



## CAPITAL MARKETS & CORPORATE SECTOR

(Jul-Mar FY2025)

**KSE-100 Index**

**50.2%**



**Market**

**Capitalization**

**38.5%**

**Rs 14,374 bn**



**Fund Mobilized  
at PSX**

**Rs 9.74 bn**



**Net Investment  
in NSS\***

**Rs 171.3 bn**



**Incorporation of  
Companies (No.)**

**26,104**



**Commodities  
Contracts**

**Rs 6.64 tr**



\*: National Savings Scheme



# CAPITAL MARKETS AND CORPORATE SECTOR

Pakistan's capital markets, particularly the equity market, outperformed the world stock markets in FY 2025. The KSE-100 index grew substantially due to a stable macroeconomic environment and improved market sentiments. The debt market also remained steady; it is important to mention that net inflow is recorded after four years under the National Saving Scheme. This chapter covers the performance of Pakistan's capital markets, including the equity, debt, and commodity futures markets, as well as the performance of non-banking financial companies, the corporate sector, Islamic finance, and the insurance sector. Along with capital market performance, the chapter will also delve into the reforms and development activities introduced by the Securities and Exchange Commission of Pakistan (SECP), the regulatory body of capital markets in Pakistan.

Capital markets are an array of financial markets where corporations, governments, and other entities raise funds mostly for long-term financing needs through the issuance of securities and bonds. Securities represent ownership in companies where investors earn returns through dividends and capital gains, while bonds represent debt obligations issued by corporations or governments and are interest-bearing in nature. These markets play a crucial role in driving economic growth by enabling businesses to access the capital required for expansion and innovation and allowing governments to raise funds for development projects and finance budget deficits. By

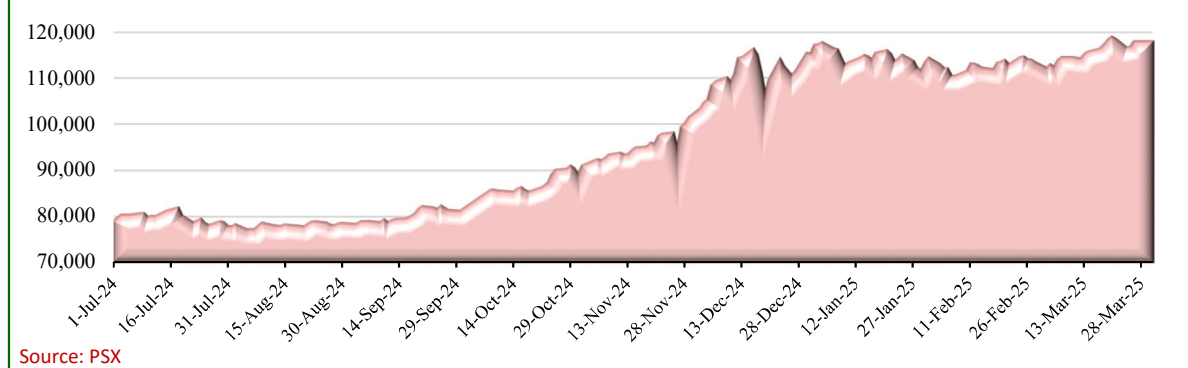
providing a platform for efficient allocation of capital, capital markets help investors diversify their portfolios in alignment with their risk profiles. In turn, capital markets provide broader access to investment opportunities, contribute to market liquidity, and create opportunities for financial inclusion.

## 6.1 Equity Market

The equity market, usually referred to as the stock market, is where shares of publicly listed companies are issued and traded. Companies raise capital through Initial Public Offerings (IPOs) by issuing new shares which are later traded on the Pakistan Stock Exchange (PSX).

### 6.1-a Performance and Structure of Pakistan's Equity Market

During July-March FY 2025, the PSX's benchmark KSE-100 index performed remarkably well and registered a significant growth of 50.2 percent (from 78,445 to 117,807 points). During the period under review, the index closed at its highest level of 118,770 points on March 20, 2025, while the lowest level was observed at 77,084 points on August 05, 2024. The unprecedented performance of the KSE-100 index can be associated with the robust corporate earnings, declining policy rate and inflation, successful first IMF EEF programme review and subsequent disbursement of the tranche, and stable macroeconomic environment, which boosted investors' confidence (Figure-6.1).

**Fig-6.1: Trend of KSE-100 Index (July-March FY2025)**

The average daily volume surged to 828 million shares compared to 621 million shares witnessed during FY 2024. As of March 31, 2025, the number of listed companies stood at 527, with

total listed capital of Rs 1,727 billion and market capitalization of Rs 14,374 billion. The profile of PSX from FY 2021 to March 2025 is reported in Table 6.1.

**Table 6.1 Profile of Pakistan Stock Exchange**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 (July-March)
Total No. of Listed Companies	532	530	524	524	527
Total Listed Capital (Rs billion)	1,442.64	1,525.90	1,627.17	1,706.20	1,727.39
Total Market Capitalization (Rs billion)	8,297.31	6,956.51	6,369.47	10,374.80	14,374.20
Total Market Capitalization (\$ billion)	52.7	34.0	22.26	37.27	51.30
New Companies Listed during the year	5	5	4	11	6
Average Daily Traded Volume-Ready + Futures (Shares in million)	527.5	408.0	273.0	621.0	828.0
Total Volume Traded (In millions)	131,354	101,657	67,199	151,427	155,691

Source: Pakistan Stock Exchange

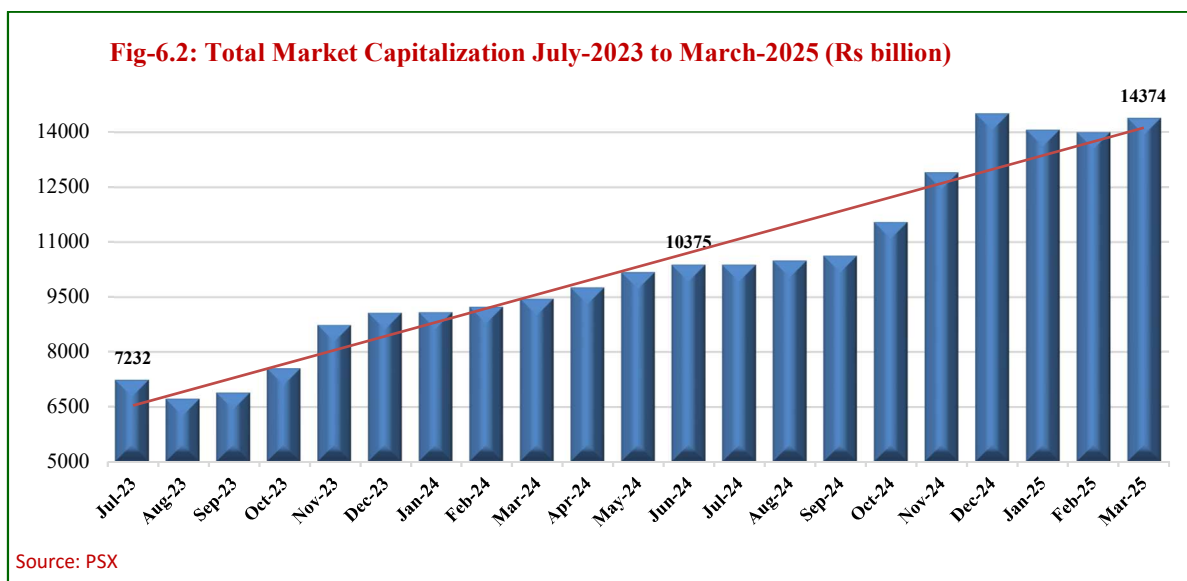
Table 6.2 presents the month-wise performance of the KSE-100 index, market capitalization, and shares' turnover. The turnover reached its peak

in December 2024, indicating that investors were actively investing and participating in trading activities.

**Table 6.2: Month-wise performance of KSE-100 Index**

Months	FY 2024				Months	FY 2025			
	KSE 100 index	Total Market Cap (Rs billion)	Total Market Cap (\$ billion)	Turnover in shares (billion)		KSE 100 index	Total Market Cap (Rs billion)	Total Market Cap (\$ billion)	Turnover in shares (billion)
Jul-23	48,034.60	7,231.76	25.26	7.68	Jul-24	77,886.99	10,367.63	37.21	8.54
Aug-23	45,002.42	6,715.88	22.03	6.54	Aug-24	78,488.22	10,485.34	37.64	11.31
Sep-23	46,232.59	6,885.57	23.92	3.20	Sep-24	81,114.20	10,619.51	38.25	10.54
Oct-23	51,920.27	7,551.77	26.89	7.93	Oct-24	88,966.77	11,536.42	41.53	12.02
Nov-23	60,531.27	8,729.52	30.63	13.74	Nov-24	101,357.32	12,885.02	46.36	18.38
Dec-23	62,451.04	9,062.90	32.17	20.61	Dec-24	115,126.90	14,495.89	52.06	26.47
Jan-24	61,979.18	9,073.76	32.48	11.29	Jan-25	114,255.73	14,053.84	50.40	15.61
Feb-24	64,578.52	9,225.16	33.07	6.64	Feb-25	113,251.67	13,980.82	49.99	9.79
Mar-24	67,005.11	9,447.69	33.99	7.29	Mar-25	117,806.75	14,374.20	51.30	6.95
Apr-24	71,102.55	9,746.96	35.02	8.84					
May-24	75,878.48	10,169.96	36.53	11.83					
Jun-24	78,444.96	10,374.80	37.27	6.87					

Source: Pakistan Stock Exchange



Total funds mobilized between July and March FY 2025 in the PSX amounted to Rs 9,740.6 million, which comprises Rs 8,991 million of capital of new listing, while the debt issued stood

at Rs 750 million. Around \$ 242 million worth of securities were offloaded by foreign investors which were absorbed by domestic investors Table 6.3.

**Table 6.3 Local Investor's Portfolio Investment (LIPI) During July-March FY2025**

	Gross Buy (Rs million)	Gross Sell (Rs million)	Net Buy / (Sell) (Rs million)	Net Buy / (Sell) (\$ million)
Individuals	5,007,443.25	-4,996,931.79	10,511.46	37.68
Companies	278,269.36	-263,192.69	15,076.66	54.25
Banks / DFI	265,403.71	-186,906.41	78,497.29	280.71
NBFCs	4,056.39	-3,899.31	157.08	0.56
Mutual Funds	485,810.06	-518,408.58	-32,598.52	-115.81
Other Organization	61,260.51	-63,595.66	-2,335.15	-8.41
Broker Proprietary Trading	826,141.29	-830,453.85	-4,312.56	-15.44
Insurance Companies	94,885.57	-92,549.78	2,335.79	8.48
<b>LIPI Net</b>	<b>7,023,270.13</b>	<b>-6,955,938.08</b>	<b>67,332.05</b>	<b>242.02</b>

Source: NCCPL

### 6.1-b Sector-wise Market Capitalization at the Pakistan Stock Exchange

PSX's market capitalization recorded Rs 10,375 billion (\$ 37.3 billion) on 30 June 2024. It closed

at Rs 14,374 billion (\$ 51.30 billion) on 31 March 2025, reflecting an increase of 38.5 percent (Rs 4,000 billion) in the period under review. Sector-wise details are given in Table 6.4.

**Table 6.4: Sector-Wise Market Capitalization (Rs million)**

Sectors	Market Cap End June 2024	Market Cap End March 2025	% Change	% of Total Market Cap
Commercial Banks	2,173,352.0	2,692,327.0	23.9	18.7
Oil & Gas Exploration Companies	1,401,774.1	2,504,230.3	78.6	17.4
Food & Personal Care Products	1,107,522.1	1,316,254.2	18.8	9.2
Cement	708,467.1	1,198,585.3	69.2	8.3
Fertilizer	782,365.7	1,033,074.6	32.0	7.2

**Table 6.4: Sector-Wise Market Capitalization (Rs million)**

Sectors	Market Cap End June 2024	Market Cap End March 2025	% Change	% of Total Market Cap
Automobile Assembler	452,137.2	606,849.8	34.2	4.2
Power Generation & Distribution	472,302.1	445,434.3	-5.7	3.1
Tobacco	319,851.0	383,556.2	19.9	2.7
Textile Composite	349,451.1	347,025.9	-0.7	2.4
Chemical	243,777.4	327,594.2	34.4	2.3
All Others	2,363,799.46	3,519,867.46	48.9	24.5
<b>Total</b>	<b>10,374,799.26</b>	<b>14,374,799.26</b>	<b>38.6</b>	<b>100.0</b>

Source: Pakistan Stock Exchange

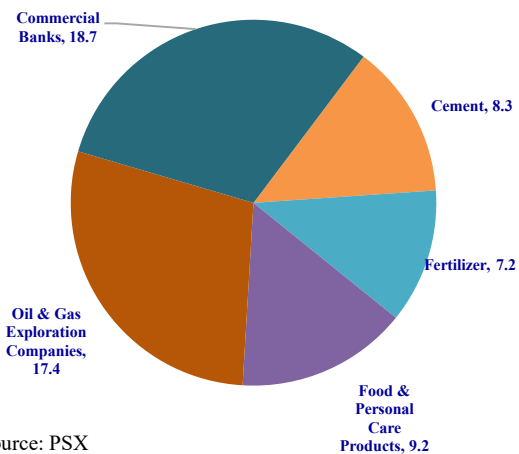
With respect to the size of market capitalization, the top five sectors are presented in Fig. 6.3. As evident from the figure, Commercial Banks dominate overall market capitalization with a share of 18.7 percent followed by Oil & Gas Exploration Companies with 17.4 percent, Food & Personal Care Products with 9.2 percent, Cement 8.3 percent and Fertilizer 7.2 percent. These five sectors occupy 60.8 percent of the total market capitalization.

### 6.1-c Trend in Global Equity Markets

Fig-6.4 depicts the performance of the world's major stock markets over the first nine months of FY 2025. All markets revealed a positive trend except the Bombay Sensenx 30 index. Compared to the other global indices, the KSE-100 index reflects a significant increase (50.2 percent) during July-March FY 2025. This

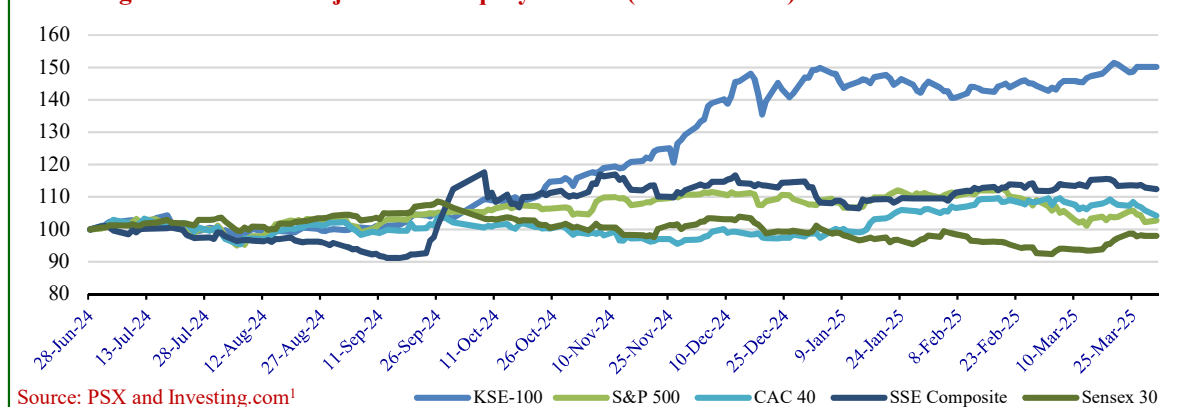
indicates positive market sentiments and investors' trust in the PSX.

**Fig-6.3 Top Five Sectors July-March FY2025  
(% of Total Market Capitalization)**



Source: PSX

**Fig 6.4: Trend of Major World Equity Indices (Standardized)**



Source: PSX and Investing.com<sup>1</sup>

<sup>1</sup> S&P 500 is a stock market index tracking the performance of 500 large companies listed at the US stock exchange.  
SSE Composite index is a stock market index of all stocks that are traded at the Shanghai Stock Exchange.  
Sensenx 30 is a free-float market-weighted stock market index of 30 well established companies on the Bombay Stock Exchange.  
The CAC 40 is a benchmark French stock market index, represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market caps on the Euro next Paris.  
The KSE-100 index is a stock market index acting as a benchmark to compare prices on the Pakistan Stock Exchange over a period.

#### 6.1-d Performance of Major Asian Markets

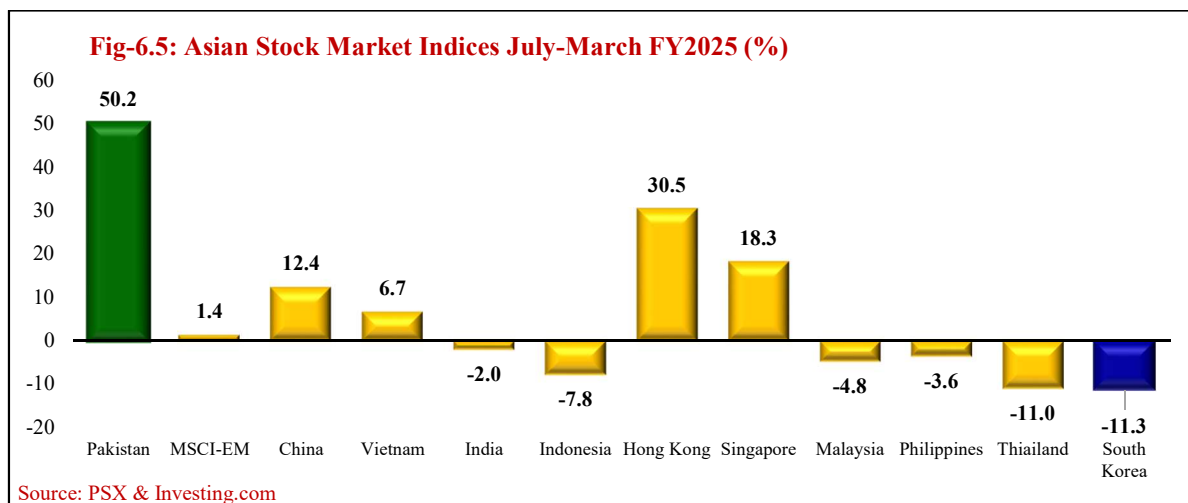
The performance of major Asian stock market indices presents a diverse situation from end-June 2024 to end-March 2025 (Table 6.5 & Fig-6.5). KSE-100 remained the most attractive market for investors with an unprecedented increase of 50.2 percent, followed by Hang Seng of Hong Kong (30.5 percent), FTSE Straits

Times of Singapore (18.3 percent), Shanghai Composite of China (12.4 percent), and VN30 Index of Vietnam (6.7 percent). However, decline has been observed in the Korean Composite Index, the SET Index of Thailand, the Jakarta Composite Index, the PSEi Composite of the Philippines, the Kuala Lumpur Composite Index of Malaysia, and the BSE Sensex 30 of India.

**Table 6.5: Performance of Major Asian Stock Market Indices (July-March FY 2025)**

Country	Index	Index on 30.06.2024	Index On 31.03.2025	% Change
Pakistan	KSE-100 Index	78,445	117,807	50.2
MSCI-EM	MSCI Emerging Market Index	1,086	1,101	1.4
China	Shanghai Composite	2,967	3,336	12.4
Vietnam	VN30 Index	1,278	1,364	6.7
India	BSE Sensex 30	79,033	77,415	-2.0
Indonesia	Jakarta Stock Exchange Composite Index	7,064	6,511	-7.8
Hong Kong	Hang Seng	17,719	23,120	30.5
Singapore	FTSE Straits Times	3,333	3,942	18.3
Malaysia	Kuala Lumpur Composite Index	1,590	1,514	-4.8
Philippines	PSEi Composite	6,412	6,181	-3.6
Thailand	SET Index	1,301	1,158	-11.0
South Korea	Korean Composite Stock Price Index - KOSPI	2,798	2,481	-11.3

Source: PSX, Investing.com



#### Box-1: Pakistan's Stock Exchange among Best Performing Global Markets in 2024

According to Bloomberg, Pakistan's Stock Exchange ranked among the top-performing equity markets globally in CY2024, recording a remarkable growth of 30 percent in foreign investment, the highest growth over a decade. The KSE-100 index surged by 85 percent in Rs terms and 87 percent in \$ terms. The exceptional performance was attributed to the influx of foreign capital, catalyzed by a series of positive domestic economic developments. These included the finalization of the IMF-EFF agreement that also unlocked additional bilateral and multilateral flows, a subsequent improvement in the external sector position, and the State Bank

of Pakistan's decision to initiate monetary easing through interest rate cuts. These factors bolstered investor confidence.

Among the strongest performing sectors were pharmaceuticals, jute, and transport, and key sectors such as fertilizers and energy demonstrated substantial growth potential. Despite record-high performance, the PSX remained one of the most undervalued markets in Asia, continuing to trade at a significant discount relative to regional peers. With a one-year forward price-to-earnings (P/E) ratio of around 6.0x, the market was valued at approximately 50 percent below its long-term historical average. This compelling valuation, combined with improving macroeconomic indicators, reinforced the case for further significant upside potential. According to Bloomberg, the overall outlook for the PSX remains positive.

## 6.2 Debt Markets

The debt market, also known as the bond market or fixed-income market, is a financial market where investors buy and sell debt securities, typically bonds, treasury bills, Sukuks, deposit certificates, commercial papers, etc. It also allows investors to diversify their portfolios and manage risk through investments in different debt instruments. These are essentially loans made by investors to borrowers, governments, corporations, or institutions in exchange for regular interest payments and the return of principal at maturity.

Following the first auction of government debt securities (GDS) through capital market infrastructure institutions in December 2023, the government conducted 19 GDS auctions, raising

Rs 2.3 trillion as of March 31, 2025. Different types of sovereign Sukuk instruments, including discounted, fixed-rate, and variable-rate Sukuks of various maturities, have been issued and are available for trading at PSX.

### 6.2-a. Debt Securities

#### a. Privately Placed Debt Securities:

Twenty-three (23) privately placed debt securities were reported during July-March FY 2025; their breakdown is given in Table 6.6

#### b. Debt Securities Outstanding:

As of March 31, 2025, 77 debt securities remain outstanding, amounting to Rs 318.4 billion. Table 6.7 shows a category-wise breakup.

**Table 6.6: Debt Securities**

Sr. No.	Type of Security	No. of Issues	Amount (Rs billion)
i.	Privately Placed Term Finance Certificates	8	16.2
ii.	Privately Placed Sukuk	15	25.4
	<b>Total</b>	<b>23</b>	<b>41.6</b>

Source: Securities and Exchange Commission of Pakistan

**Table 6.7: Debt Securities (Outstanding)**

Sr. No.	Name of security	No. of issues	Amount Outstanding (Rs billion)
i.	Term Finance Certificates (TFCs)	43	187.7
ii.	Sukuk	34	130.7
	<b>Total</b>	<b>77</b>	<b>318.4</b>

Source: Securities and Exchange Commission of Pakistan

### 6.2-b National Saving Schemes

The Central Directorate of National Savings (CDNS) has long served the country as the sole avenue for savings mobilization through government securities called the National Savings Scheme (NSS). The CDNS has fulfilled the exchequer's internal financial requirements while assuring financial inclusion and extending

social security to the marginalized segments of society. The CDNS holds a portfolio of Rs 3.3 trillion, making it around 10.7 percent of the country's banking deposits, catering to around 03 million customers.

CDNS is primarily oriented towards providing a safety net to the general public, specifically senior citizens, pensioners, widows, differently



abled individuals, and the families of Shuhada of war against terror, by launching and maintaining a product mix of NSS, according to customers' requirements. CDNS recently launched a web portal "National Saving Digital" to augment its digital financial channels. These services now allow the customers to manage their accounts, invest in Digital Saving Schemes, perform inter-

bank transactions, and pay their utility bills, without visiting the National Saving Centers.

The NSS's product basket ranges from 3-month Short-Term Savings Certificates (STSC) to 10-year long-term Defence Savings Certificates. Table 6.8 depicts details of rates of return on different NSS products.

**Table 6.8: Profit Rate on the Product Basket of National Savings Scheme (Per Annum)**

S. No	Name of Scheme	w.e.f. 24-03-2024	w.e.f. 20-03-2025	Maturity Period	Tax Status
1	Defence Savings Certificates	13.36%	12.15%	10 Years	Taxable
2	Special Savings Certificates/Accounts	15.93% (Average)	11.13% (Average)	3 Years	Taxable
3	Regular Income Certificates	14.76%	11.74%	5 Years	Taxable
4	Savings Account	20.50%	10.50%	Running Account	Taxable
5	Pensioners' Benefit Account	15.60%	13.68%	10 Years	Tax exempt
6	Bahbood Savings Certificates	15.60%	13.68%	10 Years	Tax-exempt
7	Shuhada Family Welfare Account	15.60%	13.68%	10 Years	Tax-exempt
8	National Prize Bonds (Bearer)	10.00%	10.00%***	Perpetual	Taxable
9	Premium Prize Bonds (Registered)	16.40%**	13.80*	Perpetual	Taxable
10	Short Term Savings Certificates (STSC)				
	STSC 3 Months	19.40%	11.12%	3 Months	Taxable
	STSC 6 Months	19.38%	11.08%	6 Months	Taxable
	STSC 12 Months	19.00%	10.96%	12 Months	Taxable
11	SARWA Islamic Savings Schemes				
	SISA	20.50%	10.44%	Running Account	Taxable
	SITA 1 Year	18.54%	10.44%	1 Year	Taxable
	SITA 3Year	15.25%	10.92%	3 Year	Taxable
	SITA 5 Year	14.76%	11.39%	5 Year	Taxable

\* Effective from 10.09.2024, \*\* Effective from 10.09.2023, \*\*\*Effective from 10.12.2024

Source: Central Directorate of National Savings

Table 6.9 provides the net investment under various NSS from FY 2021 to FY 2025. Over the

years, net investments across different products have fluctuated.

**Table 6.9: National Savings Schemes (Net Investment)** (Rs million)

S #	Name of Scheme	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 (July-March)
1	Defence Savings Certificates	(9,132.6)	(10,440.0)	(38,530.1)	(27,787.2)	(821.6)
2	National Deposit Scheme	(0.0)	(0.4)	(0.02)	-	-
3	Khaas Deposit Scheme	(0.2)	(0.02)	(0.2)	(0.1)	(0.05)
4	Special Savings Certificates (Regd)	(6,327.9)	(44,748.0)	(79,014.8)	(11,527.0)	16,029.0
5	Special Savings Certificates (Bearer)	(0.5)	-	-	-	-
6	Regular Income Certificates	26,711.2	(10,563.3)	(127,536.2)	(197,349.1)	31,228.4
7	Bahbood Savings Certificates	2,549.4	16,628.9	(16,017.1)	39,098.3	72,900.1
8	Pensioners' Benefit Account	16,347.2	22,055.6	13,781.8	29,605.3	34,903.9
9	Savings Accounts	1,083.5	10,508.6	20,087.1	9,474.8	11,565.4
10	Special Savings Accounts	(39,659.1)	(273,790.9)	(197,457.1)	(46,630.17)	(3,946.3)
11	Mahana Amdani Accounts	(47.5)	31.1	(100.6)	(89.6)	(50.1)
12	Prize Bonds	(315,531.7)	(81,803.7)	10,069.1	2,570.4	8,425.6
13	National Savings Bonds	-	-	-	-	-
14	Short Term Savings Certificates	(20,362.2)	690.3	29,906.7	20,970.9	6,329.6
15	Premium Prize Bonds (Registered)	25,147.2	12,706.3	(2,155.1)	36.3	7,673.0
16	Postal Life Insurance	(1,311.9)	-	-	-	-
17	Shuhda Welfare Accounts	24.2	40.2	19.0	35.6	70.3
18	SARWA Islamic Savings Schemes	-	-	5,082.0	69,906.0	(15,504.3)
19	Digital Savings Schemes	-	-	-	1,615.7	2,506.2
Grand Total		(320,510.9)	(358,685.1)	(381,865.5)	(110,069.9))	171,309.1

Note: Figures in parentheses indicate negative values.

Source: Central Directorate of National Savings



### Box-2: Rally in Pakistan's International Bonds Signals Restored Market Confidence

One of the most significant financial developments for Pakistan during 2023 and 2024 was the strong rally in its international sovereign bonds, which marked a notable turnaround in investor sentiment. This rally reflected growing confidence in Pakistan's macroeconomic management, structural reform progress, and commitment to external debt sustainability. A key example of this trend was the performance of the Pakistan 2029 Eurobond. On January 1, 2024, this bond was trading at approximately 77 cents on the dollar indicative of heightened risk perceptions at the start of the year. By December 31, 2024, the bond had risen to around 92 cents, representing a gain of nearly 20 percent in value over the course of the year.

This improvement was accompanied by a sharp decline in Pakistan's 5-year Credit Default Swap (CDS) spread, which fell from a peak of over 12,000 basis points in late 2022 to around 500 basis points by the end of 2024. The rally in bond prices and narrowing CDS spreads were underpinned by improved foreign exchange reserve levels, progress under the IMF Extended Fund Facility (EFF), and a continued focus on fiscal consolidation and external account management. These positive market developments significantly improved investor confidence in Pakistan's credit outlook.

The rally in international bonds has important implications for the country's access to external financing. Rising bond prices lower the yield or cost of borrowing for the sovereign, thereby easing the terms for future debt issuance. Furthermore, improved pricing of Pakistan's bonds sends a strong signal to global investors, multilateral institutions, and credit rating agencies, reinforcing the credibility of the government's economic reform agenda. This bond market recovery represents a powerful endorsement of the country's stabilization efforts and offers an opportunity to re-engage with international capital markets on more favourable terms.

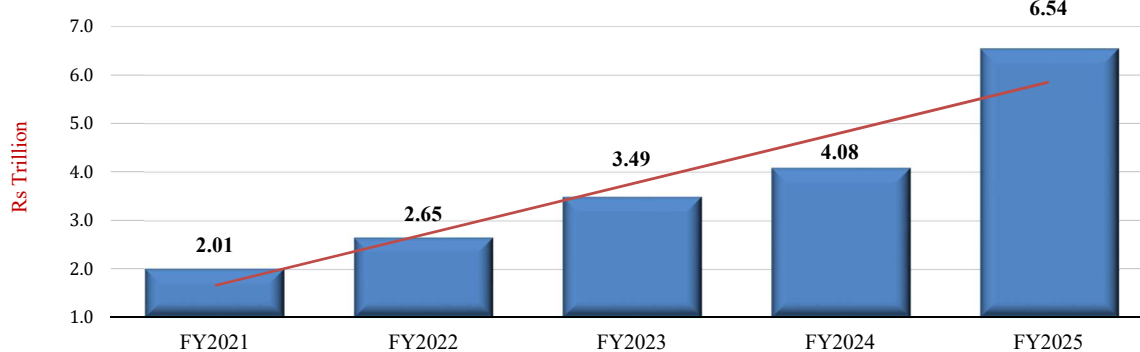
Source: The News International

### 6.3 Commodity Futures Market

The Pakistan Mercantile Exchange Limited (PMEX) offers a broad range of commodities futures contracts under four main categories: metals, agricultural, financial, and energy. During July-March FY 2025, 5.88 million lots of various commodities futures contracts worth Rs 6.54 trillion (Fig. 6.6) were traded on the

exchange. Warehouses accredited by the collateral management company issued 448 electronic warehouse receipts (EWRs) carrying a value of Rs 4.72 billion against the deposit of eligible agricultural commodities. Around 64 percent of the issued EWRs were used as collateral, providing easy access to bank finance for the farmers and depositors of agriculture produce in accredited warehouses.

Fig-6.6: Total Traded Value on PMEX (July-March)



Source: SECP

### Box-3: Capital Market Reforms and Developmental Activities

SECP has taken numerous steps in the ongoing fiscal year to support and develop conventional and Islamic capital markets. The detail is discussed below:

**Introduction of Regulations for Securities Managers:** Securities Managers (Licensing and Operations) Regulations, 2024 were notified to facilitate investment advisory services in the securities market. These

regulations permit eligible securities brokers to provide portfolio management services after obtaining the license of a securities manager. Before the issuance of these regulations, securities brokers were precluded from providing investment advisory services.

**Amendments in PSX Regulations:** To promote efficiency and ease of doing business for market intermediaries and listed companies, various amendments have been made in PSX Regulations regarding operational and administrative requirements for securities brokers; timelines for disposal of cases involving non-compliance; rationalization of listing fees for various market segment in the capital market and de-linking the submission of annual free float certificate from annual audited financial statements by listed companies.

**Amendments in Postal Ballot Regulations, 2018:** The role of the scrutinizer has been enhanced to ensure greater transparency and integrity in the election of companies' directors. The scrutinizer is now responsible for validating nomination papers and proxy forms and overseeing due diligence during selection. These measures aim to reinforce regulatory compliance and improve the overall corporate governance standards for listed companies.

**Stakeholders Engagement and Awareness – Collaboration with the US Commodity Futures Trading Commission (CFTC):** The SECP in collaboration with the U.S. CFTC, hosted a capacity building training programme regarding development of commodities futures market. Trainings were held in Karachi, Islamabad and Lahore for relevant government functionaries, regulators, market intermediaries, capital market infrastructure institutions, processors, agri-tech companies and corporates.

**Strategic Action Plan 2024-26 for development of Islamic finance:** The SECP issued a Strategic Action Plan 2024-26 aimed at fostering the growth and development of Islamic finance in the non-bank financial sector in line with the 26th Constitutional Amendment, which mandates the elimination of riba by January 1, 2028. During the period, the SECP issued a Shariah-compliance certificate to an Islamic housing finance company in line with its initiatives to introduce a new breed of Islamic financial institutions in the country.

**2<sup>nd</sup> International Islamic Capital Market Conference:** The SECP, in partnership with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Development Bank Institute (IsDBI), organized the Second International Islamic Capital Market Conference on December 12, 2024. The Conference highlighted critical challenges and opportunities in building a resilient, inclusive, and sustainable Islamic capital market, and witnessed participation of over 20 international experts and policymakers from Bahrain, Saudi Arabia, Nigeria, Malaysia, Türkiye, Oman, Iran, and the United Kingdom.

**Launch of ESG Sustain Portal:** To promote responsible business practices and environmental stewardship, SECP issued Environmental, Social, and Governance (ESG) Voluntary Disclosure Guidelines for listed companies in June 2024. To drive sustainability disclosures through a data-driven online platform, SECP launched the online portal named 'ESG Sustain' on December 5, 2024. This platform will be instrumental in providing sustainability and climate-related information, providing gender disaggregated data for regulated sectors, supported by capacity-building material. It will showcase success stories, attracting investment. As of March 31, 2025, more than 50 companies have already been onboard the ESG Sustain Portal.

**Pakistan Start-up Summit:** SECP held a Startup Summit in November, 2024, marking a significant step towards collaborating with stakeholders to promote innovation and position Pakistan as a global technology and innovation leader. The event drew participation from policymakers, start-up founders, international speakers and other stakeholders who shared insights on fostering a robust and resilient startup ecosystem in Pakistan.

Source: SECP

## 6.4 Non-Banking Finance Companies

Non-Banking Finance Companies (NBFCs) are financial institutions providing various banking-like financial services but not holding a banking license. They play a key role in the financial system of an economy by offering credit and investment services. NBFCs include mutual funds, leasing companies, investment finance companies, pension funds, insurance companies,

private equity funds, venture capital funds, housing finance companies, modarabas, investment advisory companies, etc.

### Mutual Funds

Mutual Funds are investment channels that pool money from multiple investors to invest in a diversified portfolio of assets like stocks, bonds, or money market instruments, managed by

professional fund managers. As of December 31, 2024, assets under management of mutual funds stood at Rs 4,438.6 billion. Money Market funds dominated the industry with the largest share of 43.6 percent of the mutual fund industry, followed by income funds with 31.9 percent, equity funds with an industry share of 9.5 percent, and the remaining 15 percent by other categories.

### Investment Advisory

Investment Advisory refers to a professional

service that provides individuals or institutions with advice and guidance on managing their investments to achieve specific financial goals. Currently, 28 NBFCs have licenses to conduct investment advisory business, including 20 asset management companies (AMCs) and eight NBFCs with exclusive licenses for conducting investment advisory services. As of December 31, 2024, the total assets of discretionary/non-discretionary portfolios held by all the investment advisors amounted to Rs 712 billion. The number of entities and total assets of the mutual fund industry are given in Table 6.10.

**Table 6.10: Mutual Fund Industry**

Description	Total number of Entities	Total Assets (Rs billion)
Asset management / Investment advisory Companies	28	79
Mutual Funds / Plans	403	4,439
Discretionary / non-discretionary portfolio	-	712
<b>Total size of the industry</b>	<b>431</b>	<b>5,230</b>

Source: Securities and Exchange Commission of Pakistan

### Voluntary Pension Schemes

Voluntary Pension Schemes (VPS) are long-term investment programmes aimed at helping individuals accumulate funds for their post-retirement life in a structured and tax-efficient manner. These schemes are typically offered by financial institutions and regulated by

government authorities to ensure transparency, safety, and investor protection.

As of December 31, 2024, the voluntary pension industry's assets under management stood at Rs 95.5 billion. Table 6.11 provides highlights of the pension fund industry.

**Table 6.11: Voluntary Pension Schemes**

Description	Status as of December 31, 2023
Total assets of the pension industry (Rs billion)	95.5
Total number of pension funds	45
Total number of pension fund managers	16

Source: Securities and Exchange Commission of Pakistan

### Lending NBFCs

Lending NBFCs include leasing companies, investment finance companies, housing finance

companies, discount houses, and non-bank microfinance companies. Table 6.12 shows the highlights of each category as of December 31, 2024.

**Table 6.12: List of Lending NBFCs**

Lending NBFC	No. of Companies	Asset Base (Rs billion)
Leasing Companies	5	6.7
Investment Banks	29	292.7
Non-Bank Microfinance Companies	44	323.1
Housing Finance Companies	5	0.9
Discounting Companies	1	0.1

Source: Securities and Exchange Commission of Pakistan

### **Real Estate Investment Trusts (REITs)**

REITs are companies that own, operate, or finance income-producing real estate. They offer individuals a way to invest in large-scale, diverse portfolios of real estate assets in the same way they invest in other industries. Given the multifaceted reform to promote the REIT Sector, the total number of REIT Schemes registered with SECP as of December 31, 2024, has increased to 23. Out of these, 04 new REIT schemes, comprising 02 Developmental REIT Schemes and two 02 Rental REIT Schemes, were registered during the period.

As of December 31, 2024, the aggregate fund size of these REIT Schemes was Rs 176.4 billion. REIT continues to grow as a viable investing option in real estate projects, as seen from the constantly increasing number of companies licensed to undertake REIT management services.

### **6.5 Islamic Finance Sector**

The Islamic finance sector under the regulatory purview of SECP consist of (a) Islamic institutions like Modarabas, Takaful operators, Islamic NBFIs, Shariah compliant businesses, and Shariah advisors; and (b) Islamic instruments like Shariah compliant securities, Sukuk, Islamic commercial papers, Islamic mutual funds, Islamic Exchange Traded Funds (ETFs) and Shariah compliant real estate investment trusts.

#### **Islamic Capital Market**

During July-March FY 2025, SECP issued 38 certificates of shariah-compliant securities under the Shariah Governance Regulations, 2023, for the development of the Islamic capital market. There has been an increasing trend to issue short-term Sukuk for Shariah-compliant resource mobilization by companies to fulfill their working capital requirements. During the period, in the secondary capital market, 288 (54.6 percent) securities out of a total of 527 listed securities were Shariah-compliant, with a market capitalization of Rs 9,284 billion or \$ 33.13 billion (64.6 percent) out of the total market capitalization of Rs 14,375 billion.

**Registered Shariah Advisors:** During the period under review, 09 new Shariah advisors registered with SECP under the Shariah Governance Regulations, 2023, bringing the total number of registered Shariah advisors to 146. To enhance the standing of Shariah advisory services, the process of certification as Shariah-compliant companies has been completed for the eleven Shariah advisory companies that provide Shariah advisory services.

### **Modarabas**

Modarabas are Shariah-compliant financial entities that operate under a unique partnership model. One partner provides capital, and the other manages the business, with profits/losses shared according to a pre-agreed ratio. This structure allows investors to participate in various business ventures without engaging in interest-based transactions, aligning with Islamic finance principles.

As of December 31, 2024, there are 31 registered Modaraba companies, 20 of which are currently operational and listed on PSX, and 04 of which are in the process of winding up / liquidation. The total assets of the Modaraba sector amounted to Rs 56.8 billion as of December 31, 2024. The first-ever Shariah-compliant green energy fund, Burj Clean Energy Modaraba, was listed on the PSX GEM Board in October 2024.

### **6.6 Corporate Sector**

#### **Company Incorporation**

The SECP introduced numerous reforms periodically to facilitate and simplify company incorporation. Resultantly, a notable growth in company incorporation has been witnessed over time. During July-March FY 2025, 26,104 companies were incorporated with a capitalization of Rs 66.6 billion. Most companies were registered in the Information Technology (4,014), Trading (3,457), and Services (3,137) sectors.

To facilitate the corporate sector and ease of doing business, SECP has taken the following initiatives during FY 2025:

- i. **Electronic Mortgage Register (EMR):** The SECP launched EMR of companies in November, 2024, to serve as a centralized system/database for Banks/Non-Banking Financial Institutions to quickly access and verify existing status of registered mortgages, thus, reducing the time, effort and administrative cost required for manual processes. EMR also reduces the risk of errors associated with manual preparation of mortgage information and enhances the trust of financial institutions in assessing the risk profiles of borrowers.
- ii. **Cyber Security Guidelines for eZfile users:** In December 2024, SECP issued a directive for users of eZfile to take precautionary measures from potential misuse or misreporting of the company data in the eZfile portal. The salient features of the directive include that all the directors, the chief executive, subscribers, authorized officers, and authorized intermediaries are required to register with SECP and obtain eZfile login credentials for submission of documents, digital verification of appointment, election, resignation, and retirement of directors/chief executive of the company.
- iii. **Digital verification of change of management of companies:** In September 2024, the SECP amended the Companies Regulations 2024 aimed at preventing misleading or fraudulent filing of statutory returns, reporting changes in management and directorships, ensuring return authenticity, and reducing management disputes. The amendments provide a mandatory requirement to file processes for change of management and directors online through 'eZfile' to ensure digitization and authenticity of change of management reports by the company.
- iv. **Launch of LEAP phase 2(a):** The SECP launched Batch-1 of Phase 2(a) of its ongoing digital transformation initiative in March 2025. This significant development underscores SECP's continued commitment to modernizing corporate regulation through digital automation, improving regulatory compliance mechanisms, and enhancing the

overall ease of doing business. Under this latest update, the following processes are now exclusively accessible through the eZfile platform, entirely replacing the previous eServices system:

- ▶ Registration of Foreign Companies and related Post-Registration Compliance
- ▶ Registration, Modification, and Satisfaction of Mortgages, Charges, and Pledges
- ▶ Change in Principal Line of Business, including Amendments to the Memorandum of Association
- ▶ Registration, Modification, and Satisfaction of an Entire Series of Debentures or Redeemable Capital

During July-March FY 2025, more than 40 sessions were held with companies' representatives, chambers, lawyers, consultants, and other stakeholders to encourage corporatization, promote statutory compliance, and create awareness for reforms initiated to facilitate the corporate stakeholders.

## 6.7 Insurance Sector

The insurance sector in Pakistan comprises 12 active life insurers (including 03 dedicated family Takaful operators), 30 non-life insurers (including 02 general Takaful operators, and 01 state-owned national reinsurer). Significant achievements in the insurance sector from July 2024 to March 2025 are as follows:

**Release of the report – “Insured Pakistan: Pool Dynamics”:** In line with an objective of the Insured Pakistan 5-year Strategic Plan, the SECP released a comprehensive report titled Insured Pakistan: Pool Dynamics. This report underscores the necessity for establishing insurance pools in Pakistan by evaluating the current insurance landscape and existing official insurance schemes. It also provides international case studies and examples, evaluates domestic legal and regulatory frameworks, and proposes an action plan for creating insurance pools in Pakistan, emphasizing the collective responsibilities of involved stakeholders.

**Insure Impact Conference Pakistan (ICP), 2025:** The SECP successfully hosted ICP, 2025, themed "Journey to an Insured Pakistan –



Fostering Collaboration, Engagement & Innovation", aimed to advance SECP's five-year Strategic Plan and promote stakeholder collaboration. During the conference, the SECP unveiled digital initiatives for the insurance sector, including a motor insurance repository, automation of marine insurance policy, and an SMS-based Insurance Policy Finder to help beneficiaries locate policies of deceased family members and ease claims processing.

**Revision in the Paid-up Capital Requirements for Insurers**—Amendments to the Insurance Rules, 2017: Amendments to the Insurance Rules, 2017, regarding paid-up capital have been introduced. Non-life insurers must maintain a minimum paid-up capital of Rs 2.0 billion, and life insurers must meet a threshold of Rs 3.0 billion, with a phased implementation timeline extending until 2030. This enhanced capital requirement aims to strengthen the industry's risk absorption capacity, bolster financial stability, and provide greater protection for insurance policyholders.

**Reinsurance Performance Review:** The SECP published a technical report on the performance of the reinsurance business in Pakistan. The

report presents a deep dive into Pakistan's reinsurance market, particularly amid slow insurance sector growth, and weak domestic risk retention. Valuable insights on issues in the (re)insurance market are presented in the report, and important areas of work are highlighted for all stakeholders, the (re)insurance industry, policymakers, and the regulator.

### Concluding Remarks

The performance of the Pakistan Stock Exchange was notably strong during the first three quarters of FY 2025. The benchmark KSE-100 index posted exceptional gains, driven primarily by a more stable macroeconomic environment and the successful launch of the IMF Extended Fund Facility (EFF) program. The PSX ranked among the top-performing equity markets globally, attracting heightened interest from both domestic and foreign investors. Looking ahead, this bullish momentum is expected to persist, supported by continued improvement in macroeconomic fundamentals, regulatory reforms, and development initiatives undertaken by the Securities and Exchange Commission of Pakistan (SECP).

**TABLE 6.1**  
**NATIONAL SAVINGS SCHEMES (NET INVESTMENT)**

Rs million								
Name of Scheme	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (Jul-Mar)
1 Defence Savings Certificates	10,743.60	57,171.00	92,783.09	(9,132.62)	(10,439.99)	(38,530.09)	(27,787.20)	(821.62)
2 National Deposit Scheme	0.10	(0.03)	-	0.00	(0.36)	(0.02)	-	-
3 Khaas Deposit Scheme	(0.20)	(0.04)	(0.05)	(0.24)	(0.02)	(0.15)	(0.07)	(0.05)
4 Special Savings Certificates (R)	(51,180.10)	31,842.50	13,945.72	(6,327.88)	(44,748.00)	(79,014.78)	(11,526.97)	16,028.98
5 Special Savings Certificates (B)	(0.60)	-	(0.01)	(0.50)	-	-	-	-
6 Regular Income Certificates	8,726.30	142,088.10	83,232.25	26,711.24	(10,563.31)	(127,536.17)	(197,349.07)	31,228.43
7 Bahbood Saving Certificates	45,395.30	119,573.10	83,379.96	2,549.42	16,628.89	(16,017.10)	39,098.30	72,900.12
8 Pensioners' Benefit Account	21,504.40	43,367.40	33,875.95	16,347.15	22,055.63	13,781.81	29,605.25	34,903.92
9 Savings Accounts	3,413.00	(166.20)	4,536.97	1,083.53	10,508.61	20,087.07	9,474.80	11,565.35
10 Special Savings Accounts	59,939.20	(132,393.50)	200,770.58	(39,659.08)	(273,790.85)	(197,457.07)	(46,630.17)	(3,946.26)
11 Mahana Amdani Accounts	(46.70)	(73.80)	(60.42)	(47.52)	31.12	(100.55)	(89.60)	(50.10)
12 Prize Bonds	101,575.70	40,432.10	(171,109.88)	(315,531.72)	(81,803.74)	10,069.07	2,570.36	8,425.56
13 Postal Life Insurance	875.50	1,248.40	627.96	(1,311.91)	-	-	-	-
14 National Savings Bonds	-	-	(137.00)	-	-	-	-	-
15 Short Term Saving Certificates	560.60	761.00	19,254.58	(20,362.16)	690.34	29,906.68	20,970.86	6,329.60
16 Premium Prize Bonds (R)	2,323.20	2,820.00	11,322.72	25,147.19	12,706.32	(2,155.11)	36.34	7,672.96
17 Shuhda Welfare Accounts	-	42.1	27.02	24.19	40.24	19.00	35.58	70.33
18 SARWA Islamic Savings Schemes	-	-	-	-	-	5,081.97	69,905.99	(15,504.33)
19 Digital Savings Schemes	-	-	-	-	-	-	1,615.70	2,506.20
Grand Total	203,829.10	306,712.00	372,449.44	(320,510.91)	(358,685.12)	(381,865.44)	(110,069.97)	171,309.06

- : Not available

Source: Central Directorate of National Savings (CDNS)

Figures in Parenthesis represent negative value



TABLE 6.2

## MARK UP RATE/PROFIT RATE ON FEDERAL GOVERNMENT'S DEBT INSTRUMENTS

S. No.	Name of Securities	Coupon/Profit Rates	Remarks	Tax Status
1	Pakistan Investment Bonds (PIBs)			
	Fixed-rate PIBs			
	2-years maturity	Zero Coupon (Discounted)	2-years PIB issued on 16-Jan-25	Profit taxable
	3-years maturity	12.00%	3-years PIB issued on 16-Jan-25	
	5-Years maturity	12.00%	5-years PIB issued on 16-Jan-25	
	10-Years maturity	12.00%	10-years PIB issued on 16-Jan-25	
	15-Years maturity	12.00%	15-years PIB issued on 16-Jan-25	
	20-Years maturity	11.00%	20-Years PIB first issued on 19-Sep-19	
	30-Years maturity	11.00%	30-Years PIB first issued on 07-Jan-21	
	Floating-rate PIBs			
	2-years maturity	coupon rate linked to 3-month t-bill auction's weighted-average yield	fortnightly coupon reset and quarterly coupon payment; issued on 21-Sep-23	
	3-years maturity		Quarterly coupon reset and payment; issued on 07-Feb-24	
	5-Years maturity	coupon rate linked to 6-month t-bill auction's weighted-average yield	For 5- and 10- year floating rate PIBs, coupon reset and payment are half yearly; 5- and 10- year floating-rate PIBs were issued on 09-Jan-2025.	
2	Government Ijara Sukuk			
	1-year Variable Rental Rate Sukuk	rental rate is benchmarked to 6-month t-bill's auction weighted-average yield adjusted with margin set on initial auction	Cut-off margin is -100 BPs; first issued on 04-Dec-23	Profit taxable
	3-year Variable Rental Rate Sukuk		Cut-off margin is -21 BPs; first issued on 04-Dec-23	
	5-year Variable Rental Rate Sukuk		Cut-off margin is -10 BPs; first issued on 04-Dec-23	
	1-year Fixed Rental Rate Sukuk	22.49%	First Issued on 09-Oct-23	
	3-year Fixed Rental Rate Sukuk	16.19%	First Issued on 04-Dec-23	
	5-year Fixed Rental Rate Sukuk	15.75%	First Issued on 04-Dec-23	
3	Naya Pakistan Certificate	<u>w.e.f 20-02-2025</u>		
	1 years maturity PKR Certificate	13.00%		
	3 years maturity PKR Certificate	12.50%		
	5 years maturity PKR Certificate	12.50%		
	1 years maturity USD Certificate	7.00%		
	3 years maturity USD Certificate	7.50%		
	5 years maturity USD Certificate	7.50%	Mudaraba-based Shariah compliant mode of investment is also available for investors	Profit taxable
	1 years maturity EUR Certificate	5.25%		
	3 years maturity EUR Certificate	5.25%		
	5 years maturity EUR Certificate	5.25%		
	1 years maturity GBP Certificate	7.25%		
	3 years maturity GBP Certificate	7.50%		
	5 years maturity GBP Certificate	7.50%		

Note: Federal Government debt securities auctioned by DMMD, SBP  
The Securities issuance status is as of end March, 2025.

Source: State Bank of Pakistan