



Governor SBP calls on banks to harness technology to significantly increase financial deepening, develop climate-resilient financing

Governor of the State Bank of Pakistan, Mr. Jameel Ahmad reiterated the need to significantly increase financial deepening in the country, adding that no country can achieve sustainable economic growth with low levels of private credit. Speaking at the Pakistan Banking Summit 2025, he said that “our banks need to rethink their current business model, reassess their priorities, and play a more active role in financial intermediation.”

He stated that SBP’s Strategic Vision 2028 “mainly focuses on promoting inclusive and sustainable access to financial services; building an innovative and inclusive digital financial ecosystem; and enhancing efficiency, effectiveness, fairness and stability of the financial system.” He added that “the explicit addition of financial inclusion as one of SBP’s core functions in the amended SBP Act underscores its importance for the SBP.”

Highlighting the significant strides in financial inclusion over the past decade, he mentioned that “bank account coverage has reached close to 64 percent of the adult population, from 47 percent in 2018, while the gender gap has also been narrowed from 47 percent to 34 percent.”

Referring to the latest National Financial Inclusion Strategy 2024-2028, he highlighted that the central bank has set a target to increase bank account coverage to 75 percent of the adult population and reduce the gender gap to 25 percent by 2028. Mr. Ahmad stated that “to achieve these ambitious targets, we want to enhance the depth, breadth, and quality of financial services, particularly for low-income individuals, the microfinance sector, SMEs, and agriculture.”

While appreciating the role of the banking and financial system in the economic development of the country, he stated that “for achieving a more inclusive and sustainable economic growth, the country would require a significant increase in depth and breadth of the financial sector. Governor SBP noted that “the composition of banks’ lending portfolio in Pakistan is highly skewed towards established corporates at around 74%, and only 5% goes to SMEs.” He called on the banking industry to reassess its business strategy to “focus on mobilizing deposits and increasing credit to the private sector particularly the SMEs and agriculture sectors.”

Governor SBP urged the industry to increase their usage of artificial intelligence, based on alternate data sources such as cellular, and satellite data to provide “cost-effective alternative delivery channels to enhance the access, usage, and quality of financial services, particularly to SMEs, agriculture and our female population.” He also reiterated the need to “work on a war footing” to help businesses digitize their payments by providing digital transactional access, preferably via secure portals.

Governor SBP also urged financial institutions to “improve their ability to assess the impact of climate change across credit, market, liquidity, and operational risks.” Underlining the pivotal role of businesses and academia in tackling sustainability challenges, he stressed the need for research, policy recommendations, and fostering collaborations.

Mr. Ahmad expressed hope that the participants of the Pakistan Banking Summit would engage in thoughtful discussions and idea sharing that may serve as a cornerstone for the policies and initiatives that can drive the country toward a more sustainable and equitable future.
