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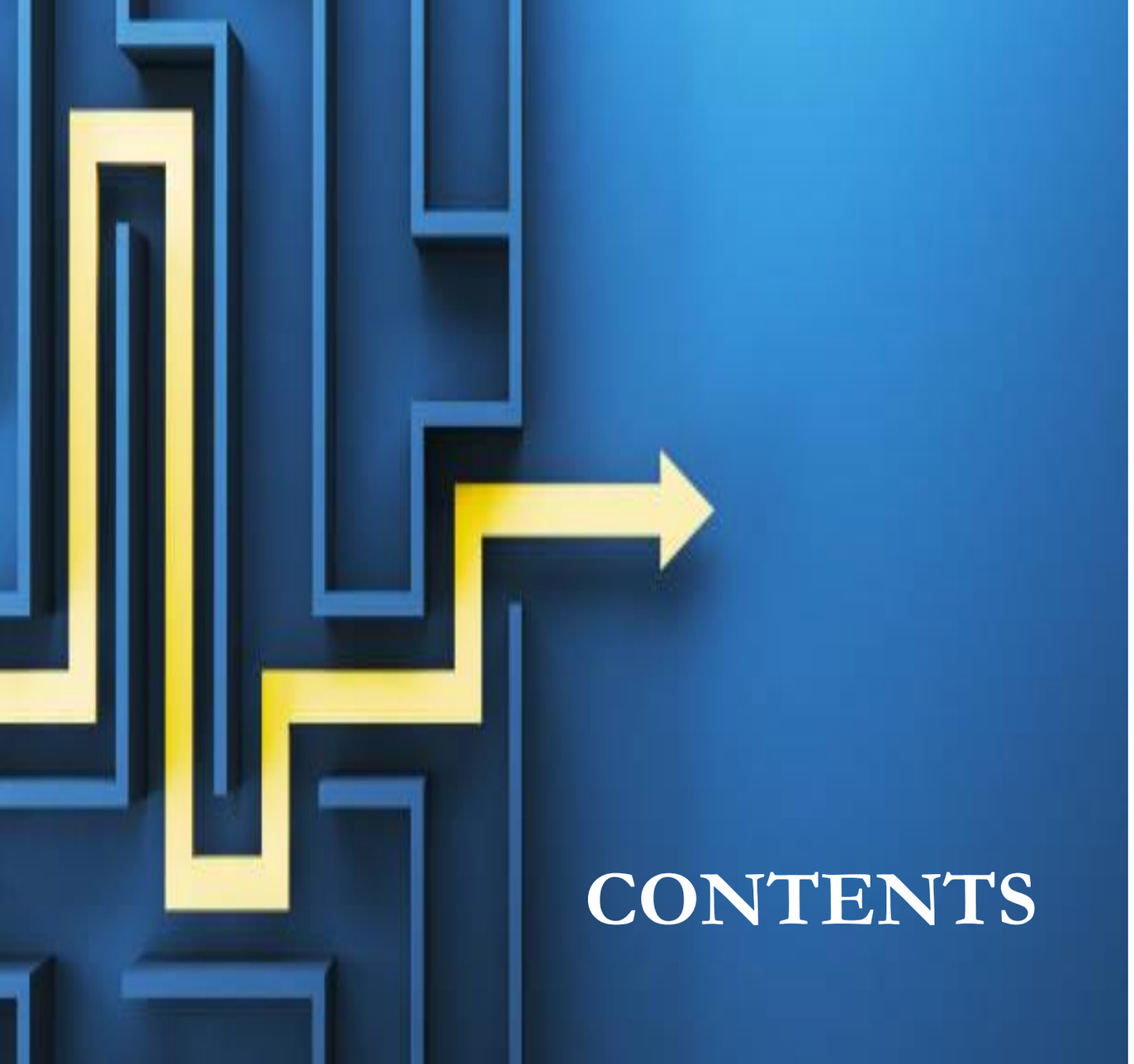
Commercial Banks

May 2025

PACRA RESEARCH



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How Big is the **Global Financial Sector?**

USD~486.4tln in Assets (CY24)

Global Financial Sector

USD~7.0tln in Revenue

Financial Intermediaries (Deposit-taking)

- Central Banks
- **Commercial Banks**
- Specialized Banks
- Microfinance Banks
- DFIs

Other Financial Intermediaries (Non-Deposit Taking)

- Investment Banks
- Asset Management Companies
- Pension Funds
- Insurance Companies

Market Makers

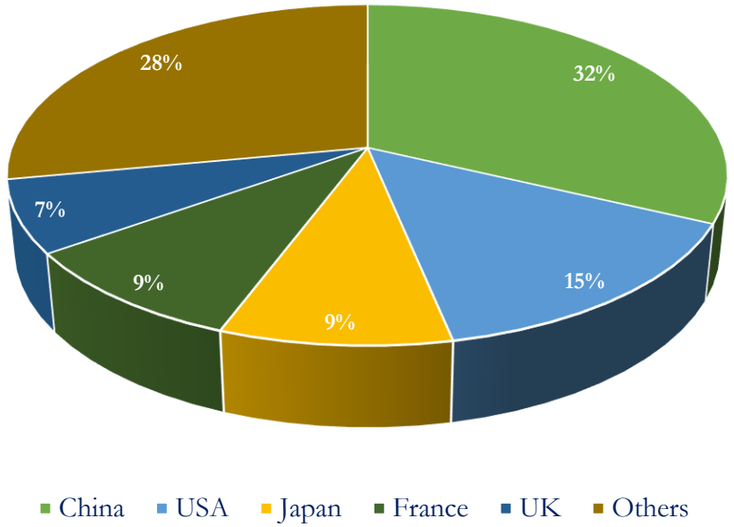
- Stock Exchange
- Brokerage Firms
- Primary Dealers

Note: This classification is not completely exhaustive.

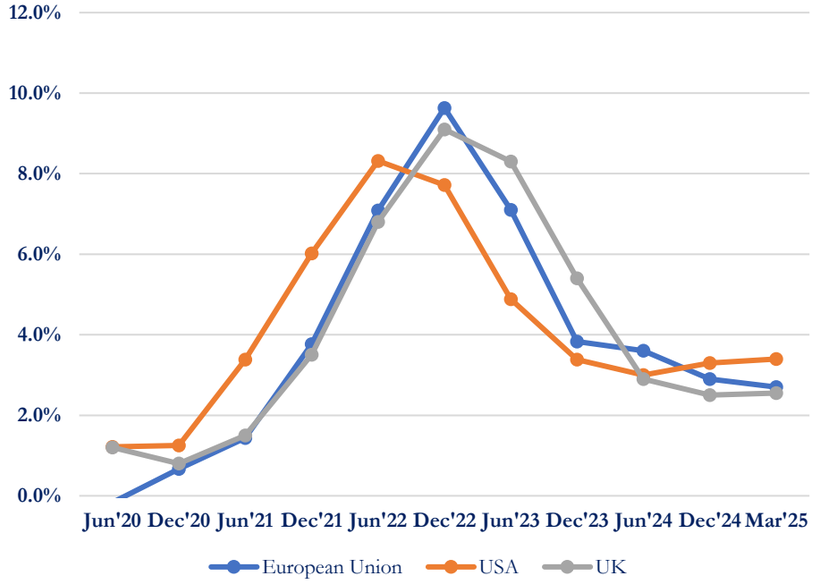
Global Banking **At a Glance**

- Global inflation and interest rate trends in the UK, USA, and EU reflect a delicate balancing act between curbing inflation and supporting slowing GDP growth. Global GDP growth is projected at ~2.8% for CY25 and ~3.0% for CY26 (CY24: ~3.3%) on the back of a negative supply shock to the global economy in the form of US-imposed trade tariffs and retaliatory measures by China. Average global inflation is set to clock in at ~4.3% in CY25 and ~3.6% in CY26 (CY24: ~5.7%).
- Recent monetary policy reviews show cautious easing in the UK and EU, while the U.S. Fed remains steady amid lingering inflation risks. As of Mar'25, average inflation in the EU, USA and UK stood at ~2.7%, ~3.4% and ~2.6%, whereas period-end interest rates recorded at ~2.7%, ~4.3% and ~4.5%, respectively. Persistent inflationary pressures in the USA result from rising goods prices, potentially due to tariffs.

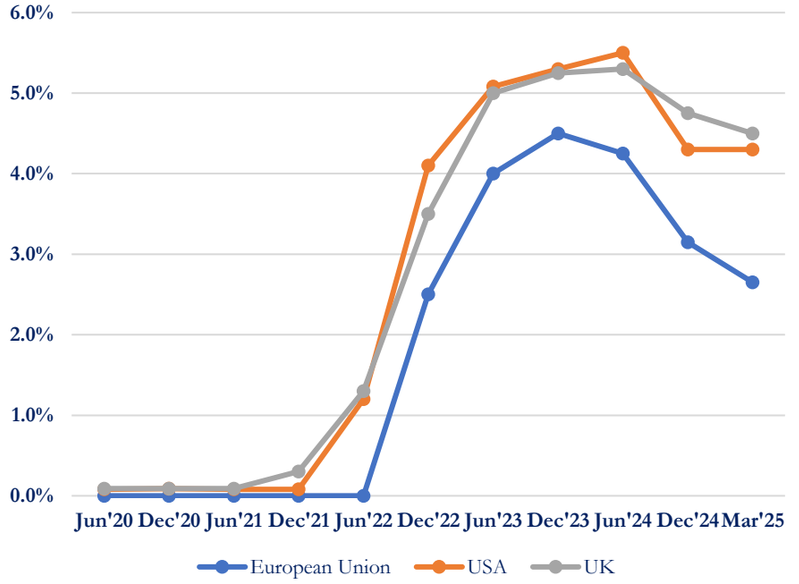
Country-wise Share in Assets (%) | Top 100 Banks



Average Inflation (%)



Period-End Interest Rate (%)



Pakistan's Macroeconomy | A 5-Year Odyssey

Figures in PKR bln, unless stated otherwise

Sector-wise Particulars	FY20	FY21	FY22	FY23	FY24	1HFY25
Real Sector						
GDP (Nominal)	44,747	52,254	63,287	89,955	105,741	54,358
GDP (Real)	34,587	36,582	38,839	38,775	39,734	20,173
Real GDP Growth (%)	-0.9	5.8	6.2	-0.2	2.5	1.50
LSM Growth (%)	-11.0	11.6	11.9	-10.3	-0.1	-1.80
Fiscal Sector						
Fiscal Deficit (% of GDP)	-7.1	-6.1	-7.9	-7.7	-6.8	-1.2
Government Debt	35,107	38,704	47,832	60,840	68,914	71,647
Local	23,283	26,625	31,085	38,809	47,160	49,883
Foreign	11,824	12,079	16,747	22,031	21,754	21,764
Government Debt (% of GDP)	78.5	74.1	75.6	76.4	65.2	--
Monetary Sector						
Monetary Policy Rate (%) (Period-End)	7.0	7.0	13.8	22.0	22.0	13.0
Avg. Exchange Rate (PKR/USD)	158.4	160.5	191.9	247.7	283.2	278.2
Avg. Real Effective Exchange Rate (Index)	96.8	98.7	97.6	92.2	97.4	103.7
Avg. Headline Inflation (%)	10.7	8.9	21.3	29.4	23.9	7.30
External Sector (USD mln, unless otherwise stated)						
FX Reserves (SBP)	12,132.0	17,299.0	9,815.0	4,445.0	9,400.0	11,732.0
Remittances	23,132.0	29,450.0	31,279.0	27,332.0	30,251.0	20,850.0
Trade Balance	-21,109.0	-28,155.0	-48,385.0	-24,819.0	-22,177.0	-11,636.0
Current Account Balance	-4,449.0	-2,820.0	-17,481.0	-3,275.0	-2,072.0	1,160.0
Primary Balance (% of GDP)	-1.6	-1.2	-3.1	-1.0	0.9	2.9

9MFY25 Statistics

- GDP (Nominal): PKR~83,810bln
- GDP (Real): PKR~32,406bln
- LSM: -1.5%
- Fiscal Deficit: -2.4%
- Total Government Debt: PKR~73,688bln
- Policy Rate: 11.0%
- Average Exchange Rate: PKR~278.7/USD
- Average REER: ~101.7
- Avg. Headline Inflation: 5.40%
- Forex Reserves (SBP): USD~10,639mln
- Remittances: USD~28,029mln
- Trade Balance: USD~-18,728mln
- Current Account Balance: USD~1,868mln
- Primary Balance (% of GDP): ~2.8%

Real GDP Growth Projections | FY25

- 2.5%-3.5% YoY (SBP)
- 3.6% (GOP)
- 2.6% (IMF)
- 2.7% (WB)
- 2.5% (ADB)
- Provisional (PBS): 2.6%

Pakistan's Macroeconomy | A 5-Year Odyssey

Figures in PKR bln, unless stated otherwise

Components	FY20	FY21	FY22	FY23	FY24	As of Apr'25
Currency in Circulation - M1 (A)	**6,142**	**6,910**	**7,572**	**9,149**	**9,153**	**10,068**
Other Deposits with SBP - M1 (B)	**41**	**68**	**95**	**112**	**63**	**52**
Total Deposits with Banks* (C)	**14,725**	**17,320**	**19,935**	**22,262**	**26,666**	**26,878**
Demand Deposits	12,665	15,351	17,759	20,002	24,076	24,632
Time Deposits	985	922	963	733	985	536
Residents Foreign Currency Deposits	1,075	1,046	1,213	1,527	1,605	1,710
Broad Money (M2) (A+B+C)	**20,908**	**24,298**	**27,602**	**31,523**	**35,882**	**36,998**
YoY Growth (%) M2	17.5%	16.2%	13.6%	14.2%	13.8	3.1%

*Excluding inter-bank deposits, deposits of governments and foreign constituents.

Government Debt | Overview

Figures in PKR bln, unless stated otherwise

Break-up of Total Debt Profile	CY21	% Share	CY22	% Share	CY23	% Share	CY24	% Share	As of Mar'25	% Share
Total Government Debt (E+D)	**41,548**	**100%**	**51,059**	**100%**	**65,188**	**100%**	**71,647**	**100%**	**73,688**	**100%**
Total Domestic Debt (A+B+C) (E)	**26,752**	**64%**	**33,179**	**65%**	**42,588**	**65%**	**49,883**	**69%**	**51,518**	**70%**
Long-term (A)	**21,069**	**79%**	**26,913**	**81%**	**34,099**	**80%**	**41,106**	**82%**	**43,595**	**84%**
G-Sec Securities	**16,405**	**100%**	**22,946**	**100%**	**30,027**	**100%**	**36,925**	**100%**	**39,619**	**100%**
PIBs	15,175	93%	20,301	88%	25,608	85%	31,216	85%	33,622	85%
GOP Ijara Sukuks	1,230	7%	2,645	12%	4,419	15%	5,709	16%	5,997	15%
Others	**4,664**	**100%**	**3,967**	**100%**	**4,072**	**100%**	**3,738**	**100%**	**3,811**	**100%**
Savings Scheme (Net of Prize Bonds)	3,465	74%	2,961	75%	2,742	67%	2,786	74%	2,861	75%
SBP's on-lending to GoP against SDRs Allocation	475	10%	475	12%	475	12%	475	12%	475	13%
Prize Bonds	372	8%	382	10%	383	9%	394	10%	401	11%
Others (Postal Life Insurance, GP Fund)	351	8%	149	4%	473	12%	83	2%	74	2%
Short-term (B)	**5,644**	**21%**	**6,156**	**19%**	**8,370**	**20%**	**8,602**	**18%**	**7,860**	**15%**
Market Treasury Bills	5,644	100%	6,156	100%	8,370	100%	8,602	**100%**	7,860	100%
Naya Pakistan Certificates (C)	**39**	**0%**	**110**	**0%**	**119**	**0%**	**81**	**0%**	**63**	**0%**
Total External Debt (D)	**14,796**	**36%**	**17,880**	**35%**	**22,600**	**35%**	**21,764**	**31%**	**22,170**	**30%**
Long Term	14,571	98%	17,724	99%	22,572	100%	21,454	99%	21,904	99%
Short Term	225	2%	156	1%	28	0%	310	1%	266	1%

Banks' share in PIBs as of Mar'25: ~81.6%

Banks' share in MTBs as of Mar'25: ~58.3%

Government Debt and The Banking System

Local | Government Debt & Banks

Figures in PKR bln, unless stated otherwise

Government Debt Profile	CY21	% Share	CY22	% Share	CY23	% Share	CY24	% Share	As of Mar'25	% Share
Total Government Debt	**41,547**	**100%**	**51,058**	**100%**	**65,195**	**100%**	**71,647**	**100%**	**73,688**	**100%**
Domestic	26,751	64%	33,178	65%	42,594	65%	49,883	70%	51,518	69.9%
External	14,796	36%	17,880	35%	22,601	35%	21,764	30%	22,170	30.1%
Share of Banking Sector in Total Govt. Debt	**13,376**	**32.2%**	**17,253**	**33.8%**	**24,279**	**37.2%**	**27,436**	**38.3%**	**27,562**	**37.4%**
Domestic	**13,376**	**50.0%**	**17,253**	**52.0%**	**24,279**	**57.0%**	**27,436**	**55.0%**	**27,562**	**53.5%**

Banking through a Lens

Banking | **Looking Back on the Years**

Figures in PKR bln, unless stated otherwise

Financial Position	CY20	CY21	CY22	CY23	CY24
Total Assets	**24,145**	**28,902**	**34,127**	**43,889**	**50,862**
Advances (Gross) *	9,023	10,505	12,268	12,428	16,038
Advances (Net)	8,099	9,852	11,525	11,550	14,965
Investments	11,542	13,864	17,313	24,931	28,383
Others	4,505	5,186	5,289	7,741	7,734
Liabilities	**23,261**	**27,895**	**33,257**	**43,064**	**49,880**
Borrowings from Financial Institutions	3,217	4,602	7,486	11,273	14,598
Deposits	**18,182**	**21,171**	**22,778**	**28,225**	**30,741**
Deposits with Financial Institutions	1,273	1,482	911	1,694	1,537
Deposits with Customers	16,909	19,689	21,866	26,532	29,204
Other Liabilities	1,862	2,122	2,993	3,566	4,541
Equity	**1,715**	**1,803**	**1,923**	**2,531**	**3,053**
Net Interest Income	796	791	1,094	1,718	1,919
Profit Before Tax (PBT)	385	446	643	1,171	1,276
Profit After Tax (PAT)	233	264	307	576	611
Capital Adequacy Ratio (CAR)	17.5%	15.4%	16.2%	19.3%	20.4%
Advance to Deposit Ratio (ADR)	50.9%	55.0%	53.9%	45.8%	51.0%
Current Account Saving Account (CASA)	71.7%	72.0%	76.0%	76.7%	79.0%
Return on Equity (ROE)	15.0%	14.0%	14.0%	22.2%	18.7%
Return on Asset (ROA)	1.8%	1.7%	1.8%	2.7%	2.7%
Drag on Equity	5.0%	4.0%	5.0%	4.1%	0.0%

Note: Data is reflective of 23 commercial banks. Gross Advances for CY20, Investments, Borrowings from Fis, Total Liabilities and Net Interest Income data are from SBP compendium.

Local Banks | **The Race to the Top**

Extra Large Banks (>10%)		
Sr.	Name	Market Share
1	Habib Bank Ltd.	13.3%
2	National Bank of Pakistan	12.6%

Large Banks (5-10%)		
Sr.	Name	Market Share
1	United Bank Ltd.	8.6%
2	Meezan Bank Ltd.	8.4%
3	Bank Al Habib Ltd.	7.4%
4	Bank Alfalah Ltd.	7.0%
5	Allied Bank Ltd.	6.6%
6	Muslim Commercial Bank Ltd.	6.3%

Medium Banks (2-5%)		
Sr.	Name	Market Share
1	Bank of Punjab	5.6%
2	Askari Commercial Bank Ltd.	4.4%
3	Faysal Bank Ltd.	3.4%
4	Habib Metropolitan Ltd.	3.0%
5	Standard Chartered Bank Ltd.	2.7%

Small Banks (<2%)		
Sr.	Name	Market Share
1	Soneri Bank Ltd.	1.8%
2	Bank Islami	1.8%
3	JS Bank Ltd.	1.7%
4	Dubai Islamic Bank Pakistan Ltd.	1.1%
5	Sindh Bank Pvt. Ltd	1.0%
6	Bank Of Khyber	0.9%
7	Al Baraka Bank Pakistan Ltd.	0.7%
8	MCB Islamic Bank Ltd.	0.7%
9	Bank Makramah Ltd. (formerly Summit Bank)	0.6%
10	Samba Bank	0.3%

Note: Market Shares are based on Deposits as of CY24.

Bank-wise Advances

Figures in PKR bln, unless stated otherwise

Extra Large Banks		Gross Advances				Growth (%)	NPLs				Infection Ratio (%)				ADR (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	HBL	1,760.3	2,381.0	1,674.6	1,878.3	35.3	94.3	100.3	95.3	99.4	5.4	4.2	5.7	5.3	45.5	58.2	40.8	44.8	14.2	14.8	13.9	13.4
2	NBP	1,631.0	1,673.0	1,476.0	1,567.8	2.6	220.0	269.0	223.0	221.9	13.5	16.1	15.1	14.2	44.4	43.3	43.1	40.3	13.1	10.4	12.3	11.2
Total		**3,391.3**	**4,054.0**	**3,150.6**	**3,446.0**	**18.9**	**314.3**	**369.3**	**318.3**	**321.3**	**9.4**	**10.1**	**10.4**	**9.7**	**44.9**	**50.7**	**42.0**	**42.6**	**27.3**	**25.3**	**26.2**	**24.6**

Large Banks		Gross Advances				Growth (%)	NPLs				Infection Ratio (%)				ADR (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	UBL	717.1	1,565.0	693.6	1,099.4	118.2	105.5	116.0	106.8	162.1	15.0	7.0	15.0	15.0	31.0	59.0	28.0	32.0	6.0	10.0	6.0	8.0
2	Meezan	992.0	1,556.4	930.8	1,443.5	56.9	16.9	25.2	17.6	30.3	1.7	1.6	1.9	2.1	44.7	60.2	41.0	50.1	8.0	9.7	7.7	10.3
3	AL Habib	896.0	959.3	851.0	993.3	7.1	25.2	35.5	31.5	31.7	2.8	3.7	3.7	3.2	46.3	42.1	40.8	41.7	7.2	6.0	7.1	7.1
4	Alfalah	777.3	1,156.3	754.3	927.4	48.8	37.6	42.4	37.2	40.4	4.8	3.7	4.9	4.4	37.3	54.1	36.9	45.9	6.3	7.2	6.3	6.6
5	ABL	794.1	1,066.0	718.6	827.7	34.2	13.0	13.0	12.8	13.3	1.6	1.2	1.8	1.6	47.4	52.8	42.3	40.3	6.4	6.6	6.0	5.9
6	MCB	622.4	1,095.0	647.4	810.3	75.9	53.9	53.5	55.4	53.5	8.7	4.9	8.6	6.6	34.5	57.0	35.0	38.7	5.0	6.8	5.4	5.8
Total		**4,799.0**	**7,397.9**	**4,595.8**	**6,101.8**	**56.9**	**252.2**	**285.6**	**261.4**	**331.3**	**5.7**	**3.8**	**6.0**	**5.4**	**40.1**	**54.2**	**37.3**	**41.5**	**38.6**	**46.1**	**38.2**	**43.5**

Sub-Total | Extra Large & Large Banks	CY23	CY24	1QCY24	1QCY25	Growth CY24 (%)	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
	8,190	**11,452**	**7,746**	**9,548**	**37.9**	**566.5**	**654.9**	**579.7**	**652.6**	**7.6**	**6.9**	**8.2**	**7.6**	**42.5**	**52.5**	**39.6**	**42.1**	**65.9**	**71.4**	**64.4**	**68.1**

Bank-wise Advances

Figures in PKR bln, unless stated otherwise

Medium Banks		Gross Advances				Growth (%)	NPLs				Infection Ratio (%)				ADR (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	BOP	849.5	827.4	761.7	819.5	-2.6	50.9	53.5	53.0	53.2	6.0	6.5	7.0	6.5	55.9	48.4	53.6	47.7	6.8	5.2	6.3	5.8
2	Askari	661.3	733.1	726.2	587.9	10.9	29.1	34.4	39.8	34.1	4.4	4.7	5.5	5.8	51.1	53.8	55.8	42.4	5.3	4.6	6.0	4.2
3	Faysal	600.8	675.0	602.8	683.7	12.3	23.1	24.3	23.2	23.2	3.8	3.6	3.8	3.4	59.0	64.6	57.4	61.4	4.8	4.2	5.0	4.9
4	Metro	438.6	503.8	461.1	630.4	14.9	19.8	25.2	21.1	25.3	4.5	5.0	4.6	4.0	43.3	54.3	42.4	62.3	3.5	3.1	3.8	4.5
5	Standard Chartered	240.8	190.4	232.5	244.5	-21.0	21.1	16.8	21.0	16.7	8.7	8.8	9.0	6.8	33.5	22.8	30.4	33.7	1.9	1.2	1.9	1.7
	Total	**2791.1**	**2,929.6**	**2,784.3**	**2,966.0**	**2.9**	**143.9**	**154.3**	**158.0**	**152.5**	**5.5**	**5.7**	**6.0**	**5.3**	**48.6**	**48.8**	**47.9**	**49.5**	**22.5**	**18.3**	**23.2**	**21.2**

Small Banks		Gross Advances				Growth (%)	NPLs				Infection Ratio (%)				ADR (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	Bank Islami	254.0	322.0	278.3	309.5	26.7	22.9	19.0	22.8	17.6	9.0	5.9	8.2	5.7	48.6	57.6	56.0	53.7	2.0	2.0	2.3	2.2
2	Soneri Bank	214.2	251.5	228.1	206.3	17.4	10.5	7.9	9.7	8.2	4.9	3.1	4.3	4.0	41.4	46.3	41.3	36.1	1.7	1.6	1.9	1.5
3	JS Bank	213.8	247.7	208.8	215.7	15.9	16.2	21.3	16.8	21.6	7.6	8.6	8.1	10.0	44.0	47.2	40.6	40.4	1.7	1.5	1.7	1.5
4	DIB	261.8	224.5	259.2	251.3	-14.2	16.0	20.9	16.3	19.3	6.1	9.3	6.3	7.7	80.6	64.7	81.9	80.4	2.1	1.4	2.2	1.8
5	Sindh	77.5	99.0	74.2	97.2	27.7	33.1	30.1	32.8	29.5	42.7	30.4	44.2	30.3	34.7	31.6	32.1	31.6	0.6	0.6	0.6	0.7
6	Bank of Khyber	109.7	159.6	110.3	81.1	45.5	13.3	13.3	13.7	13.2	12.1	8.3	12.4	16.2	37.9	57.5	34.0	24.0	0.9	1.0	0.9	0.6
7	Al Baraka Bank	91.4	115.0	90.6	115.7	25.9	12.7	13.3	12.7	12.9	13.9	11.5	14.0	11.2	44.1	51.5	45.5	53.3	0.7	0.7	0.8	0.8
8	MCB Islamic	90.6	122.6	109.1	110.3	35.3	2.0	2.6	2.2	2.6	2.2	2.1	2.0	2.3	44.3	58.6	53.5	48.7	0.7	0.8	0.9	0.8
9	Bank Makramah	53.0	48.9	50.9	47.6	-7.7	36.3	34.2	34.8	34.1	68.5	70.0	68.4	71.6	33.7	26.3	32.0	27.6	0.4	0.3	0.4	0.3
10	Samba	80.7	66.1	80.0	64.7	-18.1	7.3	9.9	8.0	9.9	9.1	15.0	10.0	15.3	70.3	61.7	61.1	59.0	0.6	0.4	0.7	0.5
	Total	**1,446.7**	**1,656.9**	**1,489.3**	**1499.4**	**15.4**	**170.3**	**172.5**	**169.8**	**168.7**	**17.6**	**16.4**	**17.8**	**17.4**	**48.0**	**50.3**	**47.8**	**45.5**	**11.6**	**10.3**	**12.4**	**10.7**

Grand Total	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
	12,428.0	**16,038.5**	**12,020.1**	**14,013.2**	**23.5**	**880.7**	**981.7**	**907.5**	**973.8**	**9.6**	**9.0**	**10.1**	**9.5**	**45.4**	**51.0**	**43.8**	**44.8**	**25.0**	**25.0**	**25.0**	**25.0**

Banking Credit Exposure | A Bird's Eye View

Figures in PKR bln, unless stated otherwise

Sectors	CY22				CY23				CY24			
	Advances	NPLs	Infection (%)	Share in Total Advances (%)	Advances	NPLs	Infection (%)	Share in Total Advances (%)	Advances	NPLs	Infection (%)	Share in Total Advances (%)
Textile	2,016.0	164.0	8.1	16.0	2,044.0	182.0	8.9	15.6	2,532.0	175.0	6.9	15.0
Energy	1,621.0	85.0	5.3	13.0	1,767.0	83.0	4.7	13.5	1,741.0	77.0	4.4	10.3
Financial Sector	664.0	11.0	1.6	5.0	406.0	11.0	2.7	3.1	1,729.0	9.0	0.5	10.2
Agribusiness	1,079.0	60.0	5.6	9.0	1,030.0	66.0	6.4	7.9	1,680.0	60.0	3.6	9.9
Individuals	1,211.0	62.0	5.2	10.0	1,152.0	64	5.5	8.8	1,248.0	62.0	5.0	7.4
Pharma & Chemicals	507.0	16.0	3.2	4.0	435.0	17.0	3.8	3.3	591.0	19.0	3.2	3.5
Sugar	292.0	58.0	20.0	2.0	295.0	53.0	18.0	2.3	459.0	53.0	11.6	2.7
Cement	291.0	7.0	2.4	2.0	256.0	7.0	2.7	2.0	351.0	10.0	2.9	2.1
Insurance	4.0	0	1.5	0.0	4.0	0	0.0	0.0	266.0	0	0.0	1.6
Electronics	172	24	14.1	1.0	158.0	26.0	16.4	1.2	197.0	31.0	15.6	1.2
Automobile	232.0	18.0	7.7	2.0	191.0	19.0	9.9	1.5	195.0	22.0	11.1	1.2
Shoes & Leather Garments	53.0	6.0	11.2	0.0	50.0	6.0	11.7	0.4	41.0	2.0	6.1	0.2
Others	4,503.0	411.0	9.1	36.0	5,313.0	461.0	8.7	40.6	5,884.0	547.0	9.3	34.8
Total	**12,645.0**	**922.0**	**7.3**	**100**	**13,100.0**	**994.0**	**7.6**	**100**	**16,914.0**	**1,068.0**	**6.3**	**100**

Note: Data reflects scheduled banks' data.

Measuring NPLs against Major Segments

Figures in PKR bln, unless stated otherwise

Segment-wise | Banking Credit Exposure	CY22				CY23				CY24			
	Gross Advances	NPLs	Infection (%)	Share in Total Advances	Gross Advances	NPLs	Infection (%)	Share in Total Advances	Gross Advances	NPLs	Infection (%)	Share in Total Advances
Corporate Sector	**9,022**	**717**	**8.0%**	71%	**8,878**	**779**	**8.8%**	67.8%	**12,305**	**756**	**6.1%**	72.7%
Fixed Investments	3,909	360	9.2%	31%	3,845	398	10.4%	29.4%	4,636	368	7.9%	27.4%
Working Capital	3,356	248	7.4%	27%	3,108	275	8.8%	23.7%	5,567	273	4.9%	32.9%
Trade Finance	1,757	110	6.2%	14%	1,924	106	5.5%	14.7%	2,102	115	5.5%	12.4%
Commodity Financing	**1,261**	**7**	**0.6%**	**10%**	**1,407**	**9**	**0.6%**	**10.7%**	**1,397**	**64**	**4.6%**	**8.3%**
Wheat	59	2	2.7%	0%	70	1	2.0%	0.5%	909	51	5.6%	5.4%
Sugar	103	2	1.8%	1%	139	3	1.8%	1.1%	228	1	0.7%	1.3%
Cotton	955	0	0.0%	8%	1064	1	0.1%	8.1%	92	5	5.5%	0.5%
Rice	113	2	1.5%	1%	101	2	1.6%	0.8%	24	3	10.7%	0.1%
Others	31	2	6.6%	0%	33	3	7.7%	0.2%	145	4	2.5%	0.9%
Consumer Financing	**896**	**32**	**3.6%**	**7%**	**815**	**34**	**4.2%**	**6.2%**	**891**	**38**	**4.3%**	**5.3%**
(i) Auto Loans	333	5	1.4%	3%	247	5	1.8%	1.9%	243	5	1.9%	1.4%
(ii) Mortgage Loans	220	11	4.9%	2%	212	12	5.7%	1.6%	208	14	6.8%	1.2%
(iii) Credit Cards	86	2	2.6%	1%	108	2	1.5%	0.8%	141	2	1.7%	0.8%
(iv) Consumer Durables	1	0	8.1%	0%	2	0	0.0%	0.0%	2	0	22.0%	0.0%
(v) Other Personal Loans	256	15	5.7%	2%	247	16	6.4%	1.9%	298	17	5.6%	1.8%
SMEs	**533**	**75**	14.1%	4%	**538**	**76**	**14.1%**	**4.1%**	**678**	**122**	**18.0%**	**4.0%**
Working Capital	353	55	15.6%	3%	345	53	15.4%	2.6%	368	56	15.2%	2.2%
Fixed Investments	140	14	10.0%	1%	162	17	10.5%	1.2%	266	50	18.7%	1.6%
Trade Finance	39	5	14.1%	0%	31	6	17.7%	0.2%	44	17	38.0%	0.3%
Agriculture	**449**	**56**	**12.4%**	**4%**	**502**	**60**	**11.9%**	3.8%	**578**	**57**	**9.8%**	**3.4%**
Staff Loans	**243**	**3**	**1.1%**	**2%**	**303**	**3**	**0.9%**	2.3%	**366**	**3**	**1.0%**	**2.2%**
Others	**242**	**34**	**14.0%**	**2%**	**658**	**34**	**5.2%**	5.0%	**699**	**27**	**3.9%**	**4.1%**
Total	**12,645**	**924**	**7.3%**	**100%**	**13,100**	**994**	**7.6%**	**100%**	**16,914**	**1,068**	**6.3%**	**100%**

Note: Data reflects scheduled banks' data.

Deposits Overview

Figures in PKR bln, unless stated otherwise

Particulars	CY20	CY21	CY22	CY23	CY24
Deposits	**18,182**	**21,171**	**22,778**	**28,225**	**30,741**
Growth in Deposits	16.2%	16.4%	7.6%	23.9%	8.9%
PKR Depreciation	3.0%	11.0%	10.7%	36.8%	0.5%
Average Inflation	10.7%	8.9%	11.4%	29.7%	13.1%
Average Policy Rate	7.0%	9.75%	16.0%	22.0%	13.0%
CASA Average (%)	72.0%	72.0%	74.0%	77.0%	79.0%

Deposits by Type	CY20	CY21	CY22	CY23	CY24
Customer Deposits	16,909	19,689	21,866	26,532	29,204
Financial Institutions	1,273	1,482	911	1,694	1,537
Total	**18,182**	**21,171**	**22,778**	**28,225**	**30,741**

Deposit by Currency	CY20	CY21	CY22	CY23	CY24
Local Currency	16,923	19,923	21,452	26,439	28,860
Foreign Currency	1,259	1,248	1,326	1,786	1,881
Total	**18,182**	**21,171**	**22,778**	**28,225**	**30,741**

Note: MPR as of May 20, 2025: 11%. Foreign Currency Deposits have been calculated using average ER for the respective year while Local Currency Deposits are assumed as balancing figure.

Bank-wise **Deposits**

Figures in PKR bln, unless stated otherwise

Extra Large Banks		Total Deposits				Growth	CA (%)				SA (%)				CASA (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	HBL	3,870.0	4,091.0	4,105.0	4,188.0	5.7	33.3	35.9	33.3	37.7	47.3	47.1	49.0	45.7	80.6	83.0	82.3	83.4	13.7	13.3	14.3	13.0
2	NBP	3,674.0	3,866.0	3,424.0	3,891.0	5.2	51.3	51.9	51.3	28.2	25.1	29.1	27.0	29.7	76.4	80.9	78.3	57.9	13.0	12.6	11.9	12.1
Total/Average		**7,544.0**	**7,957.0**	**7,529.0**	**8,079.0**	**5.5**	**42.3**	**43.9**	**42.3**	**33.0**	**36.2**	**38.1**	**38.0**	**37.7**	**78.5**	**82.0**	**80.3**	**70.7**	**26.7**	**25.9**	**26.2**	**25.1**

Large Banks		Total Deposits				Growth	CA (%)				SA (%)				CASA (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	UBL	2,351.0	2,640.0	2,469.0	3,395.0	12.3	47.6	57.8	49.1	54.1	39.5	33.7	36.9	34.2	87.1	91.5	86.0	88.3	8.3	8.6	8.6	10.5
2	Meezan	2,217.0	2,585.0	2,270.0	2,880.0	16.6	48.3	46.7	46.8	48.2	39.8	45.5	41.7	44.3	88.2	92.2	88.6	92.5	7.9	8.4	7.9	8.9
3	AL Habib	1,934.0	2,279.0	2,088.0	2,380.0	17.8	34.3	34.3	34.9	35.9	36.5	41.5	35.9	41.3	70.7	75.7	70.8	77.2	6.9	7.4	7.3	7.4
4	Alfalah	2,085.0	2,137.0	2,043.0	2,019.0	2.5	37.9	38.2	38.3	42.3	31.4	38.9	30.2	34.3	69.3	77.1	68.6	76.6	7.4	7.0	7.1	6.3
5	ABL	1,677.0	2,018.0	1,699.0	2,052.0	20.4	40.3	36.4	38.7	36.4	42.8	47.5	45.1	47.6	83.1	83.9	83.7	84.0	5.9	6.6	5.9	6.4
6	MCB	1,805.0	1,922.0	1,851.0	2,092.0	6.5	45.4	47.1	45.6	48.8	48.6	48.1	48.9	45.1	94.0	95.3	94.5	93.9	6.4	6.3	6.5	6.5
Total/Average		**12,069.0**	**13,581.0**	**12,420.0**	**14,818.0**	**12.7**	**42.3**	**43.4**	**42.2**	**44.3**	**39.8**	**42.5**	**39.8**	**41.1**	**82.1**	**86.0**	**82.0**	**85.4**	**42.8**	**44.2**	**43.3**	**46.0**

Sub-Total/ Average	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
	19,613.0	**21,538.0**	**19,949.0**	**22,897.0**	**9.1**	**42.3**	**43.7**	**42.3**	**38.6**	**38.0**	**40.3**	**38.9**	**39.4**	**80.3**	**84.0**	**81.2**	**78.0**	**34.7**	**35.1**	**34.8**	**35.5**

Bank-wise **Deposits**

Figures in PKR bln, unless stated otherwise

Medium Banks		Total Deposits				Growth (%)	CA (%)				SA (%)				CASA (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	BOP	1,521.0	1,710.0	1,421.0	1,718.0	12.5	17.2	20.7	17.2	18.6	45.1	40.6	48.0	41.0	62.3	61.3	65.2	59.6	5.4	5.6	5.0	5.3
2	Askari	1,293.0	1,364.0	1,301.0	1,388.0	5.5	27.3	28.4	27.2	27.7	56.6	61.3	57.0	60.5	83.9	89.7	84.1	88.2	4.6	4.4	4.5	4.3
3	Faysal	1,018.0	1,044.0	1,050.0	1,113.0	2.6	30.9	38.0	33.0	41.2	43.0	46.4	44.1	45.9	73.8	84.4	77.1	87.1	3.6	3.4	3.7	3.5
4	Metro	1,012.0	927.0	1,087.0	1,011.0	-8.4	36.9	43.7	34.4	39.6	36.6	34.8	36.9	38.9	73.5	78.5	71.4	78.5	3.6	3.0	3.8	3.1
5	Standard Chartered	720.0	836.0	765.0	726.0	16.1	50.2	47.8	51.5	53.5	46.4	48.6	44.4	41.4	96.6	96.4	95.9	94.8	2.5	2.7	2.7	2.3
Total/Average		**5,564.0**	**5,881.0**	**5,624.0**	**5,956.0**	**5.6**	**32.5**	**35.7**	**32.7**	**36.1**	**45.5**	**46.3**	**46.1**	**45.5**	**78.0**	**82.1**	**78.7**	**81.6**	**19.7**	**19.2**	**19.6**	**18.5**

Small Banks		Total Deposits				Growth (%)	CA (%)				SA (%)				CASA (%)				Market Share (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	Bank Islami	523.0	559.0	497.0	577.0	7.0	34.8	37.1	32.8	36.4	24.9	27.6	24.6	26.8	59.7	64.7	57.4	63.2	1.9	1.8	1.7	1.8
2	Soneri Bank	518.0	543.0	552.0	571.0	4.9	26.2	27.4	26.7	28.6	48.8	51.8	48.7	50.7	75.0	79.2	75.4	79.4	1.8	1.8	1.9	1.8
3	JS Bank	486.0	525.0	514.0	534.0	8.0	28.9	33.2	27.5	29.3	28.2	32.9	34.1	36.1	57.1	66.1	61.6	65.4	1.7	1.7	1.8	1.7
4	DIB	325.0	347.0	316.0	312.0	6.8	28.4	28.0	28.3	26.2	47.4	51.0	49.4	50.4	75.8	79.0	77.7	76.7	1.2	1.1	1.1	1.0
5	Sindh	224.0	313.0	231.0	308.0	39.9	25.9	24.9	28.3	26.6	57.3	57.6	57.0	56.4	83.3	82.5	85.3	83.0	0.8	1.0	0.8	1.0
6	Bank of Khyber	289.0	278.0	324.0	339.0	-4.0	16.8	21.6	15.9	17.9	47.2	49.0	50.8	49.3	64.0	70.6	66.7	67.2	1.0	0.9	1.1	1.1
7	Al Baraka Bank	207.0	223.0	199.0	217.0	7.7	26.9	25.0	25.5	26.2	40.8	51.6	43.9	53.2	67.8	76.5	69.4	79.4	0.7	0.7	0.7	0.7
8	MCB Islamic	204.0	209.0	204.0	227.0	2.3	27.6	28.7	25.8	31.0	43.1	48.0	46.2	46.7	70.7	76.7	71.9	77.8	0.7	0.7	0.7	0.7
9	Bank Makramah	157.0	186.0	159.0	172.0	18.5	28.9	22.4	25.6	20.5	56.5	66.4	61.3	71.3	85.4	88.7	86.9	91.8	0.6	0.6	0.6	0.5
10	Samba	115.0	107.0	131.0	110.0	-6.6	22.2	19.8	20.7	21.5	21.8	22.6	19.0	27.6	43.9	42.5	39.7	49.1	0.4	0.3	0.5	0.3
Total/Average		**3,048.0**	**3,290.0**	**3,127.0**	**3,366.0**	**8.4**	**26.7**	**26.8**	**25.7**	**26.4**	**41.6**	**45.9**	**43.5**	**46.9**	**68.3**	**72.7**	**69.2**	**73.3**	**10.8**	**10.7**	**10.9**	**10.4**

Grand Total/Average	CY23	CY24	1QCY24	1QCY25	Growth (%) CY24	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
	28,225.0	**30,709.0**	**28,700.0**	**32,219.0**	**8.1**	**35.9**	**37.5**	**35.7**	**34.9**	**40.8**	**43.2**	**41.8**	**42.8**	**76.7**	**80.7**	**77.6**	**77.7**	**25.0**	**25.0**	**25.0**	**25.0**

Bank-wise **Profitability**

Together. Creating Value.

Figures in PKR bln, unless stated otherwise

Extra Large Banks		Profit Before Tax				Taxation				Profit After Tax				Effective Tax Rate (%)				ROE (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	HBL	112.0	119.0	30.0	34.0	55.0	62.0	15.0	19.0	57.0	57.0	15.0	15.0	49.1	47.9	50.8	56.1	17.0	15.1	17.3	15.5
2	NBP	101.0	57.0	21.0	46.0	49.0	30.0	10.0	25.0	52.0	27.0	11.0	21.0	48.8	52.6	49.3	53.5	13.6	5.9	11.1	19.5
Total/Average		**213.0**	**176.0**	**51.0**	**80.0**	**104.0**	**92.0**	**26.0**	**44.0**	**109.0**	**84.0**	**25.0**	**36.0**	**49.0**	**52.3**	**50.2**	**54.6**	**15.3**	**10.5**	**14.2**	**17.5**

Large Banks		Profit Before Tax				Taxation				Profit After Tax				Effective Tax Rate (%)				ROE (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	UBL	108.0	150.0	30.0	75.0	55.0	70.0	15.0	40.0	53.0	81.0	16.0	36.0	50.8	46.4	48.9	52.7	21.1	25.5	25.8	41.1
2	Meezan	169.0	222.0	53.0	48.0	85.0	121.0	28.0	26.0	84.0	102.0	25.0	22.0	50.1	54.3	52.1	54.5	45.7	41.1	52.2	35.7
3	AL Habib	71.0	84.0	19.0	21.0	36.0	44.0	9.0	10.0	35.0	40.0	10.0	10.0	50.3	52.5	47.8	50.4	27.9	26.2	31.6	26.7
4	Alfalah	78.0	83.0	20.0	15.0	42.0	45.0	10.0	8.0	36.0	38.0	10.0	7.0	53.4	53.9	49.7	54.2	26.4	21.5	28.3	15.7
5	ABL	86.0	88.0	22.0	17.0	45.0	45.0	11.0	9.0	41.0	43.0	11.0	8.0	52.6	51.0	49.0	52.6	20.9	18.4	21.7	13.8
6	MCB	125.0	118.0	33.0	29.0	66.0	61.0	16.0	16.0	60.0	58.0	17.0	14.0	52.4	51.3	48.9	52.9	25.8	21.3	28.6	20.1
Total/ Average		**638.0**	**746.0**	**177.0**	**206.0**	**328.0**	**385.0**	**88.0**	**206.0**	**310.0**	**361.0**	**89.0**	**97.0**	**51.4**	**51.6**	**49.9**	**53.1**	**28.0**	**25.7**	**31.4**	**25.5**

Sub-Total/ Average	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
	851.0	**922.0**	**228.0**	**287.0**	**432.0**	**477.0**	**114.0**	**250.0**	**418.0**	**445.0**	**114.0**	**133.0**	**33.5**	**34.6**	**33.4**	**53.8**	**14.4**	**12.1**	**15.2**	**14.3**

Bank-wise **Profitability**

Figures in PKR bln, unless stated otherwise

Medium Banks		Profit Before Tax				Taxation				Profit After Tax				Effective Tax Rate (%)				ROE (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	BOP	21.0	25.0	4.0	4.0	10	11	2	2	11.0	13.0	2.0	2.0	46.6	45.6	51.3	55.1	14.0	14.5	9.2	8.2
2	Askari	42.0	45.0	7.0	15.0	21	23	4	8	21.0	21.0	4.0	7.0	49.0	52.8	49.4	53.2	22.1	17.3	16.0	23.2
3	Faysal	41.0	50.0	12.0	11.0	21	27	6	6	20.0	23.0	7.0	5.0	51.6	54.2	47.8	54.1	22.2	21.3	28.9	19.2
4	Metro	52.0	53.0	12.0	13.0	28	28	6	7	24.0	25.0	6.0	6.0	53.1	53.1	49.0	53.3	26.1	21.4	25.3	21.1
5	Standard Chartered	89.0	101.0	25.0	17.0	47	55	13	9	43.0	46.0	11.0	8.0	52.2	54.2	54.6	53.1	44.3	39.1	47.3	30.9
Total		**246.0**	**273.0**	**60.0**	**60.0**	**126**	**145**	**31**	32	**120.0**	**128.0**	**29.0**	**28.0**	**51.3**	**53.0**	**51.2**	**53.5**	**25.8**	**22.7**	**25.4**	**20.5**

Small Banks		Profit Before Tax				Taxation				Profit After Tax				Effective Tax Rate (%)				ROE (%)			
Sr.	Name	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
1	Bank Islami	21.0	26.0	6.0	5.0	9	14	3	3	11.0	12.0	3.0	3.0	46.2	53.6	49.0	52.4	30.3	24.5	34.3	23.0
2	Soneri Bank	12.0	13.0	4.0	3.0	6	7	2	2	6.0	6.0	2.0	1.0	50.8	53.3	50.5	65.6	21.2	19.2	26.2	15.7
3	JS Bank	9.0	6.0	4.0	3.0	4	4	2	1	4.0	3.0	2.0	1.0	49.1	55.3	54.1	52.9	10.7	6.5	16.8	11.6
4	DIB	14.0	14.0	5.0	5.0	7	8	2	3	7.0	7.0	2.0	2.0	52.1	53.4	49.1	53.2	18.1	14.8	24.6	19.0
5	Sindh	1.0	3.0	1.0	0.3	-2	0	0	0	2.0	3.0	0.3	0.1	-229.6%	-10.8	48.9	52.5	8.8	9.5	4.3	1.6
6	Bank of Khyber	7.0	8.0	2.0	3.0	3	5	1	2	3.0	4.0	1.0	2.0	48.1%	55.6	49.0	52.9	17.1	16.5	17.2	31.3
7	Al Baraka Bank	6.0	8.0	2.0	2.0	3	4	1	1	3.0	4.0	1.0	1.0	49.3%	51.9	48.4	53.1	17.0	18.7	21.0	16.7
8	MCB Islamic	11.0	9.0	2.0	1.0	5	5	1	1	5.0	4.0	1.0	1.0	51.2%	53.4	49.0	53.3	23.4	16.3	20.1	9.5
9	Bank Makramah	-7.0	-7.0	-1.0	-1.0	-2	-2	0	0	-5.0	-5.0	-1.0	-1.0	28.0%	28.2	25.7	-19.5	41.5	28.7	21.9	17.3
10	Samba	2.0	2.0	1.0	0.0	1	1	0	0	1.0	1.0	0.4	0.2	43.7%	54.9	48.9	53.0	7.5	4.1	8.7	3.8
Total		**74.0**	**81.0**	**24.0**	**23.0**	**36**	**44**	**12**	13	**38.0**	**37.0**	**12**	**10.0**	**48.9%**	**54.0**	**51.0**	**57.0**	**19.6**	**15.9**	**19.5**	**15.0**

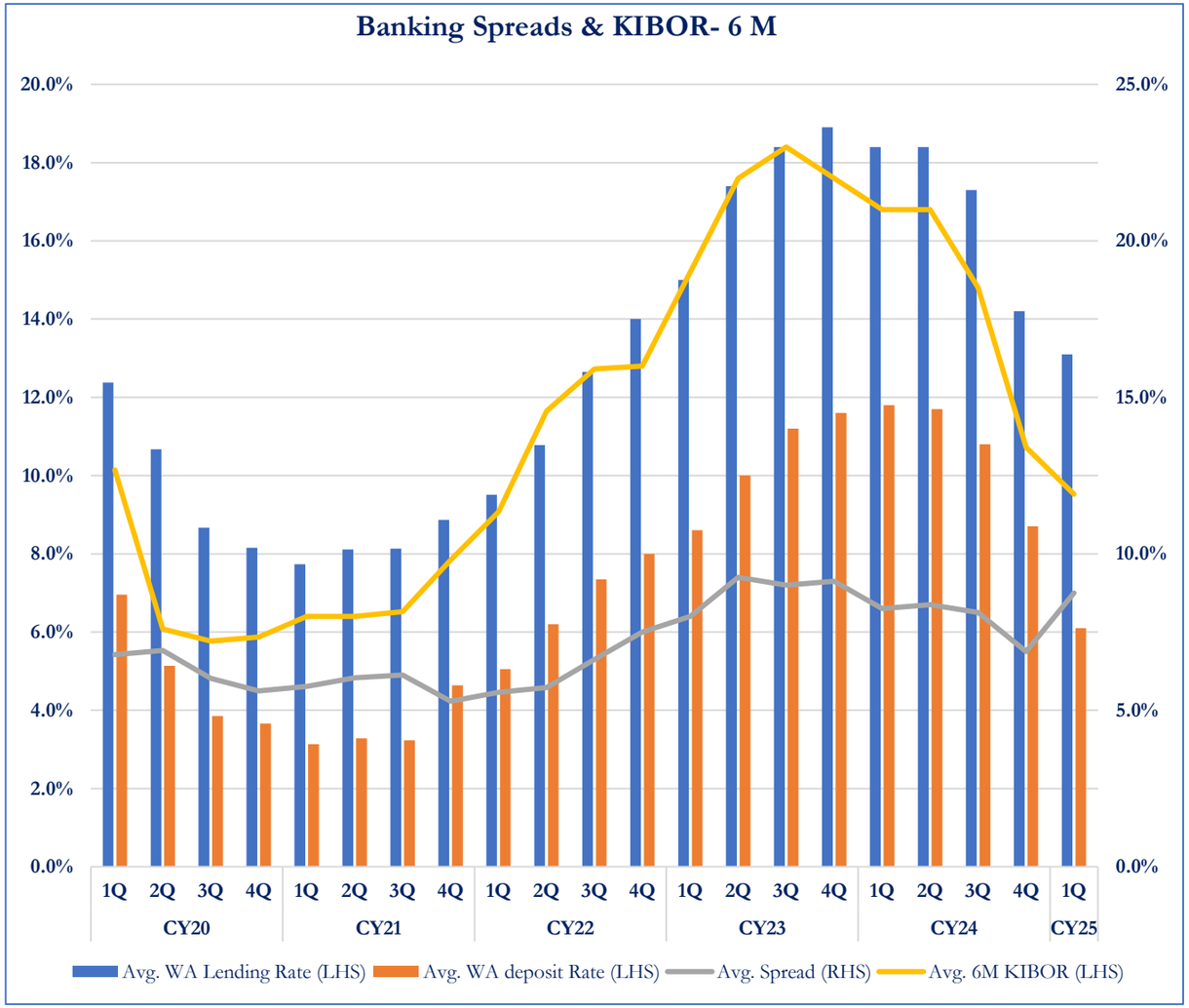
Grand Total/ Average	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25	CY23	CY24	1QCY24	1QCY25
	1,171.0	**1,275.0**	**312.0**	**370.0**	**595.0**	**665.0**	**157.0**	**199.0**	**576.0**	**611.0**	**155.0**	**171.0**	**50.1**	**52.7**	**50.6**	**54.5**	**22.2**	**18.7**	**22.6**	**19.6**

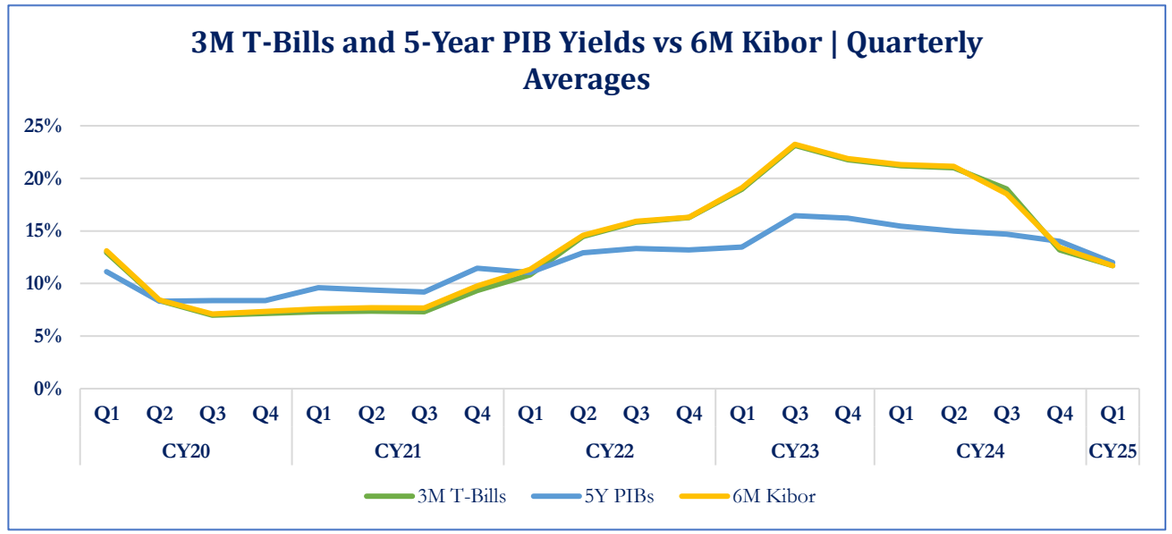
CAR | **Adequately Cushioned Banks**

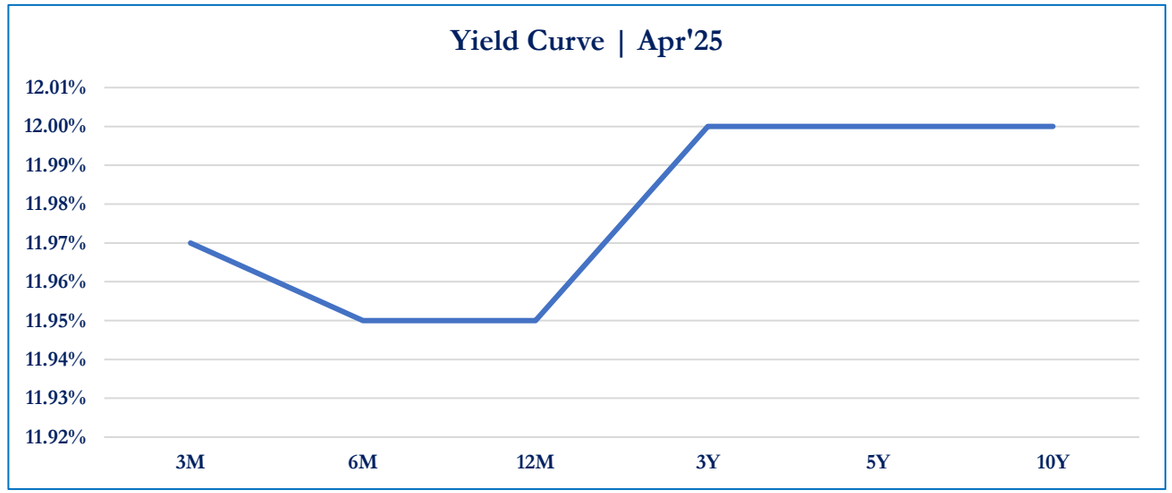
CAR (%)	CY23	CY24	1QCY25
Extra Large Banks			
1 **HBL**	17.3%	18.2%	18.5%
2 **NBP**	25.5%	27.8%	28.4%
Average	**21.4%**	**23.0%**	**23.5%**
Large Banks			
1 **UBL**	16.6%	20.3%	21.2%
2 **Meezan**	22.4%	20.4%	23.2%
3 **Bank Al Habib**	15.8%	17.9%	17.2%
4 **Alfalah**	16.7%	18.0%	17.6%
5 **ABL**	26.2%	26.7%	29.4%
6 **MCB**	20.4%	19.4%	19.1%
Average	**19.7%**	**20.4%**	**21.3%**

CAR (%)	CY23	CY24	1QCY25
Medium Banks			
1 **BOP**	18.4%	17.9%	16.9%
2 **Askari**	18.4%	21.4%	21.7%
3 **Faysal**	17.5%	16.5%	16.6%
4 **Metro**	18.3%	19.3%	16.6%
5 **Standard Chartered**	20.1%	23.5%	19.0%
Average	**18.5%**	**19.7%**	**18.1%**
Small Banks			
1 **Bank Islami**	23.8%	24.1%	22.9%
2 **Soneri Bank**	18.4%	17.7%	15.3%
3 **JS Bank**	12.5%	13.2%	13.2%
4 **DIB**	18.0%	22.2%	22.6%
5 **Sindh**	16.2%	21.4%	20.0%
6 **Bank of Khyber**	18.3%	17.8%	18.6%
7 **Al Baraka Bank**	19.3%	20.3%	19.5%
8 **MCB Islamic**	23.8%	20.5%	18.4%
9 **Bank Makramah**	-90.3%	-90.4%	-112.2%
10 **Samba**	21.3%	23.8%	24.7%
Average	**8.1%**	**9.1%**	**6.3%**
Overall Banking Sector CAR (excluding Bank Makramah)	**19.3%**	**20.4%**	**20.0%**

Where Interest Rates Come into Play







Digital Banking

Brief Introduction

What is a Digital Bank?

- A full-fledged Digital Bank is a financial institution that offers financial services through a digital platform.
- **The SBP** defines it as a bank which offers all kinds of financial products and services primarily through digital platforms or electronic channels instead of physical branches.

Types of Digital Banks

i. **Challenger/ New Banks** have full banking licenses and are direct competitors of the traditional banks offering the same services as traditional banks. Essentially, they are fintechs with banking licenses. Examples include TymeBank, Monzo Bank Ltd., Nubank and Revolut.

i. **Neobanks** do not have a banking license, but partner with financial institutions to offer bank licensed services. Typically, neobanks still require customers to have an account at an existing licensed bank. They are completely digital banks that have no physical presence and reach out to customers via mobile apps and web platforms. Examples include WeBank and Chime.

ii. **Beta Banks** are joint ventures or subsidiaries of existing banks that offer financial services through the parent company's license. Beta banks are often set up as a way to enter new markets, offering limited services to a targeted consumer base. They are targeted at the tech-savvy, millennial customer segment, as well as to provide best-in-class innovative banking services. Examples include YONO and Hello bank!.

Pakistan's Digital Financial Services Landscape

Market Participants (No.)			Payment Networks (No.)			Channel Users & Instruments (mln)		
Type	End-Dec'23	End-Dec'24	Type	End-Dec'23	End-Dec'24	Type	End-Dec'23	End-Dec'24
Banks	33	32	**Branches of Banks & MFBs**	18,178	19,110	**Internet Banking Users**	10.8	13.3
Microfinance Banks – MFBs	11	12	**ATMs**	18,117	19,519	**Mobile Banking Users**	16.3	21.0
Payment System Operators/ Service Providers – PSOs/PSPs	5	5	**CDMs/CCDMs[2]**	529	753	**Call Center/ IVR Banking Users**	39.2	42.1
Electronic Money Institutions – EMIs	5	5	**Point-of-Sale (POS) Machines**	121,789	151,646	**BB Mobile App Users**	67.2	64.3
Branchless Banking Service Providers – BBs	16	16	**Registered E-Commerce Merchants (Banks/MFBs)**	7,630	8,932	**Payment Cards[3]**	59.2	56.4
PRISM Participants[1]	59	59	**Branchless Banking Agents**	649,683	703,972	**E-Wallets**	2.7	4.7

[1]This includes 46 Banks/MFBs (Islamic banking windows counted separately), 9 DFIs, and 4 Non-Banks or Special Participants
[2]CDMs: Cash Deposit Machine |CCDMs Cash & Cheque Deposit Machine (some have facility of withdrawal in addition to deposit).
[3]Payment Cards issued by Banks, MFBs, EMIs and BBs.

Digital Retail Banks | **Application Process**

- Regulatory Framework Applicable: Sections 27 and 41 of the Banking Companies Ordinance, 1962.
- As of Jan'25, out of the five licensed Digital Retail Banks, Easypaisa Digital Bank (formerly Telenor Microfinance Bank Limited) received commercial approval from SBP to commence regular digital banking operations. Meanwhile, Mashreq Bank was granted a restricted pilot license by SBP in Feb'25.
- The remaining three—HugoBank Limited, KT Bank Pakistan Limited, and Raqqami Islamic Digital Bank Limited—are currently at the In-Principle Approval (IPA) stage, as illustrated below.

Application/ Documentation

No-Objection Certificate (NOC)

- Incorporation as public listed company with the SECP.
- Apply for IPA within 06 months of NOC issuance.
- Validity: 12 months from period of issuance.
- Validity Extension: 02 months, subject to applicant's request/ rationale.

In-Principle Approval (IPA)

- Application for restricted license during IPA validity period.
- Meeting all IPA as well as MCR requirements.
- Placement with SBP of a security deposit at least equivalent to the deposit cap.
- Enforceable and executable bank guarantee submitted by sponsor covering a reasonable period.

Operational Readiness

- Duration: 03 months (for pilot stage).
- The restricted license shall be non-renewable and valid for a fixed term not exceeding 09 months from date of issuance.
- In case of unsatisfactory conclusion of pilot stage, a DRB may apply for a second restricted license.
- Duration of second license: 06 months.
- DRB shall remain subject to Regulation 06 (stated later)

Pilot Stage under Restricted License

Commencement of Commercial Operations

- Application for the license within stipulated time as per restricted license.
- After meeting all SBP requirements, DRB shall initiate commercial operations (Transition Phase).
- DRB shall remain subject to Regulation 07 (stated later)

Recent Developments

What's New on the Local Banking Front

Particulars	Updates
ADR Taxation	▪ The additional tax based on ADR of banks was introduced in the Finance Bill, 2021, and was applicable for the tax year 2024. The additional tax was 10.0% above the normal income tax, if ADR remained between ~40.0% to ~50.0% and 16.0% if ADR remained below `40.0%. Later, towards End-Dec'24, the Federal Government removed this additional taxation.
Islamic Banking	▪ **IFPD Circular No. 09 of 2024:** Islamic Banking Institutions (IBIs) shall pay profit on their PKR saving deposits (excluding deposits of financial institutions, public sector enterprises and public limited companies) equivalent to at least 75% of the weighted average gross yield of all pools of an IBI. This calculation will exclude pools associated with Shariah-compliant standing ceiling facilities and open market operations. Previously, this requirement used to be ~50% for IBIs.
Changes in Conventional Banking	▪ **BPRD Circular No. 05 of 2024:** The Minimum Profit Rate requirement specified vide above above-referred circulars shall not be applicable on the deposits of financial institutions, public sector enterprises and public limited companies. ▪ The above instructions shall be effective from January 01, 2025.

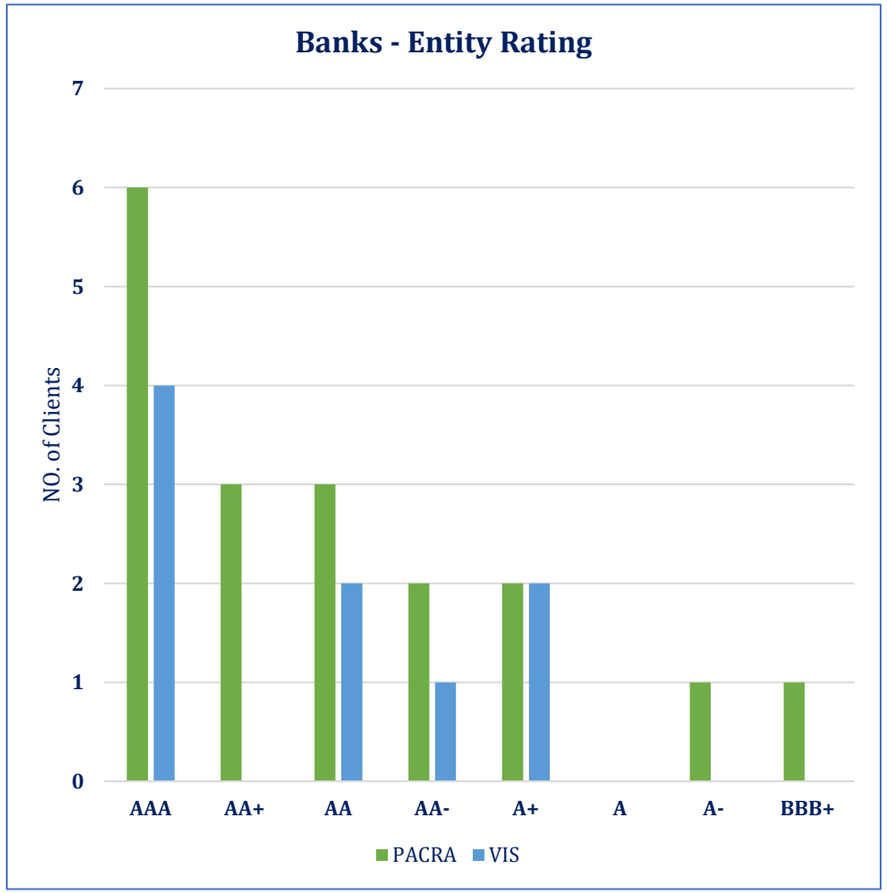
Islamic Banking | An Overview

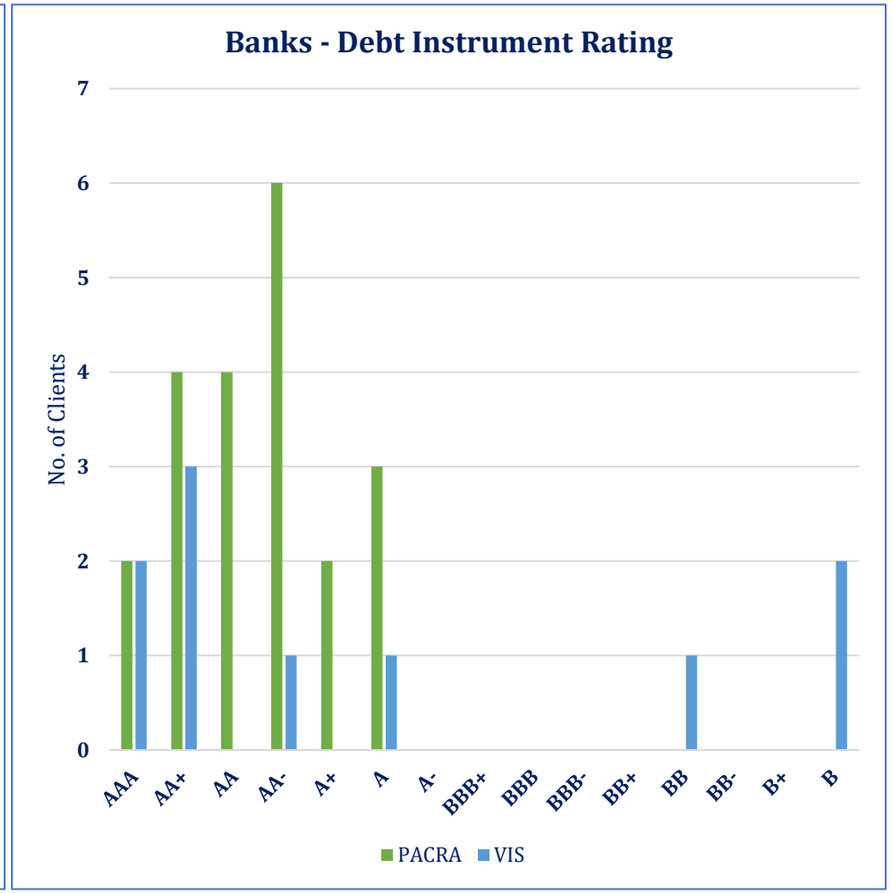
Figures in PKR bln, unless stated otherwise

Financial Position	CY21			CY22			CY23			CY24		
	Banks	Islamic Window	Total	Banks	Islamic Window	Total	Banks	Islamic Window	Total	Banks	Islamic Window	Total
Total Assets	**3,027**	**2,549**	**5,576**	**3,942**	**3,286**	**7,229**	**5,985**	**3,009**	**8,994**	**7,258**	**3,812**	**11,070**
Cash & Balances with Treasury & Other Banks	279	181	459	254	174	428	425	186	612	471	253	724
Financing - Net	1,358	1,239	2,597	1,623	1,490	3,113	2,188	1,147	3,335	2,884	1,153	4,037
Investments – Net	940	912	1,852	1,749	1,302	3,052	2,853	1,382	4,235	3,310	1,677	4,988
Other Assets	450	217	668	316	320	636	495	287	812	277	422	699
Total Liabilities	**2,868**	**2,389**	**5,257**	**3,737**	**3,064**	**6,802**	**5,596**	**2,742**	**8,338**	**6,764**	**3,430**	**10,194**
Deposits And Other Accounts	2,359	1,852	4,211	2,759	2,401	5,161	4,495	2,254	6,749	4,968	2,937	7,905
Other Liabilities	509	537	1,046	978	663	1,641	1,101	488	1,589	321	189	511

Financial Performance	CY21			CY22			CY23			CY24		
	Banks	Islamic Window	Total	Banks	Islamic Window	Total	Banks	Islamic Window	Total	Banks	Islamic Window	Total
Net Mark-Up Income	103	75	177	179	133	311	398	184	582	982	511	1,492
Net Mark-Up Income After Provision	99	70	168	168	129	296	378	180	558	461	239	700
Total Non - Markup Income	23	9	31	29	15	43	45	13	58	59	20	78
Total Income	**122**	**79**	**199**	**197**	**144**	**339**	**423**	**193**	**616**	**520**	**258**	**779**
Total Non-Markup Expenses	63	42	105	83	66	149	158	64	222	199	83	282
Profit/ (Loss) Before Tax	**59**	**37**	**94**	**114**	**78**	**190**	**265**	**129**	**394**	**322**	**175**	**497**
Profit/ (Loss) After Tax	**35**	**29**	**62**	**59**	**55**	**112**	**131**	**95**	**226**	**149**	**124**	**273**

Local | **Rating Chart**





Pakistan | Sovereign Rating			
Date	**S&P**	**Moody's**	**Fitch**
15-Apr-25			B-
28-Aug-24		Caa2	
30-July-24	CCC+		
29-July-24			CCC+
27-Feb-24		Caa3	
28-Feb-23		Caa3	
14-Feb-23			CCC-
22-Dec-22	CCC+		
21-Oct-22			CCC+
7-Oct-22		Caa1	
2-Aug-22			B-
30-Jul-22	B-		
3-Jun-22		B3	

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