

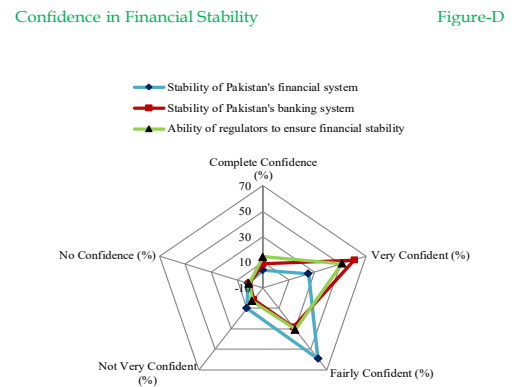
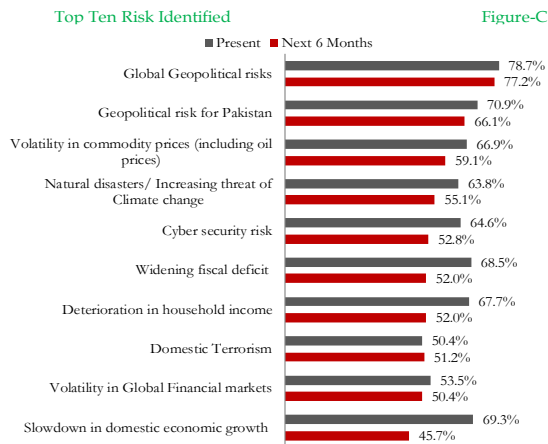
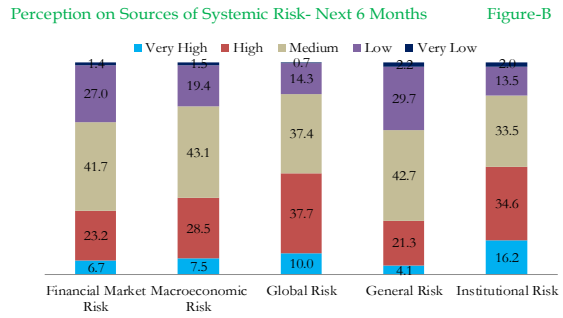
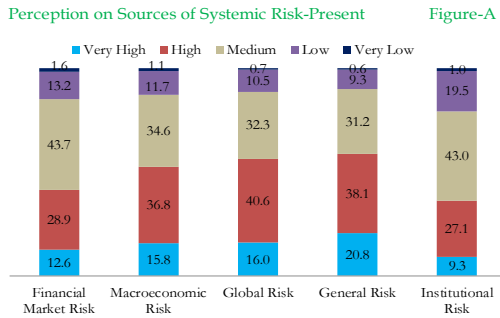
Box 1: SBP's Systemic Risk Survey

SBP conducted the 17th wave of its biannual Systemic Risk Survey (SRS) in January 2026. The survey aims to capture the perceptions of market participants about various risks to the financial system of Pakistan and their confidence in the stability of the financial system. The survey is designed to gauge the present and near term (over the next six months) perceptions of the respondents across five broad risk categories: global, macroeconomic, financial markets, institutional, and general.

The respondents of the current iteration of the SRS covered a wide spectrum of participants, including senior executives of bank and non-bank financial institutions, financial journalists, and others. The response rate for the current wave was 47 percent – higher than 43 percent response rate for the 16th wave.

Summary of Results

1. The respondents, on aggregate, perceive risks emanating from “General”, “Global”, and “Macroeconomic” categories to be the major risks to the financial system (**Figure A**). Perception regarding “General Risk” was driven by “Global Geopolitical Risk”. Over the period of next six months, risk perceptions are higher for Global Geopolitical risks. (**Figure B**).
2. In terms of key risks at present, top five risks (in descending order) were “Global Geopolitical risks”, “Geopolitical risk for Pakistan”, “Volatility in Commodity Prices”, “Natural Disasters”, and “Cybersecurity Risk”. Over the next six months, risk perceptions regarding these categories are expected to subside except Global Geopolitical Risk and Domestic Terrorism. (**Figure C**).
3. Regarding the stability of the financial system of Pakistan, the respondents reposed a fair amount of confidence in the system. Conversely, most of the respondents exhibited strong confidence on the stability of the banking system and also showed their confidence on the ability of regulators to ensure the stability of the financial system (**Figure D**).
4. A comparison with the last wave (16th) indicates that the risk perception has improved across most of the risk categories. However, a significant deterioration in risk perception was seen in most of Macroeconomic Risk categories, highest being in “Global Geopolitical Risk” (**Figure E**).



Comparison of SBP's Systemic Risk Survey (SRS) Results (16th and 17th Wave)

		16th Wave (July-25)	17th Wave (Jan-26)			16th Wave (July-25)	17th Wave (Jan-26)
		Present (Average)	Present (Average)			Present (Average)	Present (Average)
Global	Slowdown in global growth	2.4	2.5	Institutional	Asset quality deterioration	2.6	2.6
	Sovereign default	2.7	3.0		Shortfall in capital requirements	2.8	2.8
	Lack of funding from abroad	2.5	2.4		Excessive private sector credit	2.9	3.0
	Volatility in commodity prices	2.1	2.2		Concentration risk in PSC	2.7	2.8
	Volatility in Global Financial markets	2.6	2.5		Access to funding	2.8	2.9
	Global Geopolitical risks	2.1	1.9		Disruption in financial markets	2.7	2.9
	Slowdown in corporate sector growth	2.5	2.5		Cyber security risk	2.1	2.1
	Slowdown in Agriculture	2.4	2.5		Regulatory	2.7	2.7
	Slowdown in infrastructure development	2.7	2.7		Legal	2.8	2.8
	Deterioration in household income	2.4	2.2		Concentration risk in mutual funds	3.1	3.0
Macroeconomic	Slowdown in domestic growth	2.3	2.2	Operational risk	2.6	2.7	
	Deterioration of BoP	2.2	2.2	AML/CFT Risks	2.6	2.6	
	Widening fiscal deficit	2.2	2.2	Terrorism	2.4	2.4	
	Increase in domestic inflation	2.3	2.4	Geopolitical risk for Pakistan	2.1	2.1	
	Sovereign rating downgrade	2.6	2.7	Natural disasters	2.1	2.1	
	Volatility in real estate prices	2.9	3.0	Domestic Social unrest	2.5	2.5	
	Energy crisis	2.3	2.4				
	Political uncertainty	2.2	2.4				
	Financial Market	Foreign exchange rate	2.0	2.3			
		Equity price risk	2.7	2.8			
Interest rate		2.7	2.7				
Liquidity risk		2.6	2.8				

