

List of Tables

1	Macroeconomic Environment and Performance of the Financial Sector	
1.1	Assets of the Financial Sector	15
1.2	Key Performance Indicators of the Financial Sector	18
1.3	Selected Economic Indicators	20
1.4	Determinants of Profitability of the Financial Sector and their Expected Impact	22
1.5	Estimates of Fixed Effect Model for ROA of the Financial Sector	23
2	Financial Infrastructure	
2.1	List of Mergers and Acquisitions in the Financial Sector	29
2.2	Branches of the Banking Sector	30
3	Performance of the Banking Sector	
3.1	Impact of Privatization--Estimation Results	47
3.2	Funding of Banks' Assets	51
3.3	Financial Performance of the Banking Sector	53
3.4	Determinants of Banks' Interest Rate Spread and their Expected Impact	58
3.5	Estimates of Fixed Effect Model for Interest Rate Spread	59
4	Performances of Non-Bank Finance Institutions	
4.1	New Entrants in the NBFIs Sector during FY05	62
4.2	Assets of the NBFIs	63
4.3	Estimates of NBFIs Asset Growth	64
4.4	Estimates of DFIs Asset Growth	65
4.5	Estimates of DFIs' ROE	66
4.6	Estimates of DFIs' NPLs	67
4.7	Financial Soundness Indicators of Existing DFIs	67
4.8	Performance of Existing Investment Banks	71
4.10	Financial Indicators of Existing Leasing Companies	74
4.11	Financial Indicators of Existing Modarabas	79
4.12	Structure of Mutual Funds	84
4.13	A Comparison of Open-end and Closed-end Mutual Funds	85
4.14	Estimates of MFs' Net Asset	86
5	Financial Deepening: Role of Islamic and Micro Finance Institutions	
5.1	Number of Islamic Banks & Branches	94
5.2	Asset and Liability Structure of IBS	96
5.3	Financing Products by IBS	96
5.4	Financial Indicators of Islamic Banks in CY05	97
5.5	Assets of Islamic NBFIs	98
5.6	Outreach of Microfinance Banks	100
5.7	Asset and Liability Structure of MFBs	101
5.8	Gender-wise Distribution of MFBs Loans	101
5.9	Asset Quality Indicators of the MFBs	102
6	Developments in the Insurance Sector	
6.1	Cross-Country Insurance Premium Performance	105
6.2	Asset Structure of the Insurance Industry	107
6.3	Number of Insurance Companies	107

6.4	Financial Indicators of Insurance Industry	108
6.5	Gross Premium of Individual Life Insurance Business	108
6.6	Financial Soundness Indicators of Life Insurance	111
6.7	Growth Pattern in Non-Life Insurance Sector	115
6.8	Ownership Structure of Non-Life Insurance Sector	116
6.9	Concentration in Non-Life Insurance Sector	116
6.10	Financial Ratios of Non-Life Insurance Industry	117
6.11	Reinsurance Business in Pakistan	118
7	Performance of Financial Markets	
7.1	Treasury Bill Auctions Summary	124
7.2	PIB Auction Performance	126
7.3	Categorization of PIB holdings by the Banking Sector	127
7.4	Open Market Operations	128
7.5	Foreign Exchange Market Size	129
7.7	External Sector Indicators during the First Phase	131
7.8	Major Market Flows	135
7.9	Profile of Karachi Stock Exchange	136
7.10	Overall Composition of Listed TFCs	142
8	Financial Sector Development	
8.1	Indicators of Financial Deepening	146
8.2	Pakistan's Relative Position in Financial Deepening	147
8.3	Trends and Structure in Financial Savings	149
8.4	Sector-wise Number of Borrowers	152
8.5	Sectoral Distribution of Outstanding Credit	155