

SINDH BANK LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	AA	A1+	AA	A1+
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Upgraded	
RATING DATE	June 30, 2026		December 01, 2025	

Shareholding (5% or More)

Government of Sindh, Finance Department - 99.97%

Other Information

Incorporated in 2010

Private Unlisted Company

Chief Executive: Mr. Muhammad Anwaar

External Auditor: Riaz Ahmad & Company Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology - Financial Institutions

<https://docs.vis.com.pk/Methodologies-2026/FI-Methodology-26.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The rating reflects Sindh Bank Limited's ('SNDB' or the 'Bank') strengthened business profile, underpinned by a significant expansion in its financing portfolio and a notable improvement in market share within the domestic advances segment. The revival of corporate and commercial lending activities has supported growth in earning assets and enhanced the Bank's competitive positioning. The Bank continues to benefit from a stable governance framework, experienced management team, and a clear strategic focus on sustainable balance sheet growth and operational efficiency.

Asset quality indicators improved during the review period, with a substantial reduction in both gross and net infection ratios, supported by commodity financing. While legacy non-performing exposures remain on the balance sheet, the associated credit risk has moderated considerably. Profitability strengthened on the back of higher net markup income, growth in financing volumes, and improved operating efficiency, resulting in stronger pre-tax earnings despite pressure on spreads following the easing monetary policy cycle. Capitalization remains a key rating strength, supported by internal capital generation and healthy profitability, with capital adequacy metrics maintaining comfortable buffers above regulatory requirements. The Bank's liquidity profile remains sound, supported by a steady growing deposit base and strong regulatory liquidity indicators that continue to remain well above minimum thresholds. Going forward, the Bank's ability to continue asset quality improvements, preserve profitability amid a lower interest rate environment, and efficient capital utilization while pursuing growth objectives will remain important rating considerations.

Financial Summary				Appendix I
Balance Sheet (PKR Millions)	Dec'23	Dec'24	Dec'25	Mar'26
Cash and Cash equivalent	54,366	50,914	52,908	25,002
Total Investments	166,503	201,165	166,643	187,000
Net Advances	50,623	72,546	147,521	142,391
Operating Fixed Asset	4,045	4,799	5,761	5,999
Deferred Tax	17,194	16,955	13,955	14,884
Other Assets	7,753	13,709	10,785	15,457
Total Assets	300,483	360,087	397,573	390,733
Borrowings	37,546	1,458	1,080	12,731
Deposits & other accounts	223,570	312,718	342,091	329,541
Other Liabilities	14,895	16,759	20,854	15,262
Total Liabilities	276,011	330,935	364,025	357,534
Share Capital	34,524	34,524	34,524	34,524
Net Shareholders Equity (excl. revaluation surplus)	25,506	28,268	31,593	32,469
Total Eligible Capital (Tier 1 + Tier 2)	7,876	15,182	23,115	21,603
Income Statement (PKR Millions)	CY23	CY24	CY25	3MCY26
Net Markup Income	7,993	8,602	12,054	3,804
Net Provisioning Charge/(Reversal)	1,024	(2,049)	(3,380)	(1,692)
Non-Markup Income	1,866	1,315	1,883	(208)
Administrative Expenses	8,119	9,460	10,939	3,036
Profit/(Loss) Before Tax	657	2,502	6,367	2,251
Profit/(Loss) After Tax	2,165	2,770	3,355	1,168
Ratio Analysis	Dec'23	Dec'24	Dec'25	Mar'26
Market Share (Domestic Advances) (%)	0.63%	0.62%	1.15%	1.12%
Market Share (Domestic Deposits) (%)	0.80%	1.03%	0.91%	0.88%
Gross Infection (%)	42.70%	30.40%	16.19%	15.85%
Net Infection (%)	12.30%	6.70%	3.59%	3.78%
Specific Provisioning Coverage (%)	81.20%	83.56%	80.73%	79.15%
General Provisioning Coverage (%)	0.00%	1.86%	0.49%	0.54%
Net NPLs to Tier-1 Capital (%)	79.00%	31.90%	24.57%	25.15%
Cost of Fund (%) *	14.43%	14.70%	7.49%	6.32%
NIM (%) *	3.83%	4.26%	3.99%	4.75%
Efficiency (%)	85.40%	97.61%	84.22%	72.61%
ROAA (%) *	0.70%	0.84%	0.89%	1.19%
ROAE (%) *	9.90%	10.30%	11.21%	14.59%
LCR (%)	425.00%	383.00%	388.00%	417.00%
NSFR (%)	198.00%	245.00%	199.00%	194.00%
Liquid Assets to Deposits & Borrowings (%)	81.60%	79.89%	63.72%	63.88%
Gross Advances to Deposits Ratio (%)	33.91%	31.18%	49.53%	49.37%
Tier-1 CAR (%)	16.19%	20.07%	22.69%	21.45%
Capital Adequacy Ratio (CAR) (%)	16.21%	21.42%	25.04%	22.32%

*Annualized, if required

REGULATORY DISCLOSURES Appendix I

Name of Rated Entity	Sindh Bank Limited				
Sector	Commercial Banks				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY				
	6/30/2026	AA	A1+	Stable	Reaffirmed
	12/01/2025	AA	A1+	Stable	Upgraded
	6/30/2025	AA-	A1+	Stable	Reaffirmed
	6/28/2024	AA-	A1+	Stable	Upgrade
	6/27/2023	A+	A1	Stable	Reaffirmed
	6/28/2022	A+	A1	Stable	Reaffirmed
	6/30/2021	A+	A1	Stable	Reaffirmed
	6/30/2020	A+	A1	Stable	Reaffirmed
	6/28/2019	A+	A1	Stable	Downgrade
	6/28/2018	AA	A1+	Rating Watch-Developing	Reaffirmed
	6/30/2017	AA	A1+	Rating Watch-Developing	Maintained
	6/28/2016	AA	A1+	Stable	Reaffirmed
	6/30/2015	AA	A1+	Stable	Reaffirmed
	12/23/2014	AA	A1+	Stable	Upgrade
	6/30/2014	AA-	A1+	Positive	Maintained
6/28/2013	AA-	A1+	Stable	Maintained	
5/21/2012	AA-	A1	Stable	Reaffirmed	
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
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