

13th International e-Banking Conference & Exhibition

**Welcome Address by
Mr. Riaz Riazuddin- Chief Guest
Deputy Governor, SBP**

Event Timings: 9:00 am to 03:30 pm
Speech duration: 10:35 to 10:45 am
Karachi, 23 April, 2015

Distinguished Guests, Ladies and Gentlemen! Assalam o Alaikum and Good Morning!

1. It's indeed a great pleasure for me to be at the 13th International E-Banking Conference today. I would like to appreciate the event manager 'TOTAL Communications' and the sponsors for their consistent efforts in facilitating the banking industry for bringing innovations in electronic banking in Pakistan.
2. This event, no doubt, has provided a collaborative platform to the industry players, regulators, technology service providers, government authorities, and experts from abroad, to share their experiences & knowledge.
3. As this is a technology related event; I believe it is the most pertinent platform where we can discuss the technological advancements, suggest feasible solutions and share vision in moving forward towards creating a digital financial eco system.
4. At the State Bank, we believe that the banking industry & technology service providers are strategic partners. Our common goal is to equip the financial sector with the latest technology and trends.
5. Technology has changed our daily habits. The way we used to communicate, gain knowledge, shop and spend, have drastically changed since the past few years. Likewise, the way we used to perform banking has also significantly changed. The trend of performing banking through the digital channel is increasing day by day.

6. Pakistan is experiencing an evolving phase as the digital advancements in the financial sector are being introduced at a rapid pace. State Bank in collaboration with stakeholders has been striving to strengthen the payment delivery channels through automation and digitization.
7. SBP has been on the forefront to create an enabling regulatory environment towards modernized and technologically equipped financial sector. The recently issued regulations related to Payment Systems Operators and Payment Service Providers have paved the way for new entrants pertaining to electronic payment gateway, payment scheme, clearing house, ATM Switch, POS Gateway, E-Commerce Gateway, and so on.
8. The role of technology in achieving the strategic objective of National financial Inclusion is critical. The alternate delivery channels like e-banking and branchless banking have emerged as supporting pillars of SBP's vision for financial inclusion. Creating digitally inclusive financial system will ensure reaching un-served and underserved population for meeting their financial needs like remittances, savings, credit and insurance at their door-step.
9. Ladies and Gentlemen! Let me now bring into your knowledge some key highlights from the Digital financial channel for the quarter Oct-Dec 2014:
 - i. ATM network comprised of 9000+ ATM machines, facilitated 72 million transactions worth Rs 760 Billion during the quarter Oct-Dec-14
 - ii. Number of plastic cards rose to 26 Million showing an increase of 16% from the last year.
 - iii. Today, 95% of the total Bank branches (11,145 out of 11,745) are online.
 - iv. Branchless banking industry showed substantial growth in the number of accounts which stood at 5.4 million containing deposits of Rs 6.6 billion.
 - v. Branchless banking number of transaction has reached to 72 million with a value of Rs 372 billion during the quarter Oct-Dec 2014.
 - vi. Number of branchless banking agents climbed to 204,000.

- vii. G2P portfolio has been expanding and 90% of the government social welfare payments are being disbursed through this channel.
10. These indicators show that the usage and consumer trust on the digital channel is increasing day by day.
 11. With SBP's facilitative role and enthusiastic approach of Branchless Banking-players, the number of mobile wallets is expected to reach more than 45 million in next 3 years from 5.2 million (as on Dec-2014) . This may truly revolutionize e-banking and online payments.
 12. The inter-operable payment scheme between Mobile Financial Services and Banking Eco-Systems is serving as a facilitator to the account holders to remit funds between m-wallets and bank accounts. This has created the necessary infrastructure for Merchant Payments involving Business-to-Business and Business-to-Consumer use cases.
 13. The purchasing patterns of Pakistani consumers are heavily based on cash, which has its own limitations and overheads. I believe, the market has enough room now to develop products relating to this area in order to create a Cash-Lite Society.
 14. Ladies and Gentlemen! We know that electronic and other branchless banking channels have certain inherent risks associated with them. SBP is very much alive to this and has taken important measures to mitigate such risks.
 15. The introduction of biometric technology in account opening, for example, has made the process real-time, accurate, hassle free and paperless. In addition to these, this will serve as a security and tracking mechanism to identify the remitter and receiver of funds; thus discouraging the occurrences of funds transfer for illegal and criminal activities. The number of biometric devices is expected to rise to 62,000 by the end of 2015 from 33,000 as on Dec-14.

16. In the end, I would like to congratulate TOTAL Communications and the sponsors for organizing this important conference. I look forward to the informative discussions and success of this important initiative.

Thank you