

Pakistan Banking Stability & Performance Highlights

2025



Capital Strength Well Above the Requirement



CAPITAL ADEQUACY RATIO – CY25

20.8%

Actual CAR held by Pakistan's banks



REGULATORY MINIMUM

11.5%

Required floor set by SBP



BUFFER ABOVE FLOOR

+9.3pp

81% above the minimum requirement

CY23 – **19.7%**

CY24 – **20.6%**

Minimum required: 11.5% | Pakistan's banks: 20.8%

Three consecutive years of improvement. Capital buffers are stronger than ever.



SBP – Financial Stability Review CY25*

Fewer Bad Loans, Fully Covered

Non-performing loans have fallen for three consecutive years.
Provisions now exceed the total stock of bad loans.



NPL RATIO – CY25

6.1%

Down from 7.6%
in CY23



PROVISIONING COVERAGE

107.7%

Up from 92.7%
in CY23

NPL RATIO CY23 – **7.6%**

NPL RATIO CY24 – **6.3%**



Gross NPLs fell by Rs 104 billion in CY25 — broad based across energy, textile, sugar and auto sectors. For the first time, net NPLs are negative: the sector is fully covered.

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Consistently Profitable

After tax profit rose 11.2% in CY25.
Profit growth is volume driven – not a product of high interest rates alone.

AFTER-TAX PROFIT – CY25

Rs.716B
Up 11.2% from CY24

PRE-TAX PROFIT – CY25

Rs.1,565B
Up from Rs 1,368B in CY24

3-YEAR AVG. RETURN ON ASSETS

Rs.1.37%
CY23 – CY25 average



As the sector's asset base expands, growing 17.8% in CY25 alone, returns are maturing alongside it.
A consistently profitable sector across three years of very different economic conditions.

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Tested Against the Worst, But Still Standing

SBP ran every major shock scenario on Pakistan's 29 banks. In virtually every case, all banks remained above the minimum capital requirement.

SHOCK SCENARIO	BANKS PASSING
10% of performing loans turn non-performing	25 of 29
Top 3 private sector borrowers default	27 of 29
Interest rates rise by 300 basis points	27 of 29
Rupee depreciates by 30%	29 of 29
Equity prices crash by 50%	28 of 29
All doubtful loans downgrade to loss	29 of 29



Before any shock: all 29 banks already above the minimum CAR of 11.5%.
The sector has adequate cushion to absorb severe, simultaneous shocks.

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A Sector Building Financial Depth

Pakistan's financial sector is becoming a larger share of the economy every year.



Banking accounts for 79% of total financial sector assets
 Deposits grew 24.7% in CY25, well above the 10 year average of 13.3%

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