

Date

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Analyst

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Applicable Criteria

- Methodology | Rating Modifiers | Apr-24
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Jul-24
- Methodology | Microfinance Institution Rating | Oct-24

Related Research

- Sector Study | Microfinance | Oct-24

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PACRA Upgrades the entity ratings of Easypaisa Bank Limited

Rating Type	Entity	
	Current (30-Apr-25)	Previous (30-Apr-24)
Action	Upgrade	Maintain
Long Term	A+	A
Short Term	A1	A1
Outlook	Stable	Stable
Rating Watch	-	Yes

Easypaisa Bank Limited (“Easypaisa” or the “Bank”) has achieved a significant milestone with a recent credit rating upgrade, recognizing its successful transformation from a pioneering microfinance institution into Pakistan’s first digital retail bank. This strategic shift marks a defining moment in the Bank’s evolution, reaffirming its leadership in the country’s rapidly advancing digital financial landscape. Owing to its strong operational track record and clear business strategy, the Bank was granted exemptions from the pilot and transition phases, including restrictions on deposit-taking and lending—signaling regulatory confidence in its capabilities. A key driver behind the rating upgrade is the Bank’s robust technological infrastructure, enabling a secure, seamless, and scalable digital banking experience. In 2024, Easypaisa processed over 2.8 billion transactions worth approximately PKR 9.5 trillion, reflecting a 38% year-on-year increase in transaction value. This growth was supported by strong customer engagement and innovation, with monthly active mobile accounts rising 23% since December 2023 to reach 16.2 million. Easypaisa now serves the largest digital customer base in Pakistan. Consistent with its digital-first strategy, the Bank limited its full-service branches to 25, in line with licensing requirements. The Bank’s progress has been bolstered by continued shareholder support from Telenor Group and Ant Group. Alongside previous capital injections, Easypaisa secured an additional US\$10 million equity investment in 2024, with no change in ownership structure. This capital strengthened the Bank’s base, accelerated product development, and supported sustainable growth. Financially, the Bank reported significant gains, with profit before tax increasing 3.9x to PKR 4.7bln (CY23: PKR 1.2bln). Fee and commission income grew to PKR 14.4bln (CY23: PKR 10.6bln), primarily from branchless banking, backed by expanding operations, greater user activity, and continuous tech enhancements. Net markup income also rose nearly 60%, supported by a strong low-cost deposit base and a favorable interest rate environment. To meet evolving customer needs, the Bank introduced digital savings and investment offerings, including Savings Pockets, Daily Savings Plans, and Digital Term Deposits, which have meaningfully contributed to portfolio growth. Customer deposits grew 50% to PKR 76bln (CY23: PKR 51bln), mainly driven by digital channels. The current account ratio reached 83%, among the highest in the industry, keeping the cost of deposits at a low 1.8%. On the lending side, Easypaisa disbursed PKR 63bln digitally in 2024, three times the previous year’s figure. Its microfinance portfolio accounted for PKR 24.4bln. The loan book expanded 53% to PKR 28.5bln, with an ADR of 33.5%. By December 2024, equity rose to PKR 14bln (CY23: PKR 7.9bln).

Going forward, the rating would remain dependent on the expansion in the gross loan portfolio of the Bank and how the Bank would develop the strategy to manage the non-performing loans. Digital penetration on the back of a strong equity base and sustainable profitability would remain imperative.

About the Entity

The Bank is a joint venture between Telenor Pakistan B.V. and Alipay (Hong Kong) Holding Limited. Telenor Pakistan B.V., a public limited company headquartered in Amsterdam, Netherlands, holds a 55% majority shareholding, while Alipay (Hong Kong) Holding Limited holds the remaining 45%. Telenor Pakistan B.V. is a subsidiary of Telenor ASA, a Norwegian telecommunications company, whereas Alipay (Hong Kong) Holding Limited is a subsidiary of Ant Group Co., Ltd., a Chinese financial technology company.

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