PAYMENTS

VISA x &

QUARTERLY PAYMENTS REVIEW· EPISODE 01

HOW PAKISTAN PAYS

Decoding Pakistan’s cash-based and cashless transactions

WHAT'S INSIDE

Seven sections, one quarter

SECTION 01

THE SCALE, AND WHAT IT HIDES

The headline number is real. It is also incomplete.

THE SCALE

3.7 billion retail payments in one quarter

Q3-FY26 (January–March 2026), through formal banking and payment channels

3.7BN

retail transactions

↑ +50% YoY

PKR 168.8 TN

total retail value · ↑ +2.1% YoY

3.4 BN

digital transactions

PKR 68.3 TN

digital value

92%

of volume digital

40%

of value digital

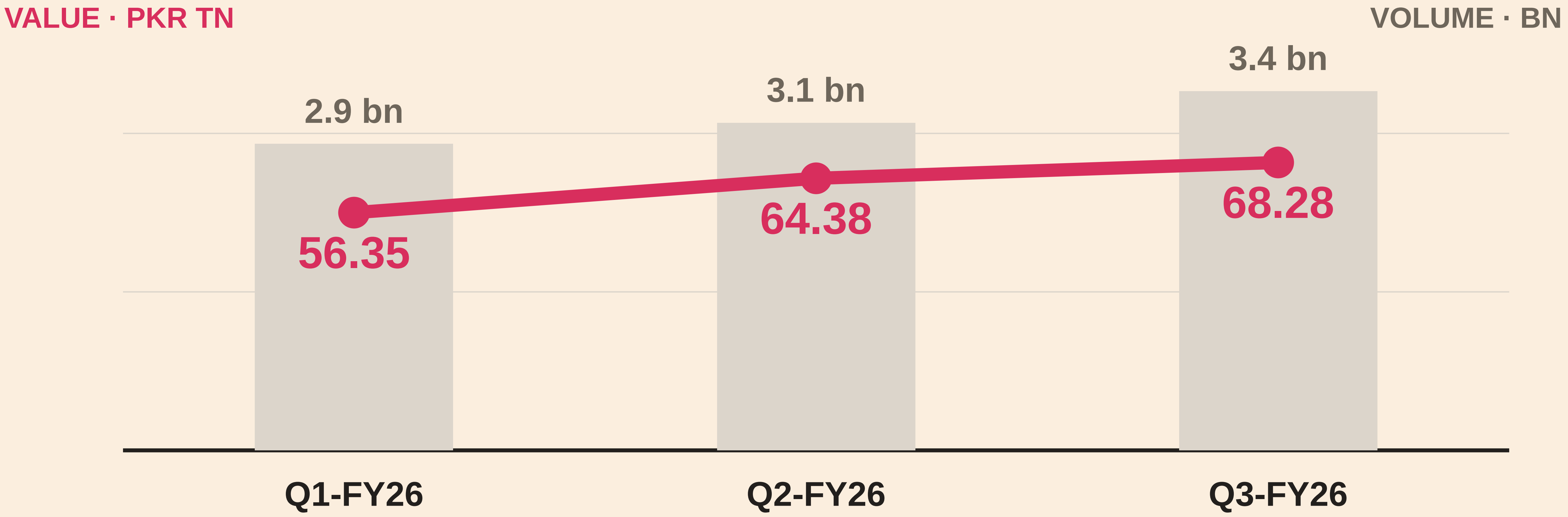
This isn't a one-off quarter. The growth is sustained.

SOURCE: SBP PAYMENT SYSTEMS QUARTERLY REVIEW, Q3-FY26

THE SCALE

Growth of digital retail payments

Value of retail payments through digital channels, FY26



+21.2%

value growth in FY26

+19.2%

volume growth in FY26

TAKEAWAY

Three quarters, each showing growth.

SOURCE: SBP Q3-FY26, A-4 · DERIVED: DIGITAL = TOTAL RETAIL LESS BANK BRANCHES AND BANKING AGENTS

THE SCALE

ATM transactions as digital payments?

What SBP counts as a digital payment

92%

as SBP reports it

ATMs counted as a digital channel

85%

WITHOUT ATMs

3,137 mn of 3,697.1 mn retail transactions

ATMs and CDMs ran **277.5 mn transactions of PKR 5.19 tn** this quarter — 8.1% of everything SBP classifies as digital.

By value, the same adjustment: digital falls from **PKR 68.3 tn to PKR 63.1 tn** — from 40% of retail value to 37%.

TAKEAWAY

An ATM is a cash-withdrawal machine. Part of what counts as going digital is people withdrawing cash.

SOURCE: SBP Q3-FY26, A-4 AND FOOTNOTE 5 · MUTAHER KHAN, CO-FOUNDER, DATA DARBAR, FIELD INTERVIEW

PAYMENTS

SECTION 02

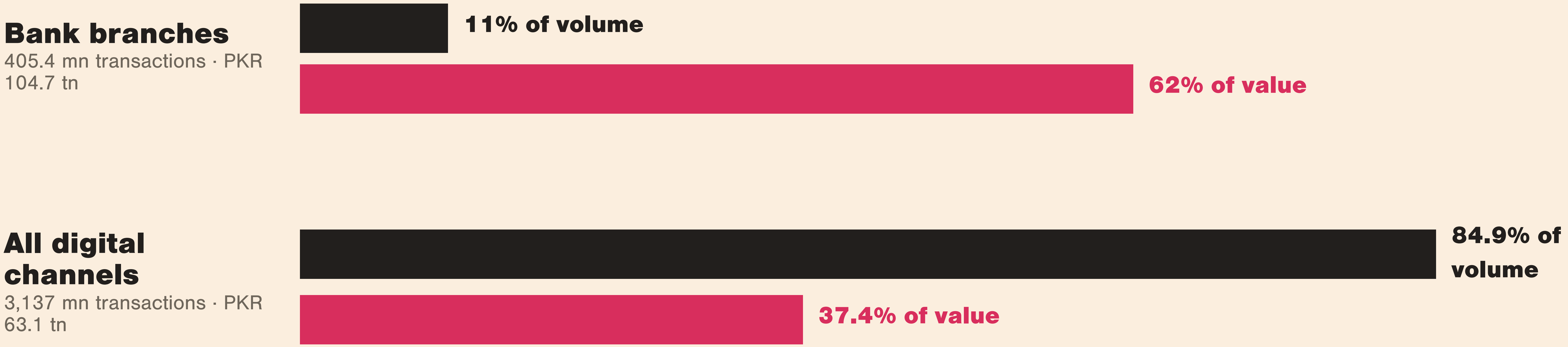
WHERE THE MONEY ACTUALLY MOVES

Volume and value tell opposite stories

WHERE THE MONEY MOVES

The volume value disconnect

Bank branches against every digital channel combined, Q3-FY26



PKR 258,263
average branch transaction

PKR 20,114
average digital transaction

TAKEAWAY

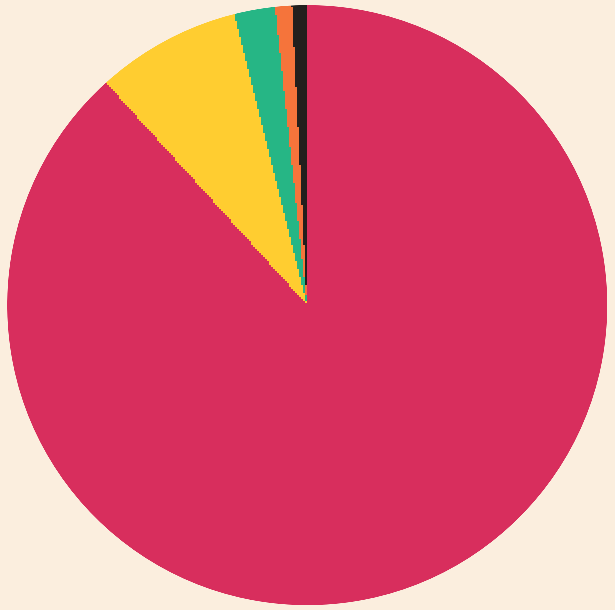
A branch transaction is 13 times the size of a digital one. Digital has taken the small payment and barely touched the large one.

SOURCE: SBP Q3-FY26, A-4 · NOTE: BANK BRANCHES INCLUDE ATM AND CDM TRANSACTIONS

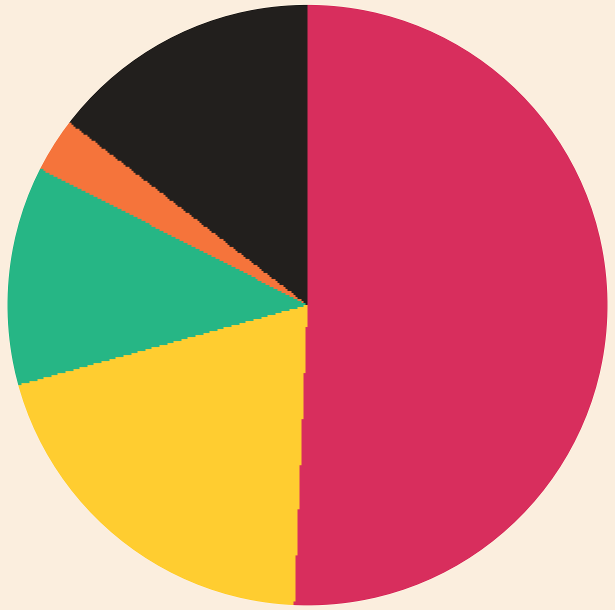
WHERE THE MONEY MOVES

Digital payments are mostly people sending each other money

What digital payments are actually for, Q3-FY26



SHARE OF VALUE



SHARE OF VOLUME

CATEGORY	VALUE	VOLUME
Fund transfers	88.3%	50.7%
Other payments	7.8%	20.0%
Bills and top-ups	2.2%	11.8%
QR & TILL	0.9%	2.9%
Online e-commerce	0.8%	14.6%

All merchant payments, every digital channel: **681.6 mn transactions · PKR 1.91 tn** — 20% of digital volume, 2.8% of digital value.

TAKEAWAY

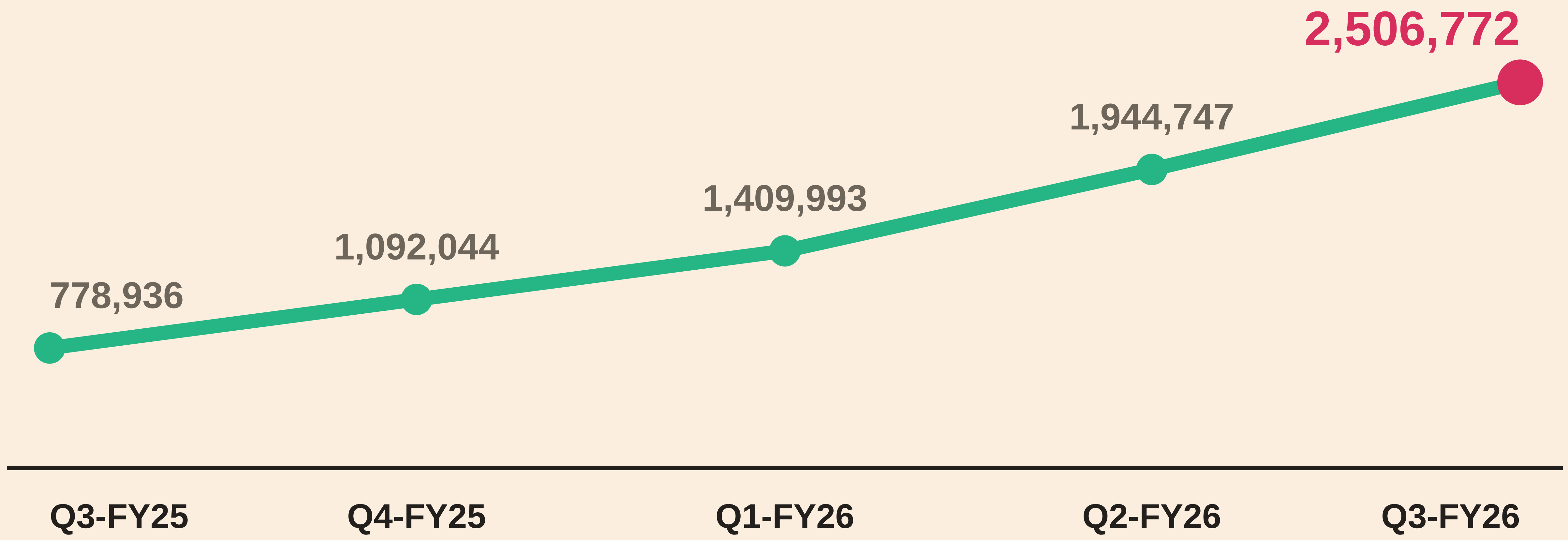
One in five digital payments goes to a merchant. Together they carry under 3% of the money.

SOURCE: SBP Q3-FY26, P7 AND A-4

WHERE THE MONEY MOVES

QR merchants tripled in a year. POS grew by half.

Merchants registered to accept QR payments, Q3-FY25 to Q3-FY26



+221.8%
QR merchants, year on year

+54.1%
POS merchants · 140,861 → 217,042

+349%
merchants registered with EMIs · 11,756 → 52,781

TAKEAWAY

Acceptance is no longer the constraint. Two and a half million merchants can now accept digital payments.

SOURCE: SBP Q3-FY26, A-1

WHERE THE MONEY MOVES

Fewer than three payments a week

Transactions per merchant, QR against POS, Q3-FY26

2.7 / week

QR merchant

34.8 a quarter, across 2,506,772 merchants

50.8 / week

POS merchant

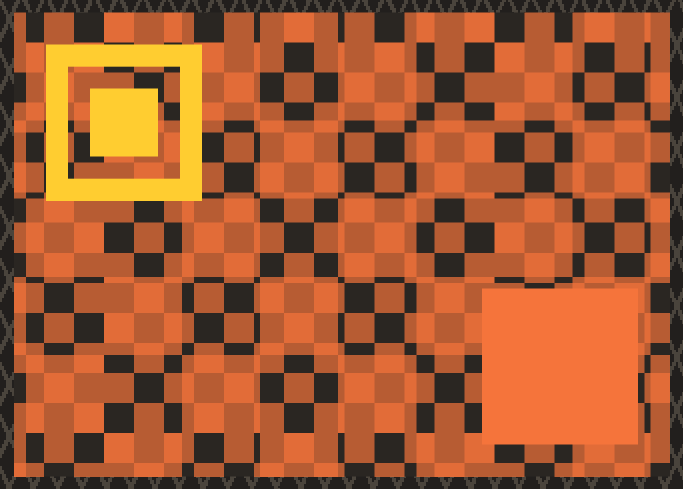
659.8 a quarter, across 217,042 merchants

What's hampering digital adoption?

Visibility
Accepting digitally puts a merchant on the regulatory radar. A cheaper fee doesn't offset that

Utility
Cash holds funds, pays a supplier, covers the day. Merchants accepted digitally, then cashed straight out

Demand
Activity rose when buyers started requesting the QR. Awareness, not price



5.3%

of a POS merchant's weekly activity, per registered QR merchant

TAKEAWAY

Registration was the easy part. Two and a half million merchants can accept a digital payment; most of them have no reason to want to.

SOURCE: SBP Q3-FY26, A-1, A-4 AND P7 · FIELD INTERVIEWS: SAAD NIAZI, KEENU · AAMIR AFTAB, JAZZCASH · NOTE: SBP PUBLISHES ITS OWN COUNT OF MERCHANTS REGISTERED ON RAAST P2M WITH THE ANNOTATION THAT THEY MAY NOT BE FULLY OPERATIONAL OR UNIQUE

WHERE THE MONEY MOVES

Raast merchant payments grow 13× in nine months

Raast P2P and P2M transactions · volume in million, value in PKR billion

	Q1 VOL	Q1 VAL	Q2 VOL	Q2 VAL	Q3 VOL	Q3 VAL
P2P	534.7	11,280.0	603.0	15,686.8	664.4	18,884.2
P2M	4.3	17.0	36.3	177.2	55.9	319.6

P2P
volume ↑ 1.2× · value ↑ 1.7×

P2M
volume ↑ 13.0× · value ↑ 18.8×

7.5%
of all Raast volume is P2M

1.4%
of all Raast value is P2M

TAKEAWAY

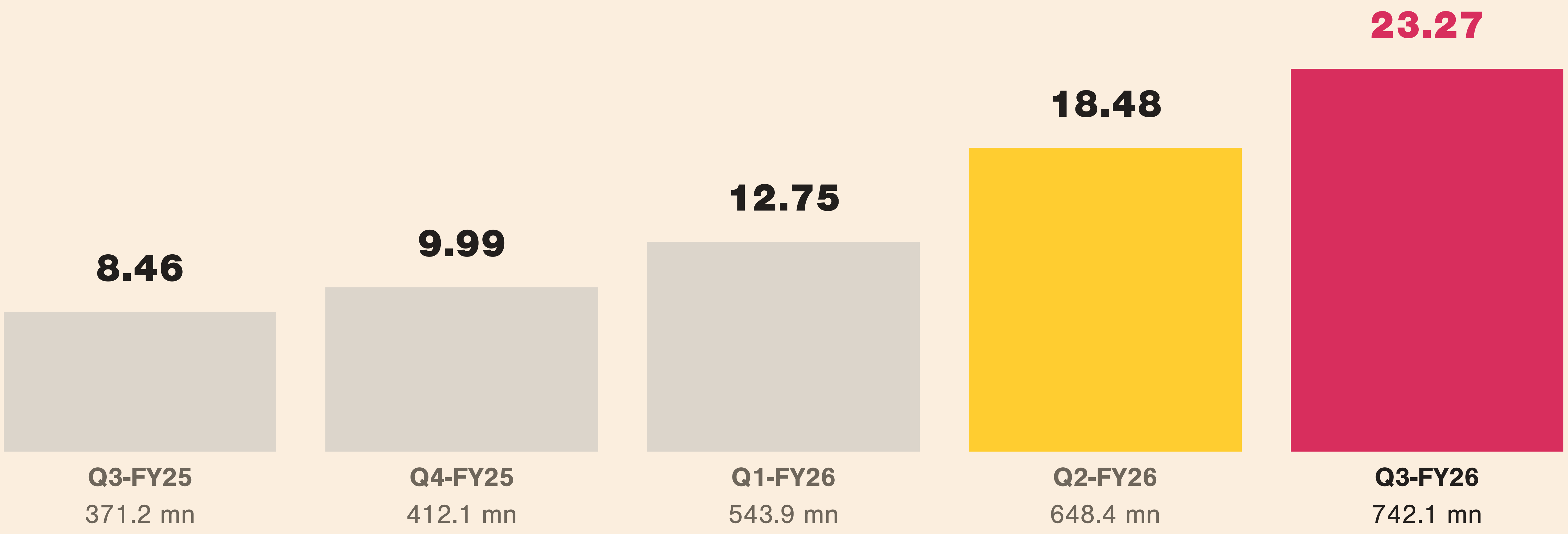
P2M multiplied 13x because of low-base effect. Some of the rise is due to the proprietary QR being moved onto Raast. They are reclassified, not new QRs.

SOURCE: SBP Q3-FY26, A-15

WHERE THE MONEY MOVES

Raast now carries PKR 23 trillion a quarter

Total Raast transactions, volume in million, value in PKR trillion



49.5 MN

Raast P2P IDs

2.6 MN

merchants registered on Raast P2M alias · 2.5 mn are QR-enabled

TAKEAWAY

Merchant growth is built on interoperability, zero fees for users, and simplified merchant onboarding to the point where a shopkeeper can register themselves.

SOURCE: SBP Q3-FY26, A-15 AND P8 · CAUSES FROM FIELD INTERVIEWS: FAISAL MAHMOOD, KARANDAAZ · SAAD NIAZI, KEENU

WHERE THE MONEY MOVES

The state's own transformation

Raast bulk payments and social welfare disbursement

Q3-FY25

PKR 437.7 BN

→

Q3-FY26

PKR 4,063.6 BN

Online transfers are now mandated for pensions, vendor payments and AGPR/CGA disbursements, phasing out physical cheques.

↑ 15.5× by volume

PKR 187,263

average bulk payment

TAKEAWAY

No campaign, no incentive, no merchant to persuade. The government moved its payments to digital means.

SOURCE: SBP Q3-FY26, A-15 AND A-2 · FIELD INTERVIEW: FAISAL MAHMOOD, HEAD OF DIGITAL PUBLIC INFRASTRUCTURE, KARANDAAZ

PAYMENTS

SECTION 03

THE CASE STUDY

One private operator, one public system.

THE CASE STUDY

JazzCash: 800,000 merchants actually transacting

The only company-level disclosure in this research

1 MN+
merchants registered

800,000
actively transacting — an 80% active ratio

PKR 150 BN
processed monthly across active merchants

PKR 187,500
per active merchant per month

What keeps a merchant transacting

- Supplier and distributor payments from the wallet
- Digital khata
- Inventory financing
- Digital upselling

30%
of payments on JazzCash QR come from users of other institutions

TAKEAWAY

An 80% active ratio, against a national average of fewer than three payments a week. The difference is the service layer, not the QR code.

SOURCE: FIELD INTERVIEW: AAMIR AFTAB, CHIEF PRODUCT OFFICER, JAZZCASH

THE CASE STUDY

Raast P2P vs P2M IDs

Registrations on Raast · volume in million

	Q2-FY26	Q3-FY26	CHANGE
Raast P2P IDs	48.3	49.5	+2.5%
Merchants on Raast P2M alias	2.1	2.6	+23.8%

49.5 mn P2P IDs against 241.5 mn people — roughly **1 in 5 Pakistanis** holds one.

TAKEAWAY

The consumer side is near its ceiling; the merchant side is still being built. And the State Bank itself won't vouch that the merchants it counts are trading.

What built each base

P2P

Interoperability across every bank and wallet · zero fee to the user · no long account numbers to enter · QR codes printed on utility bills

P2M

Merchant onboarding simplified, with micro- and nano-merchants permitted to use personal accounts · QR display mandated at retail · public awareness campaigns · PKR 3.5 bn subsidy by the federal government

SOURCE: SBP PAYMENT SYSTEMS QUARTERLY REVIEWS, Q2-FY26 AND Q3-FY26 · CAUSES FROM FIELD INTERVIEW: FAISAL MAHMOOD, KARANDAAZ

SECTION 04

THE UNLOCK

The price signal is already in place.

THE UNLOCK

Cost of accepting a digital payment cut to zero

Merchant discount rate, before and after

0.75% → 0.25% → 0%

MDR cap

after the federal subsidy

where front-runner banks waived the residual

A **PKR 3.5 bn** federal subsidy covers 0.50 percentage points of the cap.

Raast is zero-fee to the user; roughly **90–95%** of the population is fee-sensitive.

TAKEAWAY

Cost was the merchant's stated objection. Cost has been removed.

SOURCE: FIELD INTERVIEW: FAISAL MAHMOOD, KARANDAAZ · CORROBORATED BY AAMIR AFTAB, JAZZCASH

THE UNLOCK

Four rules that moved more than the subsidy did

Regulatory changes behind the shift

Onboarding

20-page business account forms replaced by a streamlined framework; micro- and nano-merchants may use personal accounts

Price differential

M-Tag motorway tolls at PKR 100 digital against PKR 150 cash

Display mandate

QR display mandated at retail

Legal protection

Provisions in progress making digital a mode merchants cannot arbitrarily refuse

Utility and civic payments

Power and gas companies and local government bodies now print QR codes on their bills. Payments that once meant a trip to a branch or an agent are scanned at home.

TAKEAWAY

Every one of these measures contributed to digital payment growth.

SOURCE: FIELD INTERVIEW: FAISAL MAHMOOD, HEAD OF DIGITAL PUBLIC INFRASTRUCTURE, KARANDAAZ

THE UNLOCK

The payment rail is becoming a credit rail

What digital transaction history makes possible

QR / payment history → **transaction data** → **credit profile** → **financing**

BaadMay

Consumer buy-now-pay-later at checkout. Extends credit to customers banks don’t score as creditworthy, then assesses creditworthiness based on repayment behaviour. Fewer than 1,000 merchants onboarded for BNPL nationally; a market in the single-digit billions of rupees a year

Keenu

Merchant cash advance, scored on continuous transaction history plus location, merchant category and utility bills. The model it expects: process for six months, borrow against processed volume

JazzCash

Inventory financing already live, with the credit limit rising as acceptance volume rises

What still constrains it

2.4% of adult Pakistanis have a credit card — 3.13 mn against 129 mn adults

5.7% share of registered e-commerce merchants onboarded for BNPL

No recourse

Lending without repayment visibility, against a legal framework slow to enforce recovery. The capital at risk belongs to depositors, not the lender

TAKEAWAY

A merchant who accepts digital payments generates a record that no cash business can produce. That record is what turns a QR code into a credit line.

SOURCE: SBP Q3-FY26, A-2 · DIGITAL CENSUS 2023 · FIELD INTERVIEWS: MUHAMMAD SHARIQ, BAADMAY · SAAD NIAZI, KEENU · AAMIR AFTAB, JAZZCASH

The verdict

1 **Acceptance is solved**

2.5 million merchants can accept digital payments. That constraint is gone.

2 **Utilisation is not**

The average registered QR merchant takes fewer than three payments a week.

3 **The state moved fastest on its own payments**

Bulk disbursement grew 15× while nobody was watching.

4 **Credit is the next constraint**

Not rails, not devices, not price.

The rails are built and the price is zero. What's missing is a reason for the merchant to want them.

NOTE: E-COMMERCE MERCHANTS INCLUDE THOSE REGISTERED WITH BANKS AND MFBS

BACK MATTER

Sources & Methodology

DATA

State Bank of Pakistan, Payment Systems Quarterly Review Q3-FY26 · Key Highlights, Snapshot, Annexures A-1 to A-16 · SBP Payment Systems Quarterly Review Q2-FY26 · Pakistan Bureau of Statistics, Digital Census 2023 (population).

FIELD INTERVIEWS

Aamir Aftab, Chief Product Officer, JazzCash · Mutaher Khan, Co-Founder, Data Darbar · Faisal Mahmood, Head of Digital Public Infrastructure, Karandaaz · Saad Niazi, Co-Founder and CEO, Keenu · Muhammad Shariq, Founder and CEO, BaadMay.

Every number in this deck is reconstructable. Derived figures show their working.

PAYMENTS

PAKISTAN &COUNTING

In partnership with VISA