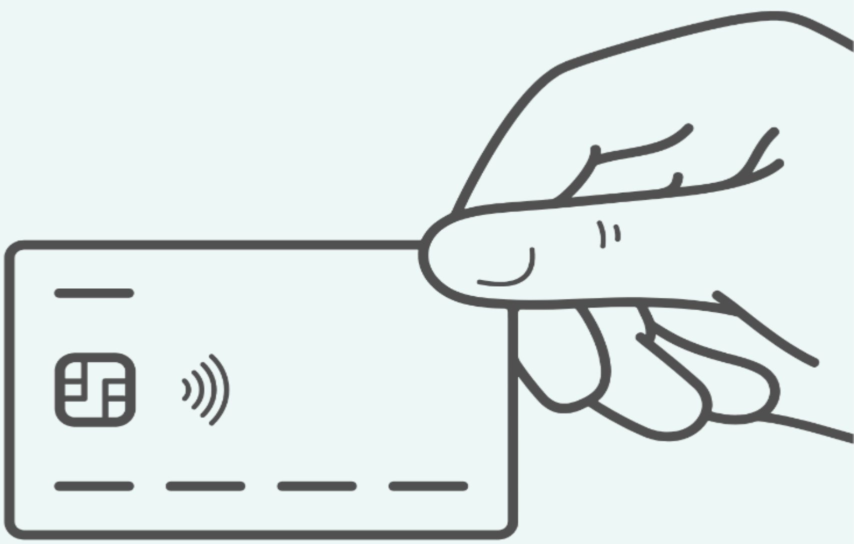
Gallup Pakistan Analysis of Punjab Development Statistics (50 Years)

Banking



PRESS RELEASE

Gallup Pakistan Analysis of Punjab Development Statistics (50 Years)

Banking Sector in Pakistan: A Long-Term View of Monetary Expansion, Deposits, and Credit Concentration

Islamabad, March 4th, 2026

Over the past five decades, Pakistan's banking system has expanded dramatically in scale, complexity, and reach. Drawing on historical data from the State Bank of Pakistan (SBP), this analysis traces how monetary assets, liabilities, deposits, and advances have evolved from the early 1970s to 2021. The patterns reveal not only rapid financial deepening, but also growing concentration of deposits and credit among larger account holders, alongside a steady rise in foreign exchange reserves and monetary assets. Together, these trends shed light on how Pakistan's financial system has supported economic activity, absorbed macroeconomic shocks, and gradually shifted toward higher-value accounts and institutional banking.

What is the Big Data Analysis Series by Gallup?

Gallup Pakistan's Big Data series was initiated by Bilal I. Gilani, Executive Director of Gallup Pakistan. As he explains: *"Pakistan does not suffer from a lack of data, but from limited accessibility and weak translation of numbers into understanding. Gallup Pakistan bridges this gap by analyzing large, often under-used datasets — from PSLM and Labour Force Surveys to Economic Surveys and National Census data — so these statistics can meaningfully inform policy and public discourse."*

What data points this current edition covers:

This release is based on Tables 2.1 to 2.4 of the long-term banking statistics, covering:

- Liabilities and assets of the State Bank of Pakistan (Issue Department)
- Components of monetary assets and deposits
- Trends in gold and foreign exchange reserves
- Distribution of scheduled banks' advances and deposits by size of account

All figures are reported as of the last weekend or 30th of June for each year, spanning roughly 1972 to 2021.

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Pakistan's monetary assets expanded from under Rs. **25 billion** in the early **1970s** to over Rs. **69 trillion** by **2021**, reflecting sustained financial deepening.

Currency in Circulation

Currency in circulation grew sharply, rising from Rs. **5.4 billion** in **1972** to over Rs. **7.3 trillion** by **2021**, indicating both economic expansion and increased cash usage.

Deposit Mobilization Expands Dramatically

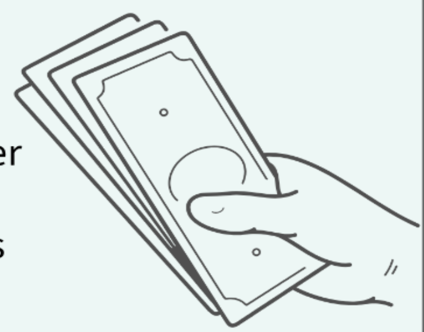
Total deposits with scheduled banks increased from Rs. **19.2 billion** in 1972 to over Rs. **13 trillion** by 2021, with growth accelerating after the 2000s.

Foreign Exchange and Gold Reserves

Foreign exchange reserves, including gold, rose from around Rs. **3.1 billion** in 1972 to over Rs. **3.9 trillion** by 2021, though with notable volatility.

Bank Credit and Deposits Concentration

Bank credit and deposits became increasingly concentrated in larger account sizes, particularly accounts above Rs. **1 million**, especially after 2010.



Across five decades, Pakistan's banking system has transitioned from a relatively narrow, low-scale structure into a vastly expanded financial system with deep monetary penetration. The data point to strong institutional growth, rising savings mobilization, and expanded credit availability.

Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.

Key Findings:

1. Pakistan's monetary assets expanded from under Rs. 25 billion in the early 1970s to over Rs. 69 trillion by 2021, reflecting sustained financial deepening.
2. Currency in circulation grew sharply, rising from Rs. 5.4 billion in 1972 to over Rs. 7.3 trillion by 2021, indicating both economic expansion and increased cash usage.
3. Total deposits with scheduled banks increased from Rs. 19.2 billion in 1972 to over Rs. 13 trillion by 2021, with growth accelerating after the 2000s.
4. Foreign exchange reserves, including gold, rose from around Rs. 3.1 billion in 1972 to over Rs. 3.9 trillion by 2021, though with notable volatility.
5. Bank credit and deposits became increasingly concentrated in larger account sizes, particularly accounts above Rs. 1 million, especially after 2010.

Editor's Note

This edition of Gallup Pakistan's Big Data Analysis Series examines long-term developments in Pakistan's banking sector using historical statistics compiled in Punjab Development Statistics for 50 Years (1972–2021). While the title of the source publication refers to Punjab, readers should note that the banking indicators presented in this analysis are drawn primarily from national-level data compiled from the State Bank of Pakistan. As such, the trends described here reflect the evolution of Pakistan's financial system as a whole rather than developments confined to a single province.

By tracing changes in monetary assets, deposits, credit distribution, and foreign exchange reserves over five decades, this analysis seeks to place contemporary financial debates within a longer historical context. Understanding these structural shifts helps clarify how Pakistan's banking system has expanded, where financial concentration has increased, and what challenges remain for building a more inclusive and resilient financial sector.

- **Aisha Aamir**

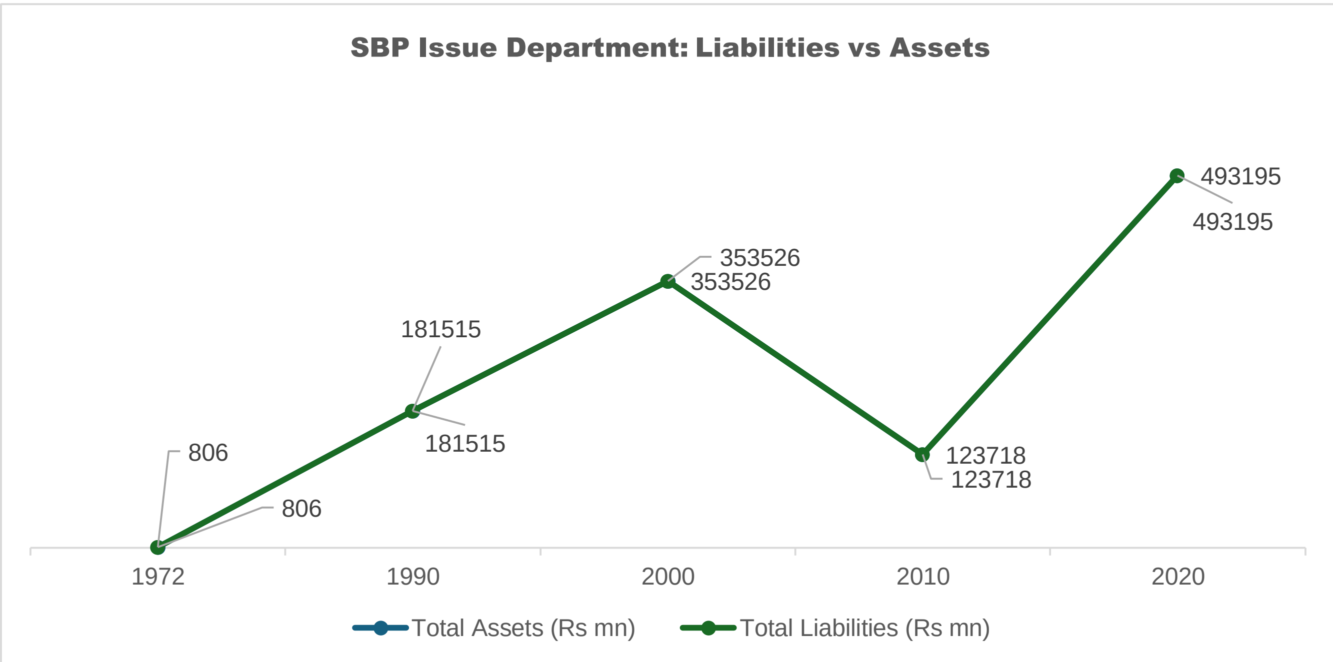
Assistant Manager Research, Gallup Pakistan

1. Expansion of SBP Liabilities and Assets Signals Structural Monetary Growth

The long-term evolution of the State Bank of Pakistan's liabilities and assets reflects the steady structural expansion of the country's monetary system rather than short-term cyclical change. In the early 1970s, total liabilities and assets of the SBP Issue Department stood at just over Rs. 8 billion, a level consistent with a relatively shallow financial system and limited monetary circulation. Over subsequent decades, this balance sheet expanded continuously, crossing Rs. 1 trillion by the late 1990s, accelerating sharply after 2000, and exceeding Rs. 64 trillion by 2021.

A central driver of this growth has been the sustained increase in notes in circulation. From roughly Rs. 8 billion in 1972, currency issuance rose alongside population growth, higher transaction volumes, and inflationary pressures, reaching more than Rs. 64 trillion by 2021. This expansion underscores the central bank's growing role in supporting liquidity needs of an expanding economy, particularly during periods of fiscal stress and macroeconomic adjustment.

On the asset side, rising holdings of government securities and foreign assets signal the SBP's evolving role as both a monetary authority and a stabilizing institution. The long-run co-movement of liabilities and assets suggests that monetary expansion has largely been matched by asset accumulation rather than unbacked issuance, reinforcing the institutional anchoring of Pakistan's monetary base.



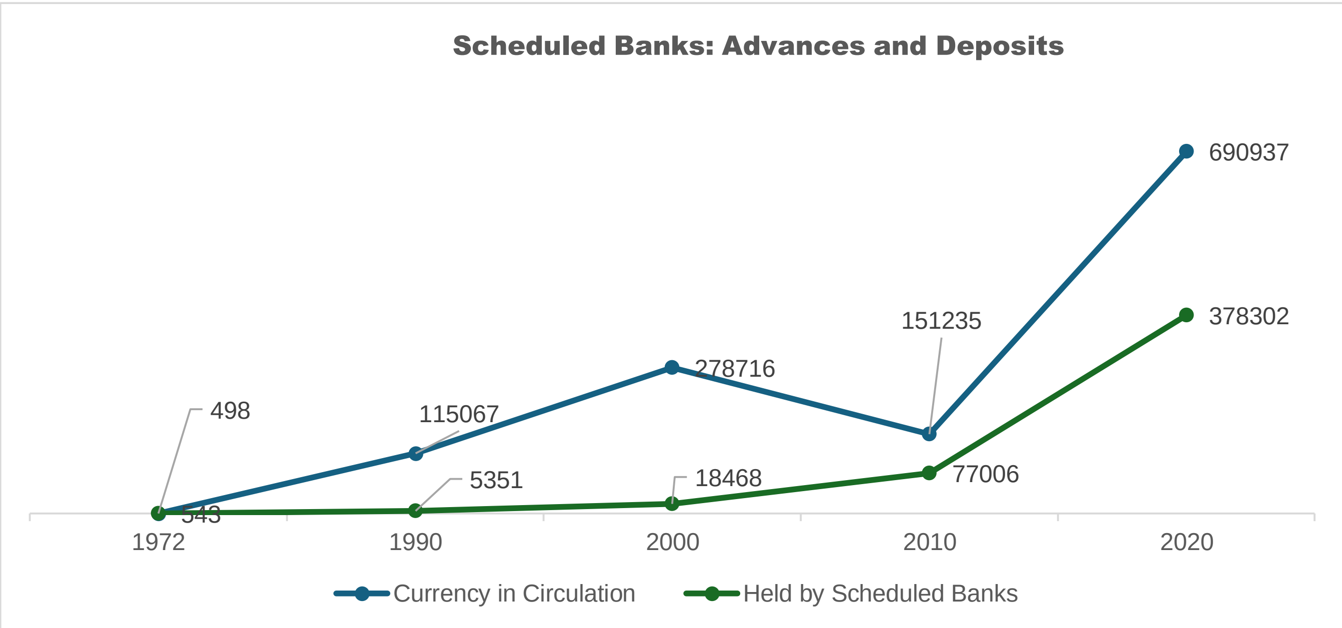
***Source**: Bureau of Statistics, Planning & Development Board, Government of the Punjab — Punjab Development Statistics for 50 Years (1972–2021).*

2. **Rapid Growth in Monetary Assets and Currency Reflects Deepening — and Persistent Cash Reliance**

Monetary assets provide a broader lens into financial deepening beyond the SBP balance sheet. In 1972, total monetary assets were approximately Rs. 24.5 billion, rising gradually through the 1980s and 1990s before accelerating markedly in the 2000s. By 2010, monetary assets had crossed Rs. 51 trillion, and by 2021 they stood at nearly Rs. 69 trillion, reflecting both economic expansion and increased financial intermediation.

Currency in circulation remains a defining feature of this growth. From just Rs. 5.4 billion in 1972, currency issuance expanded steadily, surpassing Rs. 1 trillion in the mid-2000s and exceeding Rs. 7.3 trillion by 2021. While this rise partly mirrors inflation and income growth, it also highlights the persistence of cash-based transactions in Pakistan, even as banking services expanded and digital instruments emerged.

At the same time, holdings with scheduled banks grew strongly, indicating that financial deepening has occurred alongside cash reliance rather than replacing it entirely. This dual pattern suggests an economy where formal banking has expanded, but cash continues to play a central role in everyday economic activity.



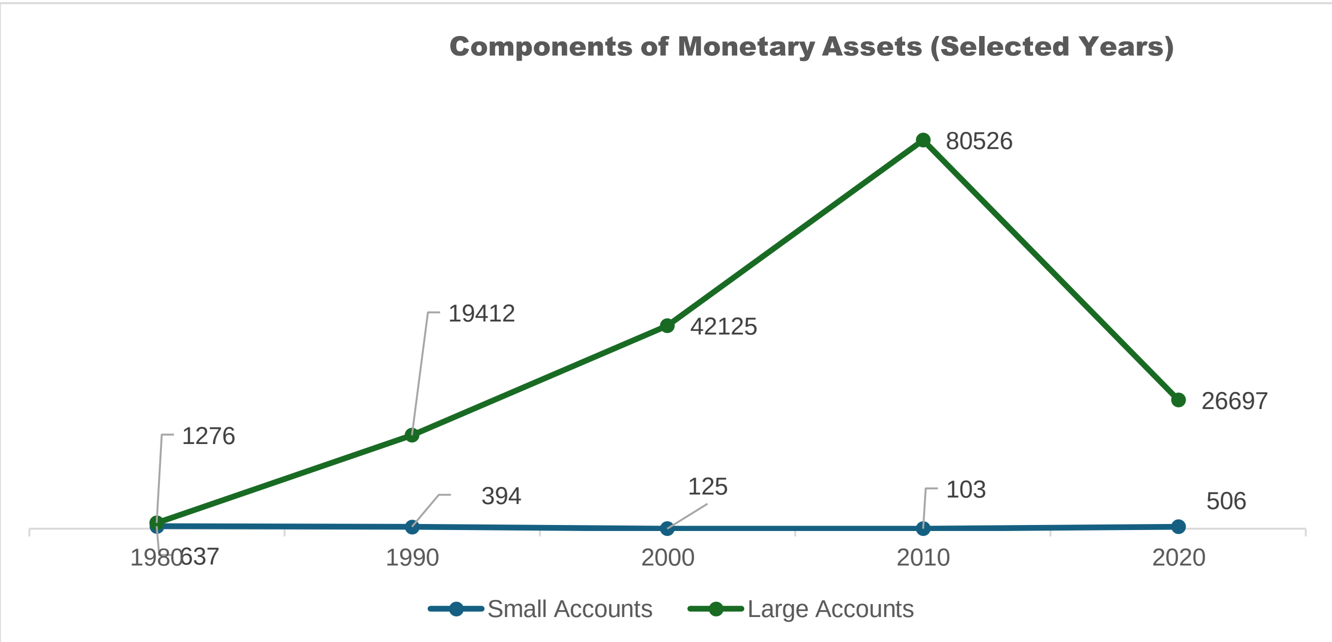
***Source**: Bureau of Statistics, Planning & Development Board, Government of the Punjab — Punjab Development Statistics for 50 Years (1972–2021).*

3. Deposit Mobilization Expands Dramatically, with a Clear Shift Toward Larger Accounts

Deposit growth is one of the clearest indicators of banking sector expansion. Total deposits with scheduled banks increased from approximately Rs. 19.2 billion in 1972 to over Rs. 13 trillion by 2021, representing an extraordinary increase in household, corporate, and institutional savings mobilized through the formal financial system.

However, the composition of deposits has changed significantly over time. In earlier decades, deposits were heavily concentrated in smaller account sizes, reflecting limited incomes and a narrow depositor base. Over time, particularly after the early 2000s, deposit growth became increasingly driven by higher-value accounts. By the late 2010s, deposits in accounts exceeding Rs. 1 million, Rs. 5 million, and higher categories accounted for a disproportionately large share of total deposit value.

This shift suggests rising financial concentration, where a smaller number of large depositors command a growing share of banking resources. It also reflects greater participation by businesses, corporations, and high-net-worth individuals, alongside slower relative growth in small-saver deposits.



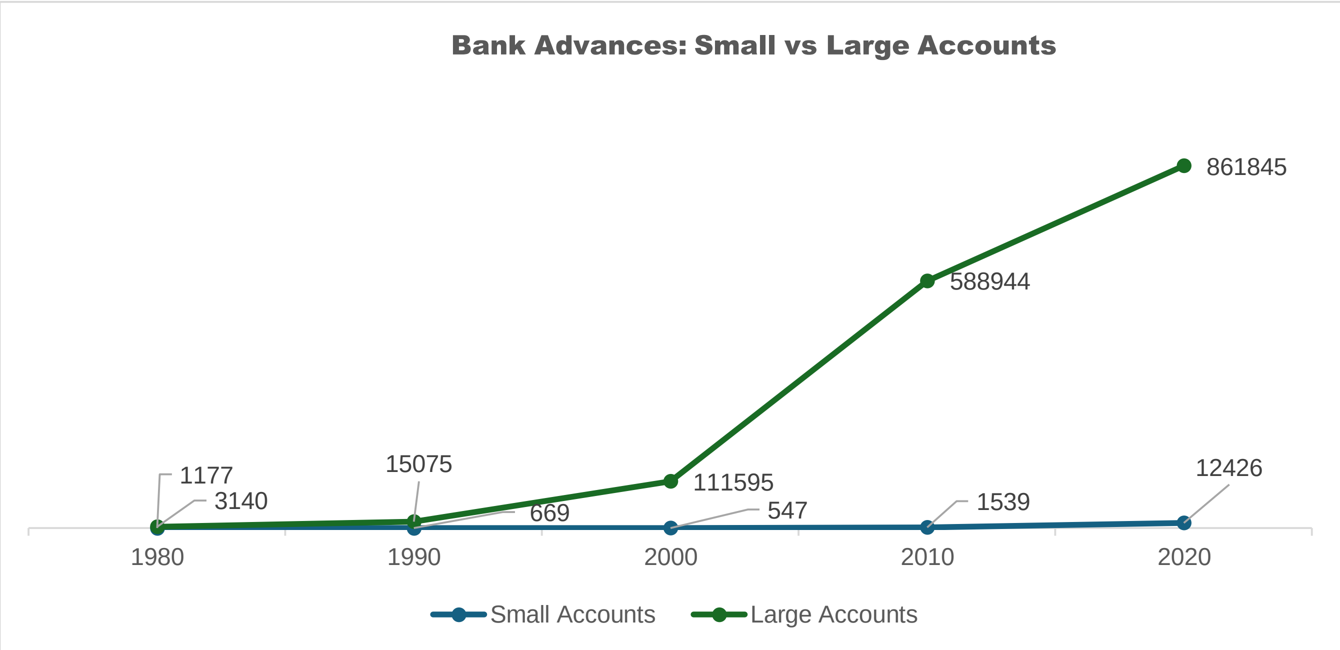
***Source**: Bureau of Statistics, Planning & Development Board, Government of the Punjab — Punjab Development Statistics for 50 Years (1972–2021).*

4. Bank Advances Expand Alongside Increasing Credit Concentration

Bank lending followed a broadly similar trajectory to deposits, expanding from roughly Rs. 10 billion in the early 1970s to over Rs. 8 trillion by 2021. Credit growth accelerated particularly after 2000, reflecting rising demand from industry, services, and government-linked sectors.

Yet, as with deposits, the structure of advances shifted decisively over time. Earlier periods saw a more even spread of lending across smaller account sizes. In contrast, by the 2010s, advances became heavily concentrated in larger loan brackets, with accounts above Rs. 1 million and Rs. 5 million absorbing the bulk of total credit value.

This pattern indicates a banking system increasingly oriented toward large borrowers, corporate entities, and capital-intensive activities. While total credit expanded substantially, smaller borrowers' relative share declined, raising questions about access to finance for small enterprises and households.



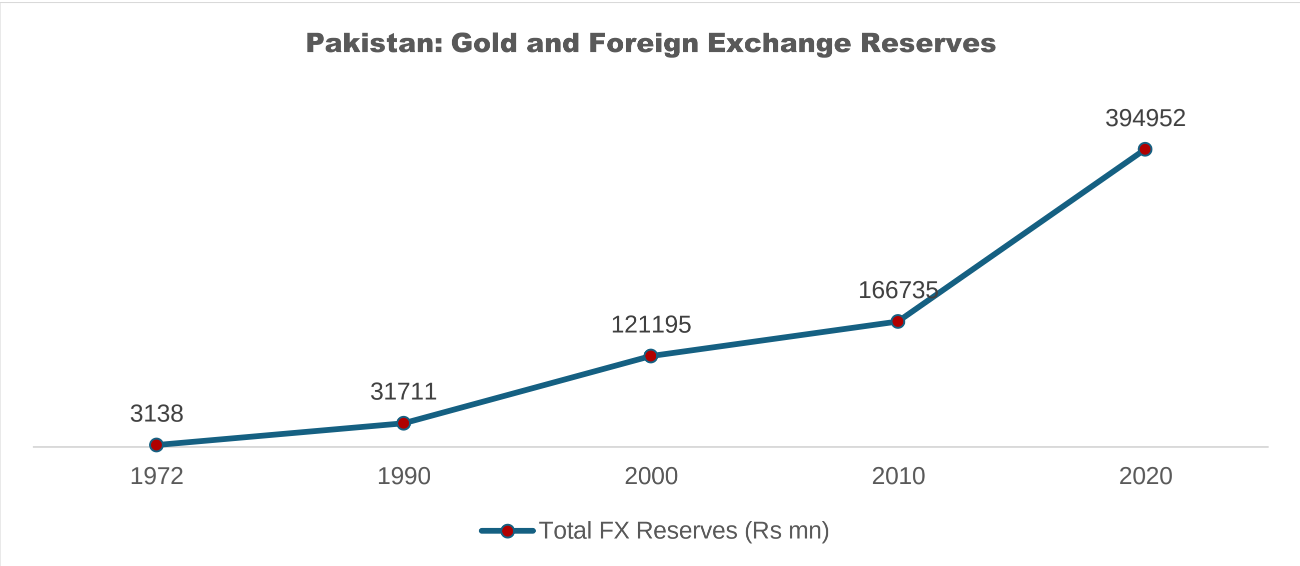
***Source**: Bureau of Statistics, Planning & Development Board, Government of the Punjab — Punjab Development Statistics for 50 Years (1972–2021).*

5. **Foreign Exchange and Gold Reserves Expand with Periodic Volatility**

Pakistan's reserve position, comprising gold and foreign exchange holdings, provides insight into external stability over time. In 1972, total reserves stood at approximately Rs. 3.1 billion, a modest buffer by contemporary standards. Over the following decades, reserves increased gradually, with more pronounced accumulation after the 2000s.

By 2021, total reserves exceeded Rs. 3.9 trillion, reflecting both higher foreign inflows and changes in valuation. However, the trajectory has been far from smooth. Periods of reserve build-up were often followed by sharp drawdowns during balance-of-payments crises, exchange rate pressures, or external shocks.

Gold holdings remained relatively stable in volume, while foreign exchange reserves drove most of the long-term increase. The growing role of SDRs and foreign currency assets in later years reflects Pakistan's increasing integration into global financial systems and reliance on multilateral support mechanisms.



***Source**: Bureau of Statistics, Planning & Development Board, Government of the Punjab — Punjab Development Statistics for 50 Years (1972–2021).*

6. **What the Long-Term Banking Trends Reveal**

Across five decades, Pakistan's banking system has transitioned from a relatively narrow, low-scale structure into a vastly expanded financial system with deep monetary penetration. The data point to strong institutional growth, rising savings mobilization, and expanded credit availability. At the same time, they reveal increasing concentration of financial resources among larger accounts and borrowers, alongside persistent reliance on cash. These trends underscore the dual challenge facing the banking sector: sustaining financial stability and growth while broadening inclusion and ensuring that smaller savers and borrowers are not left behind in an increasingly concentrated financial landscape.

Wish to Contribute to Gallup Big Data Analysis?

Gallup Pakistan is looking for collaboration with researchers to expand the Big Data Analysis project. If you have any ideas, please write to Bilal I Gilani, Project Director, Big Data Analysis at Gallup Pakistan.

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Contact Details:
Islamabad : +92 51 2655630
Email: isb@gallup.com.pk
www.gallup-international.com