impact of IFRS 16

IFRS 16 – Leases became effective from 1 January 2019. This standard required all leases which were previously treated as operating leases to be brought on the balance sheet. There were few exceptions allowed. The total increase in assets as at 31 December 2019 due to implementation of IFRS 16 – Leases amounted to Rs. 122.7 billion.

	Right of Use Assets	Total Fixed Assets
	<i>Rupees in millions</i>	
ABL	8,087	62,240
Albaraka	2,441	4,878
Askari	7,317	19,697
BAF	9,196	29,108
BAH	8,199	36,572
BOC	318	523
BOK	1,072	3,335
BOP	6,342	15,224
Citibank	64	473
DB	103	345
DIB	2,966	4,288
Faysal	8,360	24,242
HLB	15,976	80,462
HMB	3,851	8,381
ICBC	48	629
Islami	3,545	12,718
JS	4,109	10,694
MCB	10,667	64,202
Meezan	7,184	23,664
NBP	7,447	62,367
SAMBA	824	1,897
SCB	3,309	10,563
Sindh	2,229	3,838
Soneri	1,944	8,329
UBL	7,146	58,276
	122,743	546,942

Islamic Banks

Impact of IFRS 16 on Islamic Banks as at 31 December 2019 is as under:

	Right of Use Assets	Total Fixed Assets
	<i>Rupees in millions</i>	
Albaraka	2,441	4,878
DIB	2,966	4,288
Islami	3,545	12,718
MCBIB	2,889	5,780
Meezan	7,184	23,664
	19,025	51,327



Composition of Deposits

	Individual		Government		Public Sector Entities		Banking Companies		Non-Banking Financial Institutions		Private Sector and Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Rupees in millions</i>														
ABL	457,188	384,786	125,409	117,893	108,999	113,603	9,374	7,791	77,134	72,921	270,915	287,470	1,049,019	984,463
Albaraka	59,197	48,860	8,021	3,495	1,854	863	1	1,476	6,050	6,111	54,531	39,110	129,654	99,915
Askari	245,870	225,474	239,953	187,851	48,142	41,581	0.1	0.1	4,925	3,729	140,355	114,961	679,246	573,597
BAF	361,511	347,805	31,193	45,417	57,074	46,524	6,226	528	42,390	48,450	283,880	214,122	782,275	702,847
BAH	582,960	501,491	29,895	19,258	36,378	46,637	3,889	127	10,003	23,644	240,505	205,695	903,630	796,852
BOC	7	5	-	-	27	253	-	-	-	-	16,975	6,970	17,009	7,228
BOK	35,118	32,873	113,655	107,133	4,445	13	52	36	1,025	126	27,873	30,987	182,168	171,168
BOP	152,925	155,826	352,521	335,274	68,178	14,239	5,693	4,547	4,612	2,336	107,087	83,341	691,016	595,562
Citibank	217	319	-	-	289	68	3,973	2,585	1,561	1,319	107,192	90,745	113,232	95,036
DB	36	42	-	-	0	0	-	-	43	39	20,394	20,019	20,474	20,100
DIB	101,600	89,314	23,123	16,803	5,716	10,980	0	56	21,152	16,174	58,362	48,859	209,952	182,187
Faysal	128,076	130,254	24,230	26,874	22,532	11,902	2,830	788	24,453	28,524	255,664	211,041	457,785	409,384
HBL	1,297,817	1,183,367	131,104	146,580	133,886	74,000	8,514	9,414	133,389	48,168	732,887	675,763	2,437,597	2,137,293
HMB	252,754	213,639	21,440	33,859	57,515	40,608	5,195	1,225	47,890	26,252	226,466	227,256	611,260	542,839
ICBC	133	821	-	-	3,277	48,346	1,117	613	-	-	89,939	16,761	94,466	66,540
Islami	60,268	53,743	5,571	7,787	9,483	10,074	427	4	10,615	9,639	142,194	103,182	228,557	184,430
JS	135,584	111,596	73,503	56,876	37,476	11,242	2,926	8,541	31,038	31,800	88,017	99,751	368,544	319,807
MCB	751,908	700,871	73,276	56,640	52,949	54,341	10,220	7,654	29,286	31,437	308,954	271,364	1,226,593	1,122,307
Meezan	628,758	521,789	20,376	14,959	14,839	15,386	34	68	7,482	10,236	261,079	223,007	932,569	785,445
NBP	700,613	665,108	602,786	586,366	237,284	138,287	379,109	319,990	20,197	16,314	257,997	285,249	2,197,985	2,011,313
SAMBA	26,470	19,911	13,483	10,368	3,119	233	118	93	2,708	4,102	25,984	30,518	71,882	65,225
SCB	241,576	222,622	1,044	1,460	6,721	3,115	18,975	18,094	2,424	456	194,889	179,152	465,629	424,899
Sindh	16,276	13,026	82,919	72,559	6,229	3,850	5	7	4,561	3,223	24,095	20,976	134,086	113,641
Soneri	116,173	102,211	36,305	34,276	38,818	32,917	8,244	706	15,012	27,510	87,532	64,759	302,083	262,379
UBL	893,984	838,746	68,423	57,839	93,004	74,543	37,049	14,898	58,857	53,484	406,680	408,814	1,557,995	1,448,324
	7,247,020	6,564,502	2,078,231	1,939,567	1,048,231	793,604	503,970	399,240	556,806	465,994	4,430,448	3,959,872	15,864,705	14,122,778



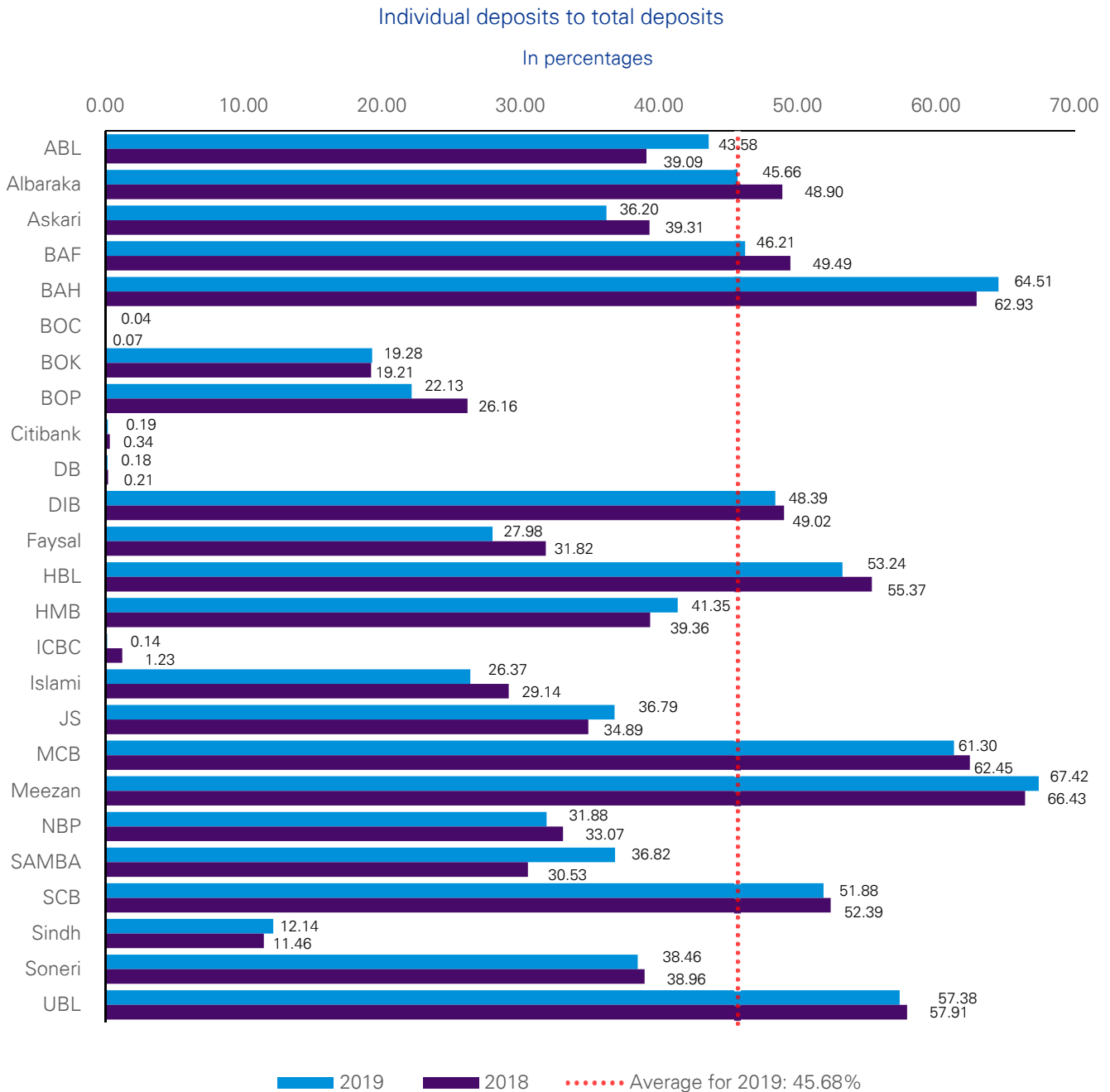
Deposits

Composition of Deposits – Islamic Banks

	Individual		Government		Public Sector Entities		Banking Companies		Non-Banking Financial Institutions		Private Sector		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Rupees in millions</i>														
Albaraka	59,197	48,860	8,021	3,495	1,854	863	1	1,476	6,050	6,111	54,531	39,110	129,654	99,915
DIB	101,600	89,314	23,123	16,803	5,716	10,980	0.3	56	21,152	16,174	58,362	48,859	209,952	182,187
Islami	60,268	53,743	5,571	7,787	9,483	10,074	427	4	10,615	9,639	142,194	103,182	228,557	184,430
MCBIB	35,008	30,686	7,693	5,087	269	281	1,038	1,344	4,866	9,690	32,980	26,219	81,854	73,307
Meezan	628,758	521,789	20,376	14,959	14,839	15,386	34	68	7,482	10,236	261,079	223,007	932,569	785,445
	884,831	744,392	64,783	48,131	32,160	37,584	1,500	2,948	50,166	51,850	549,146	440,377	1,582,586	1,325,283

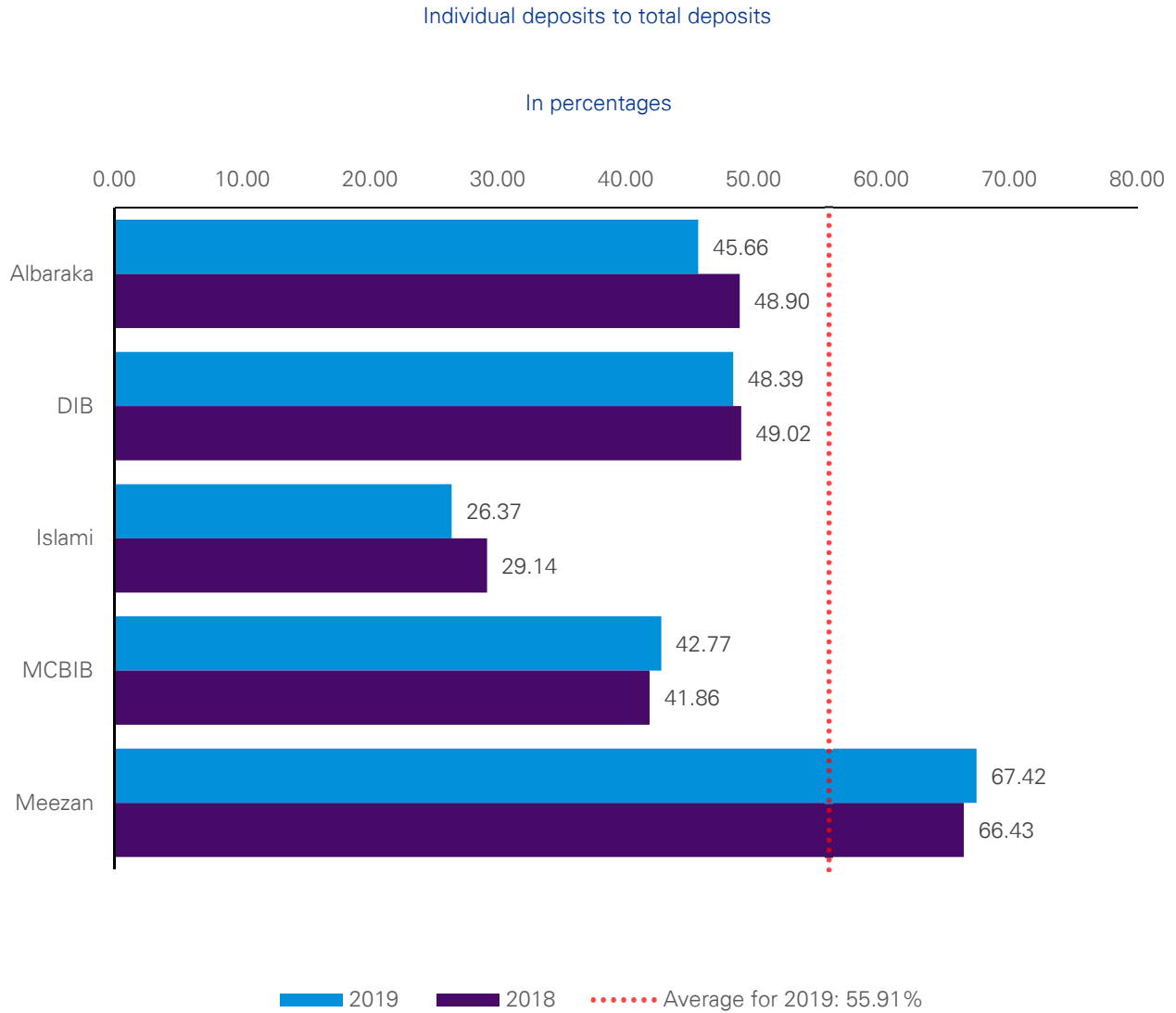
Individual Deposits to Total Deposits

The ratio of individual deposits to total deposits of banks under review have slightly decreased from 46.48% to 45.68%. Meezan, BAH, MCB, UBL, HBL and SCB have managed to keep the ratio above 50%.



Individual Deposits to Total Deposits – Islamic Banks

The ratio of individual deposits to total deposits of Islamic banks under review has slightly decreased from 56.17% to 55.91%.





Deposits

Growth in Deposits

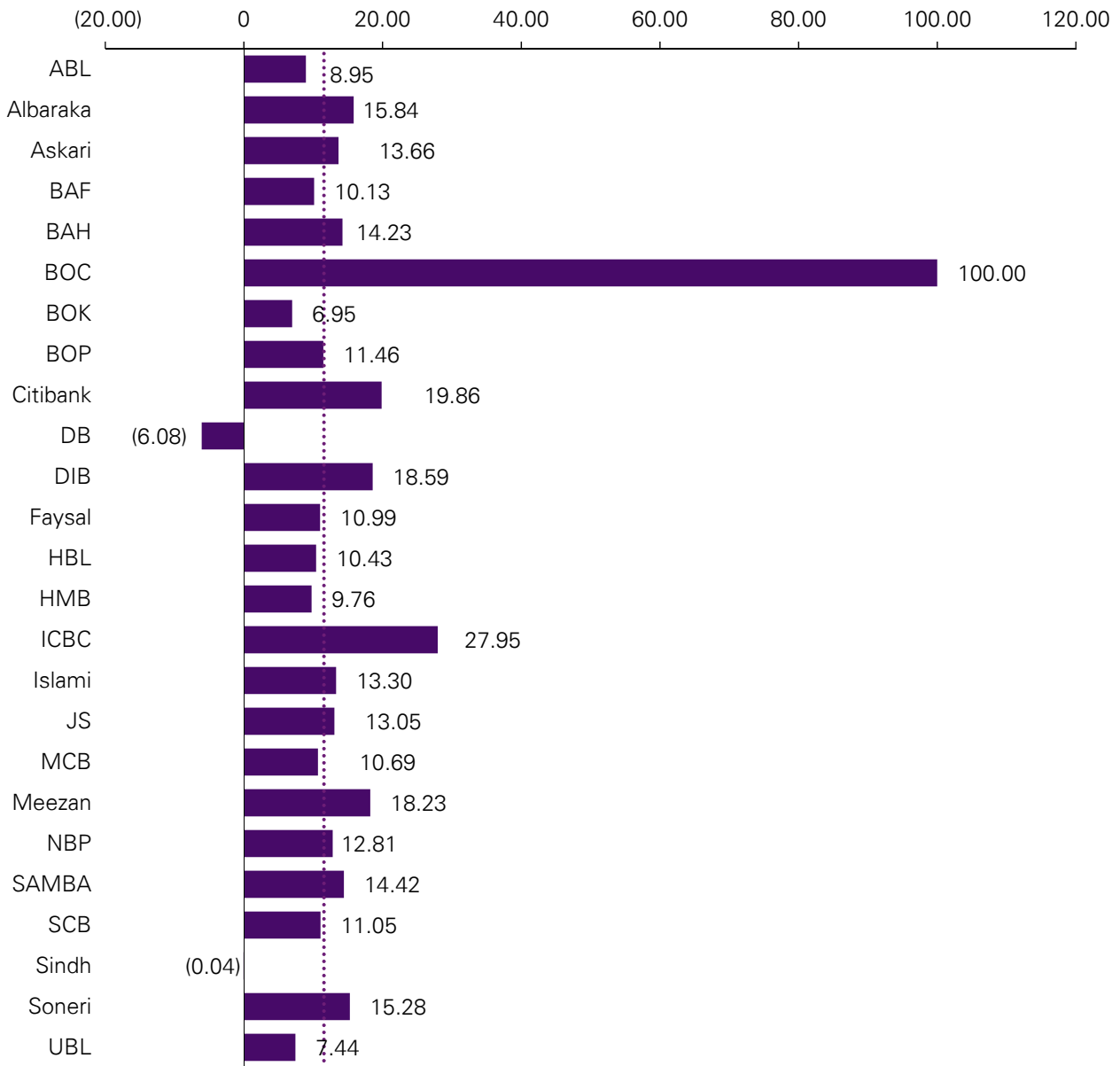
Deposits of banks included in this report increased by 12.33% to Rs. 15,865 billion at 31 December 2019 compared to Rs. 14,123 billion at 31 December 2018.

	Deposits			Annual Increase / (decrease)	
	2019	2018	2017	2019-18	2017-18
	<i>Rupees in millions</i>			<i>In percentages</i>	
ABL	1,049,019	984,463	883,702	6.56	11.40
Albaraka	129,654	99,915	96,623	29.76	3.41
Askari	679,246	573,597	525,805	18.42	9.09
BAF	782,275	702,847	644,925	11.30	8.98
BAH	903,630	796,852	692,534	13.40	15.06
BOC	17,009	7,228	-	135.33	100.00
BOK	182,168	171,168	159,247	6.43	7.49
BOP	691,016	595,562	556,192	16.03	7.08
Citibank	113,232	95,036	78,818	19.15	20.58
DB	20,474	20,100	23,212	1.86	(13.41)
DIB	209,952	182,187	149,295	15.24	22.03
Faysal	457,785	409,384	371,624	11.82	10.16
HBL	2,437,597	2,137,293	1,998,935	14.05	6.92
HMB	611,260	542,839	507,425	12.60	6.98
ICBC	94,466	66,540	57,698	41.97	15.32
Islami	228,557	184,430	178,062	23.93	3.58
JS	368,544	319,807	288,365	15.24	10.90
MCB	1,226,593	1,122,307	1,001,146	9.29	12.10
Meezan	932,569	785,445	667,173	18.73	17.73
NBP	2,197,985	2,011,313	1,727,059	9.28	16.46
SAMBA	71,882	65,225	54,901	10.21	18.80
SCB	465,629	424,899	377,576	9.59	12.53
Sindh	134,086	113,641	134,204	17.99	(15.32)
Soneri	302,083	262,379	227,304	15.13	15.43
UBL	1,557,995	1,448,324	1,349,698	7.57	7.31
	15,864,705	14,122,778	12,751,527	12.33	10.75

Growth in Deposits

Annualized Increase (2017 - 2019)

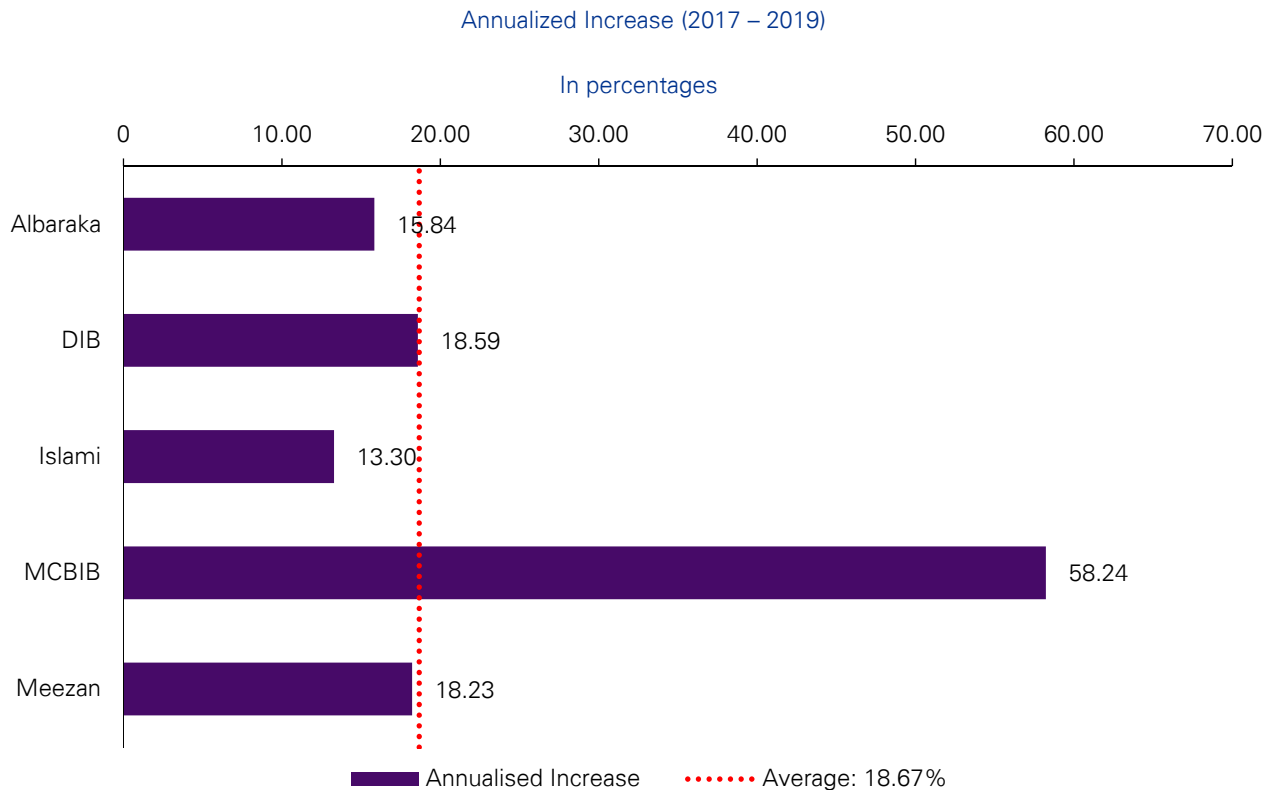
In percentages



■ Annualised Increase Average: 11.54%

Growth in Deposits – Islamic Banks

	Deposits			Annual Increase	
	2019	2018	2017	2019-18	2017-18
	<i>Rupees in millions</i>			<i>In percentages</i>	
Albaraka	129,654	99,915	96,623	29.76	3.41
DIB	209,952	182,187	149,295	15.24	22.03
Islami	228,557	184,430	178,062	23.93	3.58
MCBIB	81,854	73,307	32,691	11.66	124.24
Meezan	932,569	785,445	667,173	18.73	17.73
	1,582,586	1,325,283	1,123,845	19.41	17.92

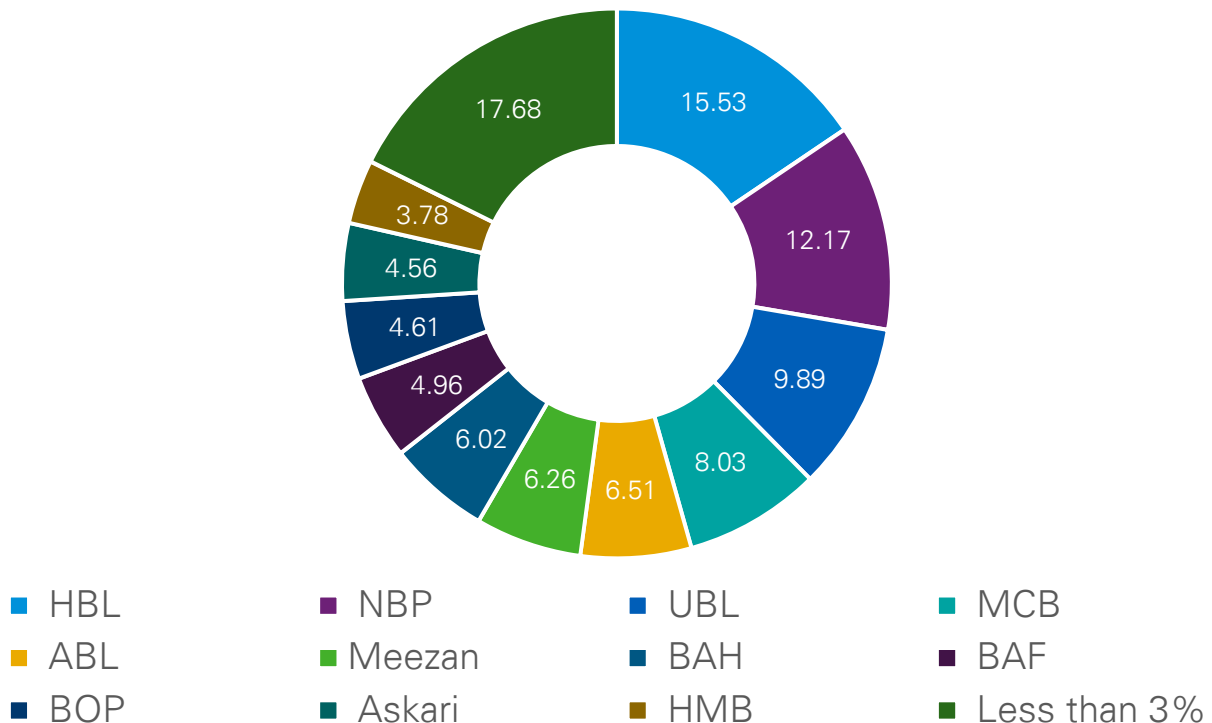


Market Share of Customer Deposits

	2019	2018	2019	2018
	<i>Rupees in millions</i>		<i>In percentages</i>	
HBL	2,295,694	2,079,711	15.53	15.70
NBP	1,798,705	1,675,175	12.17	12.64
UBL	1,462,090	1,379,318	9.89	10.41
MCB	1,187,064	1,083,179	8.03	8.17
ABL	962,502	903,752	6.51	6.82
Meezan	925,052	775,141	6.26	5.85
BAH	889,739	773,080	6.02	5.83
BAF	733,659	653,869	4.96	4.93
BOP	680,711	588,679	4.61	4.44
Askari	674,374	569,906	4.56	4.30
HMB	558,175	515,363	3.78	3.89
Less than 3%	2,613,318	2,253,039	17.68	17.00
	14,781,083	13,250,212	100.00	100.00

*Deposits from financial institutions have been excluded to analyze deposits from customer.

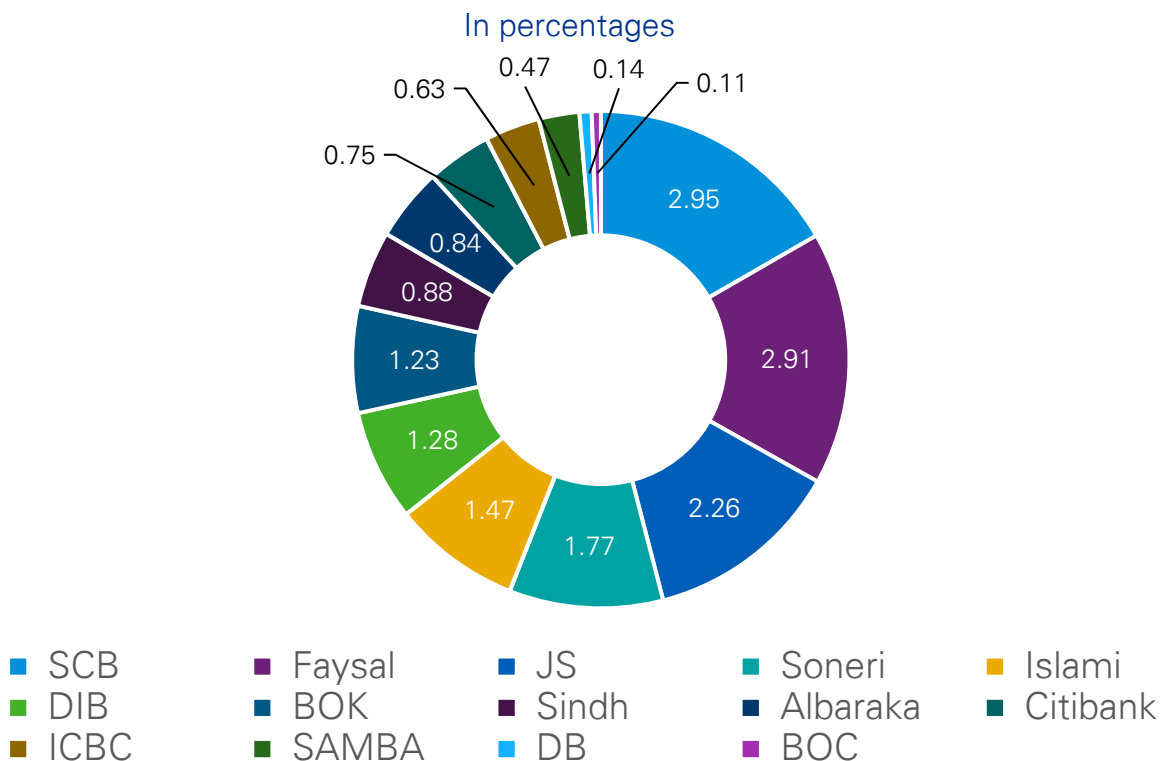
In percentages



Banks with less than 3% Market Share

	2019	2018	2019	2018
	<i>Rupees in millions</i>		<i>In percentages</i>	
SCB	435,856	401,058	2.95	3.03
Faysal	430,503	380,073	2.91	2.87
JS	334,580	274,976	2.26	2.08
Soneri	261,520	235,065	1.77	1.77
Islami	217,785	174,792	1.47	1.32
DIB	188,800	165,956	1.28	1.25
BOK	181,091	171,006	1.23	1.29
Sindh	129,620	110,491	0.88	0.83
Albaraka	123,604	92,328	0.84	0.70
Citibank	110,176	93,035	0.75	0.70
ICBC	93,348	65,928	0.63	0.50
SAMBA	69,056	61,030	0.47	0.46
DB	20,466	20,094	0.14	0.15
BOC	16,914	7,208	0.11	0.05
	2,613,318	2,253,039		

*Deposits from financial institutions have been excluded to analyze deposits from customer.



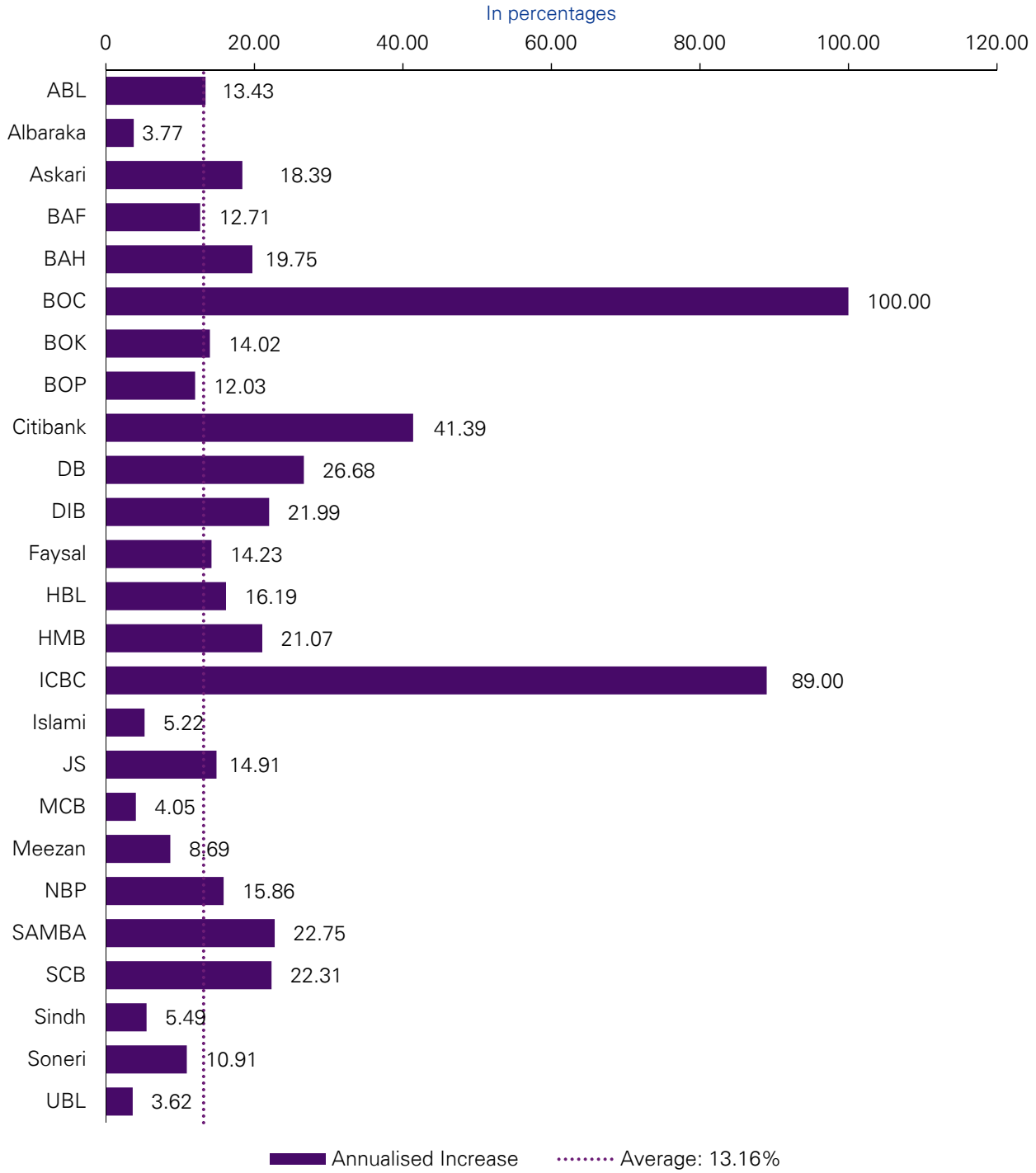
Total advances of banks under review have increased by 4.71% (2018: 22.30%) to Rs. 8,687 billion at 31 December 2019 (2018: Rs. 8,297 billion). Slowdown in advances growth was due to worsening macroeconomic conditions such as higher inflation and interest rates.

	2019	2018
	<i>In percentages</i>	
All Banks	4.71	22.30
Islamic Banks	1.55	20.59

Growth in Advances

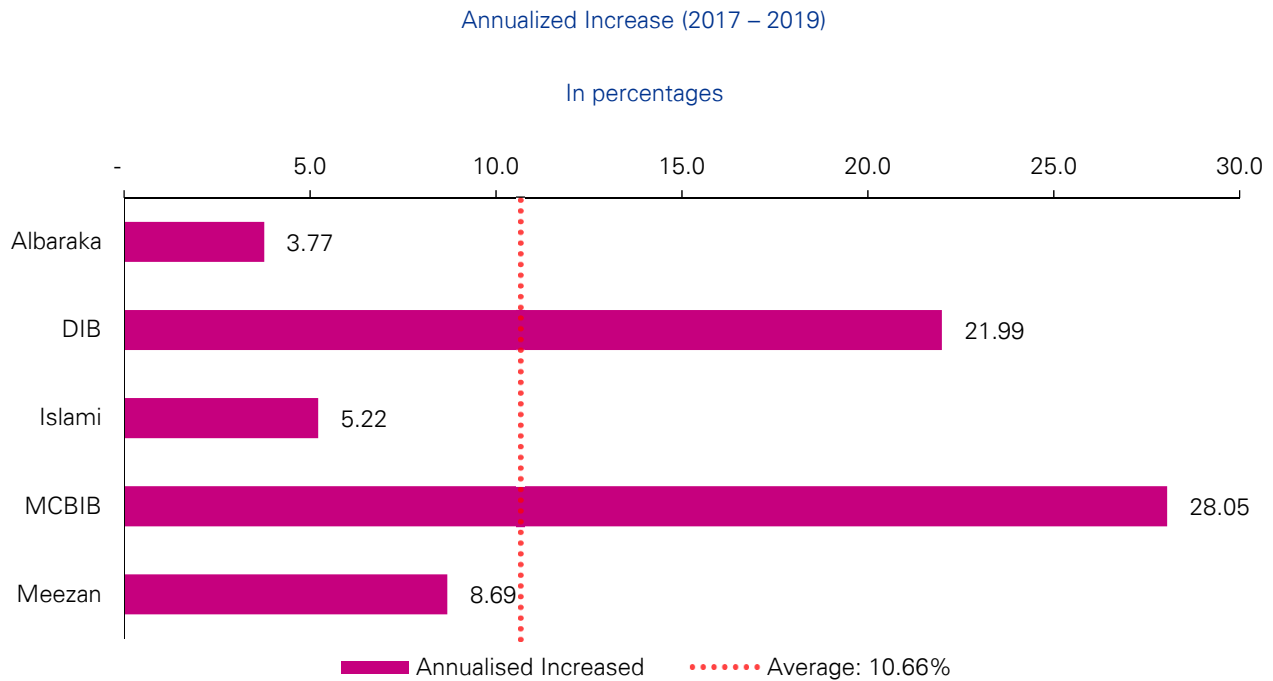
	Gross Advances			Annual increase / (decrease)	
	2019	2018	2017	2019-18	2017-18
	<i>Rupees in millions</i>			<i>In percentages</i>	
ABL	500,204	453,906	388,794	10.20	16.75
Albaraka	81,290	79,772	75,492	1.90	5.67
Askari	398,549	369,259	284,340	7.93	29.87
BAF	529,974	518,398	417,188	2.23	24.26
BAH	498,244	485,945	347,466	2.53	39.85
BOC	835	134	-	523.29	100.00
BOK	113,976	99,167	87,673	14.93	13.11
BOP	429,398	426,222	342,109	0.75	24.59
Citibank	54,542	42,748	27,282	27.59	56.69
DB	9,330	6,354	5,814	46.83	9.29
DIB	180,794	155,463	121,481	16.29	27.97
Faysal	333,811	320,258	255,827	4.23	25.19
HLB	1,243,323	1,152,434	921,008	7.89	25.13
HMB	290,522	252,674	198,217	14.98	27.47
ICBC	29,457	22,943	8,247	28.39	178.21
Islami	144,685	129,484	130,681	11.74	(0.92)
JS	246,794	255,464	186,900	(3.39)	36.68
MCB	591,872	610,029	546,672	(2.98)	11.59
Meezan	506,513	522,254	428,734	(3.01)	21.81
NBP	1,152,094	1,060,517	858,208	8.64	23.57
SAMBA	64,043	55,892	42,503	14.58	31.50
SCB	235,269	187,162	157,259	25.70	19.02
Sindh	77,294	79,685	69,454	(3.00)	14.73
Soneri	212,516	194,831	172,772	9.08	12.77
UBL	762,055	815,572	709,742	(6.56)	14.91
	8,687,381	8,296,567	6,783,862	4.71	22.30

Annualized Increase (2017 - 2019)



Islamic Banks

	Gross Financing			Annual increase / (decrease)	
	2019	2018	2017	2019-18	2017-18
	<i>Rupees in millions</i>			<i>In percentages</i>	
Albaraka	81,290	79,772	75,492	1.90	5.67
DIB	180,794	155,463	121,481	16.29	27.97
Islami	144,685	129,484	130,681	11.74	(0.92)
MCBIB	51,347	62,922	31,315	(18.40)	100.94
Meezan	506,513	522,264	428,734	(3.02)	21.82
	964,628	949,905	787,702	1.55	20.59



Classification of Non – Performing advances

The percentage covered by the classified advances is as under:

Particulars	2019	2018
	<i>In percentages</i>	
OAEM	3.08	2.67
Substandard	5.00	6.18
Doubtful	7.04	6.84
Loss	84.88	84.31
Total	100	100

	OAEM		Substandard		Doubtful		Loss		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Rupees in millions</i>										
ABL	35	38	810	437	197	334	14,812	15,255	15,854	16,065
Albaraka	25	70	974	895	1,642	546	6,609	5,509	9,250	7,021
Askari	2,125	90	477	287	661	429	24,870	25,851	28,134	26,657
BAF	1,713	104	2,382	3,120	1,918	657	16,405	14,942	22,418	18,824
BAH	83	11	377	45	1,928	1,622	4,870	3,558	7,258	5,235
BOK	31	10	96	130	220	240	4,678	4,278	5,027	4,658
BOP	185	52	1,179	351	8,204	9,723	42,061	39,655	51,630	49,781
Citibank	-	-	-	-	4	-	2,671	2,744	2,675	2,744
DB	-	-	-	-	-	-	97	97	97	97
DIB	54	20	467	424	857	686	3,162	1,809	4,540	2,938
Faysal	1,484	198	1,528	1,242	4,305	1,525	23,093	23,722	30,409	26,688
HBL	934	874	4,393	7,816	2,650	3,522	73,929	68,620	81,906	80,831
HMB	-	-	434	259	629	128	16,471	17,293	17,533	17,680
Islami	525	267	695	3,080	1,904	524	12,263	11,533	15,388	15,403
JS	841	231	1,159	1,489	2,442	3,190	5,911	3,400	10,353	8,309
MCB	149	746	710	1,282	3,190	1,742	45,756	45,197	49,806	48,966
Meezan	23	28	558	137	447	50	7,969	6,770	8,996	6,985
NBP	1,299	1,282	10,292	3,783	6,489	2,181	131,296	127,305	149,377	134,551
SAMBA	-	-	23	219	-	-	2,650	2,173	2,673	2,392
SCB	129	23	1,117	322	534	366	15,958	16,692	17,738	17,403
Sindh	584	217	2,018	8,000	1,515	9,093	29,708	7,560	33,824	24,870
Soneri	23	46	572	550	377	1,673	9,931	9,089	10,903	11,357
UBL	9,890	11,700	2,408	3,122	5,844	2,757	59,305	51,925	77,447	69,503
	20,134	16,008	32,671	36,991	45,959	40,987	554,472	504,973	653,235	598,959

BOC and ICBC have been excluded since they do not have any classified advances.

Classification of Non – Performing advances – Islamic Banks

Particulars	2019	2018
	<i>In percentages</i>	
OAEM	1.66	1.22
Substandard	7.01	14.02
Doubtful	13.51	5.58
Loss	77.82	79.18
Total	100	100

OAEM		Substandard		Doubtful		Loss		Total	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018

Rupees in millions

Albaraka	25	70	974	895	1,642	546	6,609	5,509	9,250	7,021
DIB	54	20	467	424	857	686	3,162	1,809	4,540	2,938
Islami	525	267	695	3,080	1,904	524	12,263	11,533	15,388	15,403
MCBIB	15	10	8	0.2	358	-	1	1	381	11
Meezan	23	28	558	137	447	50	7,969	6,770	8,996	6,985
	641	395	2,702	4,537	5,208	1,806	30,003	25,621	38,555	32,359

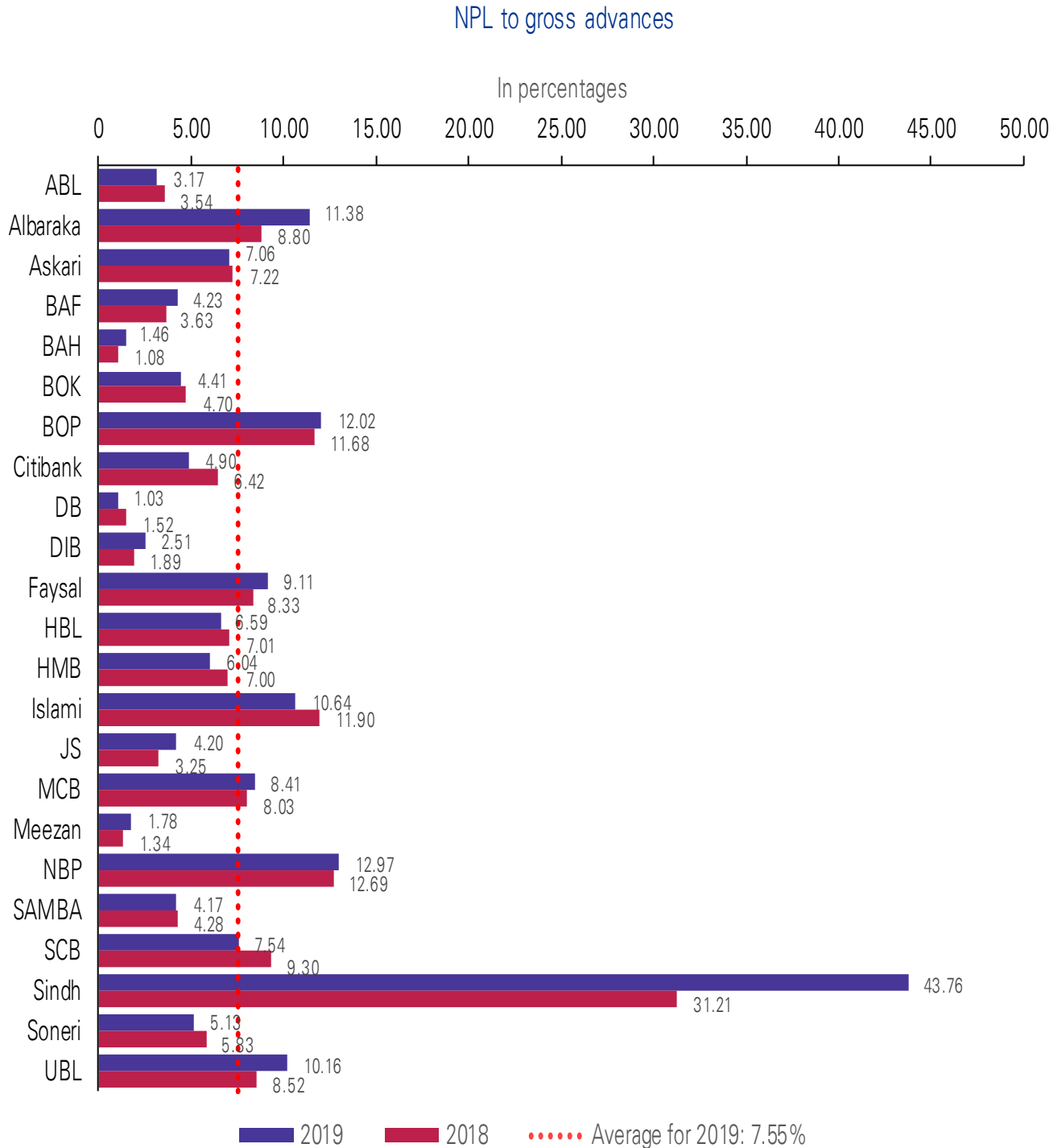
Non – Performing Advances to Gross Advances

Classified advances as a proportion of total gross advances of the banks under review increased to 7.55% in 2019 as compared to 7.24% in 2018.

	Gross Advances		Non-Performing Advances		Non-Performing Advances to Gross Advances	
	2019	2018	2019	2018	2019	2018
	<i>Rupees in millions</i>				<i>In Percentages</i>	
ABL	500,204	453,906	15,854	16,065	3.17	3.54
Albaraka	81,290	79,772	9,250	7,021	11.38	8.80
Askari	398,549	369,259	28,134	26,657	7.06	7.22
BAF	529,974	518,398	22,418	18,824	4.23	3.63
BAH	498,244	485,945	7,258	5,235	1.46	1.08
BOK	113,976	99,167	5,027	4,658	4.41	4.70
BOP	429,398	426,222	51,630	49,781	12.02	11.68
Citibank	54,542	42,748	2,675	2,744	4.90	6.42
DB	9,330	6,354	97	97	1.03	1.52
DIB	180,794	155,463	4,540	2,938	2.51	1.89
Faysal	333,811	320,258	30,409	26,688	9.11	8.33
HBL	1,243,323	1,152,434	81,906	80,831	6.59	7.01
HMB	290,522	252,674	17,533	17,680	6.04	7.00
Islami	144,685	129,484	15,388	15,403	10.64	11.90
JS	246,794	255,464	10,353	8,309	4.20	3.25
MCB	591,872	610,029	49,806	48,966	8.41	8.03
Meezan	506,513	522,264	8,996	6,985	1.78	1.34
NBP	1,152,094	1,060,517	149,377	134,551	12.97	12.69
SAMBA	64,043	55,892	2,673	2,392	4.17	4.28
SCB	235,269	187,162	17,738	17,403	7.54	9.30
Sindh	77,294	79,685	33,824	24,870	43.76	31.21
Soneri	212,516	194,831	10,903	11,357	5.13	5.83
UBL	762,055	815,572	77,447	69,503	10.16	8.52
	8,657,089	8,273,500	653,235	598,959	7.55	7.24

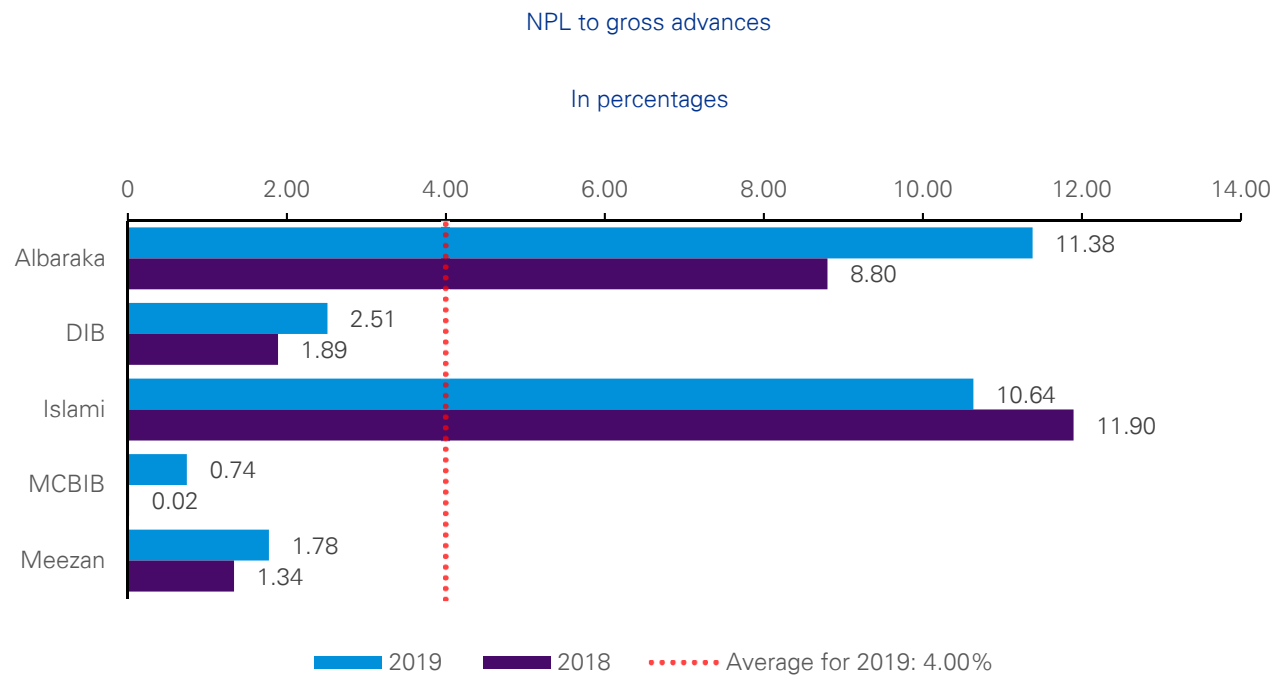
BOC and ICBC have been excluded since they do not have any classified advances.

Non – Performing Advances to Gross Advances



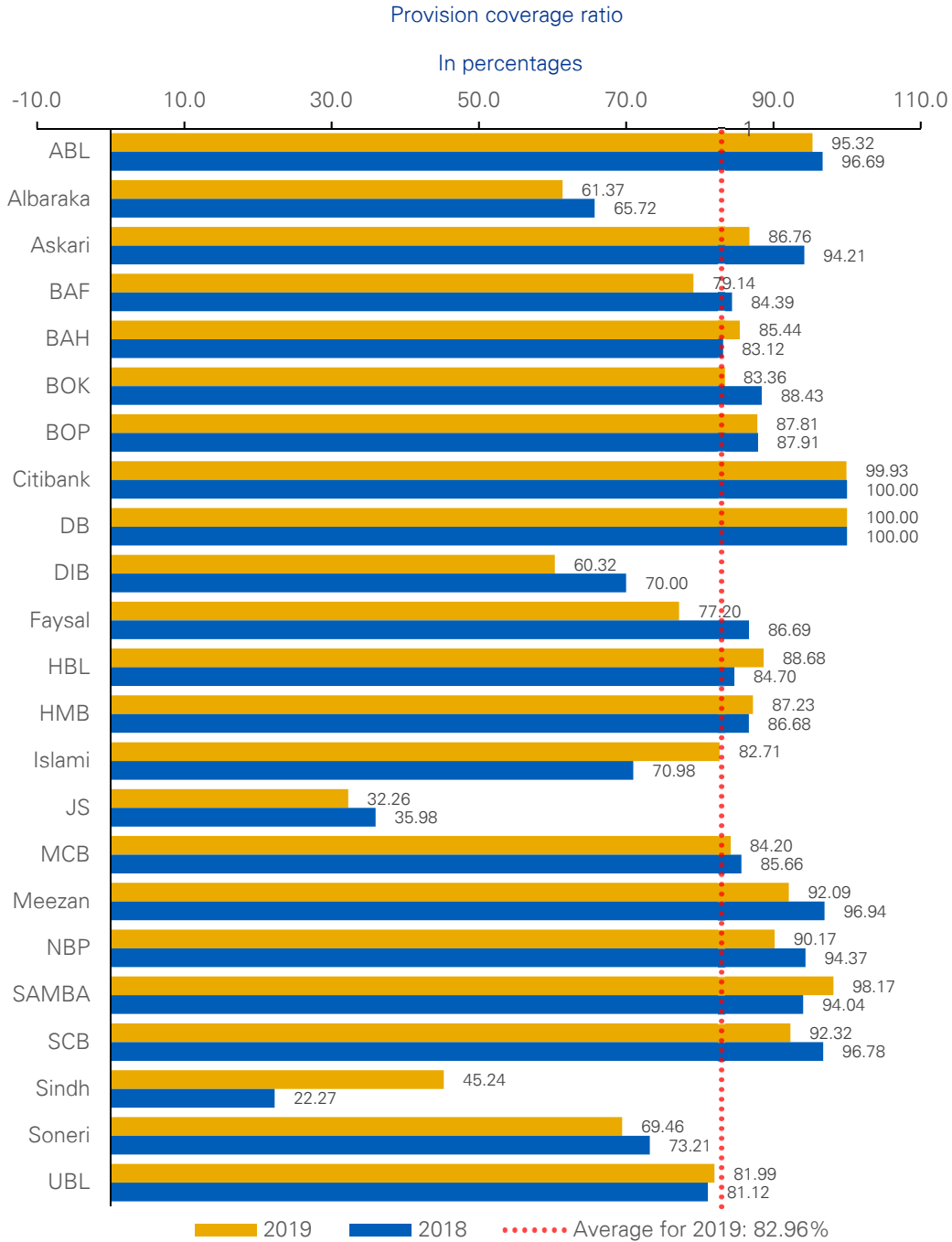
Non – Performing Advances to Gross Advances – Islamic Banks

	Gross Advances		Non-Performing Advances		Non-Performing Advances to Gross Advances	
	2019	2018	2019	2018	2019	2018
	<i>Rupees in millions</i>				<i>In Percentages</i>	
Albaraka	81,290	79,772	9,250	7,021	11.38	8.80
DIB	180,794	155,463	4,540	2,938	2.51	1.89
Islami	144,685	129,484	15,388	15,403	10.64	11.90
MCBIB	51,347	62,922	381	11	0.74	0.02
Meezan	506,513	522,264	8,996	6,985	1.78	1.34
	964,628	949,905	38,555	32,359	4.00	3.41



Provision Coverage Ratio

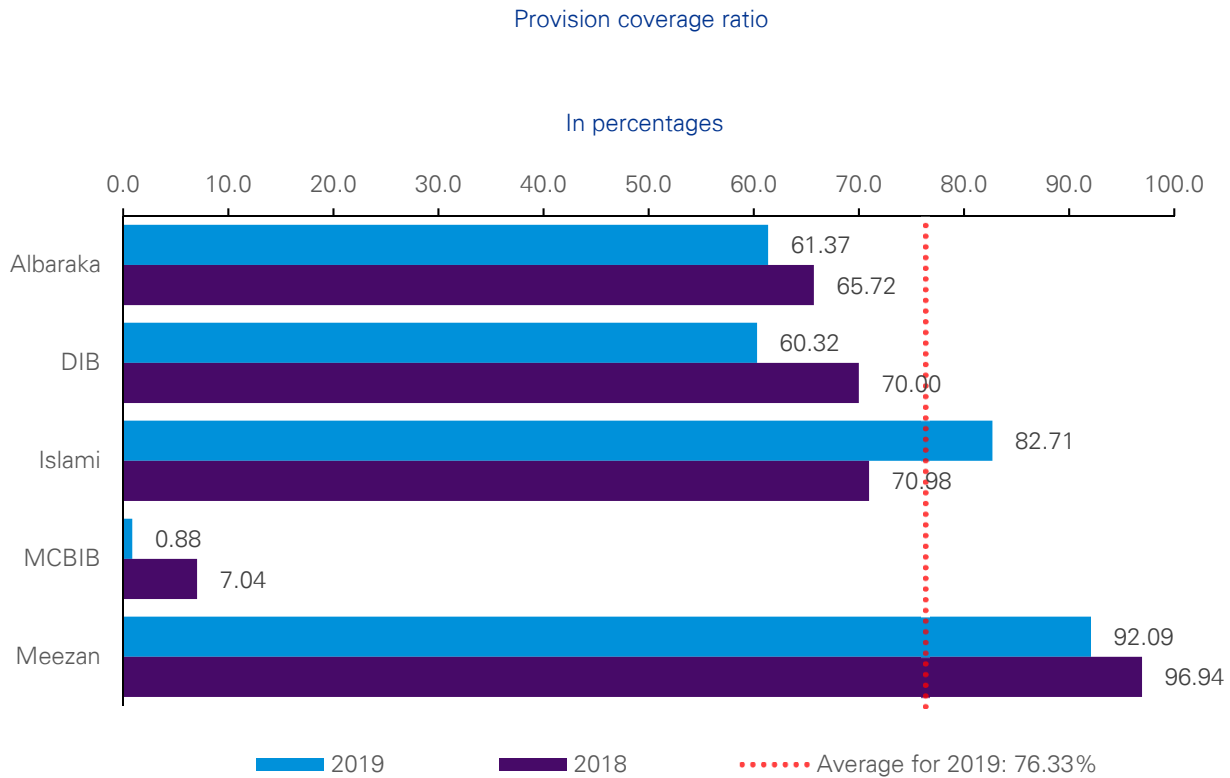
The provision coverage ratio was 82.96% for 2019 as compared to 84.17% in 2018.



BOC and ICBC have been excluded since they do not have any classified advances

Provision Coverage Ratio – Islamic Banks

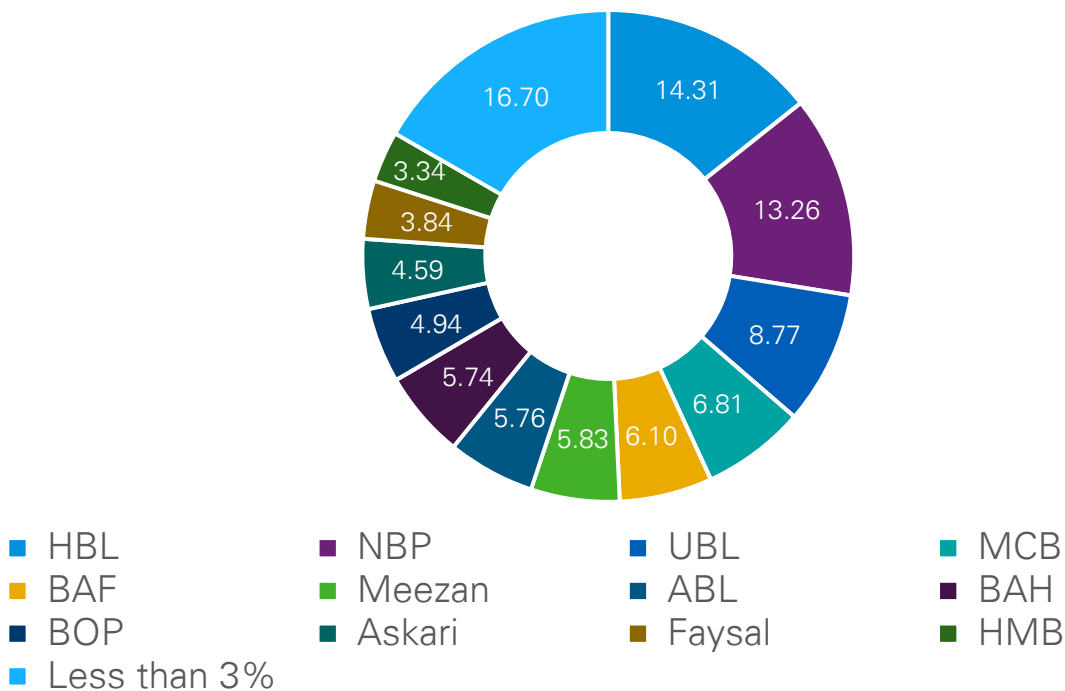
The provision against non-performing advances for Islamic Banks was 76.33% for 2019 as compared to 75.33% in 2018.



Market Share of Advances

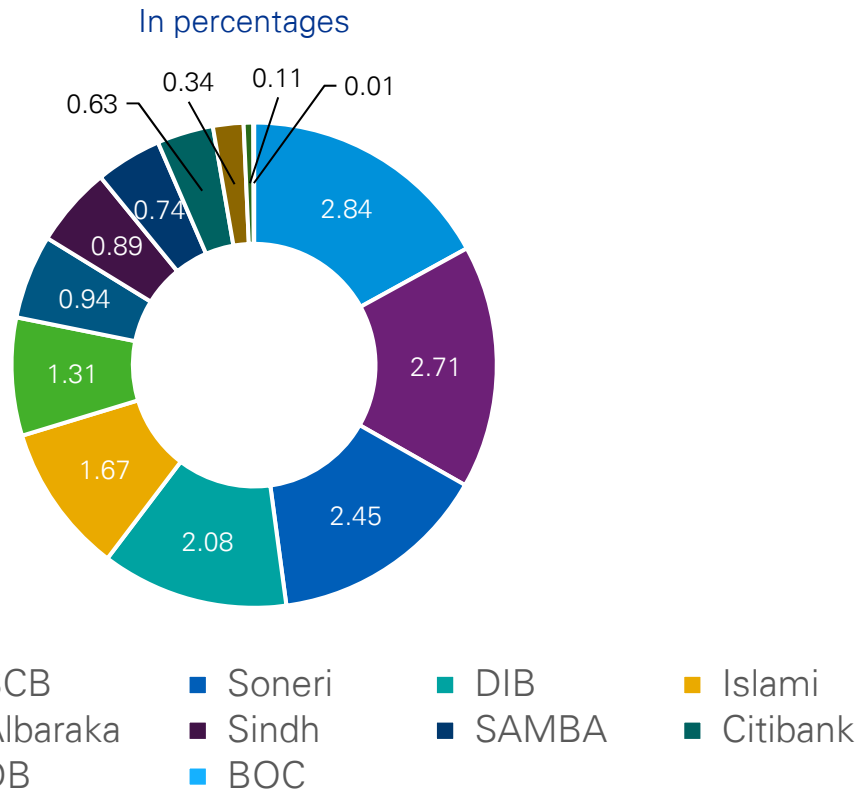
	2019	2018	2019	2018
	<i>Rupees in millions</i>		<i>In percentages</i>	
HBL	1,243,323	1,152,434	14.31	13.89
NBP	1,152,094	1,060,517	13.26	12.78
UBL	762,055	815,572	8.77	9.83
MCB	591,872	610,029	6.81	7.35
BAF	529,974	518,398	6.10	6.25
Meezan	506,513	522,254	5.83	6.29
ABL	500,204	453,906	5.76	5.47
BAH	498,244	485,945	5.74	5.86
BOP	429,398	426,222	4.94	5.14
Askari	398,549	369,259	4.59	4.45
Faysal	333,811	320,258	3.84	3.86
HMB	290,522	252,674	3.34	3.05
Less than 3%	1,450,822	1,309,099	16.70	15.78
	8,687,381	8,296,567	100.00	100.00

In percentages



Market Share of Advances – Banks with less than 3% Market Share

	2019	2018	2019	2018
	<i>Rupees in millions</i>		<i>In percentages</i>	
JS	246,794	255,464	2.84	3.08
SCB	235,269	187,162	2.71	2.26
Soneri	212,516	194,831	2.45	2.35
DIB	180,794	155,463	2.08	1.87
Islami	144,684	129,484	1.67	1.56
BOK	113,976	99,167	1.31	1.20
Albaraka	81,290	79,772	0.94	0.96
Sindh	77,294	79,685	0.89	0.96
SAMBA	64,043	55,892	0.74	0.67
Citibank	54,542	42,748	0.63	0.52
ICBC	29,457	22,943	0.34	0.28
DB	9,329	6,354	0.11	0.08
BOC	835	134	0.01	0.00
	1,450,822	1,309,099		



- The State Bank of Pakistan (SBP) via BPRD circular No. 4 dated 23 October 2019 instructed all Banks, DFIs and MFBs to implement International Financial Reporting Standard 9 (IFRS 9, the Standard) and issued the following timelines to allow its regulates to ensure implementation of the Standard in a phased manner:

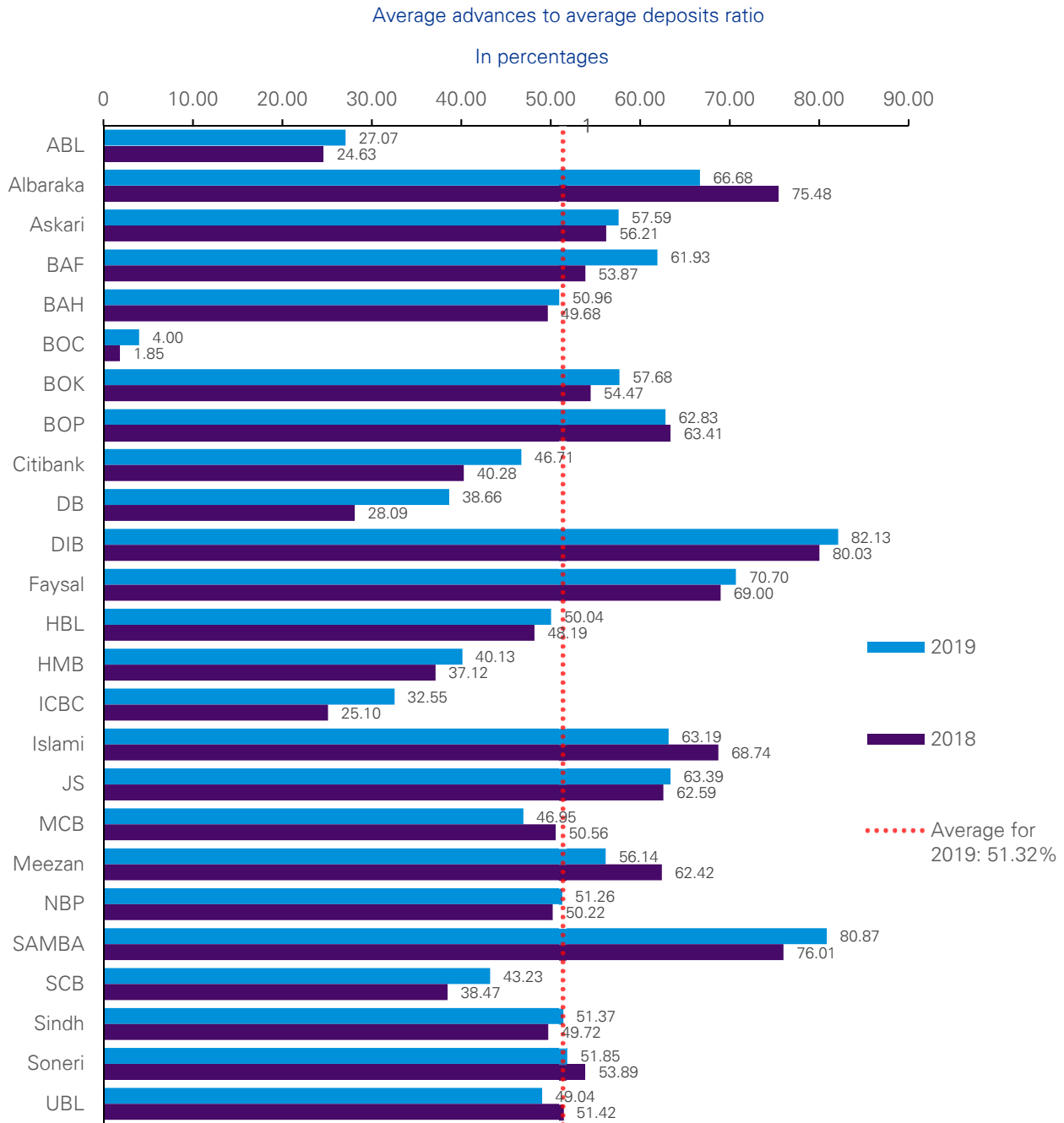
S. No	Particulars	Timeline
1	Forming of a Board Committee and a Project Steering Committee	Jan 31, 2020
2	Preparation of IFRS 9 compatible pro forma Financial Statements for year-ended 2019	Apr 30, 2020
3	Parallel Run of IFRS 9	Periods beginning Jan 1, 2020
4	Directors Review Reports for Parallel Run Periods	Within 14 working days from BOD meeting
5	Effective Date of IFRS 9 implementation	Jan 1, 2021

- However, in view of the spread of Corona Virus Disease 19 (COVID 19) and the World Health Organization (WHO) declaring the COVID-19 outbreak to be a pandemic, SBP, vide Circular No. 15 of 2020 revised the above timelines and has granted an extension to all Bank/DIFs/MFBs for the preparation of IFRS 9 compatible pro forma Financial Statements for year-ended 31 December 2019 from 30 April 2020 to 31 August 2020 and for parallel run of IFRS 9 from 1 January 2020 to 1 July 2020.
- Previously, in the year 2018 SBP had also instructed all Banks, DFIs and MFBs to carry out an exercise on the audited numbers for the period ended 31 December 2017 to determine the impact of adopting IFRS 9 on their financial statements.
- Recently, the spread of COVID-19 has resulted in significant disruption to business operations and a significant increase in economic uncertainty, with more volatile asset prices and currency exchange rates, and a marked decline in long-term interest rates in developed economies. These events and conditions have created a level of uncertainty and risk that companies may not have encountered before and has resulted in significant financial reporting implications including IFRS 9 impacts. The major impacts are expected to be in the following areas:
 - Classification and Measurement of Financial Assets
 - Staging of Financial Assets under IFRS 9
 - Estimation of ECL Risk Parameters (Exposure at Default, Probability of Default and Loss Given Default)
 - Selection of macroeconomic Factors Used for Calculating ECL.



Average Advances to Average Deposits

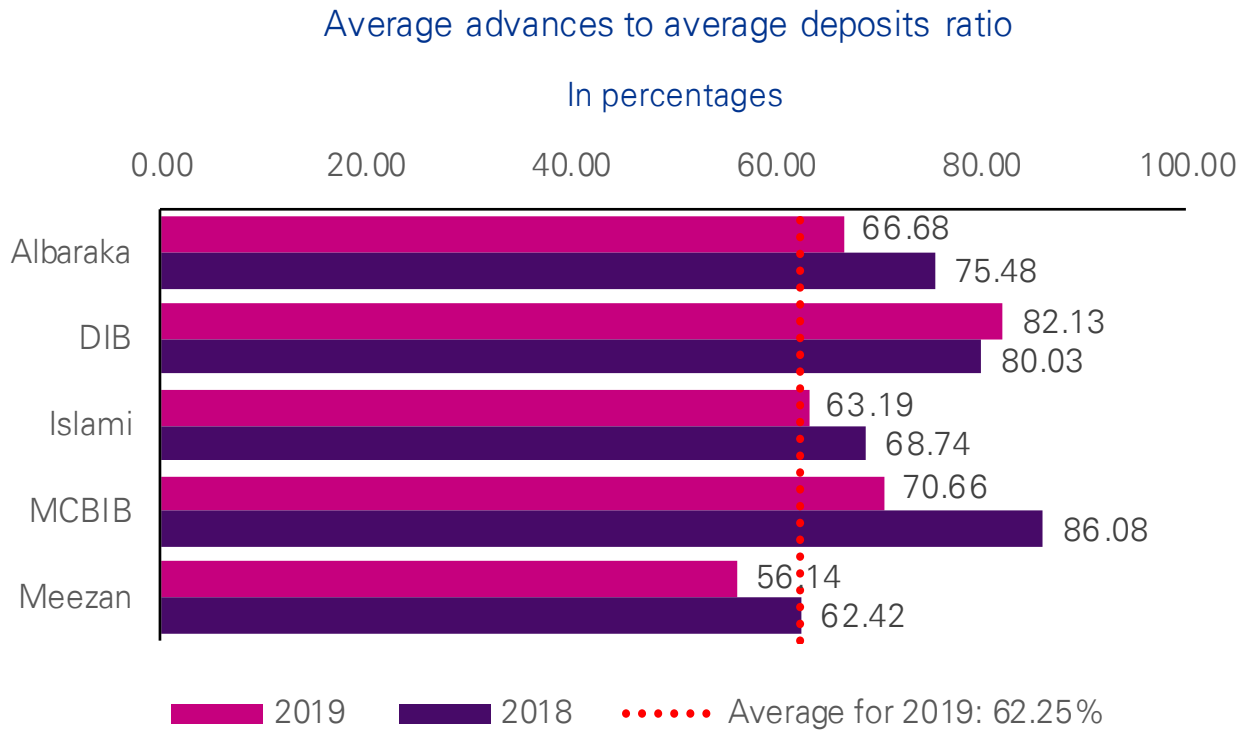
The total average advances to total average deposits ratio of the banks included in this report have increased slightly to 51.32% in 2019 from 50.67% in 2018.



Average advances (excluding export refinance, finance against locally manufactured machinery and long-term financing against export-oriented projects as its counter refinance is not included in deposits) to average deposits ratio



Average Advances to Average Deposits

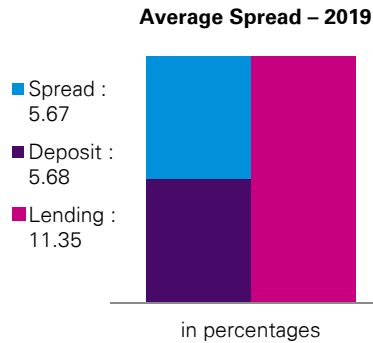


Average financing (excluding export refinance, finance against locally manufactured machinery and long-term financing against export-oriented projects as its counter refinance is not included in deposits) to average deposits ratio



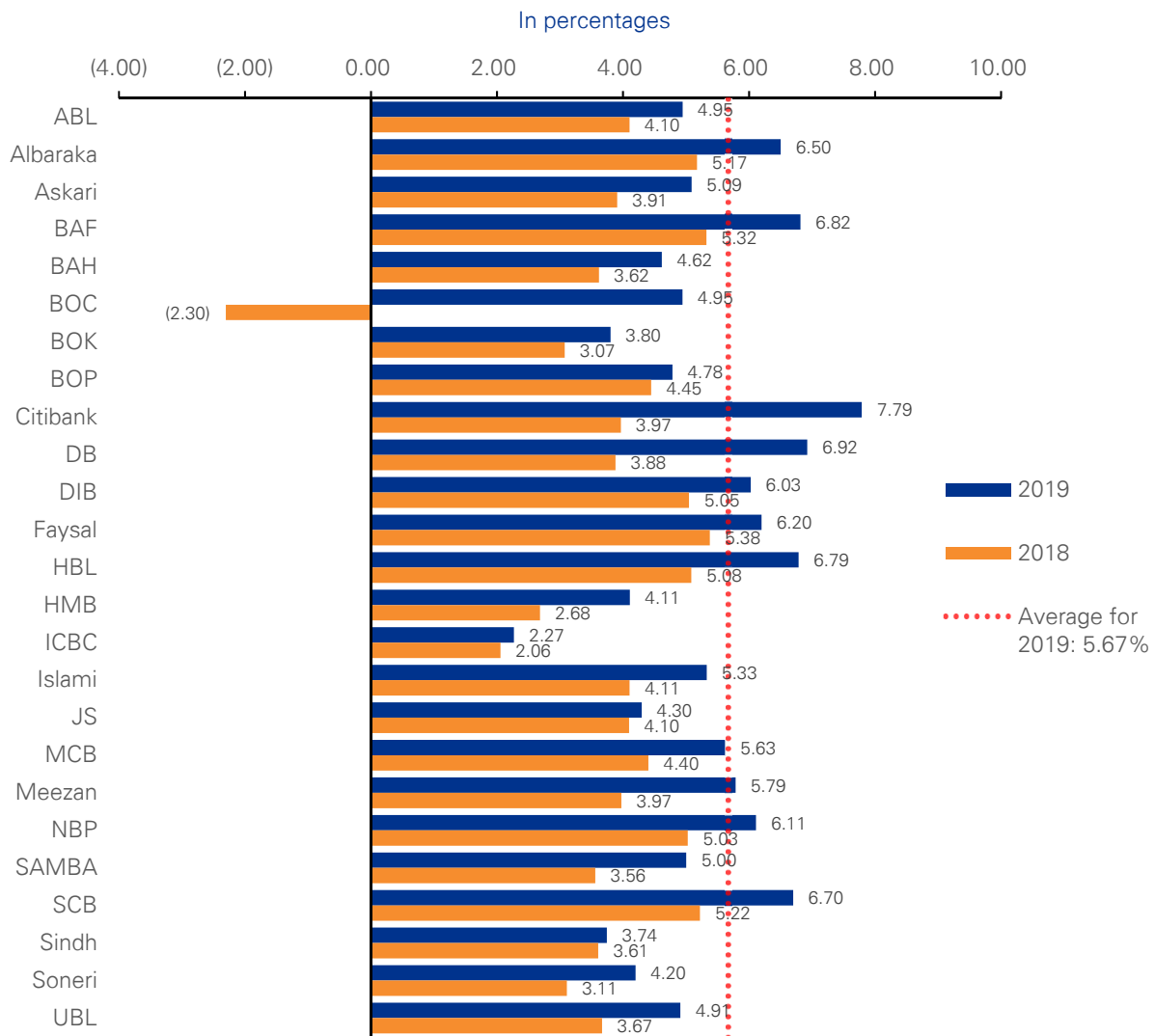
Spread

The overall average spread of the industry for last five years as disclosed in SBP statistical bulletin.



	2019	2018	2017	2016	2015
In percentages					
Weighted average lending rate	11.7	8.2	7.9	8.5	9.6
Weighted average deposit rate	5.9	3.3	2.9	3.3	4.1
Banking spread	5.8	4.9	5.0	5.2	5.5

Average spread of banks included in the report is 5.67% (2018 - 4.41%).

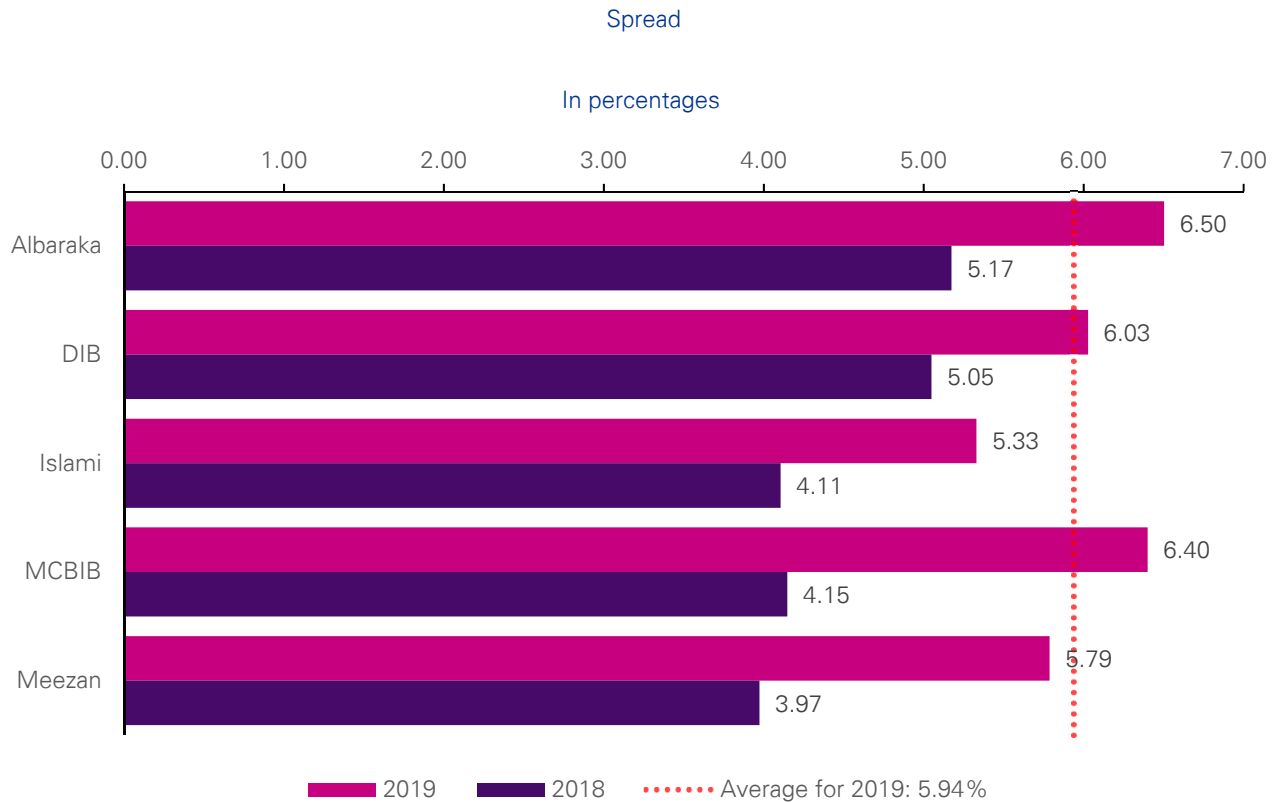


Difference between mark-up / return / interest earned on advances as a percentage of average advances at two-year ends and mark-up / return / interest expense on deposits as a percentage of average deposits at two-year ends



Islamic Banks

Average spread of Islamic banks in 2019 was 5.94% as compared to 4.32% in 2018.



Difference between profit / return earned on Islamic financing as a percentage of average Islamic financing assets at two-year ends and profit / return expense on deposits as a percentage of average deposits at two-year ends



Non - Funded Income

The non-funded income as proportion of the total income was 21.53% as compared to 22.97% last year.

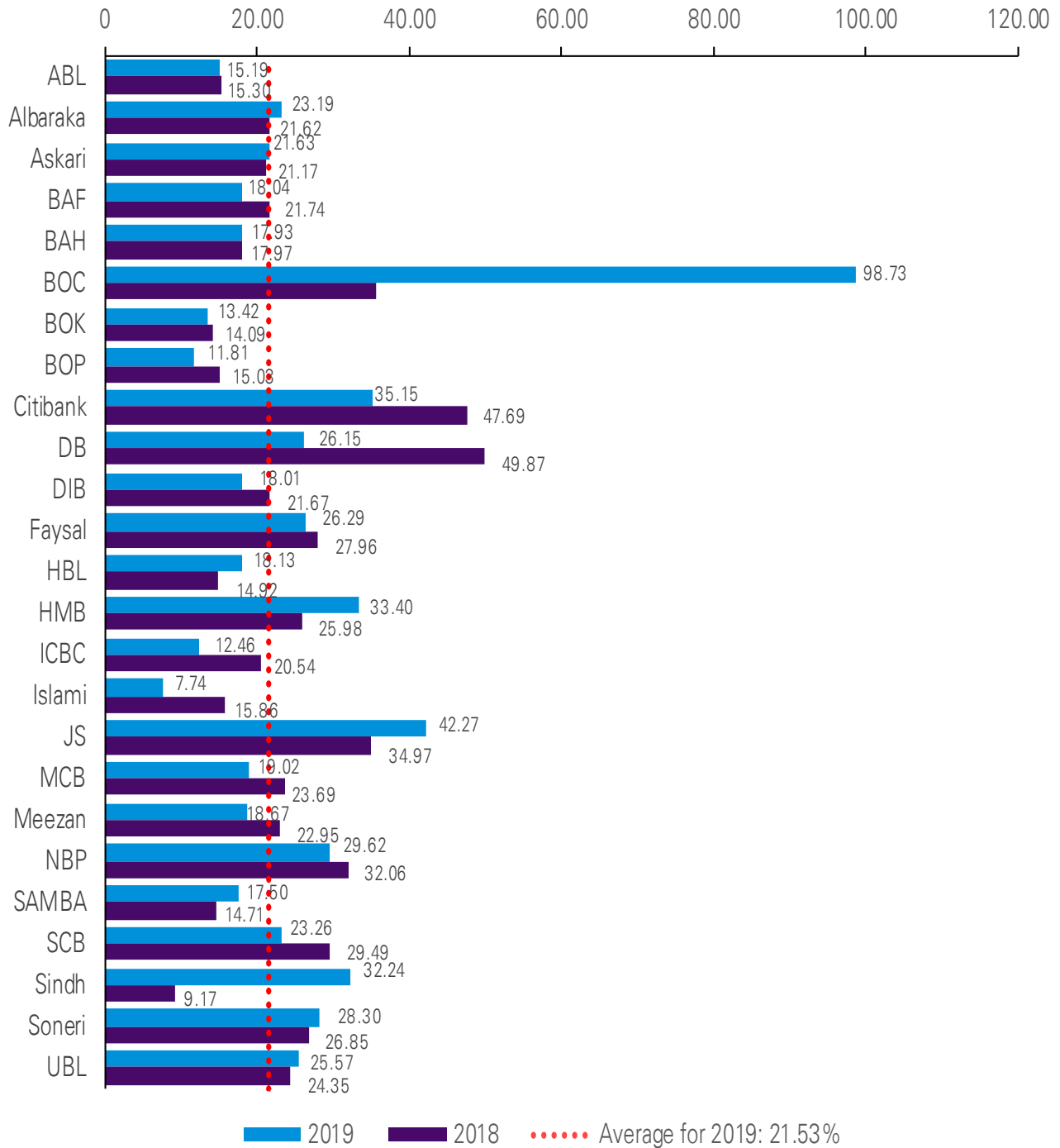
	Non-Funded Income		Total Income		Non-funded income to total income	
	2019	2018	2019	2018	2019	2018
	<i>Rupees in millions</i>				<i>In percentages</i>	
ABL	8,091	6,732	53,263	43,998	15.19	15.30
Albaraka	1,494	1,149	6,441	5,314	23.19	21.62
Askari	6,390	5,130	29,541	24,232	21.63	21.17
BAF	10,091	9,412	55,924	43,291	18.04	21.74
BAH	9,103	6,873	50,768	38,239	17.93	17.97
BOC	100	13	101	37	98.73	35.54
BOK	809	650	6,030	4,613	13.42	14.09
BOP	3,638	3,580	30,811	23,820	11.81	15.03
Citibank	3,986	3,860	11,340	8,095	35.15	47.69
DB	615	965	2,352	1,935	26.15	49.87
DIB	2,392	2,248	13,284	10,371	18.01	21.67
Faysal	7,488	6,402	28,477	22,899	26.29	27.96
HLB	22,749	15,157	125,485	101,571	18.13	14.92
HMB	8,476	5,912	25,378	22,754	33.40	25.98
ICBC	2,324	2,256	18,645	10,985	12.46	20.54
Islami	961	1,155	12,424	7,284	7.74	15.86
JS	4,928	4,208	11,659	12,032	42.27	34.97
MCB	15,448	15,652	81,236	66,072	19.02	23.69
Meezan	10,647	8,455	57,028	36,834	18.67	22.95
NBP	32,554	31,599	109,914	98,566	29.62	32.06
SAMBA	764	512	4,365	3,480	17.50	14.71
SCB	9,090	8,409	39,076	28,518	23.26	29.49
Sindh	470	430	1,458	4,687	32.24	9.17
Soneri	3,053	2,742	10,787	10,213	28.30	26.85
UBL	22,218	20,442	86,899	83,955	25.57	24.35
	187,879	163,943	872,684	713,795	21.53	22.97



Non - Funded Income

Non-funded income to total income

In percentages





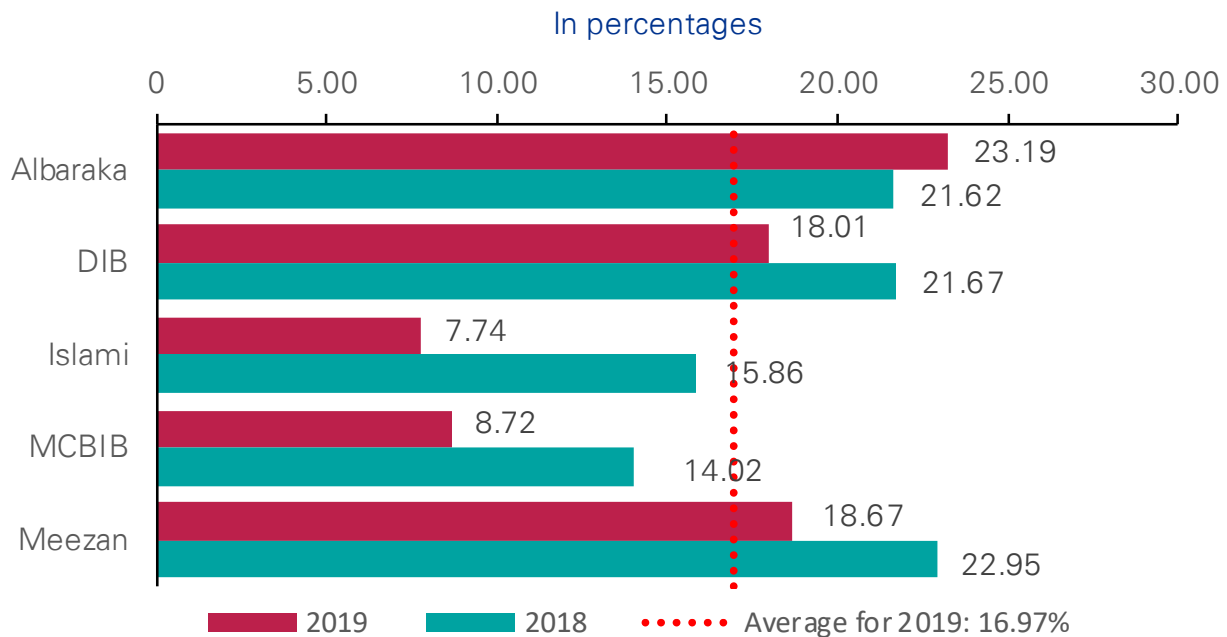
Non - Funded Income

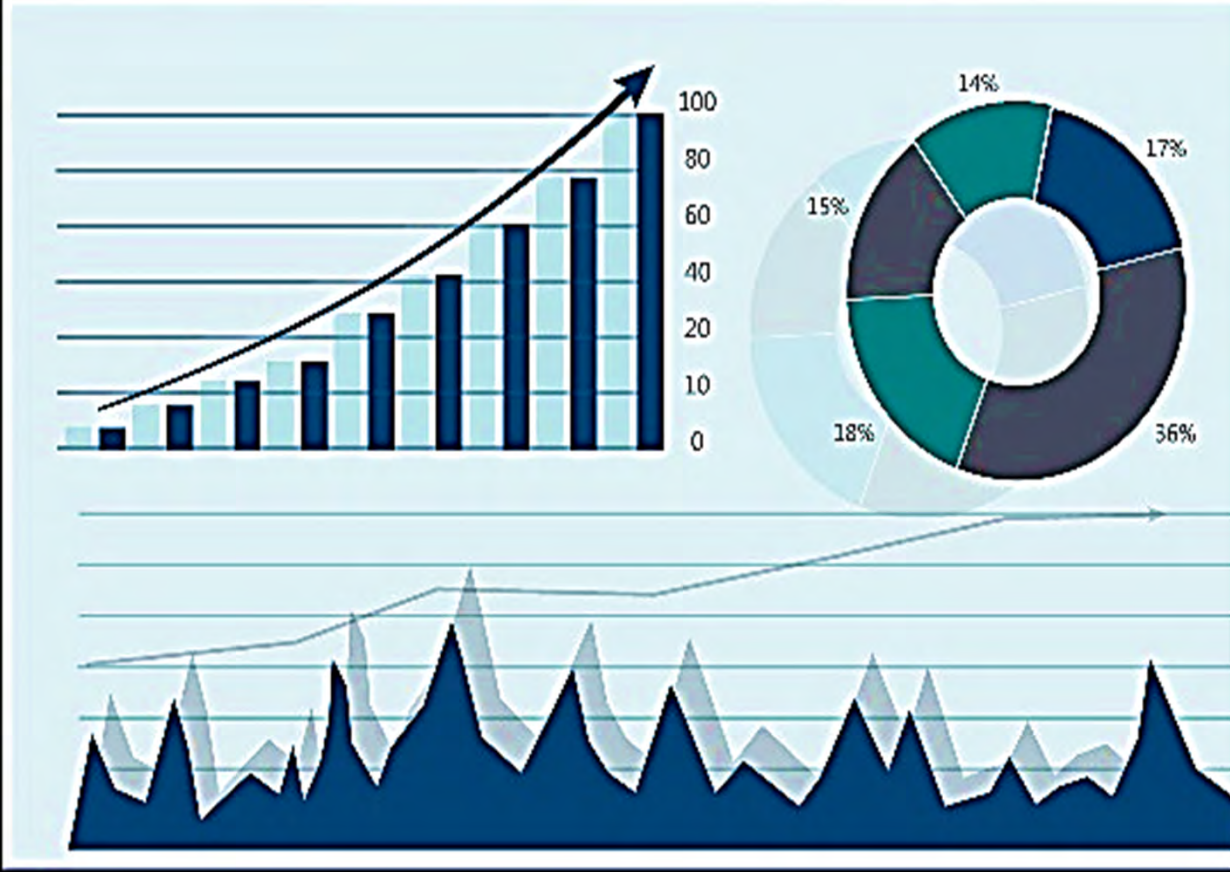
Islamic Banks

Non-funded income as a proportion of total income for Islamic Banks decreased to 16.97% as compared to 21.46% last year.

	Non-Funded Income		Total Income		Non-funded income to total income	
	2019	2018	2019	2018	2019	2018
	<i>Rupees in millions</i>				<i>In Percentages</i>	
Albaraka	1,494	1,149	6,441	5,314	23.19	21.62
DIB	2,392	2,248	13,284	10,371	18.01	21.67
Islami	961	1,155	12,424	7,284	7.74	15.86
MCBIB	378	323	4,337	2,303	8.72	14.02
Meezan	10,647	8,455	57,028	36,834	18.67	22.95
	15,872	13,330	93,513	62,106	16.97	21.46

Non-funded income to total income





Operating Expenses

	Compensation expenses		Property expenses		Information technology expenses		Other operating expenses		Total		Number of staff	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>Rupees in millions</i>						<i>Numbers</i>					
ABL	13,749	12,503	7,140	6,186	2,506	2,245	5,199	3,957	28,594	24,892	11,847	11,398
Albaraka	2,135	1,926	1,371	1,322	415	408	1,293	1,126	5,215	4,783	2,077	2,032
Askari	8,783	8,502	3,739	3,540	922	903	4,790	3,486	18,235	16,431	7,848	7,538
BAF	12,922	10,312	4,653	4,888	2,818	2,293	8,810	7,227	29,203	24,719	10,283	8,699
BAH	12,274	10,262	4,750	4,248	1,333	1,110	9,430	7,795	27,786	23,414	14,161	13,221
BOC	348	353	169	124	49	27	64	57	630	561	49	45
BOK	1,729	2,269	765	740	439	367	688	676	3,620	4,052	1,365	1,366
BOP	7,257	6,299	2,155	2,013	1,220	895	3,956	3,509	14,587	12,717	9,681	8,675
Citibank	746	631	329	362	122	103	1,535	1,006	2,732	2,102	133	135
DB	392	532	180	182	61	54	557	543	1,190	1,311	83	83
DIB	2,957	2,618	1,315	1,347	580	535	1,807	1,443	6,659	5,943	3,095	2,774
Faysal	6,597	5,197	3,939	3,668	2,438	2,031	4,237	3,939	17,212	14,834	6,938	6,141
HBL	34,799	29,247	13,594	12,253	7,433	5,397	36,410	30,484	92,236	77,381	21,109	20,254
HMB	5,920	5,539	2,617	2,499	713	597	3,732	3,163	12,983	11,798	4,510	4,261
ICBC	1,611	1,932	143	137	45	39	191	150	1,991	2,256	100	102
Islami	3,095	2,770	2,024	2,018	706	559	1,896	1,463	7,721	6,810	3,592	3,200
JS	5,714	5,365	2,288	2,342	829	666	2,932	2,575	11,761	10,949	5,208	5,493
MCB	17,018	15,759	7,110	7,585	3,531	3,502	10,027	8,869	37,685	35,715	15,564	14,952
Meezan	13,401	10,608	5,059	4,399	1,536	1,116	5,458	3,663	25,454	19,787	12,350	10,653
NBP	46,186	38,304	8,494	7,539	2,252	1,988	10,295	9,404	67,229	57,234	16,594	16,876
SAMBA	1,374	1,255	456	379	309	199	592	431	2,732	2,263	786	719
SCB	6,071	5,953	2,532	2,445	649	598	1,876	1,891	11,128	10,887	2,823	3,220
Sindh	2,502	2,203	1,345	1,302	186	174	1,064	904	5,097	4,583	2,284	1,995
Spheri	3,313	2,990	1,796	1,731	972	842	2,110	1,856	8,190	7,420	3,113	2,857
UBL	16,682	17,450	7,579	7,543	3,974	3,149	15,609	13,905	43,844	42,047	13,770	14,597
	227,577	200,781	85,542	80,792	36,036	29,796	134,559	113,522	483,715	424,890	169,363	161,286

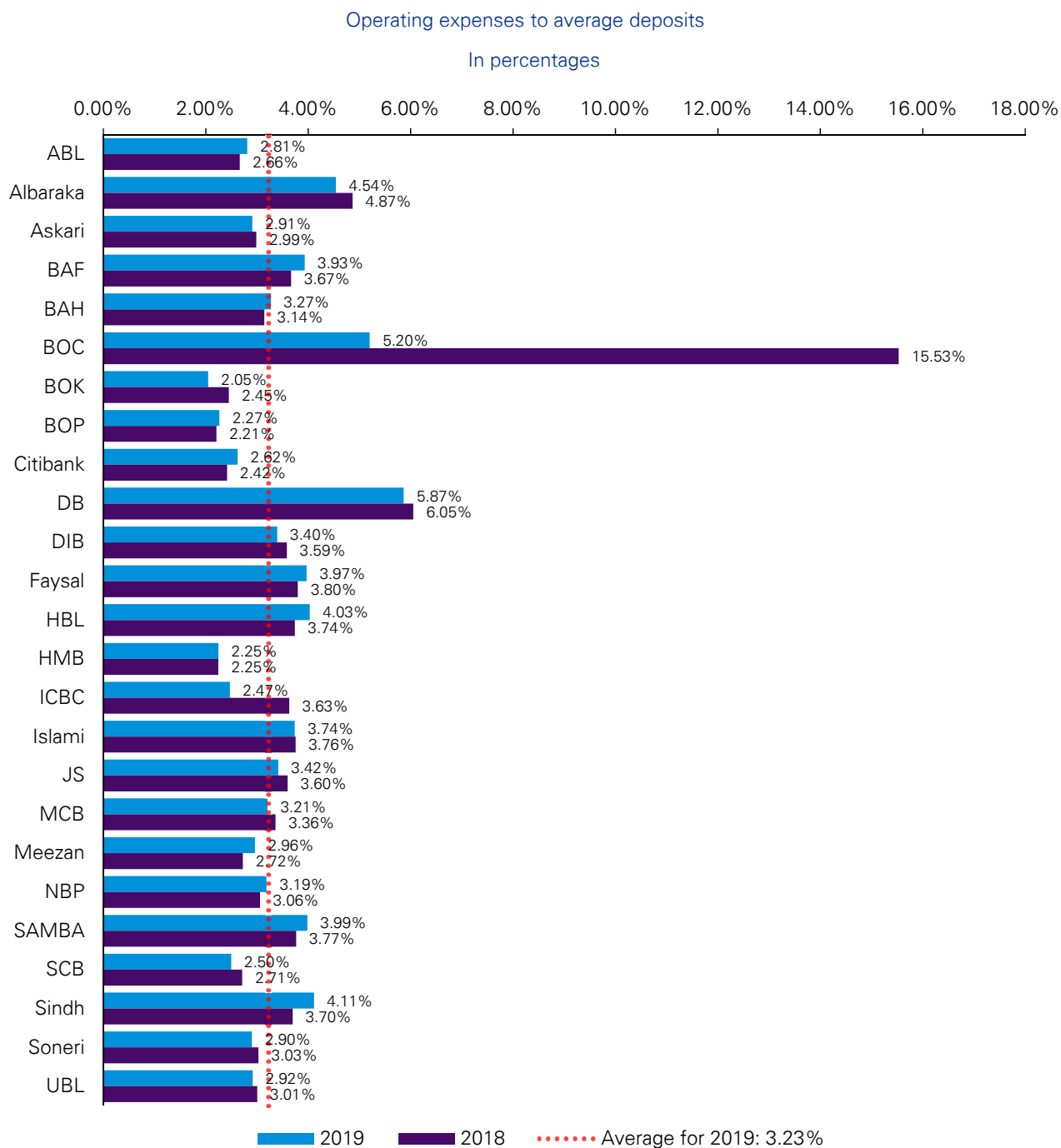
Islamic Banks

	Compensation expenses		Property expenses		Information technology expenses		Other operating expenses		Total		Number of staff	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>Rupees in millions</i>						<i>Numbers</i>					
Albaraka	2,135	1,926	1,371	1,322	415	408	1,293	1,126	5,215	4,783	2,077	2,032
DIB	2,957	2,618	1,315	1,347	580	535	1,807	1,443	6,659	5,943	3,095	2,774
Islami	3,095	2,770	2,024	2,018	706	559	1,896	1,463	7,721	6,810	3,592	3,200
MCBIB	2,065	1,319	1,156	862	505	371	752	531	4,479	3,083	1,619	1,493
Meezan	13,401	10,608	5,059	4,399	1,536	1,116	5,458	3,663	25,454	19,787	12,350	10,653
	23,653	19,242	10,925	9,949	3,743	2,990	11,206	8,226	49,527	40,406	22,733	20,152

Operating Expenses

Operating Expenses to Average Deposits

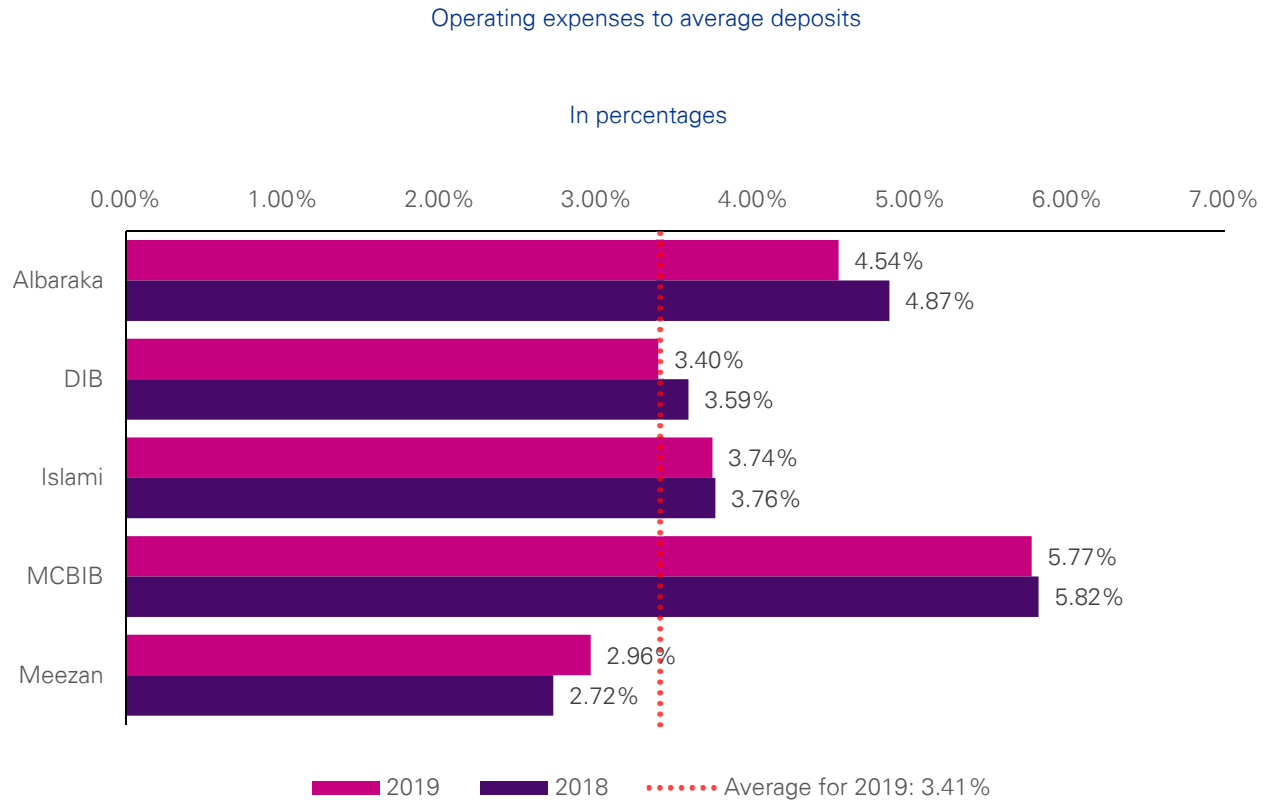
Operating expenses have increased by 13.84%. However, despite the increase, operating expenses to average deposits has remained relatively stable depicting an increase from 3.16% to 3.23%.



Operating Expenses

Operating Expenses to Average Deposits – Islamic Banks

The operating expenses to average deposits of Islamic banks under review have increased from 3.30% to 3.41%.



Operating Expenses

Remuneration of Executives

	CEO Remuneration		Remuneration of Key Management Personnel		Number of Key Management Personnel	
	2019	2018	2019	2018	2019	2018
	<i>Rupees in thousands</i>				<i>Numbers</i>	
ABL	56,522	51,755	425,176	403,376	19	18
Albaraka	36,585	42,198	210,013	172,483	21	24
Askari	40,691	71,212	277,838	235,750	24	26
BAF	154,775	108,886	454,323	379,638	15	19
BAH	90,358	74,041	460,121	346,578	36	31
BOC	37,831	71,410	189,581	180,506	11	10
BOK	11,201	24,156	94,212	89,715	13	13
BOP	104,601	187,206	229,277	333,843	24	20
Citibank	99,515	83,718	532,209	353,661	61	50
DB	63,848	73,583	376,124	314,559	66	71
DIB	91,287	82,690	199,962	169,037	10	10
Faysal	95,045	79,088	322,305	278,512	17	18
HBL	219,295	249,579	1,416,269	1,322,905	33	30
HMB	113,480	101,491	353,352	282,187	23	21
ICBC	57,471	54,831	490,112	517,458	21	22
Islami	42,000	37,089	120,495	96,795	16	16
JS	42,180	57,067	379,732	453,611	26	29
MCB ^	108,100	103,050	514,168	-	23	-
Meezan	215,076	203,658	794,606	714,894	52	42
NBP	58,337	68,401	400,921	325,687	861	718
SAMBA	100,451	91,357	195,010	184,592	13	13
SCB	171,546	175,573	427,673	419,457	15	16
Sindh	41,463	48,340	640,696	519,252	123	104
Soneri	70,361	67,416	183,656	163,559	14	15
UBL	94,926	137,897	974,206	1,230,503	45	61
	2,216,945	2,345,692	10,662,037	9,488,558	1,582	1,397

Islamic Banks

	CEO Remuneration		Remuneration of Key Management Personnel		Number of Key Management Personnel	
	2019	2018	2019	2018	2019	2018
	<i>Rupees in thousands</i>				<i>Numbers</i>	
Albaraka	36,585	42,198	210,013	172,483	21	24
DIB	91,287	82,690	199,962	169,037	10	10
Islami	42,000	37,089	120,495	96,795	16	16
MCBIB ^	55,182	38,563	166,269	-	16	-
Meezan	215,076	203,658	794,606	714,894	52	42
	440,130	404,198	1,491,345	1,153,209	115	92

The above information has been obtained from the note "Compensation of Directors and Executives" in the Financial Statements of the Banks.

^ Prior year information based on revised disclosure format is not available.



Impact of COVID - 19

As businesses struggle with COVID-19, the banking system of the country is expected to play a vital role in the mobilization and allocation of funds.

SBP's focus post COVID-19 has been on containing inflation and reducing the impact of COVID-19 on economic growth and employment.

The world economy is expected to enter into the sharpest downturn since the Great Depression, contracting by as much as 3 percent in 2020, according to projections released by the IMF. This is a much deeper recession than the 0.07 percent contraction during the global financial crisis in 2009.

Domestically, high-frequency indicators of activity-including retail sales, credit card spending, cement production, export orders, tax collections, and mobility data from Google's recently introduced Community Mobility Reports-suggest a significant slowdown in most parts of the economy in recent weeks. On the inflation front, both the March CPI out-turn and more recent weekly SPI releases in April also show a marked reduction in inflation momentum.

Measures taken by the State Bank of Pakistan

- The Monetary Policy Committee (MPC) of the SBP has cumulatively cut down the policy rate by 525 basis points from 31 December 2019 to date to contain inflation and stimulate the economy.
- The SBP has reduced the Capital Conservation Buffer (CCB) from its existing level of 2.50% to 1.50%. The reduced CCB level will remain applicable till further instructions by SBP.
- The existing regulatory retail limit of Rs. 125 million per SME has been permanently enhanced to Rs. 180 million with immediate effect.
- The SBP has relaxed the DBR for consumer advances from 50% to 60%.
- The banks and DFIs have been instructed to defer the repayment of principal on advances by one year. However, borrowers will be obligated to continue to service the mark-up amount as per agreed terms and conditions.
- The SBP has relaxed the regulatory criteria for restructuring / rescheduling of advances. The advances that are re-scheduled / restructured within 180 days from the due date of payment will not be treated as defaults. Banks would also not be required to suspend the unrealized mark-up against such advances.
- The timeline for classification of "Trade Bills" has been extended from 180 days to 365 days.
- The margin requirement of 30% vis-a-vis banks' financing against listed shares has been significantly reduced to 10%.
- Banks have also been allowed to take exposure on borrowers against the shares of their group companies.

The growth achieved in 2019 for the banking industry in Pakistan is likely to be impeded in 2020 as the industry continues to face challenges both financially and operationally due to global COVID-19 pandemic and nationwide lockdown.

Impact of COVID – 19

- The SBP announced refinancing facilities for Balancing, Modernization and Replacement (BMR) and purchase of new imported and locally manufactured plant and machinery against foreign Letter of Credit (LC) and inland LC as part of its Temporary Economic Refinance Facility (TERF) to provide further stimulus to the economy and to support investment in the country for modernizing or expanding manufacturing / production units.
- SBP has also announced to refinance banks to provide financing at a maximum end-user rate of 3 percent for 5 years for the purchase of equipment to detect, contain and treat the Coronavirus as part of "Refinance Facility for Combating COVID-19 (RFCC)" and its Shari'ah compliant version to support hospitals and medical centers. Moreover, SBP has allowed all Federal and Provincial Government departments, hospitals in public and private sectors, charitable organizations, manufacturers and commercial importers to make Import Advance Payment and Import on Open Account, without any limit, for the import of medical equipment, medicines and other ancillary items for the treatment of COVID-19.

Support to Exporters and Importers

SBP has relaxed various conditions of the export refinance scheme for 2020 and 2021. These include relaxation in export performance requirement, extended period to ship the goods, relaxation in requirements for Long Term Financing Facility (LTFF), allowed banks to enhance the time period for realization of exports proceeds and extended the time period for import of goods into Pakistan against advance payment.

Impact of COVID – 19 on Industry Performance

The outbreak of the novel coronavirus comes with unpredictable human and economic consequences. Its evolution as well as its impact on the global economy, is hard to predict at this stage. The banks along with SBP are continuously monitoring the situation to ensure the safety of their staff as well as to adapt their services and operations. The underlying momentum of 2019 continued in the opening weeks of 2020 but after the outbreak of COVID-19, the declining policy rates and lock down of businesses their impact on overall economy will have a toll on the income growth and margins in 2020 for all banks.

It is not possible to reliably quantify the impact of COVID-19 on the banks' performance, but the consequences of the economic downturn are likely to lead to declining asset quality and could affect the income and possibly costs. COVID-19's impact on countries with a significant number of Pakistani migrant workers and travel restrictions in place could dampen remittance inflows and thereby the foreign currency deposit base of banks.

Due to the prevailing COVID-19 situation, the banking system is expected to have high levels of cash withdrawals, as earnings are reduced at corporate and retail level. However, currently the larger banks are experiencing high CASA levels due to an immediate halt in spending on non-essential goods by the public. The expansionary monetary policy measures, on account of COVID-19, are expected to add margin pressure in the short term. The rate cuts and the moratoriums could significantly lower the sector's interest income in the short term.

The recovery from the COVID-19 pandemic is expected to be gradual, with major contraction in economic growth rates across most of the world before the global economy moves out of recession. The pace at which individual markets recover will be heavily dependent on the efficacy of government stimulus initiatives and policies to ease restrictions, as well as the resilience of the COVID-19 virus itself.



Definitions

For consistency in our analysis, following parameters have been used in calculations:

Average Advances	The average of opening and closing gross advances at two-year ends.
Average Assets	The average of opening and closing total assets at two-year ends.
Average Deposits	The average of opening and closing deposits at two-year ends.
Average Equity	The average of opening and closing equity at two-year ends.
Annual Increase	The percentage change compared to the previous year.
Annualised Increase	The percentage change over the last two years on annualised basis, i.e. $\sqrt{\frac{\text{Number (year 2019)} - 1}{\text{Number (year 2017)}}$
CASA	Current and saving deposits to total deposits.
Equity	Equity includes share capital / head office capital account, reserves, unappropriated profit / accumulated loss, non-controlling interest and surplus / deficit on revaluation of assets.
Gross Advances	Loans, cash credits, overdrafts, ijarah, etc. and local & foreign bills discounted & purchased before provisions.
Impairment Cover	Number of times impairment charge on advances and investments is covered by net profits before charging impairment.
Interest Bearing Assets	Interest bearing assets means cash and balances with treasury banks, balances with other banks, lending to financial institutions, fixed income investments and advances (excluding non-performing assets).

Definitions

Interest Bearing Liabilities	Interest bearing liabilities means borrowings, deposits and other accounts, subordinated loans and liabilities against assets subject to finance lease.
Market Capitalization	Product of total outstanding number of ordinary shares and market price as at year end.
Non-funded Income	Fee, commission & brokerage, rent, income from dealing in foreign currencies, profit on sale of fixed & other assets and other non-fund receipts.
Non-mark-up / Non-Interest Income / Other Income	Fee, commission and brokerage income, dividend income, income from dealing in foreign currencies, gain on sale of securities, unrealised profit on revaluation of investments classified as held for trading, share of profit from joint venture and associate and other income.
Net Interest Margin	Mark-up / return / interest earned (before provisions) as a percentage of interest-bearing assets less mark-up / return / interest expensed as a percentage of interest-bearing liabilities.
Non-Performing Advances	Classified advances that fulfil the criteria of non-performing advances as specified in the Prudential Regulations issued by the State Bank of Pakistan
Net Provisions	Charge & reversal of provision against non-performing advances, against off balance sheet obligations, for diminution in value of investments, bad debts directly written-off and recoveries of previously written-off debts.
Other Comprehensive Income	Includes effect of translation of net investment in foreign branches, gains and losses on re-measurement of actuarial liability, surplus / (deficit) on revaluation of fixed assets and investments, surplus / (deficit) arising on revaluation of assets of associated undertaking.
Operating Cost	All expenses charged to arrive at profit before tax excluding cost of funds and provisions.

Definitions

Operating Fixed Assets	Operating fixed assets include intangible assets.
Other Assets	Other assets include deferred tax assets.
Other Liabilities	Other liabilities include deferred tax liabilities and liabilities against assets subject to finance lease.
Return on Average Assets	Profit after tax as a percentage of average total assets.
Return on Average Equity	Profit after tax as a percentage of average equity.
Right-of-Use Assets	An asset that represents a lessee's right to use an underlying asset for the lease term.
Spread	Difference between mark-up / return / interest earned on advances as a percentage of average advances (net of provision), at two-year ends, and mark-up / return / interest expense of deposits as a percentage of average deposits, at two-year ends.
Taxation	Charge for current (including prior) and deferred taxation in the profit and loss account.
Total Income	Sum of net mark-up income and non – mark-up income.



Glossary

S. No.	Name of Bank	Legends
1	<i>Albaraka Bank (Pakistan) Limited</i>	<i>Albaraka</i>
2	Allied Bank Limited	ABL
3	Askari Bank Limited	Askari
4	Bank Alfalah Limited	BAF
5	Bank Al-Habib Limited	BAH
6	Bank of China Limited – Pakistan Operations	BOC
7	Bank of Punjab	BOP
8	<i>BankIslami Pakistan Limited</i>	<i>Islami</i>
9	Citibank N.A., Pakistan Branches	Citibank
10	Deutsche Bank AG, Pakistan Operations	DB
11	<i>Dubai Islamic Bank (Pakistan) Limited</i>	<i>DIB</i>
12	Faysal Bank Limited	Faysal
13	Habib Bank Limited	HBL
14	Habib Metropolitan Bank Limited	HMB
15	Industrial and Commercial Bank of China - Pakistan Branches	ICBC
16	JS Bank Limited	JS
17	MCB Bank Limited	MCB
18	<i>MCB Islamic Bank Limited</i>	<i>MCBIB</i>
19	<i>Meezan Bank Limited</i>	<i>Meezan</i>
20	National Bank of Pakistan	NBP
21	Samba Bank Limited	SAMBA
22	Sindh Bank Limited	Sindh
23	Soneri Bank Limited	Soneri
24	Standard Chartered Bank (Pakistan) Limited	SCB
25	The Bank of Khyber	BOK
26	United Bank Limited	UBL

Banks have been listed alphabetically, by their full names.

Islamic Banks have been presented in Italics.



Banks	Rating Agency	Credit Rating Assigned	
		Short Term	Long Term
Albaraka Bank (Pakistan) Limited	PACRA	A1	A
	VIS	A-1	A+
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
	VIS	A-1+	AA+
Bank Al-Habib Limited	PACRA	A1+	AA+
Bank of China Limited – Pakistan Operations	Standard & Poor's	A-1	A
Bank of Punjab	PACRA	A1+	AA
BankIslami Pakistan Limited	PACRA	A1	A+
Citibank N.A. Pakistan Branches	Moody's	P-1	Aa3
	Standard & Poor's	A-2	BBB+
	Moody's	P-2	A3
Deutsche Bank AG, Pakistan Operations	Fitch	F-2	BBB
	VIS	A-1	AA
Dubai Islamic Bank (Pakistan) Limited	VIS	A-1+	AA
Faysal Bank Limited	PACRA	A1+	AA
	VIS	A-1+	AAA
Habib Bank Limited	PACRA	A1+	AA+
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Industrial & Commercial Bank of China Limited (Pakistan Branches)	Moody's	P-1	A1
JS Bank Limited	PACRA	A1+	AA-
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A-1	A
Meezan Bank Limited	VIS	A-1+	AA+
	PACRA	A1+	AAA
National Bank of Pakistan	VIS	A-1+	AAA
	VIS	A-1	AA
Samba Bank Limited	VIS	A-1	A+
Soneri Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
The Bank of Khyber	PACRA	A1	A
	VIS	A-1	A
United Bank Limited	VIS	A-1+	AAA



Number of Branches

(including sub-branches)

Banks	Number of Branches *	
	2019	2018
Albaraka Bank (Pakistan) Limited	192	191
Allied Bank Limited	1,393	1,343
Askari Bank Limited	535	516
Bank Alfalah Limited	698	649
Bank Al-Habib Limited	718	684
Bank of China Limited - Pakistan Operations	1	1
Bank of Punjab	624	576
BankIslami Pakistan Limited	334	330
Citibank N.A. Pakistan Branches	3	3
Deutsche Bank AG, Pakistan Operations	2	2
Dubai Islamic Bank (Pakistan) Limited	235	200
Faysal Bank Limited	555	455
Habib Bank Limited	1,667	1,697
Habib Metropolitan Bank Limited	392	352
Industrial and Commercial Bank of China (Pakistan Branches)	3	3
JS Bank Limited	359	344
MCB Bank Limited	1,410	1,387
MCB Islamic Bank Limited	185	176
Meezan Bank Limited	760	660
National Bank of Pakistan	1,530	1,525
Samba Bank Limited	40	37
Sindh Bank Limited	330	330
Soneri Bank Limited	308	295
Standard Chartered Bank (Pakistan) Limited	61	77
The Bank of Khyber	169	169
United Bank Limited	1,376	1,379

*As at 31 December

Notes



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