

Table of Contents

Governor’s Message	iv
Acknowledgements	vi
FSR Team	vii
Data Convention and Coverage	viii
The Overview	1
Box 1: SBP’s Systemic Risk Survey-9 th Wave (January 2022)	7
Chapter 1: Global and Domestic Macro Financial Environment	11
Chapter 2: Financial Markets’ Behavior	23
Section A: Performance and Risk Analysis of Banking Sector	34
Chapter 3: The Banking Sector	35
Box 3.1: Islamic Banking.....	50
Box 3.2: Supervisory and Crisis Management framework of SBP – recent initiatives to strengthen the financial stability	55
Box 3.3: COVID-19 and the Banking Sector: SBP measures, lessons learnt and way forward	58
Chapter 4: Resilience of the Banking Sector under Adverse Conditions	62
Box 4.1 Climate Change and Financial Stability	71
Chapter 5. Performance & Risk Analysis of Microfinance Banks (MFBs)	80
Section B: Performance and Risk Analysis of Non-Banking Financial Sector	87
Chapter 6.1: Development Finance Institutions (DFIs)	88
Chapter 6.2: Non-Bank Financial Institutions	94
Chapter 6.3: Insurance and Takaful Companies	103
Section C: Performance and Risk Analysis of Other Sectors	112
Chapter 7: The Corporate Sector.....	113
Box 7.1: Financial Performance and Soundness of Top Borrowing Groups of Banking Sector ..	122
Chapter 8: Financial Market Infrastructures	126
Box 8.1: Cyber Security – Emerging Trends, Challenges and Policy Response.....	134
Appendix A	142
Appendix B	149
Annexure A.....	152
Acronyms	162