



# PAKISTAN

A transformative phase in digital microfinance

# INTRODUCTION

Pakistan's non-bank digital consumer lending sector is entering a decisive phase of transformation, shaped by a unique convergence of macroeconomic pressures, rapid fintech adoption, and regulatory reform. Persistently high inflation, volatile household incomes, and limited access to formal bank credit have intensified demand for short-term liquidity solutions—particularly among low- and middle-income consumers and micro-entrepreneurs.

Structurally, Pakistan remains a significantly underbanked market, despite meaningful progress in financial inclusion. While a growing share of the population now holds transaction accounts, access to formal credit remains constrained by traditional underwriting models, documentation requirements, and bank-centric distribution. This gap has created fertile ground for non-bank digital lenders offering small-ticket, short-tenor loans tailored to immediate cash-flow needs.

At the same time, the sector's rapid growth has prompted a regulatory recalibration. Policymakers—led by the Securities and Exchange Commission of Pakistan and the State Bank—have introduced new digital lending rules, including pricing caps, and prohibitions on compounding.

This report analyzes Pakistan's digital microfinance sector at this critical inflection point. It examines the macroeconomic context driving demand for short-term credit, the structure and evolution of the fintech and non-bank lending ecosystem, and the regulatory architecture shaping market behavior. **It further assesses how instant payments, digital infrastructure, and regulatory discipline are collectively redefining the operating model for non-bank digital lenders.**



Discover more

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# PAKISTAN IN NUMBERS

As of early 2026, Pakistan is the world's 5th most populous nation with over 259 million people, growing rapidly with a very young population (median age ~21) and high fertility rates.

Over 70% of the population relies on agriculture.

Pakistan ranks 23rd largest economy in the world in terms of purchasing power parity, while it is the 40th largest economy in terms of nominal GDP.

Pakistan's economy showed encouraging signs of recovery in FY25, with real GDP expanding by 2.7%. This recovery reflects the effects of strong macroeconomic management, renewed investor confidence, and continued support under the IMF's Extended Fund Facility.

Inflation dropped sharply to 4.7% in 10MFY25, down from 26.0% in 2024.

With only about 67% of the population holding bank accounts, a large share of people remains underserved, highlighting significant unmet demand for credit and other financial services.

**257.6M**  
Population

**\$410.5B**  
Nominal GDP,  
2025

**3.68%**  
Inflation rate,  
Jul 2025

**34.70%**  
Urban population

**\$1,707**  
GDP per capita,  
2025

**6.6%**  
Non-performing loans  
in banking sector,  
2025

**21**  
Median age

**2.70%**  
GDP growth, 2025

**67%**  
% of Individuals using  
the Internet

# NON-BANK FINANCIAL INSTITUTIONS

Non-Bank Finance Companies (NBFCs) are specialized financial institutions in Pakistan that provide targeted financial services beyond traditional banking. They play a critical role in expanding access to finance by complementing the banking sector, particularly in underserved segments such as small and medium-sized enterprises (SMEs), housing finance, and infrastructure development.

Companies licensed as Non-Bank Microfinance Institutions and Investment Finance Companies both include digital app-based lenders that offer short-term loans, typically characterized by high interest rates and additional fees. These lenders are officially listed in the [Digital Lending App Whitelist](#) published by the Securities and Exchange Commission of Pakistan (SECP).

Non-bank financial institutions involved in lending

Institution	Number of licenses	Total Assets, € Sep 2025	Percentage of total assets	Outstanding loan portfolio, € Sep 2025
Non-Bank Microfinance Companies (NBMFC)	40	€1.0B	62.03%	€762.3M
Investment Finance Companies (IFC)	43	€431.1M	25.56%	€240.6M
Modarabas	20	€190.4M	11.29%	€139.7M
Leasing Companies	3	€15.7M	0.93%	€3.5M
Housing Finance Companies	5	€3.2M	0.19%	€2.1M
Discounting	1	€0.3M	0.02%	€0.2M
Total	111	€1.7B	100.00%	€1.1B

Source: [NBF Sector Summary - September 2025](#), State Bank of Pakistan, SBP - Non-Bank Financial Institutions

# REGULATORY POLICY

Securities and Exchange Commission of Pakistan (SECP) is the regulator and licensing body for NBFCs.

The current circular sets a daily interest rate cap of 0.75%.

Under the previous circular regulating the industry, interest rate caps were significantly lower: the Annual Percentage Rate (APR) was capped at ten times the Policy Rate issued by the State Bank of Pakistan, which at the time translated into an effective cap of approximately 105% APR (around 0.2% per day). As a result, the revised regulations are substantially more permissive and make the launch of a lending business considerably more attractive.

## REGULATOR

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

## INTEREST RATE CAPS

0.75% daily

Prohibition of compound interest

Compounding of interest shall not be allowed (no markup shall accrue either on original markup or on late payment charges);

## REGULATIONS

Circular No. 12 of 2024:  
Requirements for NBFCs engaged in Digital Lending

## LICENSE

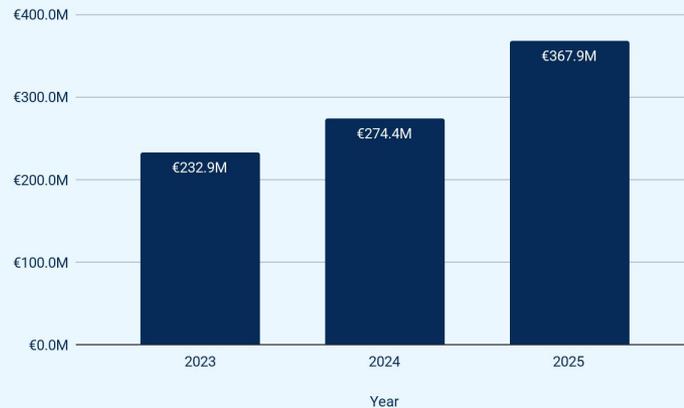
Non-Banking Finance Company

# MARKET SIZE

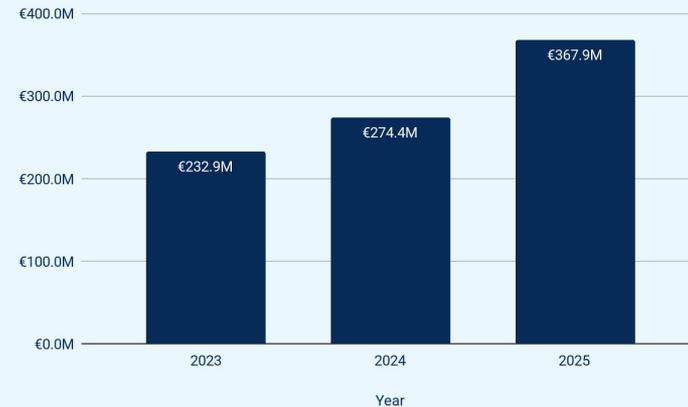
With an improvement in the overall macroeconomic environment and easing of financial conditions, especially amid falling interest rates, the performance of lending segment of NBFIs improved in FY25.

Within the lending segment, Non-Bank Microfinance Companies (NBMFCs) stood out with an asset growth of 51.2%. This bodes well for enhancing the financial inclusion and access to finance for small borrowers. Modarabas and investment finance companies also showed decent growth of 23.8% and 15.0%, respectively. Overall, the expansion of lending NBFIs sector, particularly microfinance, underscores its growing role in the financial intermediation process.

## Revenue growth of non-bank lending segment



## Net profit growth of non-bank lending segment



# LEADING ONLINE MONEYLENDERS

Brand	Website	Launched in	Monthly users	App	Installs on Android	Daily interest, %	Annual interest rate, %	Daily late payment fee	One-time handling fee, %	Min loan, €	Max loan, €	Min period, days	Max period, days	Product type
Paisayaar	<a href="https://paisayaar.pk">paisayaar.pk</a>	2023	15.9K	<a href="#">Android</a>	5M+	0.75	273.75	2.30%	N/a	3	151	1	90	Short
Aitemaad	<a href="https://aitemaadloan.com">aitemaadloan.com</a>	2023	0.5K	<a href="#">Android</a>	100K+	0.75	273.75	N/a	0.15	3	151	1	90	Short
PakCredit	<a href="https://pakcreditloan.com">pakcreditloan.com</a>	2024	6.3K	<a href="#">Android</a>	1M+	0.75	273.75	1.50%	0	6	151	-	90	Short
Daira	<a href="https://finleap.com.pk">finleap.com.pk</a>	2024	11.2K	<a href="#">Android</a>	1M+	0.75	273.75	N/a	N/a	6	150	1	90	Short
Hakeem	<a href="https://hakeem.tech">hakeem.tech</a>	2024	20.4K	<a href="#">Android</a> <a href="#">iOS</a>	1M+	0.75	273.75	0.75% charity	0	3	151	15	30	Short
Fauri Cash	<a href="https://fauricash.com">fauricash.com</a>	2024	83.8K	<a href="#">Android</a>	1M+	0.75	273.75	2%	0	3	151	N/a	90	Short
SmartQarza	<a href="https://goldlionpk.com">goldlionpk.com</a>	2022	0.2K	<a href="#">Android</a>	10M+	0.75	273.75	2%	N/a	3	151	1	90	Short
JazzCash	<a href="https://jazzcash.com.pk">jazzcash.com.pk</a>	2016	3.6M	<a href="#">Android</a>	50M+	0.67	244.55	-	-	0.3	151	-	30	Short
CashBazar	<a href="https://cash-bazar.com">cash-bazar.com</a>	2025	0.2K	Android (coming soon)	-	0.75	273.75	5%	N/a	9	15	1	90	Short
Sahara	<a href="https://awamifinancial.com">awamifinancial.com</a>	2025	0.4K	<a href="#">Android</a> <a href="#">iOS</a>	100K+	0.75	273.75	1.50%	N/a	3	151	1	90	Short
PaisaGhur	<a href="https://paisaghur.com">paisaghur.com</a>	2025	N/a	<a href="#">Android</a>	100K+	0.75	273.75	2.20%	N/a	15	151	1	90	Short
QarzMitra	<a href="https://garzmitra.com">garzmitra.com</a>	2025	1.3K	<a href="#">Android</a>	100K+	0.75	273.75	2.3	N/a	3	151	1	90	Short

Source: [Similarweb](#), [secp](#)

# FINANCIAL PERFORMANCE OF SELECTED LENDERS

Profit before tax					
Company name	Type	Launched in	2024 Profit before tax, €	2023 Profit before tax, €	2022 Profit before tax, €
Abhi (Private) Limited	Earned Wage Access	2021	N/a	€1.7M	€674.9K
Jinglecred Digital Finance Ltd.	Digital lending app	2023	N/a	-€48.2K	-€12.1K
Visioncred Financial Services (Pvt) Ltd.	Digital lending app	2022	-€6.0K	-€9.0K	N/a
Walee Financial Services (Pvt) Ltd.	Digital lending app	2024	-€84.3K	-	-
4Sight Finance Services (Pvt) Limited	Digital lending app	2023	-€192.7K	€39.2K	-

Net profit					
Company name	Type	Launched in	2024 Net profit, €	2023 Net profit, €	2022 Net profit, €
Abhi (Private) Limited	Earned Wage Access	2021	N/a	€906.3K	€436.9K
Jinglecred Digital Finance Ltd.	Digital lending app	2023	N/a	-€63.2K	-€12.1K
Visioncred Financial Services (Pvt) Ltd.	Digital lending app	2022	-€6.0K	-€9.0K	N/a
Walee Financial Services (Pvt) Ltd.	Digital lending app	2024	-€84.3K	-	-
4Sight Finance Services (Pvt) Limited	Digital lending app	2023	-€123.5K	€39.2K	-

# EASYPAlSA AND JAZZCASH

Pakistan's digital lending market is largely concentrated, with JazzCash and Easypaisa emerging as the two dominant microfinance players.

In 2024, JazzCash and Easypaisa disbursed 72 million loans with an average loan size of 10 EUR – equating to nearly 198,000 loans per day. With an average of 3.5 to 4 loans per customer, the total unique borrower base is estimated at 19 million. Among these, 23% were new-to-product (NTP) customers—around 4 million individuals—constituting under 10% of the platforms' 35 million Monthly Active Users (MAUs).

The average revenue per loan stood at 1.42 EUR, while per-customer revenue (adjusted for repeat usage) reached 5.42 EUR. This corresponds to yields of 14% and 55%, respectively, translating into APRs of approximately 86% and 300% for an average 8-week tenor.

Nano loans contributed €102.4M in markup income of JC & EP – constituting 44% of main head “total markup revenue” and 60% under the “Loans and Advances” head. This increasing dependence on a single product underscores both its revenue potential and the emerging concentration risk for FIs.

## Top digital lenders in Pakistan

	EasyPaisa	Jazzcash
Registered users	50.0M	48.0M
MAU	16.1M	19.7M
Loans disbursed number, 2024	25.5M	52.2M
Loans disbursed per day	69.9K	143.0K
Loans disbursed volume, 2024	192.2M	N/a
APR	260	260

# STATE OF THE FINTECH

Number of fintechs: **450+**

Funding raised: **\$391.0M**

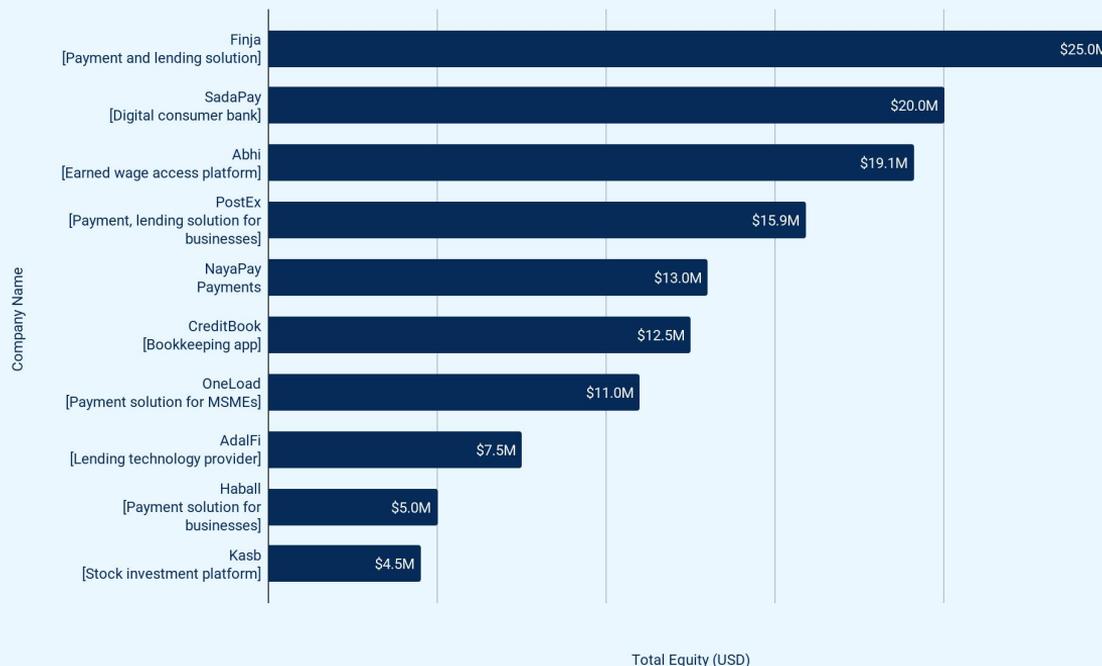
After a tough period in 2023, Pakistan's fintech sector is showing clear signs of recovery and renewed investor confidence.

Funding rebounded to \$26.3M in 2024

Another strong jump to \$52.5M in just the first half of 2025.

The growth in digital banking, payments, and financial inclusion shows that Pakistan's fintech market still has huge untapped potential. With real customer demand and continued regulatory support, the sector is once again moving in the right direction.

## Top Fintech Companies by Funding Raised



# RECENT DEVELOPMENTS: REGULATION

## INTRODUCTION OF A DIGITAL LENDING FRAMEWORK

The Securities and Exchange Commission of Pakistan (SECP) has unveiled a comprehensive framework for digital lenders to launch innovative products such as embedded lending via APIs, buy now pay later services, and employer integrated earned wage access etc.

## MAJOR REFORMS IN NBFC REGULATIONS

SECP notified major reforms in NBFC regulations to boost fintech-driven lending and inclusion. Changes include relaxed founder/CEO experience requirements, a simplified borrower fact sheet, a new Credit Guarantee Institution category, and doubled micro-loan size limits (from Rs1.5m to Rs3m for microenterprise loans).

## CRACK DOWN ON ILLEGAL PERSONAL LOAN APPS

SECP identified 141 unlicensed lending apps by June 2024 for blocking in coordination with Google, Apple, Pakistan Telecommunication Authority, and Federal Investigation Agency

# RECENT DEVELOPMENTS: EXPANSION

## INTERNATIONAL GROUPS MARKET ENTRY

China's FinVolution Group expanded into Pakistan by launching its fintech lending app "Daira", after obtaining an NBFC license from SECP. The group is already represented in China, Hong Kong, Philippines, and Indonesia.

## EUROPEAN GROUP MARKET ENTRY

Aventus Group has announced the hiring of a Head of HR in Pakistan to support the launch and scaling of a digital micro-lending fintech business in the country. The group operates in Poland, Kazakhstan, Ukraine, Czech Republic, Romania, Spain, Moldova, Philippines, Sri Lanka, Kenya, India, Mexico, Colombia, Peru, Argentina, Nigeria and South Africa.

# RECENT DEVELOPMENTS: OTHERS

## M&A

ABHI (Earned Wage Access provider) and TPL Corp acquired FINCA Microfinance Bank. This acquisition enables ABHI to build upon a strong foundation, introducing a range of services, including gold backed loans, salary advances, savings accounts, and value-added offerings like bill payments.

## MAJOR FUNDING

Telecom group VEON invested \$20 million into Mobilink Microfinance Bank (operator of JazzCash). The aim is to expand its Islamic banking and digital lending services in Pakistan.

## BANK-FINTECH PARTNERSHIP

Daira and ABHI Microfinance Bank formed a partnership to integrate the bank's infrastructure with Daira's lending technology, delivering digital credit and BNPL solutions to underserved households.

# KEY TAKEAWAYS

## Structurally Underbanked, Credit-Hungry Market

With ~260M population, a median age of ~21, and only ~67% bank account penetration, Pakistan remains massively underserved by formal credit providers. This structural gap directly fuels demand for small-ticket, short-tenor, instant digital loans, positioning non-bank digital lenders as a core financial access layer, not a niche product.

## Enforcement Is Cleaning the Market, Not Shrinking It

- 141 illegal lending apps blocked in coordination with Google, Apple, PTA, and FIA.
- Parallel introduction of a Digital Lending App Whitelist clarifies who can operate legally.
- This removes reputational risk and predatory competitors while protecting compliant players.

## Non-Bank Microfinance Is the Dominant Credit Channel Outside Banks

Non-Bank Microfinance Companies (NBMFCs) account for:

~62% of total NBF assets

~70% of outstanding NBF loan portfolios

Investment Finance Companies and Modarabas play secondary roles.

Digital lending apps operate with both NBMFC and IFC licensed

## Regulatory Reset Has Made the Market Commercially Attractive

- Daily interest rate cap raised to 0.75% (~274% APR).
- Compound interest explicitly prohibited, improving transparency and consumer protection.
- Compared to the previous regime (~105% APR cap), current rules are materially more permissive.

SECP introduced a formal Digital Lending Framework, legitimizing:

- BNPL
- Earned Wage Access (EWA)
- API-based embedded lending

# KEY TAKEAWAYS

## Market Economics Is Scaling Rapidly at the Sector Level

- Non-bank lending segment revenues grew from:
  - ~€233M (2023) → ~€368M (2025)
- Net profits expanded in parallel, indicating operating leverage, not just volume growth.
- NBMFCs recorded ~51% asset growth, far outpacing other NBFIs segments.

## International Entrants Validate Market Attractiveness

- Chinese group FinVolution entered via licensed NBFC.
- European groups (e.g., Aventus) preparing market entry.

## Pricing Is Highly Standardized Near the Regulatory Ceiling

Most leading moneylenders price at or near:

- 0.75% daily interest
- Additional late fees (1.5–2.5% daily)
- Loan sizes are small (€3–€150) and tenors short (1–90 days).

## Unit Economics Are Still Challenging at the Individual Lender Level

Most digital app lenders remain loss-making in early years. Profits are concentrated among:

- Larger platforms
- Infrastructure-linked models (e.g., Earned Wage Access)

# ABOUT MD FINANCE

We are a fast-growing technology company providing financial services across global markets, combining proven business models with AI-powered solutions. Since 2015, we have been serving thousands of people, empowering them through fast and simple financial products.

## MISSION

We create easy-to-use financial products to address real-life needs as they come up — fast and without any hassle.

## VISION

We envision a world where people move freely toward their goals, supported by financial solutions that are always ready, always simple, and always there when needed.

# CONTACTS

[info@mdfin.com](mailto:info@mdfin.com)

