1	Global	Global and Domestic Developments: Financial Stability Implications for Pakistan			
	1.1	Inflation Rates in Advanced Economies	2		
	1.2	Key Policy Rates - Advanced Economies	2		
	1.3a	Inflation Rates in Asian Economies	3		
	1.3b	Inflation Rates in Asian Economies	3		
	1.4	Inflation in Pakistan	3		
	1.5	Real GDP Growth Rates	4		
	1.6	Growth Rates-Emerging Economies	5		
	1.7	Growth Rates-Advanced Economies	5		
	1.8	Real GDP Growth Rate of Pakistan	5		
	1.9	External Account and NFA	5		
	1.10	Rupee vs Dollar	6		
	1.11	Trends in Trade Balances	8		
	1.12	Trends in CAB	8		
	1.13	Foreign Exchange Reserves and Exchange Rate	8		
	1.14	Trend in Fiscal Deficit	9		
	1.15a	Pakistan Regional Export Composition	10		
	1.15b	Pakistan Export Composition in Asia	10		
	1.16a	Pakistan Regional Import Composition	10		
	1.16b	Pakistan Import Composition in Asia	10		
	1.17	Foreign Exchange Reserves	11		
	1.18	Current Account Balance	11		
	1.19	Credit Risk: Sovereign Credit Default Swap Spreads - Pakistan's 5 Year International Bond	12		
	1.20	Foreign Investments and KSE-100 Index	14		
2	Dimensions of Monetary and Financial Stability				
	2.1	Inflation Volatility Around The Trend	26		
	2.2	Fluctuations in Private Sector Credit	27		
	2.3	Credit and Equity Prices	28		
	2.4	Output Gap	28		
3	Stability of the Banking System				
	3.1	Composition of Banking Assets	42		
	3.2	Resident FE-25 Deposits	42		
	3.3	Overall Margin for Loan Portfolio	45		
	3.4	NPLs of the Banking System	46		
	3.5	Provisions against NPLs	47		
	3.6	NPLs to Loans ratio (Gross)	47		
	3.7	Net NPLs of the Banking System	48		
	3.8	Short Term Interest Rate Volatility	48		
	3.9	Shift in Yield Curve	49		
	3.10	Yield Spread b/w 10y & 3m PKRV rates	49		
	3.11	Investments in Fixed Income Securities	50		
	3.12	GAP (RSA-RSI) to TA of All Banks	50		

	3.13	Exchange Rate and Swap Points Implied Rate	51			
	3.14	NOP of the Banks	51			
	3.15	FC Loans financed by FE-25 deposits	52			
	3.16	Volatility in KSE-100 Index	52			
	3.17	Investment in Shares as Percentage of Capital of Commercial banks	53			
	3.18	Outstanding Frauds & Forgeries in Banks	54			
	3.19	Liquidity Indicators	56			
	3.20	Excess Reserves Held by the Banking System	56			
	3.21	Share of more than 1-Year maturity deposits in Total deposits	57			
	3.22	Maturity GAP (Assets - Liabilities)	57			
	3.23	Weighted Average Call Rates (in percent)	58			
	3.24	Capital Structure and Capital Adequacy	59			
	3.25	Share of RWA in Total Assets	59			
	3.26	Trends in CAR	59			
	3.27	Net NPLs to Capital Ratio	60			
	3.28	CAR of Banks as per their Market Share	61			
	3.29	After Tax ROA of the Banking System	62			
	3.30	After Tax ROE of the Banking System	63			
	3.31	Interest Rate Spread & NIM	63			
4	Concentration and Competition in the Banking System					
	4.1	M-Concentration Ratios	78			
5	Perspe	Perspectives on Consumer Finance in Pakistan				
	5.1	Trends in Consumer Finance	88			
	5.2	Consumer Finance to GDP	88			
	5.3	Trends in Category wise Consumer Finance	88			
	5.4	Consumer Credit: Country Comparison	89			
	5.5	Trends and Composition of Inflation in Pakistan	90			
	5.6	Macro-economic Indicators	91			
	5.7	NPLs to Loans Ratio of Consumer Sector	91			
7	Stabilit	ty Assessment of Financial Markets				
	7.1	Participation in Treasury Bill Auctions	114			
	7.2	Trends in Liquidity Position	114			
	7.3	Overnight rate Movement & SBP Interventions	115			
	7.4	Money Market and Retail Interest Rates	116			
	7.5	MTB Auction Cut-off Rates	117			
	7.6	MTB Distribution Profile	117			
	7.7	PIBs Distribution Profile	119			
	7.8	PIB Ownership Classification	119			
	7.9	PIB Average Issue Size	119			
	7.1	Yield Curve Trend	120			
	7.11	Spread: Overnight Call and Repo (30-day MA)	120			
	7.12	External Account and NFA	121			

	7.13	FX Market Volumes	122	
	7.14	Counterparty wise FX Market Volume	122	
	7.15	Interbank FX Market Volume	122	
	7.16	SBP Intervention and Exchange rate	123	
	7.17a	Trade Financing Against FE-25	123	
	7.17b	FC Loans financed by FE-25 deposits	123	
	7.18	Resident FE-25 Deposits	123	
	7.19	Exchange Rate Movement	124	
	7.20	Effective Exchange Rate-YoY Change	124	
	7.21	Depreciation of Rupee in FY08 (YOY)	124	
	7.22	Exchange Rate and Kerb Premium	127	
	7.23	Movement in Forward Swap Points	127	
	7.24	Weekly Average FEEL Utilization by ADs During FY08	128	
	7.25	Sector wise Distribution of FX option	131	
	7.26	Sector wise Distribution of IRS (in Rupees)	131	
	7.27	Sector wise Distribution of IRS (FCY)	132	
	7.28	Sector wise Distribution of CCS	132	
	7.29	Performance of KSE	133	
	7.30	KSE-100 Index and Ready Volumes	134	
	7.31	Market Risk: Equity Price Risk	137	
	7.32	Banks Investments in Shares	137	
	7.33	Stake of Banks in CFS	138	
	7.34	Daily CFS Rate Since FY07	138	
	7.35	IPOs Floatations in KSE	138	
8	Islamic Banking			
	8.1	Profitability Comparison IBs vs Industry Average	156	
	8.2	Financing Products by Islamic Banks	157	
	8.3	Deposits Structure of IBs	160	
9	Promot	ing Inclusive Finance		
	9.1	Projected Growth for Microfinance	172	
	9.2	Agriculture Credit Targets vs Disbursements	175	
10	Performance Review of Non-Bank Financial Institutions			
	10.1	Ownership Structure of NBFIs	185	
	10.2	Number of Institutions	185	
	10.3	Growth of Non-Bank Finance Sector	186	
	10.4	Assets and Equity -IFCs	188	
	10.5	Profitability Indicators of Existing IFCs	189	
	10.6	Distribution of Assets of Existing Investment Finance Companies	190	
	10.7	Share in income of IFCs	190	
	10.8	Concentration in Leasing Sector	191	
	10.9	Assets and Equity - Leasing Companies	191	
	10.10	Profitability Indicators	192	

	10.11	Total Assets of VC Companies	194
	10.12	Profitability of VC Companies	194
	10.13	Share of Discounted Instruments in Total Assets	195
	10.14	Distribution of Assets and Income of NBP Capital Limited for FY07	196
	10.15	Share in Income of Modarabas-FY07	198
	10.16	Outstanding Mortgage Loans	199
	10.17	Share in Gross Disbursements	200
	10.18	Share in Loans Disbursed	200
	10.19	Assets of HFCs	200
	10.20	Asset Concentration of DFIs	202
	10.21	Asset Composition of FDIs	203
11	Risk Ass	sessment of the Insurance Sector	
	11.1	Index of Insurance Premiums (Year 2002=100)	213
	11.2	Assets of Insurance Sector	214
	11.3	Equity Structure of Non-Life Insurance Companies	216
	11.4	Assets Structure of Non-Life Companies	216
	11.5	ROI of Non-Life Companies	216
	11.6	Composition of Net Premiums	217
	11.7	Claim Ratio	217
	11.8	Major Sources of Profit	218
	11.9	Assets Structure of Life Insurance	219
	11.10	Composition of Investment Income	220
	11.11	Management Expense Rate	220
	11.12	Overall Administrative Expense Rate	220
	11.13	Gross Premium and Claims	221
	11.14	Asset Structure of Non-Life Companies	221
	11.15	Risk Retention Ratio	222
	11.16	Reinsurance Retention	223
12	Paymer	nt and Settlement Systems	
	12.1	Share of Paper-Based Retail Transactions	228
	12.2	Composition of Electronic Transactions- Q2 CY08	229