

Corporate Sector

Corporate sector's financial health and performance remained steady, amidst gradually improving economic conditions and monetary easing during CY25. Overall, the corporate sector was able to maintain its profitability primarily on the back of reduction in finance cost along with an increase in other income. Although, the tax burden of the sector increased; however, the bottom line remained steady as compared to last year. Moreover, the reduction in finance cost and monetary easing also helped in improving the debt-servicing capacity and liquidity position of the sector, which was also reflected in firms' credit ratings and market-based indicators. Similarly, large borrowing groups of the banking sector exhibited adequate solvency, credit worthiness, and repayment capacity with stable financial health and performance. As a result, the delinquencies in banks' corporate loans remained within the manageable range. Going forward, sustained improvements in macro financial conditions and emerging global geopolitical environment remain key determinants of corporate sector's performance.

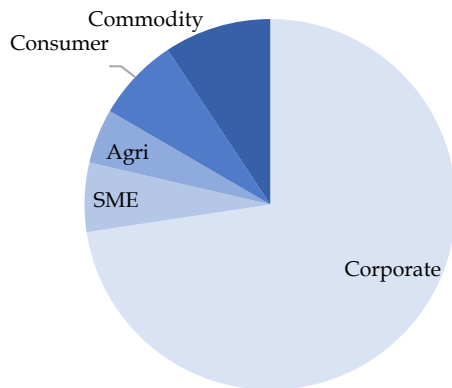


7 Corporate Sector

A sound corporate sector is critical for a stable financial system

The corporate sector holds significant importance for the performance and stability of the banking and financial sector of Pakistan. Banking sector's lending exposure to large corporate sector firms constitutes more than two-thirds of the total loan portfolio. The corporate sector's financial performance and repayment capacity, therefore, have a direct bearing on the overall stability of the banking and financial system (**Figure 7.1**).

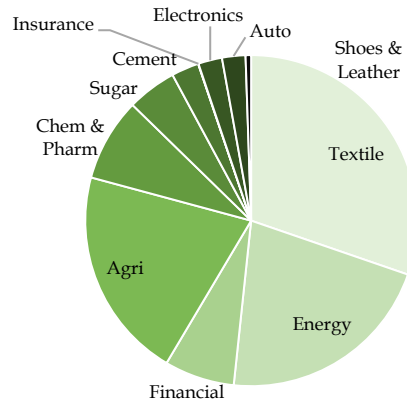
Segment-wise Share in Bank Advances **Figure 7.1**



Source: State Bank of Pakistan

In terms of sector-wise share in total loans, textile has the highest share of loans followed by energy and agriculture sectors (**Figure 7.2**). Other sectors such as cement, sugar, auto and chemicals & pharmaceuticals constitute a relatively smaller portion of the banks' lending exposure. Nonetheless, all these sectors make a significant contribution to economic growth, and in turn their financial soundness is linked to overall performance of the economy. Adverse shocks to the economy, could weaken the repayment capacity of these sectors and thereby deteriorate the asset quality of the banking sector.

Sector-wise Share in Bank Advances **Figure 7.2**



Source: State Bank of Pakistan

Improving economic conditions and a revival in demand led to steady after-tax profit for the corporate sector...

The corporate sector exhibited operational and financial resilience in CY25 (**Table 7.1**).¹ Though corporate sector advances moderated on yearly basis in CY25, this decline was in comparison to one-off significant increase in advances in CY24 primarily due to ADR-linked tax policy. Barring this one-off increase in advances in December 2024 quarter, the growth in advances from March 2025 to December 2025 mainly stemmed from improvement in macro-financial conditions as the economic activity picked up and the finance cost reduced due to cut in the policy rate while availability of credit also improved.

¹ The analysis is conducted on a sample of around 400 non-financial companies listed on Pakistan Stock Exchange, serving as a representative subset of the larger non-financial corporate sector.

Financials of Listed Non-financial Companies on PSX Table 7.1

	CY24	CY25	YoY Growth
	billion Rupees		percent
Balance Sheet			
Non-Current Assets	6,381	6,967	9.2
Current Assets	9,997	10,422	4.3
Total Assets	16,378	17,389	6.2
Shareholders' Equity	6,610	7,321	10.8
Non-Current Liabilities	1,981	2,139	8.0
Current Liabilities	7,787	7,929	1.8
Total Equity & Liabilities	16,378	17,389	6.2
Income Statement			
Sales	19,720	19,242	-2.4
Cost of sales	16,754	16,337	-2.5
Gross profit / (loss)	2,965	2,905	-2.0
General, admin. & other expenses	1,112	1,144	3.0
Other income / (loss)	630	681	8.2
EBIT	2,484	2,442	-1.7
Financial expenses	631	554	-12.2
Profit / (loss) before taxation	1,760	1,818	3.3
Tax expenses	565	653	15.6
Profit / (loss) after tax	1,195	1,165	-2.5
Financial Ratios			
	percent		
Gross Profit Margin	15.0	15.1	
Net Profit Margin	6.1	6.1	
Return on Equity	18.1	15.9	
Return on Assets	7.3	6.7	
Asset Turnover	120.4	110.7	
Capital to Total Assets	40.4	42.1	
	units (times)		
Current Ratio	1.3	1.3	
Debt Equity Ratio	1.5	1.4	
Debt to Capital Employed	1.2	1.1	
Financial Leverage	2.5	2.4	
Interest Coverage Ratio	4.6	5.3	

Analysis of annualized financial data of around 400 listed NFCs.

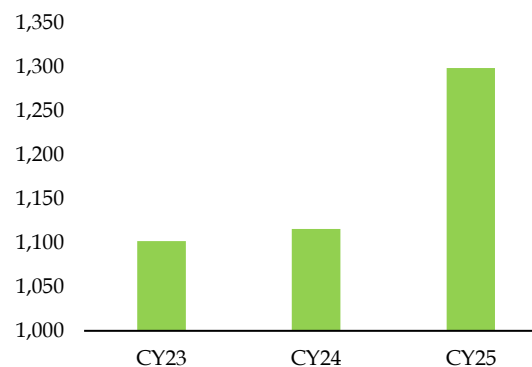
Source: State Bank of Pakistan

7.1 Financial Assessment of Corporate Sector

The corporate sector witnessed moderate balance-sheet growth in CY25, as the asset base

of the selected firms increased by 6.2 percent, mainly due to increase in non-current assets.² The growth in non-current assets was driven by increase in long-term investments which bodes well for enhancement of production capacity of the corporate sector (**Figure 7.3**).

Long-term Investments billion Rupees Figure 7.3



Source: State Bank of Pakistan

On the liabilities side, non-current liabilities experienced a significant increase in debentures/TFCs as some firms made use of monetary easing to raise debt at lower, fixed rates for longer terms through these instruments.³

Despite the growth in asset base, total revenue of selected firms declined compared to last year. The main reason for the decline in total revenue is large reduction in sales in the fuel and energy sector, which drove down total revenue despite an uptick in sales in other business sectors. Resultingly, gross profit and operating profit declined, which was offset by an increase in other incomes and a decline in finance cost.⁴ Thereby, elevating the profit before tax of the corporate sector (**Figure 7.4**). The increased tax burden (tax to pre-tax profit ratio) dragged the bottom-line but still after-tax profit of the

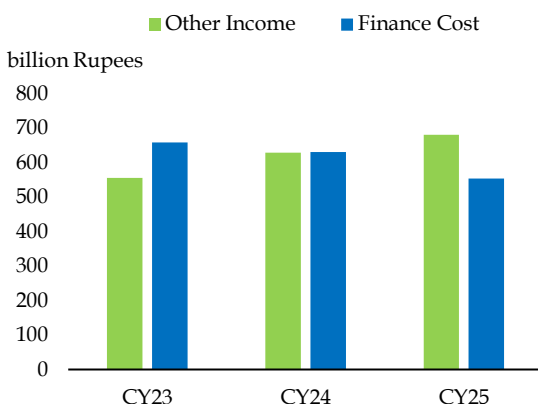
² In this section, balance sheet is as of June 2025, and income statement is for complete CY24 and CY25. In both cases, the comparisons are on year-on-year basis.

³ Debentures/TFCs are both long term, fixed income instruments used by firms to raise capital from investors.

⁴ 'Other Income' rose abnormally in CY25 and was concentrated mainly in textile, manufacturing and chemicals sectors. Interest rate continued the declining trend of CY24; the benchmark rates such as policy rate fell by 250 bps in CY25 (900 bps fall in CY24).

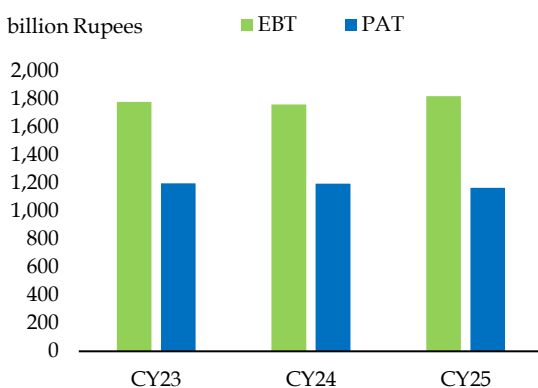
corporate sector showed slight growth (Figure 7.5).

Factors Impacting Profit Before Tax Figure 7.4



Source: State Bank of Pakistan

Earning Before Tax (EBT) and Profit After Tax (PAT) Figure 7.5



Source: State Bank of Pakistan

While total revenue (sales) of corporate sector slightly declined, the performance indicators related to gross margin and net operating margin improved, along with improvement in liquidity, debt-repayment capacity, and solvency indicators. The bottom-line indicator, i.e., ROE slightly slackened, as the capital base of the sector also rose which, however, bodes well for the soundness of these large firms and their ability to meet long-term capital requirements on sustainable basis (Table 7.1).

DuPont analysis further reveals that lower interest expense eased the debt burden of the corporate sector. However, despite a favorable debt to equity ratio and a stable operating profit margin compared with last year, higher tax expense and a decline in the asset-utilization ratio (due to lower sales relative to total assets) reduced Return on Equity (ROE) in CY25 (Table 7.2).⁵

ROE - DuPont Analysis Table 7.2

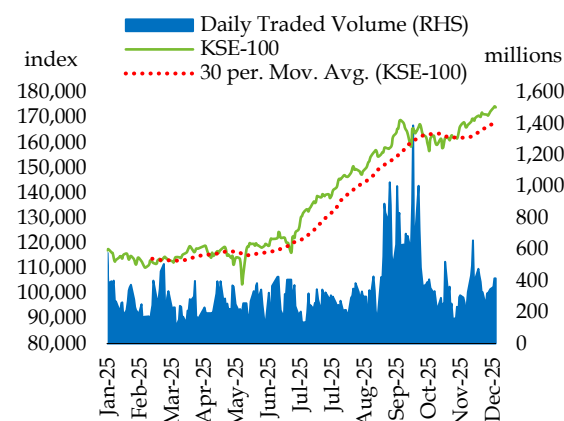
	Ratio (unless specified)	
	CY24	CY25
Tax Retention Rate (PAT/EBT) (A)	0.7	0.6
Interest Burden (EBT/EBIT) (B)	0.7	0.7
Operating Profit Margin (EBIT/Revenue) (C)	0.1	0.1
Asset Use Efficiency (Net Sales/Avg. TA) (D)	1.2	1.1
Financial Leverage (TL&SHE/SHE) (E)	2.5	2.4
Return on Equity (ROE) % (A×B×C×D×E)	18.1	15.9

Source: State Bank of Pakistan

7.2 KSE-100 Index

The KSE-100 index posted substantial growth that was well supported by listed firms' steady performance (Figure 7.6) as evidenced through stable growth in the Price-to-book ratio (P/B) and Price-to-Earnings ratio (P/E).

KSE-100 Index During CY25 Figure 7.6

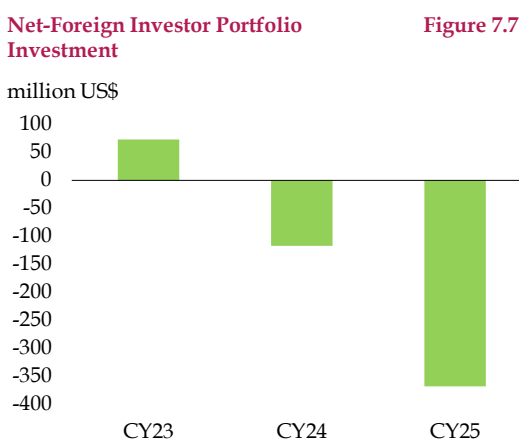


Source: Pakistan Stock Exchange

⁵ The DuPont analysis is a framework for analyzing a company's fundamental performance by breaking down the various drivers of Return on Equity (ROE) such as tax retention rate, profitability and asset utilization.

Moreover, the continued improvement in macroeconomic conditions, ongoing stabilization measures, and prospects of acceleration in economic growth further supported the index.

Specifically, in the second half of CY25, the index showed steady growth, attributed to positive momentum in key sectors such as commercial banks, oil and gas and fertilizer sectors amid market expectations of declining interest rates and a stable exchange rate. Despite net selling by foreign investors in the stock market (**Figure 7.7**), higher purchases by mutual funds more than offset the outflow.



Source: National Clearing Company of Pakistan

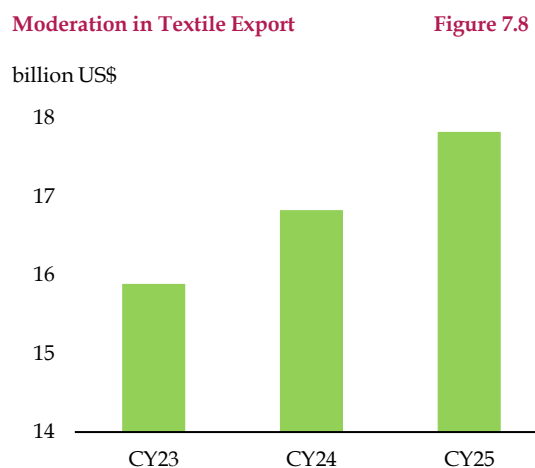
7.3 Sectoral Analysis

The performance⁶ and soundness of a few leading sectors, to which the banking sector has a sizeable exposure, are discussed in the following paragraphs:

Textile

Pakistan's textile exports exhibited moderate growth of 5.9 percent, amounting to US\$ 18.0 billion in CY25. This growth in textile exports was driven by recovery of demand from key export markets, lower prices of raw materials, and comparatively favorable tariffs under the US-Pakistan trade deal.⁷ Furthermore, the increase in textile exports was also supported by improving global and domestic macroeconomic conditions due to factors such as easing of global inflation, reduction in international cotton prices, relatively stable USD/PKR exchange rate and domestic monetary easing that lowered finance costs and stimulated investment.

Although Pakistan's textile exports moderately increased in CY25 (**Figure 7.8**), the sector faces some chronic structural issues such as low domestic cotton production, high dependence on imported cotton, high input costs and low value addition of the sector.⁸



Source: State Bank of Pakistan

⁶ The discussion on financial performance of each sector within this section is based on analysis of financial statements compiled by State Bank of Pakistan. Please refer to consolidated financials of sectors in Annexure 7.1.

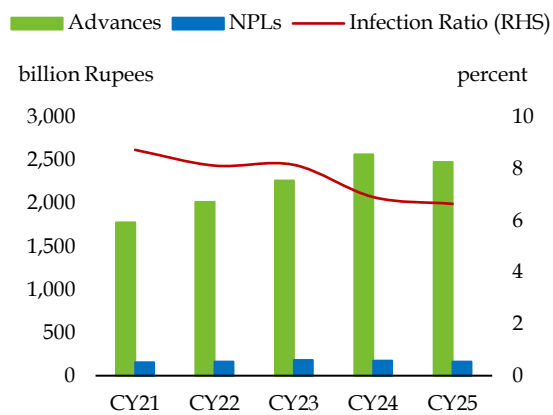
⁷ Key markets include United States of America (USA) and United Kingdom (UK). From 7th August 2025, Pakistan textile products are subject to tariff of 19 percent, which is less than India (25 percent), Vietnam (20 percent) and Bangladesh (20 percent), giving Pakistan a competitive edge in one of the largest export markets.

⁸ Cotton production reduced marginally to 5.3 million bales till December 2025 that was lower than the target of 5.5 million bales for this time. For FY26, production target is 10.18 million bales which, given current cotton production trend, seems difficult to achieve. The country is expected to have an actual production of 6.8 million bales, i.e. 34 percent short of target.

The government has implemented the National Tariff Policy, 2025-30, to improve country's trade balance.⁹ This policy will aid in growth of textile exports through rationalization of import tariffs and phased removal of duties on imported raw materials.

Bank advances to the textile sector increased throughout CY25 (Figure 7.9) as the interest rates fell by 250 basis points (bps) to 10.5 percent during the period. This improved repayment capacity and overall infection ratio of sector.

Textile Sector's Infection Ratio Figure 7.9



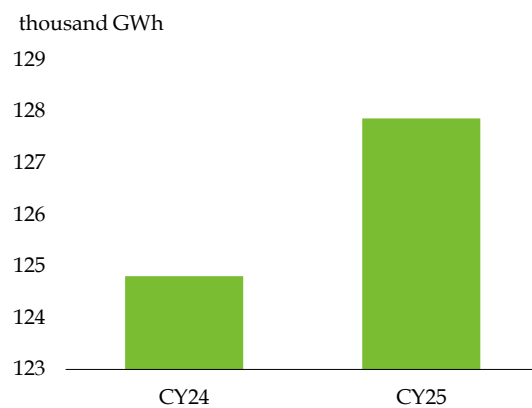
Source: State Bank of Pakistan

The aggregate profit of textile sector - based upon the overall selected sample, increased by 19 percent, primarily driven by the spinning and weaving sub-sectors due to higher profit margins (27 percent) and reduced finance cost. Moreover, the strong performance of the composite subsector also contributed to the overall strong growth of textile sector revenues in CY25. On overall basis, the textile sector displayed steady performance and satisfactory repayment capacity, which bodes well for overall financial soundness of the sector.

Power Sector

The power sector comprises of firms involved in the generation and distribution of electricity. Due to the revival of domestic demand in CY25, electricity consumption also increased, causing overall power generation to increase by 2.5 percent on YoY basis to 127,866 GWh (Figure 7.10).

Power Generation Figure 7.10



Source: State Bank of Pakistan

Pakistan's power sector faces chronic issues such as systemic inefficiencies, underutilized generation capacity, transmission and distribution losses, low recoveries by distribution companies, and growing circular debt, which are further accentuated by global oil price changes and movements in rupee-dollar parity.¹⁰ Moreover, movements in global oil prices and exchange rate also add another layer of vulnerability to the sector. Due to these structural challenges, costs of electricity are also relatively high, which impinges on the competitiveness of firms and cost of living.

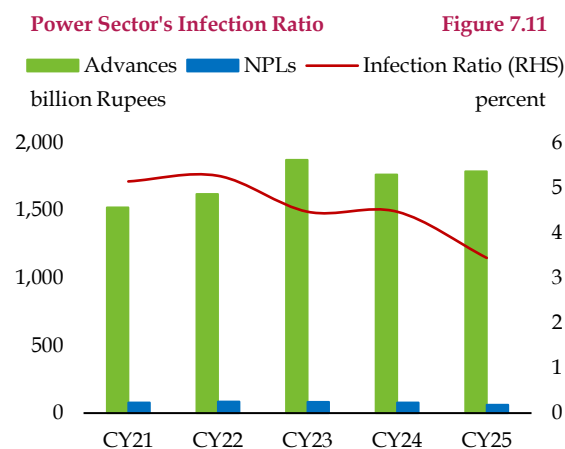
The source of power generation (thermal, hydel, renewable energy etc.) is an important factor for the generation cost of electricity, which in turn

⁹ Under the National Tariff Policy, 2025-30, the government is taking steps such as reduction in overall tariff rate, readjustments of tariff slabs and reduction in Customs Duty (CD) rates, elimination of Additional Customs Duty (ACD)

¹⁰ Power sector circular debt was around Rs 1.6 trillion at end September 2025. Circular Debt Report - September 2025, Ministry of Energy (Power Division)

determines the price of electricity for the end consumers. Generation from thermal sources cost the highest, with renewable energy being the cheapest source.¹¹ The power mix remains dominated by thermal sources with growing share of hydropower, nuclear and renewables (mainly solar) which now collectively account for over 40 percent of the capacity. Rooftop solar solutions are also rapidly expanding for residential, commercial and industrial use. The uptake of rooftop solar solutions has been aided by supportive policy measures such as net metering,¹² exemptions on customs duties and sales tax for import of solar panels and related equipment and availability of subsidized financing for solar projects.

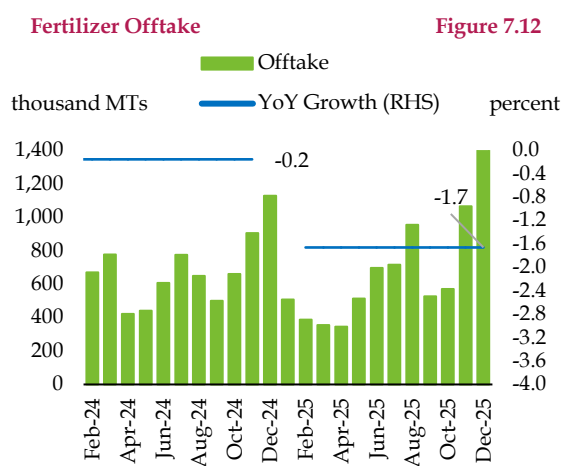
In terms of advances, loans to power sector remained almost steady at last year's level, while NPLs slightly declined during the year. (Figure 7.11)



Source: State Bank of Pakistan

Fertilizer Sector

Fertilizer offtake slightly declined by 1.7 percent to 8.1 million metric tons in CY25. This decline on YoY basis was primarily attributed to a significant fall of 17.8 percent in DAP sales, which more than offset the 2.3 percent increase in Urea sales on YoY basis. Urea off-take moderated during the Kharif season on the back of floods in the country from July-September 2025 (Figure 7.12).



Source: State bank of Pakistan

The low urea off-take from July-September 2025 was, however, offset by a strong pick-up in the last month of CY25, mainly due to concessionary schemes announced by the Punjab Government.¹³ The announcement of government schemes coincided with aggressive discounts by fertilizer marketing companies and robust demand for upcoming Rabi season. However, there was a significant decline in DAP offtake, specifically during Q4CY25, due to elevated international prices, resulting in shift

¹¹ In CY25, average generation cost of power (from thermal sources) comprised around 50 percent of the end-consumer tariff, net of taxes. The cheapest sources of fuel are renewable energy sources followed by hydel energy. HSD and RFO continued to be the most expensive fuel sources for power supply. However, their combined share in the country's generation mix is around 2.5 percent of total generation mix of the country. On the other hand, power produced from local coal has been the cheapest among fossil fuels during CY25 at an average cost of Rs. 11.6/kWh. The cost of imported coal clocked in at Rs. 17.2/kWh in CY25.

¹² The National Electric Power Regulatory Authority (NEPRA) announced the official Distributed Generation and Net Metering Regulations vide [SRO 892\(1\)/ 2015](#).

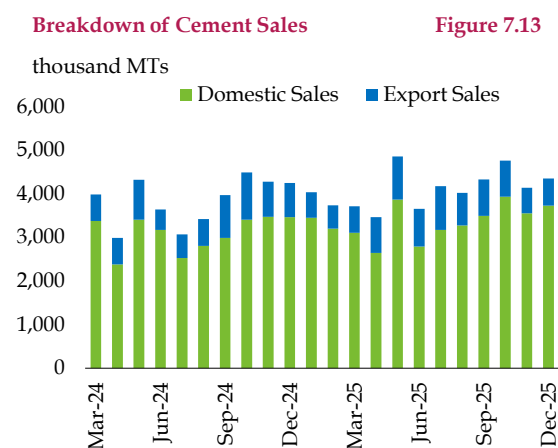
¹³ [Interest free loans scheme](#) to small farmers was announced by the Punjab government through Kissan Card for purchase of Agriculture inputs such as fertilizers and seeds.

towards other available alternatives, and lower usage.

Feedstock gas, supplied via natural-gas pipelines, is the primary raw material for the fertilizer industry. To support the agricultural sector, the government has historically provided feedstock gas at subsidized rates, helping keep fertilizer prices affordable for farmers. However, as part of agricultural market reforms subsidy on feedstock gas has been removed; this may cause short-term friction but will help viability of the sector in the long-term.

Cement Sector

Cement sector witnessed a 6 percent increase in production, crossing 40 million tons in CY25 (37.6 million tons in last year) while total sales of the sector increased by 9 percent (YoY) to 49.2 million tons in the same period. The higher sales compared to production reflect drawdown of inventory. Within overall sales, both domestic sales and exports grew by 9 percent in CY25, showing broad-based demand for cement (**Figure 7.13**).



Source: State Bank of Pakistan

The rise in cement production was mainly due to recovery in construction activity and revival in consumer confidence on the back of economic stabilization. Expansion in domestic sales was also driven by higher government allocations for infrastructure spending and reduction in tax on immovable property.^{14, 15}

Incidentally, energy costs constitute around 50-60 percent of cement sector's total cost of production. As coal is a cheaper source of energy, imported coal is extensively used by cement companies in the cement manufacturing process. Accordingly, cement prices in Pakistan are very sensitive to fluctuations in international coal prices and exchange rate.¹⁶

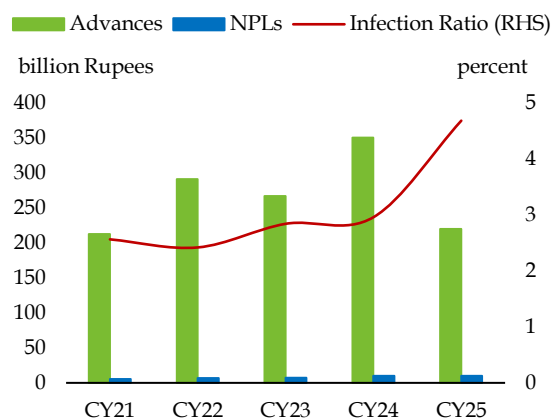
Cement exports are about one-fifth of total cement sales and are a valuable source of sales diversification when the domestic environment is not conducive. South-based cement manufacturers are able to export cement at a lower cost due to proximity to the seaport while North-based manufacturers have advantage of export to Afghanistan and Central Asia. Recently, Pakistan's cement exports have increased to Africa (Kenya, Tanzania and Mozambique), adding to the diversification of export destinations.

Banking sector's advances to the cement sector decreased in CY25 mainly due to the higher base effect of sharp increase in lending towards the end of CY24, a large part of which was retired in CY25. On the other hand, NPLs of the cement sector remained steady at last year's level, thus leading to an increase in infection ratio of the sector (**Figure 7.14**).

¹⁴ As per [Public Sector Development Programme 2025-26 \(Revised\)](#), despite resource constraints, the government reaffirmed allocations for major dams, highways and low-cost housing schemes.

¹⁵ As per [Finance Act, 2025](#), advance withholding tax rates on purchase of immovable property (Section 236K) have been reduced by 1.5 percent for each slab. While for the sale or transfer of immovable property the advance withholding tax rates (Section 236 C) have increased by 1.5 percent for each slab.

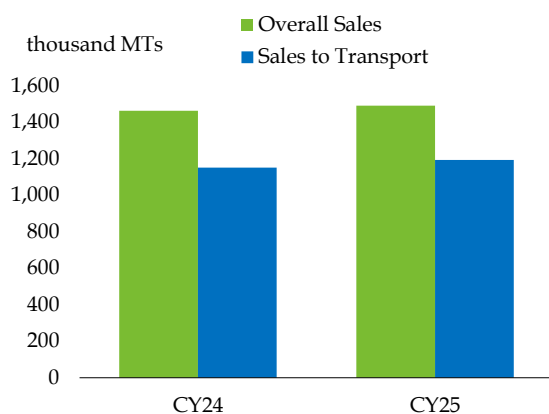
¹⁶ The price of cement is highly dependent on the price of coal. the price of coal fluctuated between US\$ 80 -100/ton for most of CY25.

Cement Sector's Infection Ratio **Figure 7.14**

Source: State Bank of Pakistan

Petroleum sector

Petroleum sector sales increased by 2 percent to 14.9 million metric tons in CY25 as compared to the previous year. The increase in sales was driven by relatively lower average Petroleum, Oil and Lubricants (POL) product prices, as global crude oil prices also remained low. Detailed analysis shows that the sales to industry, agriculture and government sectors witnessed a decline; this reduction was, however, more than offset by increase in sales to the transport sector and the overseas sector (petroleum exports) (Figure 7.15).

Petroleum Sales **Figure 7.15**

Source: State Bank of Pakistan

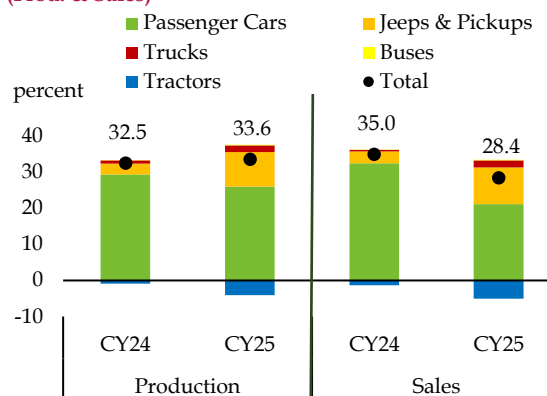
In Pakistan, the pricing of petroleum products is based on five components: i) Ex-refinery price, ii) Petroleum Developmental Levy¹⁷ and Carbon Levy,¹⁸ iii) In-land Freight Equalization Margin, iv) distribution margin of Oil Marketing

Companies and v) commission of petrol pump dealers. Given the afore-mentioned components of petroleum price, taxes and levies imposed by the government are the major determinants of petroleum price in Pakistan.

On an aggregate level, the profitability of oil and gas exploration and oil and gas marketing companies remained satisfactory with the sector demonstrating sufficient repayment capacity.

Automobile sector

The automobile sector performed exceptionally well in CY25. Both automobile production and auto sales witnessed a broad-based increase of 34 percent and 28 percent, respectively (Figure 7.16). This growth was, inter alia, supported by the easing of import policy restrictions, minimal plant shutdowns, improvement in economic growth, and lowering interest rates which also augmented the increase in bank loans to the sector.

Growth in Automobile Industry (Prod. & Sales) **Figure 7.16**

Source: Pakistan Automotive Manufacturers Association

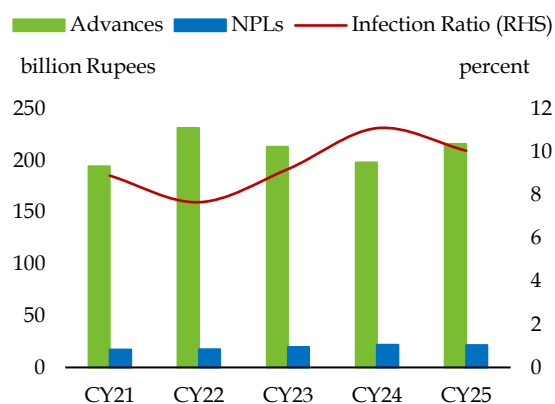
¹⁷ The petroleum levy is a discretionary, variable tax collected by federal government with maximum cap of Rs.90/liter for FY26 on motor gasoline (MOGAS) and high-speed diesel (HSD)

¹⁸ The Carbon Levy is collected at Rs. 2.5/liter for FY26.

The production and sales of sub-segments such as trucks, jeeps and pickups exhibited strong growth with moderation in passenger cars while tractors and buses observed negative growth due to sales tax imposed on these segments.¹⁹

The profitability ratios of the automobile sector and ability to meet short-term obligations improved significantly in CY25. The advances of the sector grew significantly during the year with moderation in NPLs, thereby improving the infection ratio of the sector (**Figure 7.17**).

Automobile Sector's Infection Ratio **Figure 7.17**



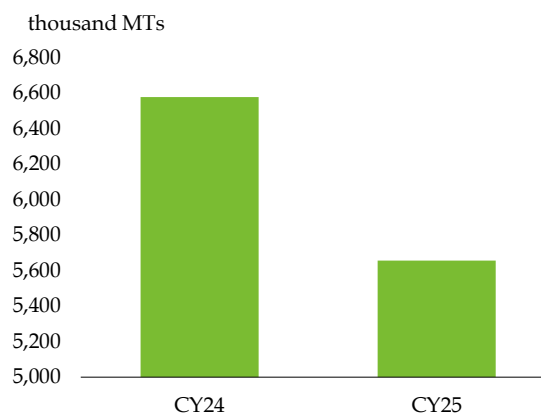
Source: State Bank of Pakistan

Sugar sector

Sugar production declined by 14 percent in CY25 to 5.6 million tons due to lower rainfall and high temperatures, which negatively affected the yield and sucrose content of sugar cane. In order to stabilize sugar prices due to lower production in CY25, the federal government allowed imports up to 300,000 metric tons during the year²⁰. At an overall level, the government is trying to promote competition in the sugar sector with reforms in key areas such as price controls, import / export permissions and zoning. The proposed reforms have the potential to improve overall efficiency of sugar sector in the long-term (**Figure 7.18**).

Sugar Production

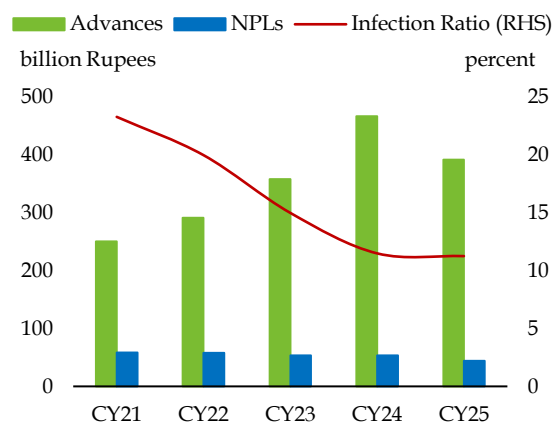
Figure 7.18



Source: State Bank of Pakistan

Advances to sugar sector declined in CY25; however, NPLs also reduced thereby moderating the infection ratio (**Figure 7.19**).

Sugar Sector's Infection Ratio **Figure 7.19**



Source: State Bank of Pakistan

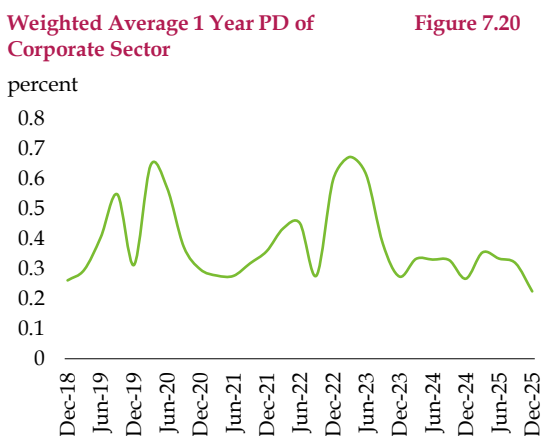
Market-based indicators of the corporate sector improved in line with improving macroeconomic conditions ...

In line with recovery of the corporate sector and gradually improving economic conditions, the weighted average 1-year probability of default (PD) of selected firms of the corporate sector improved, as their valuations significantly

¹⁹ The sales tax issue was resolved in December 2024 and during the month tractor sales increased.

²⁰ [Press Release – Ministry of National Food Security & Research, July 31, 2025](#)

increased over the year under review (**Figure 7.20**).²¹



Source: Bloomberg

As such, corporate firms maintained financial soundness and steady operating performance in improving macro-financial conditions.

...banking sector's leading borrowing firms demonstrated steady financial standing and adequate repayment capacity...

Given that banks' loan portfolio is mainly concentrated in large corporate firms, these firms and business groups have systemic importance for the entire banking sector. An assessment of the banking sector's **top 30 borrowing groups**, including their 214 identified firms, indicates that these firms account for around 30 percent of banks combined loan portfolio.

In CY25, top borrowing groups showed slight deterioration in financial performance amid incorporation of risks on forward-looking basis post IFRS-9 implementation. Despite this

deterioration the overall borrowers continued to show adequate debt repayment capacity. However, the banks, as per their general lending behavior continued to prefer lending to better rated firms (for details see **Box 7.1**).

Credit risk rating profile shows satisfactory solvency position of corporate sector...

Third-party credit ratings provide an independent assessment of a firm's solvency, and capacity to honor financial obligations.

The number of rated firms in Pakistan increased from 583 in CY24 to 598 in CY25. Firms in Pakistan generally rely on debt financing from banks or internal sources such as retained earnings, while reliance on capital markets remains contained.²²

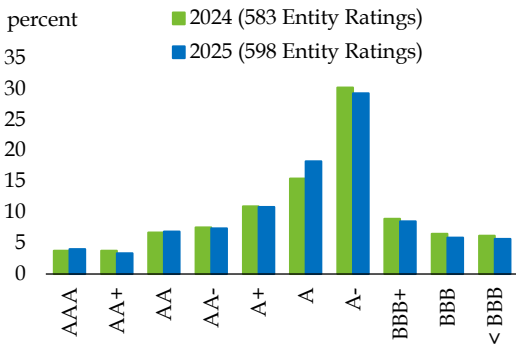
In Pakistan, the risk-ratings market is dominated by two domestic credit rating agencies - the Pakistan Credit Rating Agency (PACRA) and VIS Ratings, with a combined tally of 598 rated firms.²³ The ratings universe is concentrated mostly in high rating categories (investment grade: AAA to BBB), representing 94.3 percent of the total rated firms (**Figure 7.21**).

²¹ The one year ahead probability of default (PD) demonstrates firms' credit risk and ability to honor short-term obligations. The PD is sourced from Bloomberg Inc. The overall PD here is a weighted average of 424 companies listed on the PSX. The weights are based on market capitalization at the end of December 2025. $PD_w = 100 \times \frac{\sum (PD_i \times C_i)}{\sum C_i}$, where C_i is the market cap of firm i .

²² To facilitate the growth of capital market and improve corporate governance regime, SBP aims to encourage firms to get themselves rated. Along with other tools, SBP incentivizes the large firms to get themselves rated by applying higher capital charge on banks' exposures on unrated firm whose total exposure exceeds Rs 3 billion.

²³ Only entity ratings are considered. The Credit Rating Agencies (CRAs) also issue other ratings, including Asset manager, IFS, Performance ranking etc.

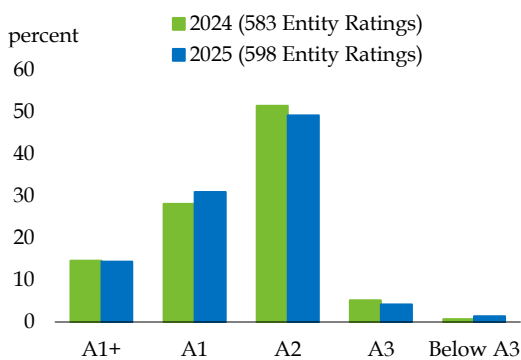
Long-term Ratings of Companies Figure 7.21



Source: Pakistan Credit Rating Agency and VIS Credit Rating Company Limited

This phenomenon indicates that majority of such entities are large corporate firms having sound financial cushion and solvency, established business records, market competitiveness, and well-developed governance mechanisms. Whereas, in terms of short-term ratings, a large majority of the firms (94.5 percent) were rated as A2 and above, which represents satisfactory capacity for timely repayment (Figure 7.22).

Short-term Ratings of Companies Figure 7.22

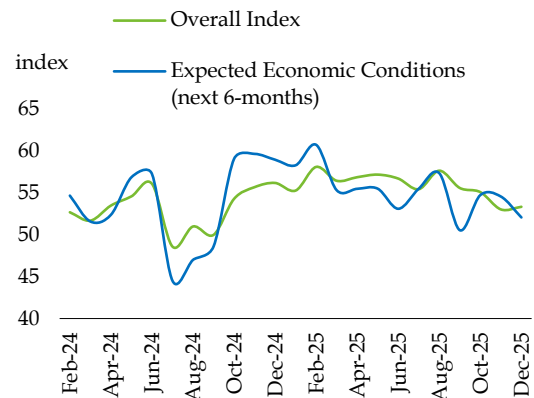


Source: Pakistan Credit Rating Agency and VIS Credit Rating Company Limited

The overall performance of corporate sector has shown steady operating performance and its solvency, liquidity and debt repayment capacity remained steady. However, the sector is vulnerable to supply chain disruptions and

external shocks emanating from geopolitical tensions in the region (Figure 7.23). Going forward, the performance of corporate sector will largely hinge on effectiveness of economic stabilization measures, economic conditions, political stability and potential spillovers from ongoing geopolitical factors, especially the recent outbreak of war between US-Israel and Iran which also engulfs the GCC region.

Business Confidence Index Figure 7.23



Source: State Bank of Pakistan

Financial Stability Review 2025

Consolidated Sectoral Financial Statements and Ratio Analysis			Annexure 7.1
	CY24	CY25	YoY Growth
	billion Rupees		percent
Textile			
Non-Current Assets	1,029.1	1,131.3	9.9%
Current Assets	1,022.8	1,153.6	12.8%
Total Assets	2,051.9	2,284.9	11.4%
Shareholders' Equity	830.0	919.7	10.8%
Non-Current Liabilities	328.5	344.2	4.8%
Current Liabilities	893.4	1,021.1	14.3%
Total Liabilities	1,221.9	1,365.3	11.7%
Sales	2,129.6	2,130.6	0.0%
Cost of sales	1,888.8	1,904.9	0.9%
Gross profit / (loss)	240.8	225.7	-6.3%
Other income / (loss)	47.4	57.1	20.7%
EBIT	185.5	171.5	-7.5%
Financial expenses	125.4	97.8	-22.0%
Profit / (loss) before income taxes and Levies	60.1	73.8	22.8%
Levies	26.0	19.4	-25.2%
Tax expenses	3.8	18.4	380.6%
Profit / (loss) after tax	30.3	35.9	18.6%
Financial Ratios			
i. Net Profit Margin (%)	1.4	1.7	
ii. Asset Turnover (%)	105.8	98.3	
iii. Return on Assets (%)	1.5	1.7	
iv. Return on Equity (%)	3.8	4.1	
v. Gross Profit Margin (%)	11.3	10.6	
vi. Current ratio (Times)	1.1	1.1	
vii. Debt to Equity Ratio (Times)	1.5	1.5	
viii. Interest Coverage Ratio (Times)	1.5	1.8	
Sugar			
Non-Current Assets	201.6	217.8	8.0%
Current Assets	147.0	194.6	32.4%
Total Assets	348.6	412.4	18.3%
Shareholders' Equity	151.6	159.2	5.0%
Non-Current Liabilities	40.8	53.1	30.0%
Current Liabilities	156.2	200.1	28.1%
Total Liabilities	197.0	253.2	28.5%
Sales	705.5	846.6	20.0%
Cost of sales	587.3	738.2	25.7%
Gross profit / (loss)	118.1	108.5	-8.2%
Other income / (loss)	19.4	18.7	-3.8%
EBIT	99.7	87.9	-11.8%
Financial expenses	46.5	69.4	49.1%
Profit / (loss) before income taxes and Levies	53.1	18.5	-65.3%
Levies	6.1	6.1	1.1%
Tax expenses	6.7	3.4	-48.9%
Profit / (loss) after tax	40.4	8.9	-77.9%
Financial Ratios			
i. Net Profit Margin (%)	5.7	1.1	
ii. Asset Turnover (%)	217.1	222.5	
iii. Return on Assets (%)	12.4	2.3	
iv. Return on Equity (%)	29.7	5.7	
v. Gross Profit Margin (%)	16.7	12.8	
vi. Current ratio (Times)	0.9	1.0	
vii. Debt to Equity Ratio (Times)	1.3	1.6	
Cement			
Non-Current Assets	920.1	1,039.2	12.9%
Current Assets	293.6	376.7	28.3%
Total Assets	1,213.7	1,415.9	16.7%
Shareholders' Equity	641.0	807.0	25.9%
Non-Current Liabilities	307.9	324.2	5.3%
Current Liabilities	264.8	284.7	7.5%
Total Liabilities	572.7	608.9	6.3%
Sales	669.9	710.8	6.1%

Corporate Sector

Cost of sales	486.4	489.1	0.5%
Gross profit / (loss)	183.4	221.7	20.9%
Other income / (loss)	38.4	59.0	53.8%
EBIT	173.7	223.6	28.8%
Financial expenses	41.9	30.7	-26.6%
Profit / (loss) before income taxes and Levies	131.8	192.9	46.4%
Levies	3.3	1.5	-53.3%
Tax expenses	49.0	62.8	28.2%
Profit / (loss) after tax	79.5	128.5	61.7%
Financial Ratios			
i. Net Profit Margin (%)	11.9	18.1	
ii. Asset Turnover (%)	0.5	0.5	
iii. Return on Assets (%)	5.8	9.8	
iv. Return on Equity (%)	11.8	17.8	
v. Gross Profit Margin (%)	27.4	31.2	
vi. Current ratio (Times)	1.1	1.3	
vii. Debt to Equity Ratio (Times)	0.9	0.8	
viii. Interest Coverage Ratio (Times)	4.1	7.3	
Automobile			
Non-Current Assets	123.9	125.8	1.5%
Current Assets	375.9	466.1	24.0%
Total Assets	499.9	591.8	18.4%
Shareholders' Equity	200.6	249.4	24.4%
Non-Current Liabilities	17.9	18.0	0.4%
Current Liabilities	281.4	324.4	15.3%
Total Liabilities	299.3	342.4	14.4%
Sales	720.2	899.6	24.9%
Cost of sales	614.6	752.8	22.5%
Gross profit / (loss)	105.6	146.8	39.1%
Other income / (loss)	30.6	30.8	0.8%
EBIT	94.9	131.0	38.0%
Financial expenses	12.1	11.1	-8.6%
Profit / (loss) before income taxes and Levies	82.8	119.9	44.8%
Levies	2.0	1.7	-15.3%
Tax expenses	29.3	42.3	44.4%
Profit / (loss) after tax	51.6	76.0	47.4%
Financial Ratios			
i. Net Profit Margin (%)	7.2	8.4	
ii. Asset Turnover (%)	138.2	164.8	
iii. Return on Assets (%)	9.9	13.9	
iv. Return on Equity (%)	26.4	33.8	
v. Gross Profit Margin (%)	14.7	16.3	
vi. Current ratio (Times)	1.3	1.4	
vii. Debt to Equity Ratio (Times)	1.5	1.4	
viii. Interest Coverage Ratio (Times)	7.8	11.8	
Power			
Non-Current Assets	1,378.3	1,504.6	9.2%
Current Assets	3,820.7	3,677.9	-3.7%
Total Assets	5,199.0	5,182.5	-0.3%
Shareholders' Equity	1,820.2	1,960.1	7.7%
Non-Current Liabilities	541.6	560.3	3.5%
Current Liabilities	2,837.2	2,662.1	-6.2%
Total Liabilities	3,378.8	3,222.4	-4.6%
Sales	2,809.5	2,503.9	-10.9%
Cost of sales	2,252.1	2,010.0	-10.7%
Gross profit / (loss)	557.4	493.9	-11.4%
Other income / (loss)	200.8	150.0	-25.3%
EBIT	595.1	492.0	-17.3%
Financial expenses	81.4	59.2	-27.3%
Profit / (loss) before income taxes and Levies	513.7	432.9	-15.7%
Levies	12.7	4.7	-63.3%
Tax expenses	121.2	144.5	19.2%
Profit / (loss) after tax	379.7	283.7	-25.3%
Financial Ratios			
i. Net Profit Margin (%)	13.5	11.3	
ii. Asset Turnover (%)	63.0	60.3	

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iii. Return on Assets (%)	8.5	6.8	
iv. Return on Equity (%)	25.3	18.8	
v. Gross Profit Margin (%)	19.8	19.7	
vi. Current ratio (Times)	1.3	1.4	
vii. Debt to Equity Ratio (Times)	1.9	1.6	
viii. Interest Coverage Ratio (Times)	7.3	8.3	
Petroleum			
Non-Current Assets	849.1	942.8	11.0%
Current Assets	2,273.1	2,329.6	2.5%
Total Assets	3,122.2	3,272.4	4.8%
Shareholders' Equity	1,341.8	1,461.9	9.0%
Non-Current Liabilities	243.2	270.9	11.4%
Current Liabilities	1,537.3	1,539.6	0.1%
Total Liabilities	1,780.5	1,810.5	1.7%
Sales	6,309.0	5,744.4	-8.9%
Cost of sales	5,869.8	5,397.9	-8.0%
Gross profit / (loss)	439.1	346.6	-21.1%
Other income / (loss)	99.5	98.4	-1.1%
EBIT	393.2	310.2	-21.1%
Financial expenses	95.4	75.5	-20.9%
Profit / (loss) before income taxes and Levies	297.8	234.7	-21.2%
Levies	14.5	16.6	15.0%
Tax expenses	97.5	90.7	-7.0%
Profit / (loss) after tax	185.8	127.4	-31.4%
Financial Ratios			
i. Net Profit Margin (%)	2.9	2.2	
ii. Asset Turnover (%)	248.4	215.6	
iii. Return on Assets (%)	7.3	4.8	
iv. Return on Equity (%)	17.6	10.9	
v. Gross Profit Margin (%)	7.0	6.0	
vi. Current ratio (Times)	1.5	1.5	
vii. Debt to Equity Ratio (Times)	1.3	1.2	
viii. Interest Coverage Ratio (Times)	4.1	4.1	

Source: SBP Staff Estimates