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NBP Performance at a Glance

Editor's Corner

Dear Readers,

The Executive Board of the International Monetary Fund has approved a 3 year Extended Fund Facility (EFF) for Pakistan amounting to \$6.64 billion. There would be an initial disbursement of \$544.5 million, while the remaining amount will be evenly disbursed over the duration of the programme, subject to quarterly reviews. The programme is for three years, during which needed reforms would be implemented. The loan agreement with the IMF would pave the way for other multilateral lenders to extend assistance to Pakistan. The government projects a financing gap of \$15 billion through June 2016. Besides the IMF's EFF, about \$3.5 billion will be met by the estimated improvement in the balance of payments due to the adjustment measures under the programme. An estimated \$1.5 billion is expected from the World Bank, \$1.6 billion from Asian Development Bank, \$0.5 billion from UK, \$0.4 billion from the US and \$1.5 billion from others. It has been reported that Islamic Development Bank has offered to extend \$850 million fresh project assistance to Pakistan over the next three years.

Assistance from the IMF would help shore up reserves, which have now reached a low level of less than six weeks of imports. It would also give some stability to the currency and stave off balance of payments crisis. Foreign direct and portfolio investment has been low, and at the same time, debt service obligations are increasing significantly. Payments to the IMF further squeezed the foreign exchange holdings of the State Bank. Liquid foreign exchange reserves have fallen from \$14.61 billion in July 2012 to \$10.39 billion by August 23, 2013. In the corresponding period, reserves held by State Bank of Pakistan have fallen from \$10.15 billion to \$5.2 billion. This fall weakened the Pak Rupee, which was being traded at Rs104.90 to the US dollar in the interbank market a day before the approval of the IMF loan. The Rupee's depreciation should help the exporters, but with supply constraints resulting mostly from severe power shortages, the expected fall in the value of the rupee may not significantly increase the volume of exports or export earnings.

The government has an economic programme for the next three years, and progress in implementation of this will be assessed by the IMF. The economic programme primarily focuses on macroeconomic stabilization and structural reforms. These are to be addressed through fiscal policy, monetary and exchange rate policies, financial sector and structural reforms (with focus on energy sector reforms). This programme aims at reversing the large fiscal deficits, improving medium term growth outlook, securing macroeconomic stability, protecting the most vulnerable segments of society through better targeted assistance, rebuilding foreign exchange reserves and maintaining price stability through monetary and exchange rate policies, undertaking growth-promoting initiatives to improve the investment climate, liberalizing and simplifying the international trade regime and public sector enterprises in key economic areas to be privatised.

The major thrust of the economic reform plan in the energy sector is gradually phasing out the tariff differential subsidy; bringing tariffs to cost recovery level; resolving the circular debt arrears, so removing barriers to new investment; checking electricity theft so enhancing collections for energy supplied; energy conservation would be encouraged. Changes in the energy mix by conversion of fuel oil based GENCOs and IPPs to coal based plants which would substantially reduce the fuel component of electricity production costs and policies should promote private investment for power generation.

The power sector can become financially viable if alongwith increasing the power tariff, the inefficiencies in the system are also removed. Studies have shown that relying solely on tariff increases will just lead to more inefficiencies, and to theft and corruption. Transmission and distribution losses are a major problem

in Pakistan, and in comparison to other Asian countries, these losses are extremely high. Inefficiencies like system losses, low recoveries of the billed amount affects the financial position of the distribution companies and leads to an additional unjustified cost to those consumers who pay their bills regularly or to the government in the form of a tariff differential subsidy.

On the fiscal front, a number of measures will be taken over the three year programme period to lower the fiscal balance to around 3.5 percent of GDP and place the debt to GDP ratio on a declining slope. Tax revenue measures would net in about 1 percent of GDP through steps contained in the 2013 Finance Bill. These include besides others, the imposition of a new levy on moveable assets, higher personal income tax rates for the top income brackets, and a new gas levy that will be implemented by the end of the year. Electricity subsidies would be phased out over the life of the program, 300,000 new tax payers would be incorporated into the income tax net, and other administrative reforms would be initiated and tax base would be widened. The government has stopped issuing any new tax concessions or exemptions through SROs except by an act of Parliament, and will also approve by end December 2015 legislation to permanently prohibit the practice. Better targeted assistance for the poorest households would be strengthened.

Fiscal deficit rose to over 8 percent of GDP last year because of shortfall in expected revenues, delays in adjustment of electricity tariffs and the need for payments towards circular debt. The low tax-to-GDP ratio has been the root cause of Pakistan's fiscal problems. These have aggravated because of rising power subsidies, loss making public enterprises, and other expenditure.

Bringing down the fiscal deficit to 3.5 percent of GDP by 2015-16 is a big challenge. This would require the political determination to overcome the resistance from powerful vested interests, substantial reduction of tax loopholes and exemptions, broadening of the tax base and reduction in tax evasion.

Ayesha Mahmood

Performance of Commercial Banks Operating in Pakistan

Banking sector showed steady performance

Pakistan's banking sector performed reasonably well last year. Its performance remained steady aided by healthy earnings, strong fund based liquidity and high capital levels. The balance sheet size of the banking sector grew, and net assets rose to Rs9.5 trillion in CY12, profit before taxation increased and deposits which had remained sluggish in 2011 grew by 16.8 percent to Rs7.27 trillion, with over 80 percent share in total liabilities. However, the sector remained exposed to credit risk, increasing concentration of government exposure on banks' balance sheets and decelerating interest margins. There was increasing concentration of public sector credit and dwindling flow of credit to private sector.

Low business confidence due to security concerns, persistent energy shortages, lackluster performance of the real sector were some of the factors responsible. Government reliance on commercial banks for budgetary financing increased, while its borrowings from the State Bank of Pakistan (SBP) fell. Credit to public sector enterprises (PSEs) rose due to their weakened financial position. Within PSEs, Pakistan Steel Mills, Pakistan State Oil and Pakistan International Airlines were the major borrowers.

According to the SBP's *Financial Stability Review for the first half of 2012*, credit risk had increased in the first half of 2012, as a sizeable increase in non-performing loans (NPLs) had pushed the infection rate. The top five banks had contributed towards most of the increase in NPLs. SBP's *Financial Statement Analysis of Financial Sector 2012*, shows NPLs increased to Rs600.2 billion in 2012 compared to Rs573.1 billion in 2011. NPLs to advances ratio declined to 13.9 percent as compared to 14.9 percent in the comparable period a year earlier.

Moody's Investors Service in a report entitled *Banking System Outlook: Pakistan*, shows the banks' high and increasing exposure to

Banks have large holdings of Pakistan govt. bonds

Pakistani government debt will remain a major source of credit risk, as the government will continue to run large deficits over the outlook period, which will be financed in large part by the domestic banking sector. This exposure links the banking system's health directly to the country's Caa1-rated sovereign credit risk. Moody's estimates that Pakistani banks' exposure to government securities and loans to public-sector companies increased to 674 percent of Tier 1 capital as at March 2013 (or 46% of total assets), up from 382 percent of Tier 1 as of December 2010.

Operating conditions will also remain challenging over the outlook period, with 2013 GDP growth forecasted at 3.6 percent, well below historical trends. The economy is faced with significant fiscal imbalances, low foreign exchange reserves, a fragile political environment and structural problems, particularly in the energy sector where power outages have depressed manufacturing output and led to a fall in private investment. According to the rating agency, the challenging operating environment will suppress demand for credit and lead to increases in NPLs, which stood at 14.7 percent as of March 2013.

Though most banks met the Capital Adequacy Ratio, some continued to face challenges in strengthening their capital for meeting the prescribed regulatory Minimum Capital Requirement.

This paper summarizes the performance of commercial banks operating in Pakistan during the year 2012. Data has been obtained from the published consolidated financial statements of the banks.

During the year, net assets of commercial banks operating in Pakistan increased to Rs9.55 trillion from Rs8.0 trillion in 2011, where the major banks had a share of 63.3 percent in the asset size. While the major banks showed a 21.3 percent growth, private

and provincial banks 17.2 percent, foreign banks assets declined by 3.1 percent, against a growth of 9.4 percent a year earlier. Among the foreign banks, assets of Citibank declined by 12.1 percent, of Barclays by 17.6 percent, and HSBC by 15.2 percent. Assets of Industrial and Commercial Bank of China had grown to Rs22.0 billion in 2012, against Rs5.9 billion in 2011 when it had commenced operations (August). Assets of Habib Bank Ltd (HBL) have grown to Rs1.51 trillion in 2012 from Rs1.06 trillion a year earlier while for National Bank of Pakistan (NBP) it rose to Rs1.31 trillion from Rs1.15 trillion – a rise of 13.8 percent. Assets of Bank al-Habib have grown by 18 percent to Rs453.1 billion, while for Meezan Bank by 36.8 percent to Rs274.4 billion.

There was a substantial growth of 31.3 percent in investments of commercial banks which rose to Rs3.98 trillion in 2012, against Rs3.03 trillion a year earlier. Over the last few years because of increasing credit risk and sluggish business environment, banks have opted to invest in government securities, shares and other investments. Investments in equity market was seen because of improved corporate results and dividends. Investment portfolio of HBL jumped 94.3 percent in 2012 to Rs777.2 billion, while for MCB Bank it rose by 26.9 percent to Rs402.1 billion, for Allied Bank Ltd (ABL) by 36.6 percent to Rs267.4 billion, for Bank al-Habib by 12.0 percent to Rs249.8 billion, for Meezan Bank by 54.8 percent to Rs152.5 billion. Investment of Citibank nearly halved from Rs60.4 billion in 2011 to Rs31.3 billion in 2012.

Net Advances of all banks grew by 13.1 percent to Rs3.7 trillion, against a marginal growth of 0.24 percent in 2011. The *Financial Stability Review for the first half of 2012*, states, ‘the public sector demand for funds contributed the entire growth of 6.6 percent in gross advances during H1-CY12. The government appetite for banks’ funding characterized by rising fiscal deficit and squeezing foreign inflows continued in the period under review. However, the structure of the government borrowings shifted from

budgetary needs to increased flow of financing to PSEs for highly imperative production and transmission of energy and seasonal commodity operations. The public sector advances actually surged by 63.0 percent during H1-CY12, which increased its share in total domestic advances to 21.5 percent in June 2012 as against 14.1 percent in December, 2011. Though financing to the priority sector appears to be a positive development, yet it may add to floating and permanent government debt as government liquidated similar financing last year through conversion into Government bonds.

The challenging business environment with unresolved infrastructural issues owing to continuing energy shortages, weak global demand, and banks’ continued cautious approach in the wake of heightened credit risk resulted in decline in private sector advances in H1-CY12.

There was substantial growth in advances of the large banks which registered a growth of 14.3 percent against the decline of 1.6 percent in 2011, while private banks showed a growth of 12.3 percent compared with 3.7 percent a year earlier. There was a 25.2 percent growth in advances of NBP which rose to Rs657.4 billion, while advances of HBL rose by 10.5 percent to Rs460.1 billion, of United Bank Ltd (UBL) by 12.0 percent to Rs364.4 billion, Bank al-Falah by 17.8 percent to Rs233.9 billion, Faysal Bank by 16.3 percent to Rs172.3 billion.

During 2012, deposits of all banks under review grew by 16.8 percent to Rs7.27 trillion, after having remained sluggish in 2011. The driving factors behind the rise in deposits were consistently growing worker remittances and growth in Rupee denomination of foreign currency deposits. Among other factors, increase in deposits might have resulted from 100 bps increase in the minimum profit rate on saving deposits to 6.0 percent in May 2012.

The bulk of the increase in deposits was contributed by the large banks, which depicted a growth of 18.2 percent, while private/

Public sector advances grow

Investment rise

Large banks advances rise

Advances grow

Deposits
cross Rs7
trillion

provincial banks' deposits grew by 16.1 percent. There was a 5.4 percent decline in the deposits of foreign banks, primarily because of substantial reduction in deposits of Barclays, and HSBC Bank Middle East Ltd. Deposits of HBL grew by 30.4 percent to Rs1.14 trillion in 2012 compared to a year earlier, while deposits of NBP grew by 11.9 percent to Rs1.04 trillion and of UBL by 14.2 percent to nearly Rs700.0 billion, Bank al-Habib showed a deposit growth of 12.7 percent to Rs340.4 billion, while Meezan Bank's deposits, which were Rs170.0 billion in 2011, picked up by 35.5 percent to Rs230.4 billion and deposit of Deutsche Bank increased by 65 percent within a year rising from Rs11.1 billion to Rs18.3 billion during 2012.

Advances to deposit ratio of the banking system saw a continuous decline during the last three years due to sluggishness in private sector credit. This ratio declined from 61.7 percent in 2010 to 51.7 percent in 2012. The decline was more noticeable for private banks where the ratio had fallen to 38.5 percent from 53.7 percent in the comparable period.

Profit-
ability of
the banks
increases

The profit before tax of the banks during the year 2012, witnessed an increase of 4.2 percent to Rs174 billion compared with Rs167 billion in 2011. The main contributors to the increase were UBL with Rs2.8 billion, Bank al-Falah with Rs1.4 billion, MCB Bank with Rs0.6 billion. UBL's provision decreased, while Bank al-Falah's non mark-up/non-interest income increased. Among the private banks, Soneri Bank posted highest profit growth of 59.7 percent, and Bank al-Habib of nearly 24 percent. NIB Bank was able to convert its loss into profit in 2012. Its increase is mainly due to decrease in provision. Silkbank, al-Baraka, HSBC, and Barclays have losses before tax. JS Bank, Bank of Khyber and Dubai Islamic Bank posted substantial growth in profit before tax.

ROE &
ROA
decline

Looking at the earnings ratios, the return on equity (ROE) and return on assets (ROA) have declined. ROE decreased from 17.0 percent

Income
increases

in 2011 to 16.1 percent in 2012, ROA declined from 1.5 percent to 1.3 percent.

On the income side, interest/mark-up income during 2012 was Rs778 billion as compared to Rs735 billion in 2011, witnessing an increase of Rs43 billion or 5.8 percent. Non interest income also increased from Rs104.6 billion in 2011 to Rs133 billion during 2012, depicting an increase of 27.9 percent. In 2011 it had grown by 13.0 percent. For the large banks non-interest income grew by 28.2 percent, for private/provincial banks by 27.6 percent and for foreign banks by 25.0 percent.

Admn
expenses

Administrative expenses of all banks grew by 12.5 percent during 2012 against a growth of 14.9 percent a year earlier. For the major banks the growth slowed to 12.0 percent (14.7% in 2011), while for private/provincial banks the growth was 12.2 percent against 17.4 percent in 2011. Among the larger banks, HBL registered a growth of 5.5 percent in 2012, against a growth of 17.3 percent a year earlier, while UBL showed a growth of 18.7 percent (2012), against 11.2 percent in 2011. NBP showed a growth of 18.6 percent against 14.9 percent in 2011.

Inter-
mediation
cost

The intermediation cost ratio was recorded at 3.2 percent for all banks in 2012. For the major banks it was 3.2 percent, for private/provincial banks 3.1 percent, and for foreign banks 6.1 percent. For Samba Bank and Dubai Islamic Bank, the ratio was above 6 percent. It was 1.5 percent for Bank of Punjab. Among foreign banks, the ratio was a high of 7.0 percent for HSBC, Deutsche, and Oman International.

For all banks staff strength increased by 3 percent in 2012, with the number rising to over 116 thousand. While the major banks reduced the number of employees, the private banks registered an increase. Meezan Bank, Bank al-Habib, Summit Bank among others increased their staff strength. Staff per branch ratio increased for foreign banks. The details of other ratios for all banks is given in the accompanying tables.

Key Performance Indicators – All Banks

(Rs. Bn)

	Major Banks			Private & Provincial Banks			Foreign Banks			All Banks		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Assets Net	4376	4985	6045	2330	2781	3260	233	255	247	6939	8021	9552
Equity	414	465	511	148	181	193	35	43	41	597	689	745
Deposits	3481	3944	4662	1795	2115	2455	156	168	159	5432	6227	7276
Advances(Net)	2100	2067	2362	1102	1143	1284	66	66	59	3268	3276	3705
Investments	1291	1797	2461	770	1125	1440	80	113	85	2141	3035	3986
Gross Advances	2261	2248	2559	1241	1285	1274	71	73	68	3573	3606	3901
Non Performing Loans (NPLs)	266	282	292	243	254	262	7	8	9	516	544	563
Interest Income	393	458	483	199	253	275	20	24	20	612	735	778
Interest Expense	179	208	247	144	180	192	10	12	10	333	400	449
Net Interest Income	214	250	236	55	73	83	10	12	10	279	335	329
Non Interest Income	62	71	91	25	29	37	5	4	5	92	104	133
Revenue	275	321	327	81	106	122	15	17	15	371	444	464
Admn Expense	116	133	149	63	74	83	9	9	11	188	216	243
Profit/(Loss) B.T	113	143	148	-17	18	25	2	6	1	98	167	174
Profit/(Loss) A.T	74	92	99	-13	13	17	1	4	-0.2	62	109	116
Employees (Nos)	67498	69748	69736	40843	42113	45750	1671	1484	1161	110012	113345	116647
Branches (Nos)	6416	6600	6816	2611	2877	3282	49	51	33	9076	9528	10131

Growth Rates – All Banks

(In %)

	Major Banks			Private & Provincial Banks			Foreign Banks			All Banks		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Assets Net	9.0	13.9	21.3	17.9	19.4	17.2	-30.2	9.4	-3.1	9.7	15.6	19.1
Equity	11.9	12.3	9.9	-7.5	22.3	6.6	-18.6	22.9	-4.7	4.2	15.4	8.1
Deposits	12.2	13.3	18.2	26.5	17.8	16.1	-30.7	7.7	-5.4	14.5	14.6	16.8
Advances	1.7	-1.6	14.3	21.2	3.7	12.3	-52.5	-	-10.6	5.0	0.2	13.1
Investments	28.1	39.2	37.0	22.0	46.1	28.0	-	41.3	-24.8	24.5	41.8	31.3
Interest Income	6.5	16.5	5.5	16.4	27.1	8.7	-41.2	20.0	-16.7	6.6	20.1	5.9
Interest Expense	2.3	16.2	18.8	15.5	24.7	6.7	-47.4	20.0	-16.7	4.5	19.2	12.3
Net Interest Income	10.3	16.8	-5.6	16.2	32.7	13.7	-33.3	20.0	-16.7	8.8	20.1	-1.8
Non Interest Income	-3.1	14.5	28.2	16.4	16.0	27.6	-37.5	-20.0	25.0	-1.1	13.0	27.9
Revenue	6.6	16.7	1.9	17.5	30.9	15.1	-37.5	13.3	-11.8	5.7	19.7	4.5
Admn Expense	12.6	14.7	12.0	23.6	17.4	12.2	-50.0	-	22.2	9.3	14.9	12.5
Profit/(Loss) B.T	24.3	26.5	3.5	-16.4	5.9	38.9	33.3	200.0	-83.3	44.2	70.4	4.2
Profit/(Loss) A.T	17.5	24.3	7.6	-7.1	7.7	30.8	50.0	300.0	-105.0	31.9	75.8	6.4

Selected Ratios – All Banks

(In %)

	Major Banks			Private & Provincial Banks			Foreign Banks			All Banks		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Cost of Funds	5.1	5.3	5.3	7.2	8.0	7.2	5.0	6.7	5.4	5.8	6.3	6.0
Intermediation Cost	3.3	3.4	3.2	3.1	3.3	3.1	4.4	5.3	6.1	3.3	3.4	3.2
Pre Tax Margin	24.8	27.0	25.7	-7.4	6.3	8.2	8.1	19.6	3.6	13.9	19.8	19.1
Non Interest Income Ratio	22.4	22.1	27.8	31.3	27.7	30.3	32.4	27.4	31.4	24.7	23.6	28.6
Gross Spread Ratio	54.4	54.5	48.8	27.6	28.9	30.5	48.5	49.3	51.0	45.5	45.5	42.4
Cost/Income Ratio	42.1	41.4	45.5	78.4	69.8	68.0	64.0	57.9	76.2	50.9	48.8	52.3
Income/Expenses Ratio (IER)	1.3	1.4	1.3	0.9	1.1	1.1	1.1	1.2	1.0	1.2	1.2	1.2
Return on Equity	18.9	21.0	20.2	-8.5	8.2	9.0	2.5	9.4	-0.5	10.5	17.0	16.1
Return on Assets	1.8	2.0	1.8	-0.6	0.5	0.6	0.3	1.5	-0.09	0.9	1.5	1.3
Return on Deposits	2.2	2.5	2.3	-0.8	0.7	0.7	0.5	2.3	-0.03	1.2	1.9	1.7
Earning Assets/Deposits	104.8	103.8	105.8	114.5	112.7	114.2	119.6	119.9	119.9	104.8	103.8	105.8
Capital Ratio	9.3	9.4	8.9	7.2	6.5	6.2	13.7	15.9	16.6	8.8	8.6	8.2
Deposits Time Capital	7.3	7.4	7.6	9.3	10.4	10.6	4.8	4.2	3.9	7.6	8.0	8.2
Equity Multiplier (Time)	10.7	10.6	11.3	13.9	15.5	16.1	7.3	6.3	6.0	11.3	11.6	12.2
Capital to Risk Assets (CRA)	18.8	21.1	22.1	16.2	14.7	15.5	37.9	58.7	66.4	18.6	19.7	20.6
Advances+Investment/Assets	77.0	77.5	78.8	76.7	81.0	82.6	64.1	67.1	65.3	76.3	78.3	79.7
Earning Assets/Assets	82.2	82.3	82.5	85.8	86.2	86.4	80.2	79.5	78.0	83.3	83.6	83.8
Advances/Deposits(CDR)	63.3	56.1	51.5	58.3	57.4	53.1	53.7	40.7	38.5	61.7	56.1	51.7
Avg.Liabilities/Avg.Assets	89.2	89.3	89.8	92.0	92.7	92.9	86.1	84.2	83.4	89.9	90.3	90.7
Liabilities/Equity (Time)	9.6	9.5	10.1	12.8	14.3	15.0	6.3	5.3	5.0	10.2	10.5	11.1
Net Profit Margin	26.9	28.8	30.3	-16.3	12.8	13.9	6.6	22.0	-1.5	16.7	24.7	24.9
Net Interest Margin (NIM)	6.2	6.5	5.2	3.0	3.3	3.2	4.3	6.1	5.3	5.0	5.4	4.5
Cost of Funding Earning Assets	5.2	5.4	5.4	7.8	8.2	7.3	4.6	6.3	5.1	6.0	6.4	6.1
Yield on Earning Assets	11.4	11.9	10.6	10.7	11.5	10.5	9.0	12.5	10.6	11.1	11.8	10.6
Interest Spread	6.3	6.6	5.3	3.5	3.5	3.3	4.0	5.6	5.1	4.0	5.6	5.1
NPLs/Gross Advances	11.9	12.5	12.2	21.4	20.1	19.3	9.5	10.4	13.4	14.8	15.1	15.0
NPLs Provisions/Net Advances	9.7	11.1	11.0	13.9	12.9	12.9	5.7	10.3	25.8	10.7	11.7	11.0
Admn Expenses/Employee (Rs.Mn)	1.7	1.9	2.1	1.5	1.8	1.9	5.6	6.5	9.8	1.7	1.9	2.1
Staff/Branch (Nos)	11	11	10	16	15	14	34	29	35	12	12	12
Profit After Tax/Branch (Rs.Mn)	11.5	14.0	14.5	-5.1	4.8	5.5	19.6	71.8	-6.5	6.8	11.5	11.4

Key Performance Indicators – Major Banks

(Rs. Bn)

Banks	Assets			Equity			Deposits			Advances			Investments		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	1037.7	1149.6	1309.3	103.8	110.5	116.0	832.2	927.4	1037.8	477.5	525.0	657.4	301.3	319.5	343.5
HBL	887.1	1063.9	1517.8	81.8	93.5	110.6	721.1	875.3	1141.2	435.0	416.3	460.1	245.0	399.9	777.2
UBL	699.8	778.1	894.4	60.2	70.6	77.6	550.6	613.0	699.9	333.7	325.3	364.4	224.6	294.4	349.6
MCB Bank Ltd	567.6	653.2	765.9	69.2	78.9	88.2	431.4	491.2	545.1	254.6	227.6	239.6	213.1	316.7	402.1
ABL	449.9	515.7	631.9	31.2	37.6	42.9	371.3	399.6	514.7	253.1	244.4	271.1	121.2	195.7	267.4
Bank Al-Falah	411.5	468.2	536.5	19.7	22.8	25.7	354.0	401.2	457.1	207.2	198.5	233.9	113.4	166.5	189.5
Standard Chartered Bank	321.9	356.4	388.9	48.1	51.3	50.3	220.3	236.0	266.7	139.3	129.6	135.2	72.6	104.4	132.0
Total	4375.5	4985.1	6044.7	414.0	465.2	511.3	3480.9	3943.7	4662.5	2100.4	2066.7	2361.7	1291.2	1797.1	2461.3

Banks	Interest Income			Interest Expense			Net Interest Income			Non Fund Based Income			Revenue		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	88.5	95.3	100.1	45.2	48.5	56.4	43.2	46.8	43.7	17.6	19.3	23.8	60.8	66.1	67.5
HBL	80.0	96.4	114.4	34.1	41.6	58.3	45.9	54.9	56.1	11.0	12.1	12.4	56.9	67.0	68.5
UBL	59.3	70.4	73.5	25.0	31.0	34.9	34.3	39.4	38.6	10.1	12.7	17.1	44.4	52.1	55.7
MCB Bank Ltd	54.8	68.1	68.4	18.0	23.6	27.5	36.8	44.5	40.9	6.3	8.1	9.2	43.1	52.6	50.1
ABL	45.0	51.8	49.5	22.4	26.6	31.1	22.6	25.2	18.4	5.7	6.9	13.8	28.3	32.1	32.2
Bank Al-Falah	37.5	44.3	46.1	23.9	25.7	27.5	13.7	18.6	18.6	4.7	5.4	7.3	18.4	24.0	25.9
Standard Chartered Bank	28.0	32.0	31.1	10.7	11.4	11.7	17.3	20.5	19.5	6.2	6.2	7.3	23.5	26.7	26.8
Total	393.1	458.3	483.1	179.3	208.4	247.4	213.8	249.9	235.8	61.6	70.7	90.9	275.4	320.6	326.7

Banks	Admn Expenses			Operating Profit			Provisions/Other Expenses			Profit/Loss (B.T)			Profit/Loss (A.T)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	26.2	30.1	35.7	34.6	36.0	31.8	10.2	10.0	8.5	24.4	26.0	23.3	17.6	17.6	16.2
HBL	23.1	27.1	28.6	33.8	39.9	39.9	8.8	8.0	6.2	25.1	32.0	33.6	15.6	20.7	21.6
UBL	17.8	19.8	23.5	26.6	32.3	32.2	8.7	8.1	5.1	17.9	24.2	27.0	11.2	15.5	18.0
MCB Bank Ltd	12.2	15.6	17.1	30.9	37.0	33.0	4.7	5.6	0.9	26.3	31.5	32.1	16.9	19.4	20.9
ABL	11.2	13.2	14.5	17.1	18.9	17.7	4.7	3.8	1.7	12.3	15.1	15.9	8.2	10.1	11.7
Bank Al-Falah	12.6	13.8	15.2	5.8	10.2	10.7	4.4	4.8	3.9	1.4	5.4	6.8	1.0	3.5	4.6
Standard Chartered Bank	12.9	13.2	13.9	10.6	13.5	12.9	5.0	5.1	3.8	5.6	8.4	9.1	3.6	5.4	5.9
Total	116.0	132.8	148.5	159.4	187.8	178.2	46.5	45.4	30.1	113.0	142.6	147.8	74.1	92.2	98.9

NBP National Bank of Pakistan
HBL Habib Bank Limited
UBL United Bank Limited
ABL Allied Bank Limited

Source: Annual Reports of the Banks

Selected Ratios – Major Banks

(In %)

Banks	Cost of Fund			Intermediation Cost			Pre-Tax Margin			Non Interest Income Ratio (NIR)			Gross Spread Ratio (GSR)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	5.6	5.4	5.5	3.2	3.3	3.5	23.0	22.7	18.8	29.0	29.2	35.3	48.9	49.1	43.6
HBL	4.7	5.0	5.2	3.2	3.2	2.6	27.5	29.5	26.5	19.4	18.0	18.1	57.4	56.9	49.0
UBL	4.5	4.9	4.9	3.2	3.1	3.3	25.6	29.1	29.8	22.7	24.4	30.8	57.8	56.0	52.5
MCB Bank Ltd	4.1	4.8	4.8	2.8	3.2	3.0	43.0	41.3	41.4	14.5	15.4	18.3	67.2	65.3	59.8
ABL	5.9	6.3	6.2	3.0	3.1	2.9	24.4	25.7	25.1	20.1	21.6	42.9	50.2	48.6	37.1
Bank Al-Falah	6.7	6.5	6.1	3.5	3.5	3.4	3.2	10.9	12.7	25.6	22.4	28.2	36.4	42.0	40.3
Standard Chartered Bank	4.7	4.7	4.3	5.6	5.4	5.1	16.3	22.1	23.7	26.4	23.2	27.3	61.8	64.2	62.6
Total	5.1	5.3	5.3	3.3	3.4	3.2	24.8	27.0	25.7	22.4	22.1	27.8	54.4	54.5	48.8

Banks	Cost / Income Ratio			Income Expense Ratio			ROE			ROA			ROD		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	43.1	45.5	52.9	1.3	1.3	1.2	17.7	16.4	14.3	1.8	1.6	1.3	2.3	2.0	1.6
HBL	40.5	40.4	41.8	1.4	1.4	1.4	20.4	23.7	21.1	1.8	2.1	1.7	2.3	2.6	2.1
UBL	40.4	37.9	42.2	1.3	1.4	1.4	19.8	23.7	24.3	1.4	2.1	2.2	2.1	2.7	2.7
MCB Bank Ltd	28.2	29.6	34.1	1.8	1.7	1.7	25.9	26.2	25.1	3.1	3.2	3.0	4.2	4.2	4.0
ABL	39.8	41.0	45.2	1.3	1.3	1.3	28.8	29.5	29.0	1.9	2.1	2.0	2.3	2.6	2.6
Bank Al-Falah	68.4	57.7	58.8	1.0	1.1	1.1	4.9	16.5	18.8	0.2	0.8	0.9	0.3	0.9	1.1
Standard Chartered Bank	54.7	49.5	51.7	1.2	1.3	1.3	7.8	11.0	11.6	1.1	1.6	1.6	1.7	2.4	2.4
Total	42.1	41.4	45.5	1.3	1.4	1.3	18.9	21.0	20.2	1.8	2.0	1.8	2.2	2.5	2.3

Banks	Solvency Ratios									Equity Multiplier (Time)			Capital Risk Assets Ratio (CRA)		
	Earning Assets/Deposits			Capital Ratio			Deposit Time Capital			2010	2011	2012	2010	2011	2012
	2010	2011	2012	2010	2011	2012	2010	2011	2012						
NBP	100.9	99.4	99.5	10.0	9.8	9.2	6.3	6.7	6.9	10.0	10.2	10.9	20.8	21.4	19.2
HBL	103.5	102.7	108.0	9.0	9.0	7.9	8.2	8.4	9.0	11.2	11.1	12.7	17.6	20.6	23.3
UBL	106.2	106.1	106.4	8.5	8.9	8.9	8.1	7.9	7.7	11.7	11.3	11.3	16.3	19.8	21.5
MCB Bank Ltd	113.0	110.7	115.0	12.1	12.1	11.8	5.4	5.5	5.4	8.3	8.2	8.5	25.7	30.7	35.9
ABL	106.8	107.6	108.7	6.6	7.1	7.0	10.6	9.7	9.7	15.2	14.0	14.2	11.7	13.8	15.6
Bank Al-Falah	98.4	97.1	98.0	4.9	4.8	4.8	15.3	15.7	15.3	20.3	20.7	20.7	10.0	10.5	11.2
Standard Chartered Bank	111.0	109.7	108.8	14.6	14.6	13.6	4.3	4.3	4.6	6.8	6.8	7.3	35.2	37.0	38.4
Total	104.8	103.8	105.8	9.3	9.4	8.9	7.3	7.4	7.6	10.7	10.6	11.3	18.8	21.1	22.1

Banks	Liquidity Ratio									Debt Management Ratio (DMR)					
	Advances+Inv./Assets			Earning Assets/Assets			Advances/Deposits			Avg.Liabilities/Avg.Assets			Liabilities/Equity (Time)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	74.3	74.2	75.1	79.4	80.0	79.5	61.1	57.0	60.2	87.4	88.1	88.5	8.8	9.0	9.6
HBL	77.4	76.7	79.5	83.3	84.0	84.4	63.1	53.3	43.5	90.1	90.2	91.3	10.1	10.0	11.6
UBL	79.5	79.7	79.7	83.9	83.5	83.5	66.0	56.6	52.5	90.2	90.0	89.8	10.6	10.2	10.1
MCB Bank Ltd	82.5	82.7	83.6	83.9	83.6	84.0	63.6	52.3	45.1	86.2	86.2	86.6	7.1	7.1	7.4
ABL	81.3	84.3	85.3	86.1	85.9	86.6	69.9	64.4	56.4	92.4	91.8	91.8	14.1	12.9	13.1
Bank Al-Falah	75.9	77.9	78.5	83.5	83.4	83.7	58.2	53.7	50.4	94.4	94.5	94.4	19.1	19.5	19.5
Standard Chartered Bank	66.2	65.7	67.2	74.7	73.8	73.3	61.7	58.9	52.7	84.4	84.4	85.4	5.8	5.8	6.3
Total	77.0	77.5	78.8	82.2	82.3	82.5	63.3	56.1	51.5	89.2	89.3	89.8	9.6	9.5	10.1

Banks	Net Profit Margin			Net Interest Margin (NIM)			Cost of Fund Earning Assets			Yield on Earning Assets			Interest Spread		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	28.9	26.6	23.9	5.5	5.4	4.5	5.8	5.5	5.8	11.2	10.9	10.2	5.7	5.5	4.7
HBL	27.4	31.0	31.5	6.5	6.7	5.1	4.8	5.1	5.4	11.2	11.8	10.5	6.6	6.8	5.3
UBL	25.2	29.7	32.3	6.2	6.4	5.5	4.5	5.0	5.0	10.7	11.4	10.5	6.3	6.5	5.6
MCB Bank Ltd	39.2	36.9	41.9	8.2	8.7	6.9	4.0	4.6	4.6	12.1	13.3	11.5	8.0	8.6	6.7
ABL	29.1	31.6	36.3	6.0	6.1	3.7	6.0	6.4	6.3	12.0	12.5	10.0	6.1	6.2	3.8
Bank Al-Falah	5.3	14.6	17.6	4.1	5.1	4.4	7.1	7.0	6.5	11.2	12.1	11.0	4.5	5.6	4.8
Standard Chartered Bank	15.4	20.4	22.1	7.3	8.2	7.1	4.5	4.6	4.3	11.8	12.8	11.4	7.1	8.1	7.1
Total	26.9	28.8	30.3	6.2	6.5	5.2	5.2	5.4	5.4	11.4	11.9	10.6	6.3	6.6	5.3

Banks	NPLs/Gross Advances			NPLs Provisions/Net Advances			Admn Exp./Employee (Rs.Mn)			Staff/Branch			Profit (A.T)/Branch (Rs.Mn)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
NBP	16.2	15.6	13.4	12.8	13.4	12.3	1.6	1.8	2.2	13	13	12	13.6	13.5	12.3
HBL	10.8	12.1	11.6	9.6	11.4	10.5	1.8	2.0	2.1	9	9	9	10.4	14.0	14.0
UBL	12.9	13.9	14.8	10.2	12.4	13.0	2.1	2.2	2.6	7	7	7	9.8	12.6	13.9
MCB Bank Ltd	9.0	10.2	10.0	7.7	9.3	9.8	1.3	1.5	1.6	9	9	9	14.9	16.6	17.6
ABL	7.2	7.7	7.5	6.3	7.1	6.9	1.2	1.3	1.5	11	12	11	10.2	12.1	13.3
Bank Al-Falah	8.8	8.9	9.6	5.7	6.4	6.7	1.7	1.8	2.1	20	19	15	2.5	8.6	9.7
Standard Chartered Bank	14.8	16.6	17.4	14.1	16.4	18.5	4.2	4.4	4.6	19	21	23	22.3	38.1	45.5
Total	11.9	12.5	12.2	9.7	11.1	11.0	1.7	1.9	2.1	11	11	10	11.5	14.0	14.5

Key Performance Indicators – Private/Provincial Government Banks

(Rs.Bn)

Banks	Assets			Equity			Deposits			Advances			Investments		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	314.7	343.8	353.1	14.8	16.5	17.7	255.9	291.5	306.9	152.8	150.7	143.7	102.3	133.8	145.4
Soneri Bank	108.1	129.7	158.6	8.4	10.2	11.4	82.0	99.7	120.8	54.7	65.3	76.8	35.0	45.8	59.5
Bank Al-Habib	301.6	384.3	453.1	14.7	17.8	21.2	249.8	302.1	340.4	125.8	114.9	147.9	137.2	223.0	249.8
Bank of Khyber	50.8	68.4	82.2	5.6	9.7	10.8	37.0	45.5	60.0	18.2	22.3	26.7	19.9	36.7	45.7
Bank of Punjab	229.2	281.0	332.1	-7.1	-6.9	-6.3	208.2	238.0	266.1	120.8	127.1	149.6	56.4	92.6	129.5
Sindh Bank	-	47.7	92.3	-	10.7	11.0	-	23.5	31.5	-	7.3	19.3	-	26.1	62.6
KASB Bank	56.7	71.3	88.3	2.1	2.7	2.0	46.3	61.3	61.9	29.5	28.4	29.7	13.9	16.9	40.9
Habib Metropolitan Bank Ltd	252.2	288.2	300.8	21.0	24.2	26.1	160.5	185.4	217.8	119.8	109.7	106.9	101.0	147.5	160.8
Faysal Bank	267.3	292.6	313.1	16.6	17.8	18.7	195.3	214.6	240.7	133.7	148.2	172.3	86.4	93.4	88.0
mybank*	39.5	-	-	3.2	-	-	29.5	-	-	19.6	-	-	9.4	-	-
SILKBANK	72.6	90.7	89.1	4.8	5.5	5.2	55.7	64.1	69.0	44.4	49.9	49.0	13.2	17.5	12.7
Meezan Bank	154.8	200.5	274.4	10.7	13.3	15.5	131.1	170.0	230.4	60.3	70.4	88.7	55.0	98.5	152.5
NIB Bank	164.3	154.8	190.6	13.7	13.6	13.6	99.2	85.5	91.3	74.6	60.8	71.6	51.8	49.6	85.4
Dubai Islamic Bank	39.9	48.2	63.5	6.0	6.2	6.8	31.4	38.5	53.1	23.0	23.9	26.3	5.9	12.9	21.3
Bank Islami Pakistan	45.0	58.8	74.2	4.7	5.3	5.6	38.2	50.6	64.2	19.6	24.7	27.4	13.7	21.1	29.0
Summit Bank	72.3	119.4	134.4	3.6	5.1	3.0	61.6	89.7	96.9	38.8	56.0	52.5	20.5	36.3	49.9
JS Bank	39.4	53.9	81.6	5.8	7.5	8.8	26.3	41.5	62.5	14.0	18.0	20.1	13.7	22.6	46.3
alBaraka	60.8	72.5	73.9	6.1	6.5	5.9	49.3	61.6	63.3	27.6	29.2	28.8	15.6	26.2	27.4
Burj Bank	17.7	27.7	47.2	4.3	5.8	5.9	12.6	20.3	35.9	6.8	12.4	23.4	5.1	10.0	17.2
Samba Bank Limited	30.5	31.3	34.9	7.9	8.2	8.5	14.9	17.7	22.8	12.1	15.8	15.4	11.1	9.7	8.9
First Women Bank	12.7	16.1	22.5	1.1	1.6	2.0	10.2	13.8	19.2	6.3	7.7	8.3	3.4	4.7	7.3
All Private/Prov.Banks	2330.1	2780.9	3259.9	148.0	181.3	193.4	1795.0	2114.9	2454.7	1102.4	1142.7	1284.4	770.5	1124.9	1440.1

(Rs.Mn)

Banks	Interest Income			Interest Expense			Net Interest Income			Non Interest Income			Revenue		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	27329	32766	32402	17937	22700	22874	9392	10067	9428	2800	2903	4117	12192	12970	13545
Soneri Bank	10250	12910	14068	7204	8997	9224	3047	3912	4844	1228	1887	1857	4275	5799	6701
Bank Al-Habib	27475	36503	41468	16679	22501	26106	10797	14002	15362	2129	2721	2967	12926	16723	18329
Bank of Khyber	4207	6947	7205	2925	4552	4611	1282	2395	2594	60	730	976	1671	3125	3570
Bank of Punjab	18220	20685	24666	18801	21073	22523	-581	-388	2143	1883	1990	3191	1302	1846	5334
Sindh Bank	-	3704	6141	-	2241	4103	-	1463	2038	-	222	527	-	1685	2565
KASB Bank	5017	4517	6340	5064	5053	4120	-47	-536	2221	623	673	1038	576	137	3259
Habib Metropolitan Bank Ltd	23380	27248	27139	16433	19548	18833	6947	7699	8307	4429	5187	5458	11376	12886	13765
Faysal Bank	19710	28825	28802	13919	19619	19839	5791	9206	8963	4012	4070	5282	9803	13276	14245
mybank*	2887	-	-	2332	-	-	555	-	-	409	-	-	970	-	-
SILKBANK	6776	8386	8584	5926	6515	6681	849	1871	1902	1185	847	1065	2170	5348	3696
Meezan Bank	12290	18032	21837	6606	8666	11384	5684	9366	10452	2475	2505	2398	8159	11871	12873
NIB Bank	16482	14246	13988	13533	12167	11133	2949	2079	2856	1715	2152	2422	4664	4231	5378
Dubai Islamic Bank	4072	4633	5682	2130	2396	2808	1942	2237	2874	366	616	695	2308	2853	3569
Bank Islami Pakistan	3807	5502	5975	2057	2883	3507	1750	2619	2468	207	227	534	1964	2846	3002
Summit Bank	7071	9552	10265	6102	9021	10138	968	531	127	582	732	1377	1550	1263	1504
JS Bank	3300	4312	6023	2255	2583	3758	1045	1729	2265	333	762	1806	1378	2642	4071
alBaraka	2199	6699	6271	1659	5001	4725	540	1698	1546	247	482	406	787	2407	1952
Burj Bank	1263	2376	3603	726	1423	2594	537	952.0	1009	64	188	456	601	1140	1648
Samba Bank Limited	2385	3352	3054	1350	1944	1722	1034	1408	1332	321	152	154	1355	1606	1669
First Women Bank	1374	1919	1798	764	1176	1038	611	742	760	57	254	96	668	996	856
All Private/Prov.Banks	199494	253114	275311	144402	180059	191721	55092	73052	83491	25125	29300	36822	80695	105650	121531

Banks	Admn Expense			Operating Profit			Provision/Other Expenses			Profit/Loss (B.T)			Profit/Loss (A.T)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	7813	8639	9039	4379	4331	4506	3107	1918	2776	1273	2413	1730	943	1628	1255
Soneri Bank	2624	3394	4248	1651	2405	2453	1511	1327	731	140	1078	1722	125	783	1104
Bank Al-Habib	6162	7585	8796	6764	9138	9533	1108	1983	664	5656	7155	8869	3602	4533	5446
Bank of Khyber	944	1468	1658	727	1657	1912	13	371	343	713	1285	1569	563	872	1075
Bank of Punjab	3426.0	3954	4430	-2124.0	-2108	904	4061.0	-2632	-500	-6186	523	1404	-4029	348	1634
Sindh Bank	-	514	1278	-	1171	1287	-	31	1	-	1140	1286	-	750	888
KASB Bank	2495	2323	2676	-1919	-2186	583	1536	814	2393	-3455	-3001	-1810	-2711	-2370	-1063
Habib Metropolitan Bank Ltd	4173	4924	5747	7203	7962	8018	3176	3332	2977	4026.0	4630	5041	2818	3281	3403
Faysal Bank	6644	10814	10810	3159	2462	3435	2332	985	1595	827.0	1478	1840	1190	1280	1423
mybank*	1110	-	-	-140	-	-	938	-	-	-1078.0	-	-	-1043	-	-
SILKBANK	3154	3779	4214	-984	1569	-518	253	210	11	-1235.0	1359	-529	-1131	695	-344
Meezan Bank	4461	5959	7192	3698	5912	5681	1571	1557	451	2127	4356	5230	1650	3391	3508
NIB Bank	6955	4715	5173	-2291	-484	205	10331	2996	59	-12622	-3480	145	-10112	-2044	38
Dubai Islamic Bank	2096	2497	2846	212	356	723	194	40	222	18.0	316	501	8	190	346
Bank Islami Pakistan	1896	2139	2272	69	707	730	23	89	104	46	609	626	47	410	411
Summit Bank	2736	3816	3958	-1186	-2553	-2454	2690	655	71	-3876	-3208	-2525	-3018	-1209	-2734
JS Bank	1847	2098.0	2553	-469.0	544	1518	154	8.0	507	-623.0	536	1011	-407	360	708
alBaraka	1509	1911	1991	-722	496	-39	851	16	914	-1572	481	-953	-1040	410	-642
Burj Bank	987	1229	1613	-386	-89	35	439	258	2	-825.0	-347	33	-535	-288	85
Samba Bank Limited	1457	1393	1458	-102	213	211	29	13	47	-130	201	164	-120	236	301
First Women Bank	534	601	716	134	395	140	80	-5	50	55	400	88	24	258	44
All Private/Prov.Banks	63023	73752	82668	17673	31898	38863	34397	13966	13418	-16722	17924	25442	-13176	13514	16886

* mybank was descheduled and amalgamated with Summit Bank

Selected Ratios – Private/Provincial Government Banks

(In %)

Banks	Cost of Fund			Intermediation Cost			Pre-Tax Margin			Non Interest Income Ratio(NIIR)			Gross Spread Ratio(GSR)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	7.1	7.7	7.4	3.1	2.9	2.9	4.2	6.8	4.7	23.0	22.4	30.4	34.4	30.7	29.1
Soneri Bank	8.1	8.6	7.2	3.0	3.3	3.3	1.2	7.3	10.8	28.7	32.5	27.7	29.7	30.3	34.4
Bank Al-Habib	6.7	7.3	6.9	2.5	2.5	2.3	19.1	18.2	20.0	16.5	16.3	16.2	39.3	38.4	37.0
Bank of Khyber	8.2	9.5	7.5	2.6	3.1	2.7	16.7	16.7	19.2	3.6	23.4	27.3	30.5	34.5	36.0
The Bank of Punjab	5.9	8.5	7.9	1.1	1.6	1.5	-30.8	2.3	5.0	144.6	107.8	59.8	-3.2	-1.9	8.7
Sindh Bank	-	12.3	7.0	-	2.8	2.2	-	29.0	19.3	-	13.2	20.5	-	39.5	33.2
KASB Bank	9.7	8.6	6.4	4.8	3.9	4.1	-61.3	-57.8	-24.5	108.2	491.2	31.9	-0.9	-11.9	35.0
Habib Metropolitan Bank	7.6	8.2	7.4	1.9	2.1	2.2	14.5	14.3	15.5	38.9	40.3	39.7	29.7	28.3	30.6
Faysal Bank	7.2	8.1	7.5	3.4	4.5	4.1	3.5	4.5	5.7	40.9	30.7	37.1	29.4	31.9	33.4
mybank	7.3	-	-	3.5	-	-	-32.7	-	-	42.4	-	-	19.2	-	-
SILKBANK	9.1	8.8	8.2	4.8	5.1	5.2	-15.5	14.7	-5.5	54.6	15.8	28.8	12.5	22.3	22.2
Meezan Bank	5.4	5.5	5.3	3.6	3.8	3.4	14.4	21.2	21.6	30.3	21.1	18.6	46.2	51.9	47.9
NIB Bank	9.1	8.9	7.4	4.7	3.4	3.4	-69.4	-21.2	0.9	36.8	50.9	45.0	17.9	14.6	20.4
Dubai Islamic Bank	7.0	6.6	5.9	6.9	6.9	6.0	0.4	6.0	7.9	15.9	21.6	19.5	47.7	48.3	50.6
Bank Islami Pakistan	6.2	6.4	6.0	5.7	4.8	3.9	1.1	10.6	9.6	10.6	8.0	17.8	46.0	47.6	41.3
Summit Bank	12.2	10.3	8.7	5.5	4.4	3.4	-50.6	-31.2	-21.7	37.5	58.0	91.6	13.7	5.6	1.2
JS Bank	7.8	6.8	6.5	6.4	5.5	4.4	-17.1	10.6	12.9	24.2	28.8	44.4	31.7	40.1	37.6
alBaraka	4.9	8.7	7.4	4.5	3.3	3.1	-64.3	6.7	-14.3	31.4	20.0	20.8	24.6	25.3	24.7
Burj Bank	7.0	8.4	8.7	9.5	7.3	5.4	-62.2	-13.5	0.8	10.6	16.5	27.7	42.5	40.1	28.0
Samba Bank	7.3	9.0	7.3	7.9	6.5	6.2	-4.8	5.7	5.1	23.7	9.5	9.2	43.4	42.0	43.6
First Women Bank	7.7	9.4	6.3	5.4	4.8	4.3	3.8	18.4	4.6	8.5	25.5	11.2	44.5	38.7	42.3
Total	7.2	8.0	7.2	3.1	3.3	3.1	-7.3	6.3	8.2	31.3	27.7	30.3	27.6	28.9	30.5

Banks	Cost/Income Ratio			Income/Expense Ratio			ROE			ROA			ROD		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	64.1	66.6	66.7	1.0	1.1	1.0	6.7	10.4	7.3	0.3	0.5	0.4	0.4	0.6	0.4
Soneri Bank	61.4	58.5	63.4	1.0	1.1	1.1	1.6	8.4	10.2	0.1	0.7	0.8	0.2	0.9	1.0
Bank Al-Habib	47.7	45.4	48.0	1.2	1.2	1.2	26.7	27.9	27.9	1.3	1.3	1.3	1.6	1.6	1.7
Bank of Khyber	70.3	47.0	46.4	1.2	1.2	1.2	10.6	11.4	10.5	1.3	1.5	1.4	1.8	2.1	2.0
The Bank of Punjab	263.1	214.2	83.1	0.8	1.0	1.1	69.9	-5.0	-24.9	-1.8	0.1	0.5	-2.0	0.2	0.6
Sindh Bank	-	30.5	49.8	-	1.4	1.2	-	14.0	8.2	-	3.1	1.3	-	6.4	3.2
KASB Bank	433.2	1695.6	82.1	0.6	0.6	0.8	-78.6	-98.0	-45.2	-4.7	-3.7	-1.3	-6.0	-4.4	-1.7
Habib Metropolitan Bank	36.7	38.2	41.8	1.2	1.2	1.2	14.1	14.5	13.5	1.2	1.2	1.2	1.9	1.9	1.7
Faysal Bank	67.8	81.5	75.9	1.0	1.0	1.0	8.5	7.4	7.8	0.5	0.5	0.5	0.7	0.6	0.6
mybank	114.4	-	-	0.8	-	-	-28.0	-	-	-2.8	-	-	-3.7	-	-
SILKBANK	145.3	70.7	114.0	0.9	1.2	0.9	-45.1	13.5	6.4	-1.6	0.9	-0.4	-2.1	1.2	-0.5
Meezan Bank	54.7	50.2	55.9	1.2	1.3	1.3	16.6	28.2	24.4	1.2	1.9	1.5	1.4	2.3	1.8
NIB Bank	149.1	87.0	96.2	0.6	0.8	1.0	-36.6	-15.0	0.3	-5.4	-1.3	0.0	-10.5	-2.2	0.04
Dubai Islamic Bank	90.8	87.5	79.7	1.0	1.1	1.1	0.1	3.1	5.3	0.0	0.4	0.6	0.03	0.5	0.8
Bank Islami Pakistan	96.8	75.2	75.7	1.0	1.1	1.1	1.0	8.3	7.7	0.1	0.8	0.6	0.1	0.9	0.7
Summit Bank	176.5	302.1	263.2	0.7	0.8	0.8	-78.8	-26.4	-64.5	-5.5	-1.3	-2.2	-6.5	-1.6	-2.9
JS Bank	134.0	97.4	62.7	0.9	1.1	1.1	-7.1	5.4	8.7	-1.1	0.8	1.0	-1.7	1.1	1.4
alBaraka	191.7	97.4	102.0	0.6	1.1	0.9	-21.7	6.5	-10.4	-2.6	0.6	-0.9	-3.2	0.7	-1.0
Burj Bank	164.2	107.8	97.9	0.6	0.9	1.0	-11.8	-5.7	1.5	-3.5	-1.3	0.2	-5.5	-1.7	0.3
Samba Bank	87.0	89.3	87.4	1.0	1.0	1.0	-1.6	2.9	3.6	-0.4	0.8	0.9	-0.9	1.5	1.5
First Women Bank	79.9	60.3	83.8	1.0	1.2	1.0	2.2	18.9	2.4	0.2	1.8	0.2	0.3	2.1	0.3
Total	78.1	69.8	68.0	0.9	1.1	1.1	-8.5	8.2	9.0	-0.6	0.5	0.6	-0.8	0.7	0.7

Banks	Solvency Ratio									Equity Multiplier (Time)			Capital Risk Assets Ratio (CRA)		
	Earning Assets/Deposits			Capital Ratio			Deposit Time Capital								
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	104.6	102.3	99.7	4.9	4.8	4.9	14.9	16.2	16.0	20.4	21.0	20.4	9.7	10.3	11.6
Soneri Bank	113.2	113.6	114.0	7.7	7.8	7.5	9.3	9.1	9.5	13.1	12.8	13.3	15.1	15.5	15.2
Bank Al-Habib	111.1	110.7	117.2	4.9	4.7	4.7	14.6	15.4	14.7	20.4	21.1	21.5	11.6	13.5	14.8
Bank of Khyber	120.3	126.8	130.7	11.9	12.8	13.6	4.1	4.2	4.8	8.4	7.8	7.4	35.4	37.8	41.8
The Bank of Punjab	103.2	102.4	101.5	-2.6	-2.7	-2.1	40.5	30.9	21.8	-38.7	-36.7	-46.7	-8.7	-5.6	-4.7
Sindh Bank	-	189.2	239.0	-	22.5	15.6	-	2.2	2.5	-	4.4	6.4	-	148.1	82.1
KASB Bank	100.3	92.4	105.1	5.9	3.8	2.9	12.1	18.7	20.9	16.8	26.5	33.9	11.7	8.3	8.1
Habib Metropolitan Bank	147.3	141.7	132.9	8.1	8.4	8.5	7.8	7.7	7.6	12.3	12.0	11.7	17.9	19.7	23.2
Faysal Bank	122.0	115.2	111.5	6.2	6.2	6.0	10.9	11.5	11.3	16.0	16.3	16.6	12.4	12.2	11.4
mybank	105.5	-	-	9.9	-	-	6.1	-	-	10.1	-	-	20.1	-	-
SILKBANK	106.5	108.0	103.8	3.5	6.3	6.0	16.0	11.4	12.1	28.2	15.8	16.8	6.6	11.0	10.8
Meezan Bank	101.3	103.3	105.1	7.1	6.8	6.1	11.4	12.1	13.2	14.1	14.8	16.5	19.4	18.4	18.1
NIB Bank	151.0	142.1	162.9	14.8	8.5	7.9	3.5	6.8	6.9	7.6	11.7	12.7	34.9	20.1	20.5
Dubai Islamic Bank	103.7	106.4	106.7	16.1	13.9	11.7	4.9	5.7	7.0	6.2	7.2	8.6	27.9	26.2	25.9
Bank Islami Pakistan	88.7	100.4	101.4	11.9	9.5	8.0	7.0	8.8	10.5	8.4	10.5	12.4	31.4	22.3	20.5
Summit Bank	99.8	102.9	109.5	6.9	4.8	3.3	12.5	16.5	21.0	14.4	20.9	29.9	13.4	9.7	7.8
JS Bank	123.0	113.5	111.8	15.8	14.3	12.0	4.1	5.1	6.3	6.3	7.0	8.3	44.6	41.7	42.8
alBaraka	101.0	102.5	101.7	11.9	9.5	8.5	6.7	8.8	9.9	8.4	10.5	11.8	25.9	22.3	21.4
Burj Bank	127.7	119.9	117.4	29.6	22.2	15.6	2.1	3.3	4.8	3.4	4.5	6.4	78.5	52.3	32.5
Samba Bank	164.9	160.3	138.2	27.7	26.0	25.2	1.8	2.0	2.4	3.6	3.8	4.0	68.7	57.6	53.2
First Women Bank	107.4	107.7	106.2	9.3	9.5	9.4	8.6	8.5	8.7	10.7	10.6	10.6	22.4	19.5	22.7
Total	114.9	112.7	114.2	7.2	6.5	6.2	9.3	10.4	10.6	13.9	15.5	16.1	16.2	14.7	15.5

Selected Ratios – Private/Provincial Government Banks

(In %)

Banks	Liquidity Ratio									Debt Management Ratio					
	Advances+Investment/Assets			Earning Assets/Assets			Advances/Deposits			Liabilities/Assets			Liabilities/Equity (Time)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	80.3	81.9	82.3	84.9	85.1	85.6	62.3	55.4	49.2	94.6	94.9	94.6	19.2	19.9	19.3
Soneri Bank	82.6	84.4	85.8	86.6	86.8	87.2	66.5	66.0	64.5	91.8	91.6	91.9	12.0	11.7	12.2
Bank Al-Habib	87.0	87.6	87.8	88.5	89.1	89.9	52.8	43.6	40.9	94.5	94.8	94.8	19.3	20.0	20.3
Bank of Khyber	75.7	81.4	87.2	85.0	87.8	91.7	47.5	49.1	46.4	82.9	83.4	85.3	7.0	6.5	6.3
The Bank of Punjab	55.5	77.8	81.4	92.3	89.5	83.4	33.4	55.6	54.9	97.8	97.2	96.2	-37.8	-35.6	-44.9
Sindh Bank	-	69.9	82.3	-	93.2	93.9	-	30.9	48.3	-	77.7	84.5	-	3.4	5.4
KASB Bank	75.9	69.3	72.6	78.0	77.7	81.1	65.5	53.9	47.2	93.6	95.5	96.3	15.7	25.3	32.7
Habib Metropolitan Bank	88.8	88.4	89.1	91.1	90.7	91.0	73.3	66.4	53.7	92.0	91.7	91.0	11.3	11.0	10.7
Faysal Bank	82.1	82.5	82.9	86.9	84.3	83.8	70.6	68.8	70.4	93.5	93.6	93.4	15.0	15.2	15.5
mybank	75.4	-	-	79.3	-	-	65.8	-	-	87.7	-	-	8.8	-	-
SILKBANK	77.5	76.4	71.9	79.4	79.2	76.9	72.6	78.7	77.4	95.3	93.6	93.9	26.9	14.8	15.8
Meezan Bank	64.4	80.0	86.3	86.2	87.5	88.6	44.4	43.4	39.7	92.7	93.0	93.6	13.0	13.7	15.4
NIB Bank	73.2	74.2	77.4	78.3	82.2	83.4	82.1	73.3	74.9	85.2	91.4	92.6	5.7	10.7	11.8
Dubai Islamic Bank	63.8	74.6	75.6	81.9	84.5	87.5	73.0	67.0	54.8	83.9	86.1	88.3	5.2	6.2	7.6
Bank Islami Pakistan	60.1	76.1	76.8	77.7	85.8	87.5	45.4	49.8	45.4	88.0	90.3	91.8	7.4	9.5	11.4
Summit Bank	81.7	79.1	76.8	84.0	81.3	80.5	61.6	62.6	58.2	93.3	95.2	96.5	13.4	19.9	28.9
JS Bank	67.3	73.3	79.0	81.0	82.4	85.8	53.9	47.2	36.6	84.1	85.7	87.9	5.3	6.0	7.3
alBaraka	69.6	74.0	76.2	82.1	85.3	86.7	57.6	51.2	46.4	88.1	90.5	91.4	7.4	9.5	10.8
Burj Bank	63.4	75.6	84.1	84.7	87.2	88.3	59.5	58.3	63.6	70.1	77.7	84.3	2.4	3.5	5.4
Samba Bank	71.5	78.8	75.3	83.3	84.4	84.4	79.8	86.0	89.6	72.3	74.0	74.8	2.6	2.8	3.0
First Women Bank	74.4	76.9	72.6	88.7	89.7	90.8	50.6	58.3	48.6	90.4	90.2	90.2	9.7	9.5	9.6
Total	76.7	81.0	82.6	85.8	86.2	86.4	59.3	57.4	53.1	92.0	92.7	92.9	12.8	14.3	15.0

Banks	Net Profit Margin			Net Interest Margin			Cost of Fund Earning Assets			Yield on Earning Assets			Interest Spread		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	7.7	12.6	9.3	3.9	3.6	3.2	7.4	8.1	7.7	11.3	11.7	10.9	4.2	4.0	3.5
Soneri Bank	2.9	13.5	16.5	3.5	3.8	3.9	8.2	8.7	7.3	11.6	12.5	11.2	3.5	3.9	4.0
Bank Al-Habib	27.9	27.1	29.7	4.4	4.6	4.1	6.8	7.4	6.9	11.3	12.0	11.0	4.5	4.7	4.1
Bank of Khyber	33.7	27.9	30.1	3.4	4.6	3.8	7.7	8.7	6.7	11.1	13.3	10.4	2.8	3.8	3.0
The Bank of Punjab	-309.4	18.9	30.6	-0.3	-0.2	0.8	9.1	9.2	8.8	8.9	9.1	9.6	2.9	0.6	1.8
Sindh Bank	-	44.5	34.6	-	6.6	3.1	-	10.1	6.2	-	16.7	9.3	-	4.4	2.3
KASB Bank	-470.7	-1729.9	-32.6	-0.1	-1.1	3.4	11.2	10.2	6.4	11.1	9.1	9.8	1.4	0.5	3.4
Habib Metropolitan Bank	24.8	25.5	24.7	3.1	3.1	3.1	7.4	8.0	7.0	10.5	11.1	10.1	2.9	2.9	2.8
Faysal Bank	12.1	9.6	10.0	3.0	3.9	3.5	7.2	8.3	7.8	10.1	12.2	10.6	3.0	4.1	3.1
mybank	-108.2	-	-	1.9	-	-	7.8	-	-	9.7	-	-	2.4	-	-
SILKBANK	-52.1	13.0	-9.3	1.5	2.9	2.8	10.6	10.1	9.7	12.1	13.0	12.4	3.0	4.1	4.2
Meezan Bank	20.2	28.6	27.3	4.7	6.0	5.0	5.5	5.6	5.4	10.2	11.6	10.4	4.8	6.1	5.1
NIB Bank	-216.8	-48.3	0.7	2.0	1.6	2.0	9.3	9.3	7.7	11.3	10.9	9.7	2.2	2.0	2.3
Dubai Islamic Bank	0.3	6.7	9.7	6.3	6.0	5.9	6.9	6.4	5.7	13.2	12.5	11.6	6.2	5.9	5.7
Bank Islami Pakistan	2.4	14.4	13.7	5.7	5.9	4.2	6.7	6.5	6.0	12.4	12.4	10.3	6.2	5.9	4.3
Summit Bank	-194.7	-95.7	-181.8	2.1	0.7	0.1	13.2	11.6	9.9	15.3	12.3	10.1	3.0	2.0	1.4
JS Bank	-29.5	13.6	17.4	3.6	4.5	3.9	7.7	6.7	6.5	11.3	11.2	10.4	3.5	4.4	3.8
alBaraka	-132.1	17.9	-32.9	1.6	3.0	2.4	5.0	8.8	7.4	6.7	11.8	9.9	1.7	3.1	2.5
Burj Bank	-89.0	-25.3	5.2	4.1	4.8	3.1	5.6	7.2	7.9	9.7	12.0	10.9	3.7	3.6	-8.7
Samba Bank	-8.9	14.7	18.0	4.6	5.4	4.8	6.0	7.5	6.2	10.6	12.8	10.9	3.3	3.8	3.6
First Women Bank	3.6	25.9	5.1	6.0	5.7	4.3	7.5	9.1	5.9	13.5	14.8	10.3	5.8	5.4	-6.3
Total	-16.3	12.8	13.9	3.0	3.3	3.2	7.8	8.2	7.3	10.7	11.5	10.4	3.5	3.5	3.3

Banks	NPLs/Gross Advances			NPLs Provision/Net Advances			Admn Expenses/Employee(Rs.Mn)			Staff/Branch (Nos)			Profit(A.T)/Branch(Rs.Mn)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Askari Commercial Bank	13.7	14.1	16.1	10.9	11.0	13.0	1.2	1.4	1.6	27	24	21	4.0	6.6	4.8
Soneri Bank	12.8	13.7	12.9	8.9	9.6	9.0	1.2	1.4	1.6	12	11	12	0.7	3.7	4.7
Bank Al-Habib	2.5	2.6	2.7	2.9	4.3	4.3	1.5	1.6	1.7	15	16	16	13.0	15.6	17.7
Bank of Khyber	22.8	16.9	15.8	20.2	14.8	12.3	0.8	1.1	1.2	24	22	19	11.3	14.1	14.0
The Bank of Punjab	51.3	48.5	42.1	24.2	21.2	19.0	0.8	0.8	0.9	16	18	17	-14.8	1.2	5.3
Sindh Bank	-	-	-	-	-	-	-	10.3	8.0	-	10	6	-	15.0	5.6
KASB Bank	28.1	35.1	38.9	18.0	20.2	25.1	2.1	2.1	2.2	12	11	11	-26.1	-22.8	-10.1
Habib Metropolitan Bank	9.4	12.5	14.8	6.8	8.7	42.6	1.8	2.0	2.1	17	18	19	20.9	23.8	23.8
Faysal Bank	19.8	16.4	15.5	15.6	12.3	17.1	1.9	3.1	3.1	16	13	13	5.3	5.0	5.4
mybank	39.7	-	-	25.1	-	-	1.2	-	-	11	-	-	-13.0	-	-
SILKBANK	26.4	20.4	19.8	22.4	11.4	10.1	2.5	2.9	3.3	15	15	15	-13.3	8.2	-4.0
Meezan Bank	8.4	6.6	5.9	7.6	8.1	11.6	1.2	1.4	1.4	17	15	17	7.5	12.3	11.3
NIB Bank	35.0	37.4	36.7	30.0	34.9	35.2	2.4	2.0	2.1	16	13	14	-56.8	-11.4	0.2
Dubai Islamic Bank	8.4	8.9	9.7	2.5	2.4	3.0	3.6	3.3	3.0	11	10	9	0.2	2.5	3.5
Bank Islami Pakistan	4.8	3.7	4.5	1.7	1.5	1.5	1.4	1.5	1.6	13	14	10	0.5	4.0	2.9
Summit Bank	34.8	39.7	35.1	20.0	26.1	22.8	2.5	2.6	1.9	14	9	11	-37.7	-7.3	-14.7
JS Bank	14.3	16.8	15.4	4.1	3.2	5.1	2.2	2.2	2.3	7	7	6	-3.2	2.4	3.8
alBaraka	22.6	15.3	20.4	12.3	7.3	9.9	1.4	1.8	1.9	12	12	11	-11.7	4.6	-6.8
Burj Bank	20.5	9.9	5.5	11.1	8.3	3.9	2.1	2.3	2.1	9	11	10	-10.7	-5.8	1.1
Samba Bank	20.0	15.8	13.5	23.9	18.2	15.3	3.4	3.2	3.2	15	16	16	-4.3	8.4	10.8
First Women Bank	8.6	7.2	7.4	4.8	2.9	3.0	0.9	1.0	1.1	15	17	16	0.6	6.8	1.1
Total	21.5	20.1	19.3	13.8	12.9	12.8	1.5	1.8	1.9	16	15	14	-5.0	4.8	5.4

Key Performance Indicators – Foreign Banks

(Rs. Mn)

Banks	Assets			Equity			Deposits			Advances			Investments		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	97354	96903	85172	9140	10919	9020	68305	61678	64294	19244	18820	18256	50236	60399	31339
HSBC Bank Middle East Limited	56939	59356	50328	6206	7502	7644	46461	46171	38957	22242	20793	17586	6513	22120	13434
Deutsche Bank	17435	22242	28949	5274	6047	5971	6056	11119	18354	3246	2987	3979	2046	5587	7747
HSBC Bank Oman SAOG*	4201	4403	4144	3001	3132	3104	848	721	571	478	571	81	-	-	-
Bank of Tokyo - Mitsubishi	9044	8396	8272	4700	5155	5064	2350	1992	2402	2981	2215	1619	-	-	-
Barclays	48281	58024	47778	6477	6922	6819	32302	44665	29958	17437	20998	17744	21014	23791	19403
Industrial & Commercial Bank of China Limited**	-	5952	22048	-	3008	3142	-	1524	4168	-	26	57	-	1484	13596
All Foreign Banks	233254	255276	246691	34798	42685	40764	156322	167870	158704	65628	66410	59322	79809	113381	85519

Banks	Interest Income			Interest Expense			Net Interest Income			Non Interest Income			Revenue		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	9374	10280	8263	4241	4580	3030	5133	5700	5233	2054	2042	2456	7187	7742	7689
HSBC Bank Middle East Limited	5006	5849	4556	2714	2933	2326	2292	2916	2230	1006	1141	917	3298	4057	3147
Deutsche Bank	1066	1680	1970	325	557	868	741	1123	1101	1221	725	588	1962	1869	1729
HSBC Bank Oman SAOG*	65	76	49	78	91	98	-13	-15	-49	13	15	20	-	-	-29
Bank of Tokyo - Mitsubishi	510	570	363	407	469	295	103	101	68	82	103	157	185	204	225
Barclays	4392	5517	4492	2757	3508	2734	1635	2009	1758	360	518	398	1995	2766	2156
Industrial & Commercial Bank of China Limited**	-	56	772	-	46	683	-	10	89	-	0.6	141	-	11	230
All Foreign Banks	20413	24028	20465	10522	12184	10034	9891	11844	10430	4736	4545	4677	14627	16649	15147

Banks	Admn Expense			Operating Profit			Provisions/Other Expenses			Profit/Loss(BT)			Profit/Loss (A.T)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	3880	3997	4479	3307	3745	3210	2110	1221	889	1197	2524	2320	423	1756	1423
HSBC Bank Middle East Limited	2171	2443	3109	1127	1614	38	369	103	526	757	1511	-488	492	971	-396
Deutsche Bank	653	759	1171	1309	1110	558	25	28	7	1284	1104	551	834	708	351
HSBC Bank Oman SAOG*	59	69	78	-59	-69	-107	-22	-	210	-37	-69	-317	-37	-69	-317
Bank of Tokyo - Mitsubishi	113	140	153	72	64	72	1	2	2	70	62	70	48	34	45
Barclays	2484	2024	1966	-489	742	190	736	89	1231	-1225	653	-1041	-799	445	-1154
Industrial & Commercial Bank of China Limited**	-	195	411	-	-184	-180	-	-	-	-	-184	-180	-	-184	-180
All Foreign Banks	9360	9627	11367	5267	7022	3781	3219	1443	2865	2046	5601	916	961	3661	-228

* Formerly Oman International Bank S.A.O.G

** (ICBC) Commenced operations in Pakistan with effect from August 18, 2011

Selected Ratios – Foreign Banks

(In %)

Banks	Cost of Fund			Intermediation Cost			Pre-Tax Margin			Non Interest Income Ratio (NIIR)			Gross Spread Ratio (GSR)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	6.2	6.3	4.4	5.7	5.5	6.5	10.5	20.5	21.6	28.6	26.4	31.9	54.8	55.4	63.3
HSBC Bank Middle East Limited	5.9	6.1	5.3	4.7	5.1	7.0	12.6	21.6	-8.9	30.5	28.1	29.1	45.8	49.9	48.9
Deutsche Bank	4.8	5.8	5.5	9.6	7.9	7.5	56.1	45.9	21.5	62.2	38.8	34.0	69.5	66.8	55.9
HSBC Bank Oman SAOG	7.0	7.6	8.7	5.3	5.7	7.0	-47.5	-75.9	-458.7	-	-	-69.0	-20.0	-19.7	-100.0
Bank of Tokyo - Mitsubishi	9.7	12.9	9.6	2.7	3.8	5.0	11.8	9.2	13.5	44.3	50.5	69.8	20.2	17.7	18.7
Barclays	7.6	7.9	6.2	6.9	4.6	4.5	-25.8	10.8	-21.3	18.0	18.7	18.5	37.2	36.4	39.1
ICBC Ltd	-	6.0	7.6	-	25.6	4.6	-	-325.1	-19.7	-	5.7	61.3	-	17.9	11.5
All Foreign Banks	5.0	6.7	5.4	4.4	5.3	6.2	8.1	20.3	4.5	32.4	27.3	31.4	48.5	49.3	51.0

Banks	Cost / Income Ratio			Income Expense Ratio			ROE			ROA			ROD		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	54.0	51.6	58.3	1.4	1.4	1.4	4.8	17.5	14.3	0.5	1.8	1.6	0.7	2.7	6.4
HSBC Bank Middle East Limited	65.8	60.2	67.7	1.2	1.3	1.0	8.4	14.2	-5.2	0.9	1.7	-0.7	1.1	2.1	5.6
Deutsche Bank	33.3	40.6	69.3	2.3	1.8	1.3	16.0	12.5	5.8	5.1	3.6	1.4	13.8	8.2	5.0
HSBC Bank Oman SAOG	-	-	-270.7	0.6	0.6	0.4	-1.3	-2.3	-10.2	-0.9	-1.6	-7.4	-4.8	-8.8	3.3
Bank of Tokyo - Mitsubishi	61.1	68.6	68.0	1.1	1.1	1.2	1.1	0.7	0.9	0.5	0.4	0.5	1.9	1.6	2.6
Barclays	124.5	73.2	91.2	0.8	1.1	1.0	-12.0	6.6	-16.8	-1.8	0.8	-2.2	-2.6	1.2	3.5
ICBC Ltd	-	1839.6	178.7	-	0.2	0.8	-	-12.2	-5.9	-	-6.2	-1.3	-	-24.1	-6.3
All Foreign Banks	64.0	57.9	76.2	1.1	1.2	1.0	2.5	9.4	-0.5	0.3	1.5	-0.09	0.5	2.3	-0.1

Banks	Solvency Ratios									Equity Multiplier (Time)			Capital Risk Assets Ratio (CRA)		
	Earning Assets/Deposits			Capital Ratio			Deposit Time Capital			2010	2011	2012	2010	2011	2012
	2010	2011	2012	2010	2011	2012	2010	2011	2012						
Citibank	123.8	126.2	120.9	9.5	10.3	11.0	7.3	6.6	6.4	10.5	9.7	9.1	37.5	52.7	53.8
HSBC Bank Middle East Limited	99.2	99.6	98.5	10.8	11.8	13.8	7.5	6.8	5.6	9.3	8.5	7.2	25.8	31.9	39.5
Deutsche Bank	173.8	161.8	127.1	32.0	28.5	23.5	1.2	1.5	2.5	3.1	3.5	4.3	155.8	181.6	172.5
HSBC Bank Oman SAOG	80.6	83.7	63.0	71.8	71.3	73.0	0.3	0.3	0.2	1.4	1.4	1.4	676.1	584.6	956.4
Bank of Tokyo - Mitsubishi	162.6	163.0	136.0	50.0	56.5	61.3	0.6	0.4	0.4	2.0	1.8	1.6	169.7	189.7	266.5
Barclays	127.5	121.8	123.7	14.7	12.6	13.0	4.7	5.7	5.4	6.8	7.9	7.7	37.5	34.9	35.5
ICBC Ltd	-	154.7	332.0	-	50.6	22.0	-	0.5	0.9	-	2.0	4.6	-	11573.1	7410.8
All Foreign Banks	119.6	119.9	119.9	13.7	15.9	16.6	4.8	4.2	3.9	7.3	6.3	6.0	37.9	58.7	66.4

Banks	Liquidity Ratio									Debt Management Ratio (DMR)					
	Advances+Inv./Assets			Earning Assets/Assets			Advances/Deposits			Avg Liabilities/Avg.Assets			Liabilities/Equity (Time)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	69.9	76.5	70.7	83.7	84.4	83.6	37.6	29.3	29.4	90.7	89.9	89.1	9.5	8.7	8.1
HSBC Bank Middle East Limited	52.9	61.6	67.4	79.6	79.3	76.4	52.1	46.5	45.1	89.2	88.2	86.2	8.3	7.5	6.2
Deutsche Bank	28.3	34.9	39.7	64.3	70.1	73.2	55.5	36.3	23.6	68.0	71.5	76.6	2.1	2.5	3.3
HSBC Bank Oman SAOG	10.6	12.2	7.6	15.2	15.3	9.5	56.2	66.9	50.5	28.2	28.7	27.0	0.4	0.4	0.4
Bank of Tokyo - Mitsubishi	29.4	29.8	23.0	47.1	40.6	35.8	101.8	119.7	87.3	50.0	43.5	38.7	1.0	0.8	0.6
Barclays	75.0	78.3	77.4	87.3	88.2	87.3	57.0	49.9	51.9	85.3	87.4	87.0	5.8	6.9	6.7
ICBC Ltd	-	25.4	54.2	-	39.6	67.5	-	1.7	1.5	-	49.4	78.0	-	1.0	3.6
All Foreign Banks	64.1	66.6	64.7	80.2	79.5	78.0	53.7	40.7	38.5	86.1	84.2	83.4	6.3	5.3	5.0

Banks	Net Profit Margin			Net Interest Margin (NIM)			Cost of Fund Earning Assets			Yield on Earning Assets			Interest Spread		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	5.9	22.7	18.5	6.6	7.0	6.9	5.4	5.6	4.0	12.0	12.5	10.9	5.8	6.2	-1.1
HSBC Bank Middle East Limited	14.9	23.9	-12.6	5.3	6.3	5.3	6.3	6.4	5.5	11.6	12.7	10.9	5.6	6.6	-1.3
Deutsche Bank	42.5	37.9	20.3	7.1	8.1	5.9	3.1	4.0	4.6	10.2	12.1	10.5	5.4	6.3	2.2
HSBC Bank Oman SAOG	-	-	1091.4	-2.1	-2.3	-12.0	12.6	13.9	24.1	10.5	11.6	12.0	3.5	4.0	-13.9
Bank of Tokyo - Mitsubishi	25.9	16.7	20.0	2.5	2.9	2.3	9.8	13.3	9.9	12.3	16.1	12.2	2.6	3.2	-9.2
Barclays	-40.1	16.1	-53.5	4.1	4.3	3.8	7.0	7.5	5.9	11.1	11.8	9.7	3.5	3.8	-7.5
ICBC Ltd	-	-1735.8	-78.3	-	0.8	0.9	-	3.9	7.2	-	4.8	8.2	-	-1.3	0.5
All Foreign Banks	6.6	22.0	-1.5	4.3	6.1	5.3	4.6	6.3	5.1	9.0	12.4	10.5	4.0	5.6	5.1

Banks	NPLs/Gross Advances			NPLs Provisions/Net Advances			Admn Exp./Employee (Rs.Mn)			Staff/Branch			Profit (A.T)/Branch (Rs.Mn)		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Citibank	18.2	22.9	25.5	18.9	28.7	33.4	6.2	7.4	10.9	39	34	59	26.4	109.8	203.3
HSBC Bank Middle East Limited	3.3	4.7	7.3	2.1	2.0	4.5	4.2	6.4	8.7	47	35	36	44.7	88.3	-39.6
Deutsche Bank	9.6	10.7	9.2	12.5	12.8	11.2	8.8	9.7	14.8	25	26	26	278.0	236.0	117.0
HSBC Bank Oman SAOG	10.5	9.3	50.2	3.7	3.1	68.7	2.2	2.8	3.3	9	8	8	-12.3	-23.0	-105.5
Bank of Tokyo - Mitsubishi	-	-	-	-	-	-	3.5	4.4	4.9	32	32	31	48.0	34.0	45.0
Barclays	3.4	3.3	4.3	2.6	2.6	4.6	6.3	5.1	8.7	26	26	32	-53.3	29.7	-164.9
ICBC Ltd	-	-	-	-	-	-	-	7.0	12.8	-	14	16	-	-92.0	-90.0
All Foreign Banks	6.1	10.5	12.9	5.7	10.3	13.6	5.6	6.5	9.8	34	29	35	19.6	71.8	-6.5

All Bank Employees and Branches

(Nos.)

Banks	Employees			Branches		
	2010	2011	2012	2010	2011	2012
NBP	16457	16924	16440	1289	1300	1317
HBL	13172	13495	13817	1501	1506	1540
UBL	8499	8811	9085	1141	1235	1296
MCB Bank Ltd	9640	10154	10683	1132	1173	1187
ABL	9083	9772	9567	806	837	875
Bank Al-Falah	7571	7580	7124	385	406	471
Standard Chartered Bank	3076	3012	3020	162	143	130
Sub Total Major Banks	67498	69748	69736	6416	6600	6816
Askari Commercial Bank	6442	5994	5597	235	245	261
Soneri Bank	2191	2372	2687	184	214	233
Bank Al-Habib	4097	4633	5056	277	290	308
Bank of Khyber	1198	1384	1430	50	62	77
Bank of Punjab	4464	4999	5135	273	284	306
Sindh Bank	-	506	1038	-	50	160
KASB Bank	1198	1126	1203	104	104	105
Habib Metropolitan Bank Ltd	2358	2499	2710	135	138	143
Faysal Bank	3582	3435	3465	226	257	265
mybank	904	-	-	80	-	-
SILKBANK	1261	1296	1295	85	85	85
Meezan Bank	3787	4242	5199	220	275	310
NIB Bank	2882	2325	2456	178	179	179
Dubai Islamic Bank	581	768	947	51	75	100
Bank Islami Pakistan	1347	1448	1410	102	102	141
Summit Bank	1113	1442	2082	80	165	186
JS Bank	843	975	1096	126	147	185
alBaraka	1105	1061	1068	89	89	94
Burj Bank	473	539	785	50	50	75
Samba Bank Limited	432	439	450	28	28	28
Sub Total All Pvt/Prov. Govt. Banks	40258	41483	45109	2573	2839	3241
First Women Bank	585	630	641	38	38	41
Sub Total	40843	42113	45750	2611	2877	3282
Citibank	621	543	410	16	16	7
HSBC Bank Middle East Limited	522	384	358	11	11	10
Deutsche Bank	74	78	79	3	3	3
HSBC Bank Oman SAOG	27	25	24	3	3	3
Bank of Tokyo - Mitsubishi	32	32	31	1	1	1
Barclays	395	394	227	15	15	7
ICBC Ltd*	-	28	32	-	2	2
All Foreign Banks	1671	1484	1161	49	51	33
Grand Total	110012	113345	116647	9076	9528	10131

*Industrial and Commercial Bank of China Ltd

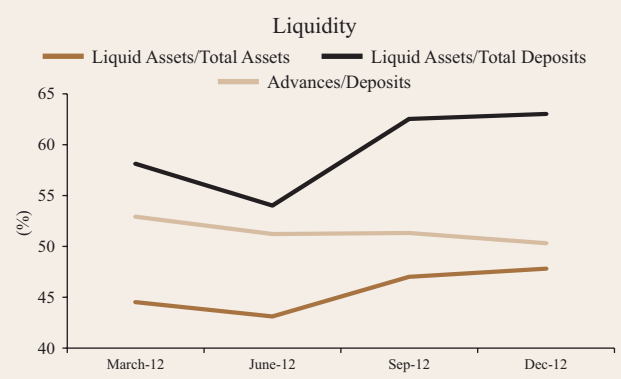
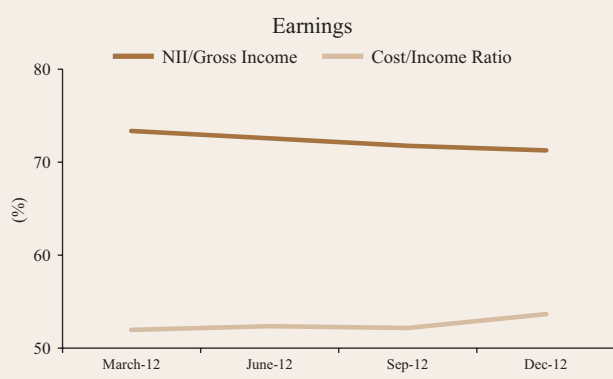
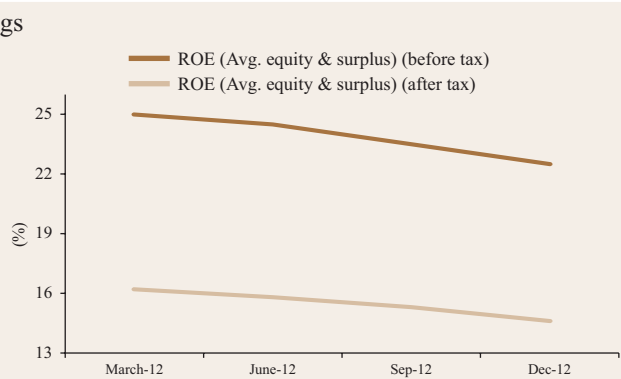
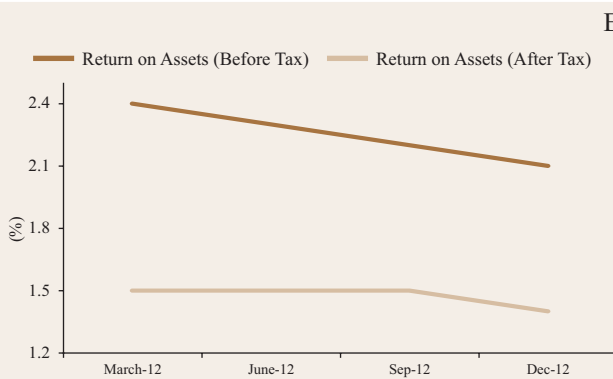
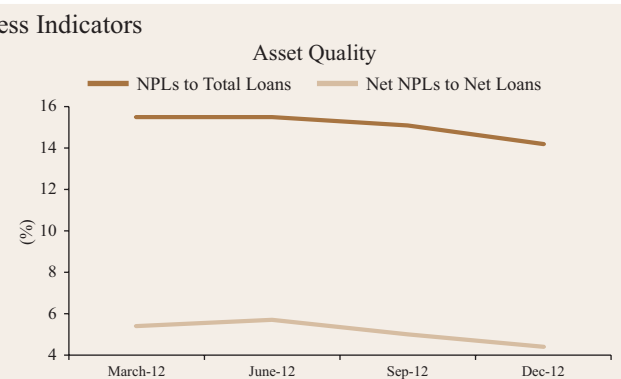
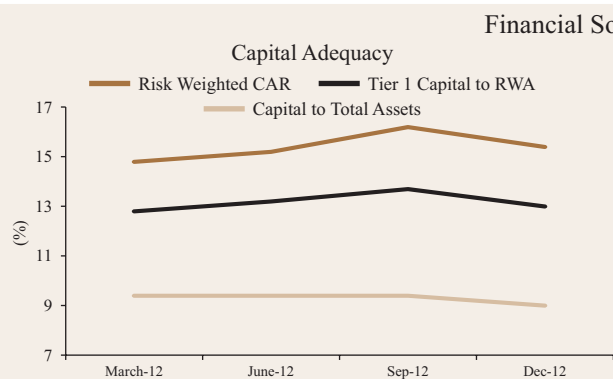
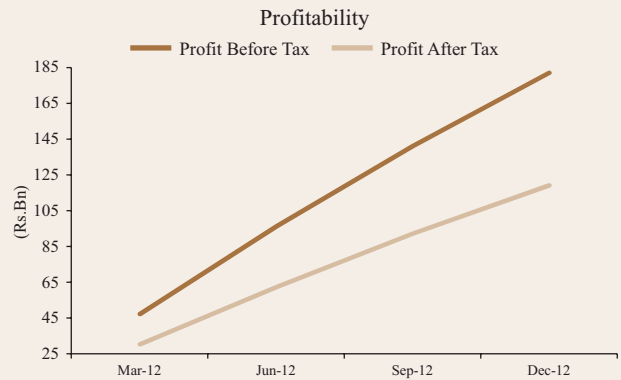
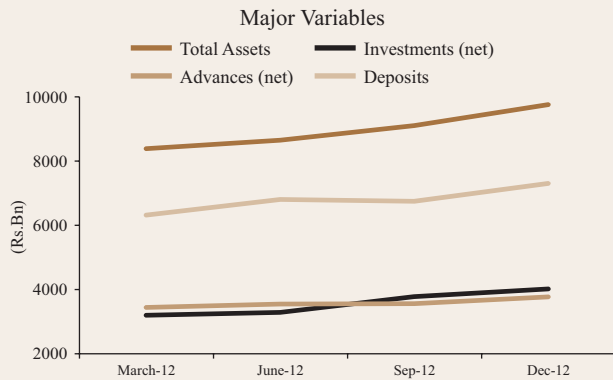
Credit Ratings of Banks, Development Finance Institutions & Micro Finance Banks as of July 25, 2013

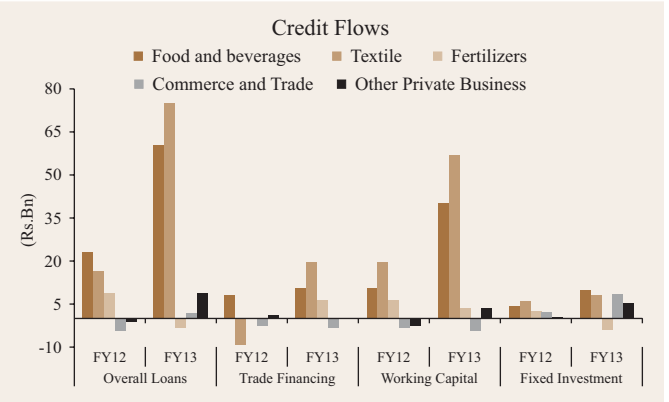
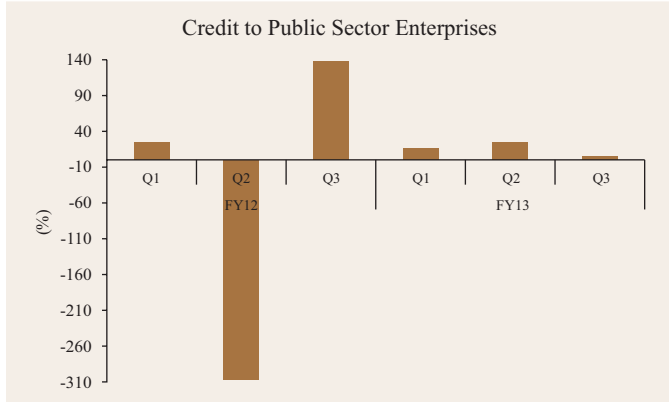
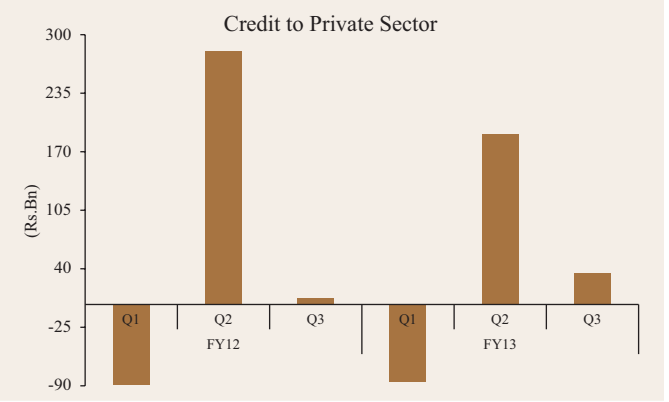
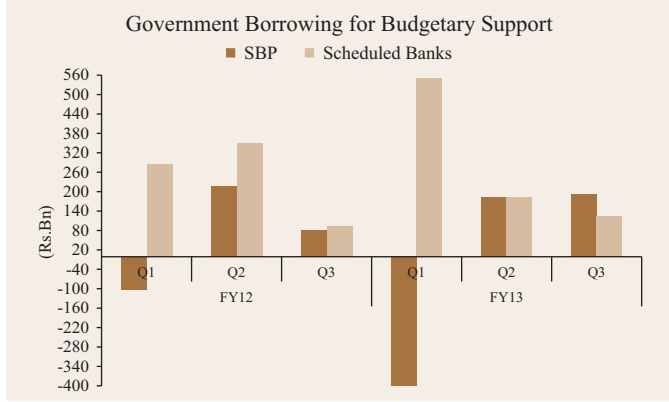
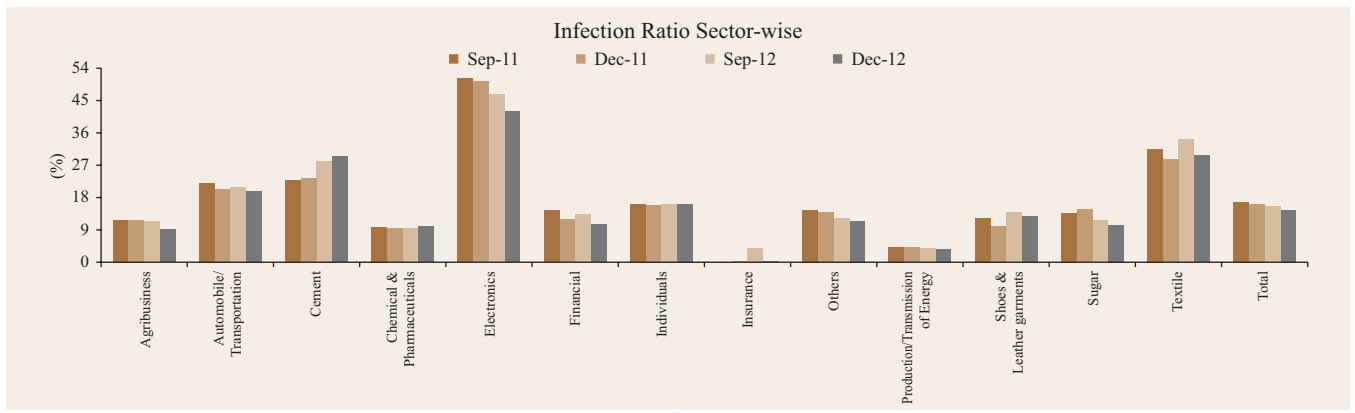
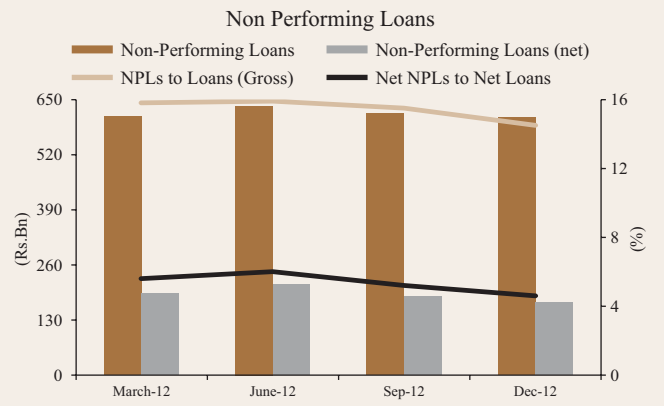
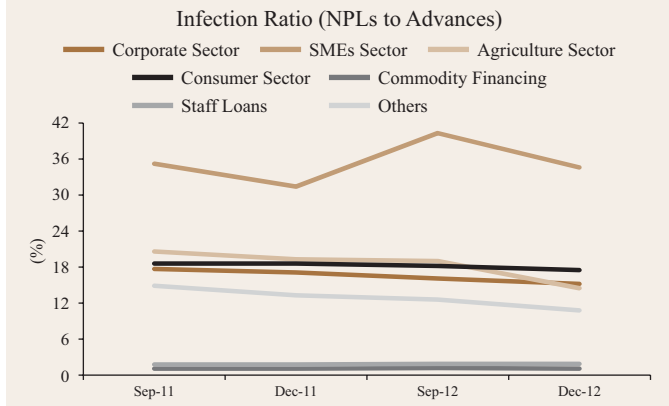
Sr. #	Name of Bank/DFI/MFB	Rating Agency	Short Term	Long Term	Date of Rating	Remarks
PUBLIC SECTOR BANKS						
1	First Women Bank Limited	PACRA	A2	A-	June 2013	Rating Outlook - Stable
2	National Bank of Pakistan	JCR-VIS	A-1+	AAA	June 2013	Rating Outlook - Stable
3	Sindh Bank Limited	JCR-VIS	A-1+	AA-	June 2013	Rating Outlook - Stable
4	The Bank of Khyber	PACRA	A1	A	June 2013	-
		JCR-VIS	A-1	A	June 2013	Rating Outlook - Stable
5	The Bank of Punjab	PACRA	A1+	AA-	June 2013	-
SPECIALIZED BANKS						
6	SME Bank Limited	PACRA	A3	BBB	July 2013	Rating Outlook - Negative
7	Zarai Taraqati Bank Limited	JCR-VIS	A-1+	AAA	April 2013	GoP Guaranteed Obligations Rating Outlook - Stable
		JCR-VIS	B	B+	June 2012	Entity Rating Rating Outlook - Stable
PRIVATE SECTOR BANKS						
8	Allied Bank Limited	PACRA	A1+	AA+	June 2013	-
9	Askari Bank Limited	PACRA	A1+	AA	July 2013	-
10	Bank Alfalah Limited	PACRA	A1+	AA	June 2013	-
11	Bank Al-Habib Limited	PACRA	A1+	AA+	June 2013	-
12	Faysal Bank Limited	PACRA	A1+	AA	June 2013	-
		JCR-VIS	A-1+	AA	June 2013	Rating Outlook - Stable
13	Habib Bank Limited	JCR-VIS	A-1+	AAA	June 2013	Rating Outlook - Stable
14	Habib Metropolitan Bank Limited	PACRA	A1+	AA+	June 2013	-
15	JS Bank Limited	PACRA	A1	A+	June 2013	Rating Outlook - Stable
16	KASB Bank Limited	PACRA	A3	BBB	June 2013	Rating Outlook - Stable
17	MCB Bank Limited	PACRA	A1+	AAA	Feb 2013	-
18	NIB Bank Limited	PACRA	A1+	AA-	June 2013	Rating Outlook - Stable
19	Samba Bank Limited	JCR-VIS	A-1	AA-	June 2013	Rating Outlook - Stable
20	Silkbank Limited	JCR-VIS	A-2	A-	June 2013	Rating Outlook - Stable
21	Soneri Bank Limited	PACRA	A1+	AA-	June 2013	Rating Outlook - Stable
22	Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	June 2013	-
23	Summit Bank Limited	JCR-VIS	A-3	A-	July 2013	-
24	United Bank Limited	JCR-VIS	A-1+	AA+	June 2013	Rating Outlook - Stable
FOREIGN BANKS OPERATING IN PAKISTAN						
25	Barclays Bank Pakistan	Standard & Poor's	A-1	A	June 2013	-
		Moody's	P-1	A2	June 2013	-
		Fitch	F1	A	June 2013	-
26	Citibank N.A.	Moody's	P-2	A3	March 2013	-
		Standard & Poor's	A-1	A	July 2013	Rating Outlook - Stable
27	Deutsche Bank AG	Moody's	P-1	A2	April 2013	Rating Outlook - Stable
		Fitch	F1+	A+	May 2013	Rating Outlook - Stable
		Moody's	P-1	A2	December 2012	Rating Outlook - Stable
28	HSBC Bank Middle East Limited	Fitch	F1+	AA-	December 2012	Rating Outlook - Stable
		Moody's	P-1	A1	May 2013	Rating Outlook - Stable
29	Industrial and Commercial Bank of China Limited	Fitch	F1	A+	June 2013	Rating Outlook - Stable
		Moody's	P-2	A3	June 2013	Rating Outlook - Stable
31	The Bank of Tokyo-Mitsubishi UFJ Limited	Standard & Poor's	A-1	A+	July 2012	-
		Moody's	P-1*	Aa3	July 2012	Deposit rating only*
		Fitch	F1	A-	July 2012	-
DEVELOPMENT FINANCE INSTITUTIONS						
32	House Building Finance Corporation	JCR-VIS	A-2	A	July 2012	Rating Watch - Developing
33	Pak Brunei Investment Company Limited	JCR-VIS	A-1+	AA+	June 2013	Rating Outlook - Stable
34	Pak China Investment Company Limited	PACRA	A1+	AA-	June 2012	-
35	Pak Kuwait Investment Company	PACRA	A1+	AAA	June 2013	Rating Outlook - Stable
		JCR-VIS	A-1+	AAA	June 2013	Rating Outlook - Stable
36	Pak Libya Holding Company (Pvt) Limited	PACRA	A1+	AA-	June 2013	-
37	Pak Oman Investment Company Limited	JCR-VIS	A-1+	AA+	June 2013	Rating Outlook - Stable
38	PAIR Investment Company	PACRA	A1+	AA	May 2013	Rating Outlook - Stable
39	Saudi Pak Industrial & Agricultural Investment Co.	JCR-VIS	A-1+	AA	June 2013	Rating Outlook - Positive
ISLAMIC BANKS						
40	Al Baraka Bank (Pakistan) Limited	PACRA	A1	A	June 2013	-
		JCR-VIS	A-1	A	June 2013	Rating Outlook - Stable
41	Bank Islami Pakistan Limited	PACRA	A1	A	July 2013	Rating Outlook - Positive
42	Burj Bank Limited	JCR-VIS	A-1	A	June 2013	Rating Outlook - Stable
43	Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A-1	A	June 2013	Rating Outlook - Positive
44	Meezan Bank Limited	JCR-VIS	A-1+	AA	June 2013	Rating Outlook - Stable
MICRO FINANCE BANKS						
45	Advans Microfinance Bank Limited	-	-	-	-	-
46	Apna Microfinance Bank Limited	PACRA	A3	BBB	May 2013	Rating Outlook - Positive
47	Kashf Microfinance Bank Limited	JCR-VIS	A-3	BBB+	April 2013	Rating Outlook - Stable
48	Khushhali Bank Limited	JCR-VIS	A-1	A	April 2013	Rating Outlook - Stable
49	NRSP Microfinance Bank Limited	JCR-VIS	A-3	BBB+	April 2013	Rating Outlook - Positive
50	Pak Oman Microfinance Bank Limited	JCR-VIS	A-3	BBB+	April 2013	Rating Outlook - Stable
51	Tameer Microfinance Bank Limited	JCR-VIS	A-1	A	April 2013	Rating Outlook - Stable
52	The First Microfinance Bank Limited	JCR-VIS	A-1	A	April 2013	Rating Outlook - Stable
53	Waseela Microfinance Bank Limited	PACRA	A2	BBB+	April 2013	Rating Outlook - Positive
54	U Microfinance Bank Limited	JCR-VIS	A-2	BBB+	April 2013	Rating Outlook - Positive

Disclaimer: The above mentioned ratings represent the opinions of the respective rating agencies and do not reflect the views of the State Bank of Pakistan. Besides they also do not represent investment advice nor should be construed as such.

Source: State Bank of Pakistan

Key Statistics of Commercial Banks





Market Analysis

Market Review – July-August 2013

Time for the market to consolidate

KSE-100 index posted a stellar return of 11 percent during the month of July, with benchmark index first peaking to an all time high 23,776 points on 24 July, but has since then, started to consolidate. Clarity over a new IMF program, CPI dipping to 5.95 percent in June and corporate results expectation were the key positives going for the market in July. Overall KSE-100 index finished up by 2.3k points in July. On a MoM basis, average volumes of All Share Index declined by 29 percent, while value traded increased by 5 percent.

After witnessing a hefty 2,458 points rise in the first 20 days of July, KSE-100 closed flat during the subsequent days of July. Market seems to be taking a breather as negative news flow seems to be on the rise (hike in inflation & secondary market yield, drastic reduction in SBP forex reserve & rupee devaluation, provinces reservation over energy policy etc). Nonetheless, robust results (Cement & Textiles) along with hefty payout (Energy Chain) should keep interest alive in the coming days.

Telecom, Cement & Banks shine, while Foods producers & Power lagged in July

KSE-100 index gained a considerable 11 percent in July, helped by robust growth in key sectors. Oil & Gas sector having the highest weight in KSE-100 index rose in line with the market. Telecom posted the highest sector wise return in July due to better than expected result of PTCL, ICH restoration rumors and government's effort to clear PTCL property issues. Cement stocks continued their rally due to margin improvement as coal prices remain subdued. Banks also saw a hefty price

rise due to likely reversal in discount rate & rumors of reduction in minimum deposit rate. On the flip side, food producers were the biggest underperformer due to slowdown in growth story, while power stocks also consolidated, post rally witnessed in the sector during the preceding few months.

Excluding one off (Kapco deal), foreigners are still net buyers in July

In the month of July, though headline numbers show foreigners as the biggest sellers (USD115), but excluding impact of KAPCO, foreigners have remained net buyers of around USD28mn. Similarly excluding the aforesaid impact from Banks/DFI's & Individual, they remained net sellers, as per our calculation.

After witnessing a hefty 2,458 points rise in the first 20 days of July, KSE-100 closed flat during the subsequent days of July. Market seems to be consolidating as negative news flow seems to be on the rise (hike in inflation & secondary market yield, drastic reduction in SBP forex reserve & rupee devaluation, provinces reservation over energy policy etc). Nonetheless, robust results (Cement & Textiles) along with hefty payout (Energy Chain) should keep interest alive in the coming days.

Foreign inflows remain the key factor propelling the market to new highs and likewise keeping the locals enthusiastic. We maintain our cautious stance especially at such high levels and advice exposure in top picks only. Our top picks at current level are PSO, DGKC, NCL, BAHL, Engro, PPL and PSMC.

Much needed correction opens up the valuation gap

After a stellar return posted in July, the market took a much needed breather on the back of

July
review

Future
outlook

August
review

subpar results and uncertainty over interest rate and exchange rate outlook. KSE-100 index posted a negative return of 5 percent during the month of August, with benchmark index falling 8 percent since mid August. On a MoM basis, average volumes of All Share Index declined by 20 percent, while value traded depicted a similar decrease of 18 percent. Market is taking a much needed breather after gaining a hefty 44 percent during the last one year.

Concerns over rupee devaluation & regional selloff and rumors of broker default will continue to keep the investors on edge in the short term. However the recent decline has opened up avenues for fresh investment. At current level, we are overweight on Cement sector (after the steep fall), Oil & Gas (benefit of rupee devaluation & oil price hike) and selected exposure in Banks.

All the key sectors declined in August except electricity, while foreigners were net buyers

KSE-100 index declined by 5 percent in August on the back of subpar results and uncertainty over interest rate and exchange rate outlook. Volumes also dipped by 20 percent MoM. Among the key sectors, only electricity closed in positive due to payout exceeding expectation. Cement sector saw a

steep fall owing to capacity expansion news & cartel breakup rumors.

In the month of August, foreigners remained the biggest net buyers with Mutual fund being the biggest sellers. While foreigners did remain net buyers in August, their enthusiasm towards buying side did witness a slowdown in latter half of the month with net inflow tapering to USD5mn as opposed to USD21mn in the earlier half.

Below par results & payout (in some cases), concerns over rupee devaluation & regional selloff and rumors of broker default will continue to keep the investors on edge in the short term. However the recent decline has opened up avenues for fresh investment. At current level, we are overweight on Cement sector (after the steep fall), Oil & Gas (benefit of rupee devaluation & oil price hike) and selected exposure in Banks.

Future outlook

Foreign inflows will continue to remain a key factor in shaping the market direction. We maintain our cautious stance and advice exposure in top picks only. Our top picks at current level are PSO, POL, DGKC, CHCC, BAML, BAFL and Engro.

(Contributed by Taurus Securities Ltd, a subsidiary of National Bank of Pakistan)

Book/Report Reviews

*Pakistan
Moving the Economy Forward
Rashid Amjad
Shahid Javed Burki
(Editors)
Lahore School of Economics*

Pakistan has been experiencing prolonged period of low growth and high inflation. Nineteen studies have been presented in this book, which seek to find solutions on how to reverse this low growth and implement measures that would move the economy onto a higher, more sustainable growth path. There are eight messages that emerge from the studies presented in the book. These can be briefly summed as; Pakistan needs to increase its investment-to-GDP ratio; economic reforms are needed to remove structural imbalances; the country needs to overcome the binding constraints to growth in order to revive the economy and ensure sustainable growth; steps to be taken to make exports a major driver of economic growth; proper management of the economy necessary; the country should aim not only for sustained and higher growth but also inclusive growth and provinces to play a major role in economic management.

The authors have written about a diverse range of issues; the economic performance over the last 65 years; followed by a chapter which covers the period of the Musharraf government and subsequent coalition rule from 1999-2000 to 2012-13. This chapter covers in some details issues related to economic management, including lessons from the IMF programs. Chapter 4 takes a broader socioeconomic – political view of where the economy is today and the challenges it faces and then recommends policies to revive the economy. The chapter has shown that besides the economic factors there are other factors which have harmed the economy. The rise of extremism, which has taken many forms including sectarianism and communal violence have had an impact on economic stability. The chapter offers a ‘new development paradigm.’ To move the economy forward, it is essential to overcome the major constraints

to economic growth. These have been identified as energy, revenues and water.

Chapter 5 discusses the crisis of the power sector in Pakistan — its origin and challenges and suggests strategies and possible solutions for coping with it. Chapter 6 discusses Pakistan's export performance, has identified potential export drivers and proposed a strategy for focusing on a limited number of product groups to deliver a sharp acceleration in export growth. Chapter 7 presents a detailed account of the existing system of tax collection in Pakistan, and the path that tax reforms must take if tax revenues are to increase from the current low level of less than 10 percent to 15 percent of GDP over the next few years.

Chapter 8 examines whether the major reforms undertaken through the 7th NFC Award and the 18th Constitutional Amendment will work effectively and ensure higher living standards for all people in all the provinces. Chapter 9 provides an overview of Pakistan's Indus Basin irrigation system. New dams and barrages have been added, new link and branch canals built and the world's most complex and extensive irrigation system has been maintained.

The link between good governance and economic and social development has been well established in the last few decades. Chapter 10 reviews Pakistan's experience with respect to governance, and proposes a reform agenda of what can be done to improve governance and strengthen institutions in Pakistan to promote the welfare of the majority. Chapter 11 considers the role that foreign direct investment can play in moving the economy forward by improving its technological base and placing production on a more dynamic growth path, as other countries have done with great success.

Chapter 12 analyzes the remittances market in Pakistan and attempts to explain the almost tenfold increase in official remittances between 1999/2000 to 2011/12 from \$1.5 billion to over \$13 billion. Chapter 13 examines the

prospects of India–Pakistan trade, including the level of import tariffs in the two countries and their potential impact on the volume of trade as well as non tariff barriers, and identifies the particular restrictions that need to be removed for trade to flourish. The following chapter carries this analysis further by pointing out that, over the last decade, there has been a fundamental change in Pakistan’s trading partners. The fast improving regional prospects underscore the importance of Pakistan’s centrality as a connector of regional markets. To realize the full benefits of a regional trading hub requires strengthening international competitiveness to become a manufacturing hub.

Chapter 16 on the Pakistani firm describes the microeconomic factors underpinning economic growth and wealth creation, focusing on enterprise level analysis. Chapter 17 is a study that moves beyond the income measurement of poverty toward a more comprehensive analysis of what makes people poor and what is the best way to target poverty in Pakistan. The principle objective of the analysis is move the debate in Pakistan beyond the poverty line toward a more comprehensive definition of what makes people ‘poor’. A new approach has been adopted which looks at the factors that affect income levels in Pakistan. Factors such as education have a significant impact on determining a person’s income. The following chapter provides a new perspective on the nature of the structural constraints to achieving sustained economic growth in Pakistan and overcoming poverty. This chapter argues that sustainable economic growth can be achieved through an institutional change whereby the process of saving, investment, productivity increase, and income generation can be broad-based to include the poor and the middle classes.

The last chapter shows the importance of a province level approach to economic development. If Korea and Taiwan which lack natural resources and impacted by long periods of war, could achieve so much so quickly, then it should not be impossible for Pakistan’s provinces, with their abundance of natural resources, to achieve something comparable.

*Regional Cooperation and Integration
in a Changing World
Asian Development Bank*

With Asia’s continuing rise and growing impact on the global economy, regional cooperation and integration is expanding, bring with it both benefits and costs. Intraregional trade in Asia, as well as South-South trade, has grown substantially. This monograph attempts to address some of the financial and trade aspects of integration in Asia. It has two sections. Section 1 focuses on the costs and benefits of regional integration in general, while Section 2 deals with trade integration and related policy challenges.

Section 1 looks at various facets of regional integration and benefits and costs that accrue. Regional economic integration is one way countries achieve national interests, only in concert with others. The section explains the benefits and opportunities of integration. It shows how regional integration expands markets and input sources, better allocating resources across the region and accelerating economic growth. Studies have shown that regional integration appears to reduce income inequality between countries. Risk sharing is another possible benefit of integration; unfortunately, there is little empirical evidence that it happens. All in all, while the level of Asia’s financial integration may have increased, its benefits in terms of consumption and investment risk sharing have been limited.

Much less is heard about the risks of integration. The main argument against excessive integration is that it exacerbates contagion in times of crisis. Examples abound of financial crisis rapidly spreading from one country to another, especially when integration is deeper due to either geographical proximity or a regional arrangement. Trade diversion is another potential risk from regional integration that can damage people’s welfare. Integration tends to increase inequality within countries. The number of free trade agreement (FTAs) have grown over the years. By January 2013, ratified FTAs had more than tripled since 2002 to 109 and there were another 148 FTAs at various stages of development.

Pakistan Economy – Key Economic Indicators

	Unit	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 ^P
Output and Prices								
GNP Size <i>fc</i>	Rs.bn	8893	10564	12888	14815	18476	20442	22717
GDP Size <i>fc</i>	Rs.bn	8736	10355	12542	14248	17656	19406	21616
Income Per Capita	\$	980	1053	1026	1072	1275	1323	1368
Income Per Capita	Rs	56227	64157	76635	86268	105395	114256	124459
Real Growth	(%)							
GNP		6.7	3.7	2.1	4.1	3.5	4.3	3.4
GDP		5.5	5.0	0.4	2.6	3.7	4.4	3.6
Agriculture		3.4	1.8	3.5	0.2	2.0	3.5	3.3
Manufacturing		9.0	6.1	(-4.2)	1.4	2.5	2.1	3.5
Services Sector		5.6	4.9	1.3	3.2	3.9	5.3	3.7
Prices*								
Consumer Price Inflation	(%)	7.8	12.0	17.0	10.1	13.7	11.0	6.5
Wholesale Price Inflation		6.9	16.4	18.9	13.8	21.2	10.4	7.9
Food Inflation CPI		10.3	17.6	23.7	12.9	18.0	10.5	6.3
Non Food Inflation CPI		6.0	7.9	18.4	8.3	10.7	12.0	6.7
Core Inflation [†]		5.9	8.4	11.4	7.6	9.4	11.5	9.0
GDP Deflator		7.28	12.91	20.68	10.75	19.54	5.32	7.53
Gold Tezabi (Karachi)	Rs./10 grams	12619	16695	22195	29587	37658	48444	51560 ^a
Petrol Super	Rs/Ltr	56.00	57.83	67.68	67.56	75.70	91.33	101.49
Kerosene Oil	Rs/Ltr	39.09	43.44	66.79	72.65	84.89	103.09	116.32
Wheat Flour (Avg. Quality)	Rs/Kg	13.64	18.07	25.64	27.77	29.56	30.15	–
Savings and Investment								
National Savings	% GDP	14.0	11.0	12.0	13.6	14.2	12.8	13.5
Domestic Savings		12.3	9.1	9.4	9.8	9.7	7.7	8.7
Gross Fixed Investment		17.19	17.61	15.90	14.20	12.51	13.32	12.60
Public Sector		4.6	4.8	4.3	3.7	3.2	3.7	3.9
Private Sector		12.6	2.8	11.7	10.5	9.3	9.6	8.7
Public Finance								
Revenue Receipts (Fed Govt)	% GDP	14.0	14.1	14.0	14.0	12.4	12.8	14.3 ^b
Tax Revenue	% GDP	9.6	9.9	9.1	10.1	9.3	10.3	11.1 ^b
Total Expenditure	% GDP	19.5	21.4	19.2	20.2	18.9	19.6	19.0
Overall Budget Deficit	% GDP	4.1	7.3	5.2	6.2	6.5	6.8	4.7
FBR Tax Collection (Fed Govt)	Rs.bn	847.2	1008.1	1161.1	1327.4	1558.2	1882.7	2381.0
Direct Taxes	% share	39.4	38.4	38.2	39.6	38.7	39.2	39.1
Indirect Taxes	% share	60.6	61.5	61.8	60.4	61.3	60.8	60.9
Monetary Sector								
Growth of Broad Money (M2)	%	19.3	15.3	9.6	12.5	15.9	14.1	9.0
Currency in Circulation	Rs.bn	840.2	982.3	1152.2	1295.4	1501.4	1673.7	1921.8 ^a
Public Sector Borrowing (net)	Rs.bn	926	1508	2034	2441	3020	4258	4983 ^a
Borrowings for Budgetary Support	Rs.bn	810	1365	1681	2011	2602	3800	4636 ^a
Credit to Private Sector	Rs.bn	2480	2890	2907	3020	3141	3376	3516 ^a

^P Provisional. * The base for price indices have been changed as 2007-08 new base year. [†] non-food non-energy. ^a March ^b Budget estimates.

	Unit	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13*
Social Sector								
Population	Mn	158.17	164.66	168.18	171.73	175.31	178.91	182.53
Education Expenditure	as % of GNP	2.4	2.4	2.1	2.0	1.7	2.0	–
Literacy Rate	(%)	55	56	57	58	58	58	58
Health Expenditure	as % of GDP	0.57	0.57	0.56	0.54	0.23	0.27	0.35
Karachi Stock Exchange								
Total Listed Companies	Nos.	658	652	651	652	639	590	571
Funds Mobilized	Rs.bn	49.7	62.9	44.9	111.8	31.0	115.1	21.1
Total Turnover of Shares	Bn	54.0	63.3	28.3	43.0	28.0	38.0	34.7
Banking Sector								
Scheduled Banks Deposits	Rs.bn	3373	3812	4138	4693	5489	6219	6633 ^b
Scheduled Banks Advances	Rs.bn	2376	2816	3080	3174	3311	3530	3688 ^b
Non-Performing Loans All Banks	Rs.bn	214	314	432	548	607	636	607 ^b
Lending and Deposit Rates	weighted average							
Deposits	% per annum	2.60	4.13	4.44	4.29	4.53	4.56	5.26 ^a
Advances	% per annum	11.55	12.49	14.25	13.63	13.46	12.81	11.50
Open Market Operation								
SBP Reverse Repo Rate	% end period	9.50	12.00	14.00	12.50	14.00	12.00	9.5 ^a
Treasury Bills Yield - 6 Months	% end period	8.90	11.48	12.00	12.30	13.70	11.90	10.5 ^a
KIBOR - 6 Months	% end period	9.75	13.95	12.65	12.25	13.65	11.94	9.4 ^a
Yield on 5 Years PIBs	weighted average	10.00	10.80	12.40	12.50	14.03	13.08	11.5
Interbank Call Rates (Overnight)	%	8.90	9.90	13.20	11.60	12.40	11.70	9.09
SBP Export Finance Rate	%	6.50	6.50	6.50	8.00	10.00	10.00	–
External Sector								
Exports	\$ bn	16.98	19.05	17.69	19.29	24.81	23.64	24.52
Imports	\$ bn	30.54	39.97	34.82	34.71	40.41	44.91	44.95
Balance	\$ bn	-13.56	-20.92	-17.13	-15.42	-15.60	-21.27	20.43
Current Account Balance	\$ mn	-6878	-13874	-9261	-3946	214	-4658	-1028
Workers' Remittances	\$ mn	5494	6451	7811	8906	11201	13187	12762
Foreign Private Investment	\$ mn	6960	5454	3210	2739	2000	761	1073
Direct	\$ mn	5140	5410	3720	2151	1635	821	853
Portfolio	\$ mn	1820	44.3	-510	588	365	-60	219
Public Debts								
Internal Debt Outstanding	Rs.bn	2610	3275	3861	5654	6017	7638	8797
Funded Debt	% of Internal Debt	64.0	68.8	67.1	68.7	72.5	76.5	76.5
Unfunded Debt	% of Internal Debt	36.0	31.2	32.9	31.3	27.5	23.5	23.5
External Debt and Liabilities	\$ bn	40.5	46.2	52.3	61.6	66.4	65.8	60.9
Total Public Debt as % of GDP	%	2610	56.8	57.8	59.9	58.5	63.0	59.5
Domestic Debt as % of GDP	%	30.1	30.7	29.2	31.4	32.9	38.0	38.4
National Saving Schemes (Outstanding)	Rs.bn	1004	1094	1361	1586	1821	2010	2314 ^a
Gold & Foreign Exchange Reserves	\$ mn	18890	13436	13971	17921	20941	16493	12996 ^a
Exchange Rate (Average for year)	Rs/US\$	60.6342	62.5465	78.4983	83.8017	85.5017	89.2359	96.1623

* July - April

^a March

Source: Pakistan Economic Survey 2012-13