

Karachi, Pakistan

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# **Identity Management Assistance to Branchless Banking Partners**

**National Database and Registration Authority**

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# NADRA

## Quick Overview





# **NADRA'S PAST EXPERIENCE: IDP CASH DISBURSEMENT**

# IDP Registration

Not on  
terrorist  
watch-list

No duplicate  
registration







Resident of  
affected area

One benefit  
per family

<b>Total Registered</b>	<b>755,464</b>	<b>100%</b>
Eligible	329,792	43.65%
Non Eligible - CNIC not available	44,697	5.92%
Non Eligible - Multiple Registrations	224,895	29.77%
Non Eligible - Invalid CNIC	43,966	5.82%
Non Eligible - Unclear CNIC in Data Warehouse	1,314	0.17%
Non Eligible - Addresses not from affected area	37,216	4.93%
Non Eligible - Duplicate within family (husband-wife or unmarried Children)	73,584	9.74%

# IDP Cash Disbursement

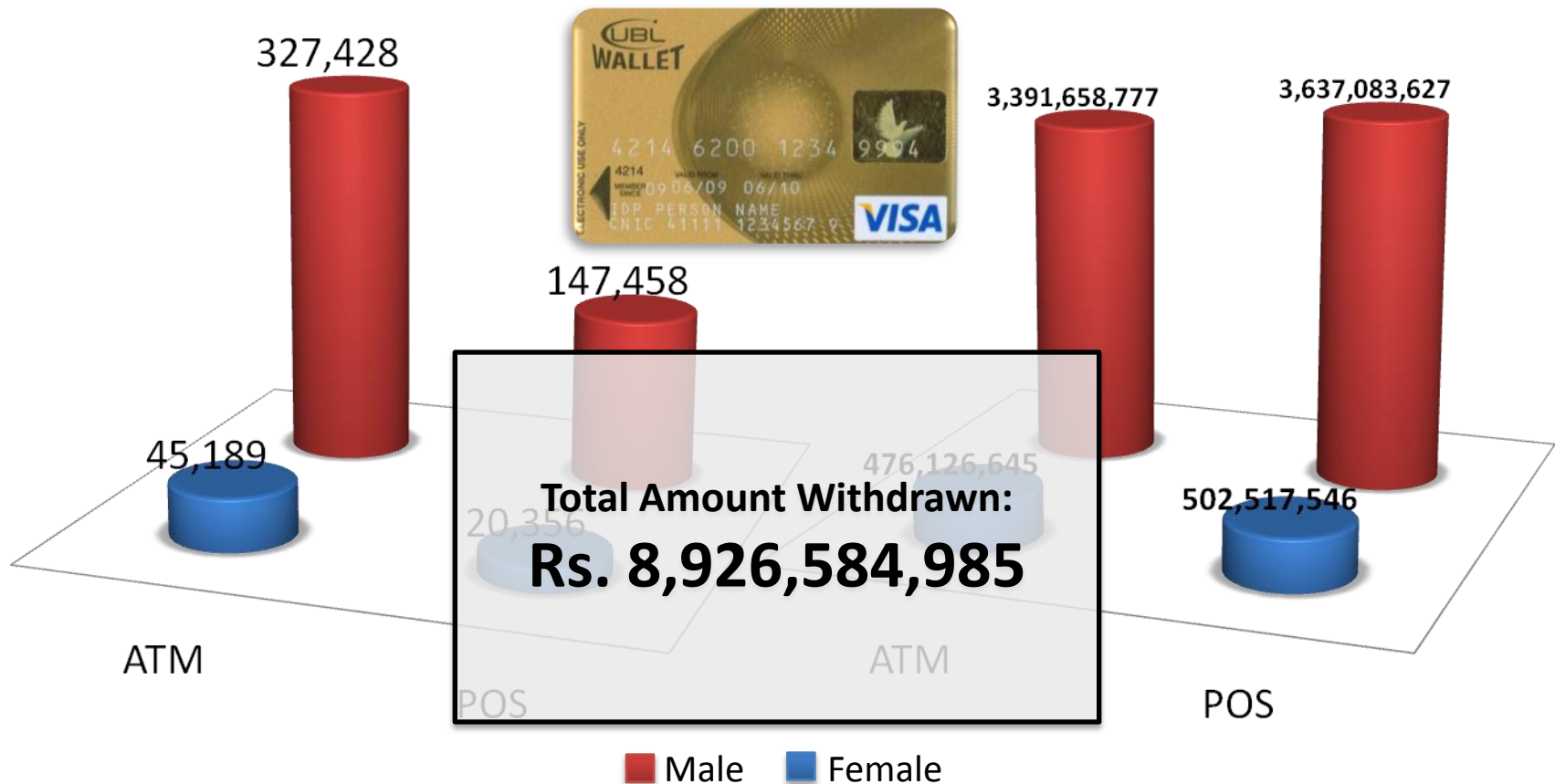
Transparency through Face Recognition

Identity Number	Identity Card Photo	IDP Photo
21104-5020218-7		
15601-6152669-4		
15602-7688450-9		

# IDP Cash Disbursement

## Number of Transactions

## Amount Withdrawn



The Challenge and the opportunity

# **THE SMART CARD**

# Financial Exclusion

## Setting the stage for branchless banking

- In Pakistan, there is one bank branch for every 20,000 people<sup>1</sup>
- 75% of households have no accounts or equivalent<sup>1</sup>
- 86% of the rural population is unbanked<sup>1</sup>
- Financial institutions are unable to cover these areas because the cost per transaction there is infeasible

<sup>1</sup> Source: State Bank of Pakistan



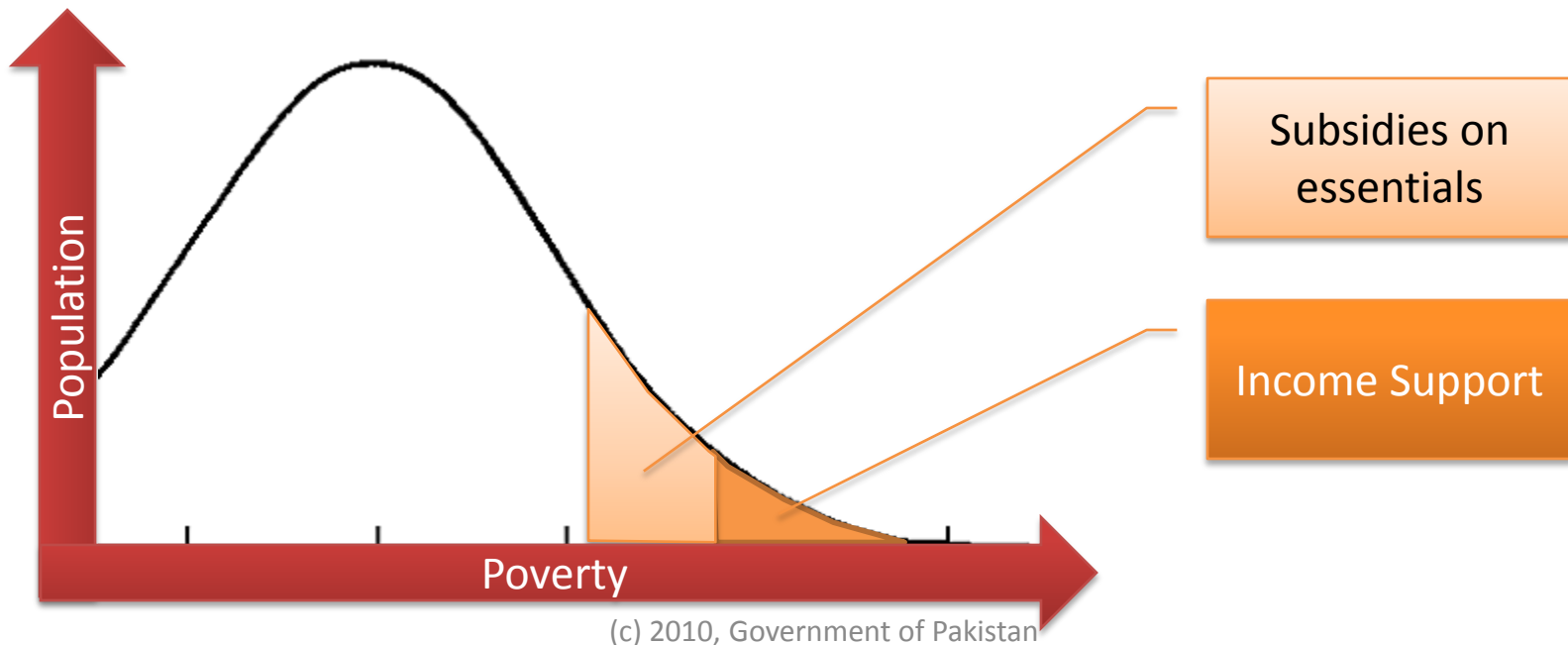
# Technology for Financial Inclusion

## Setting the stage for Smart Identity Cards

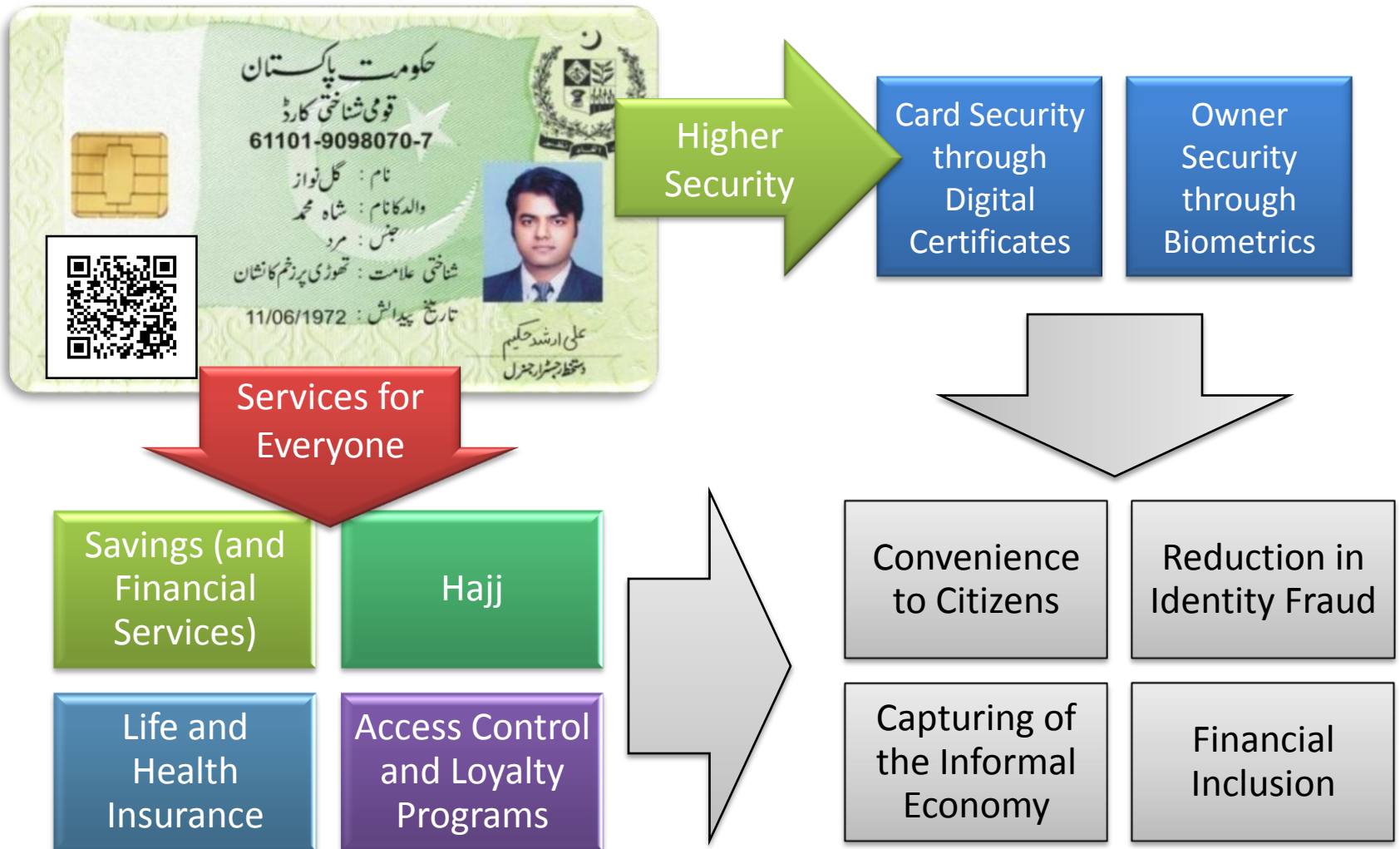
- Technology developments in recent years allow for branchless transactions to be executed securely and cost effectively
  - These developments are in the areas of biometrics, cryptography, smart cards, and mobile data communications
- Biometric smart cards are the ideal identity instruments for branchless transactions

# The Nation wide Poverty Survey

- A Nation wide survey has been conducted to determine the poverty level of the poorest households. A total of 7 million households will be given Income Support



# Smart National Identity Cards



# The Benazir Smart Card with Barcode

Turning Income Support into financial Inclusion

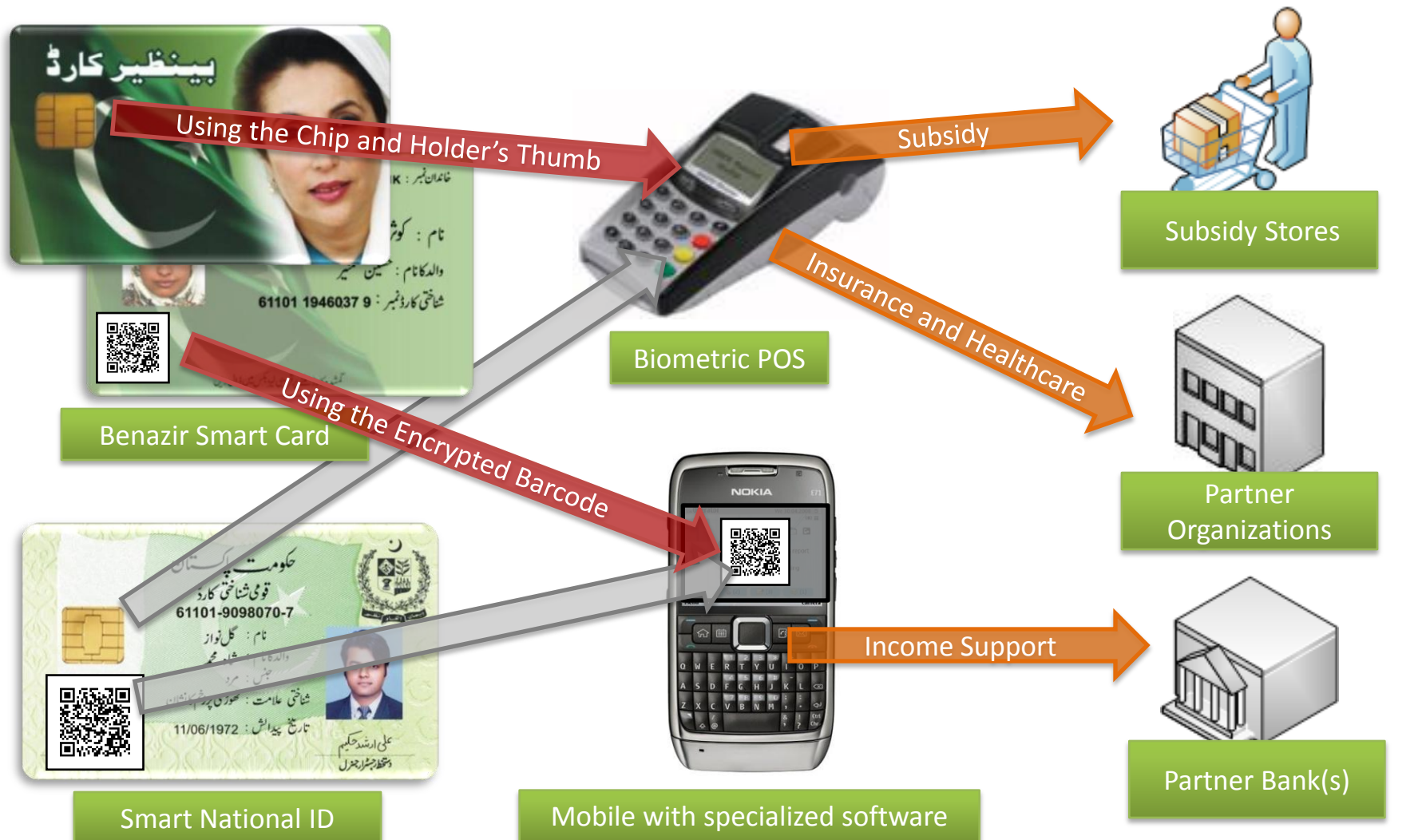


# Smart IDs for Branchless Transactions

- **Higher Security**
  - The Smart IDs use public-key cryptography to ensure the authenticity of the card
- **Stronger Authentication**
  - The use of biometrics ensure a strong notion of holder authentication
- **One Card for all applications**
  - Each new application or participating organization does not need to issue any cards: The smart IDs maintain a citizen's relationship with all institutions and organizations

# Integrated Income Support, Insurance, and Subsidy

## Using the Benazir Smart Card with Barcode



# Private Sector Development



## Banks

- Because of NADRA's authentication middle layer, multiple competing banks can partner
- Banks' franchisee networks translate into branchless banking networks



## Franchisees

- Local employment is created for franchisees
- Since, payments are settled into franchisee bank accounts, use of formal banking system is increased



## Postal System

- The postal system and courier companies can become franchisees because of the mobile nature of the system
- Postal system can leverage this technology to establish a mobile 'banking' presence



# Franchisee Options

- Smart Identity Cards open the options for various branchless franchisee models
  - Depending on the mobility, volume, and security requirements



Mobile and  
Secure



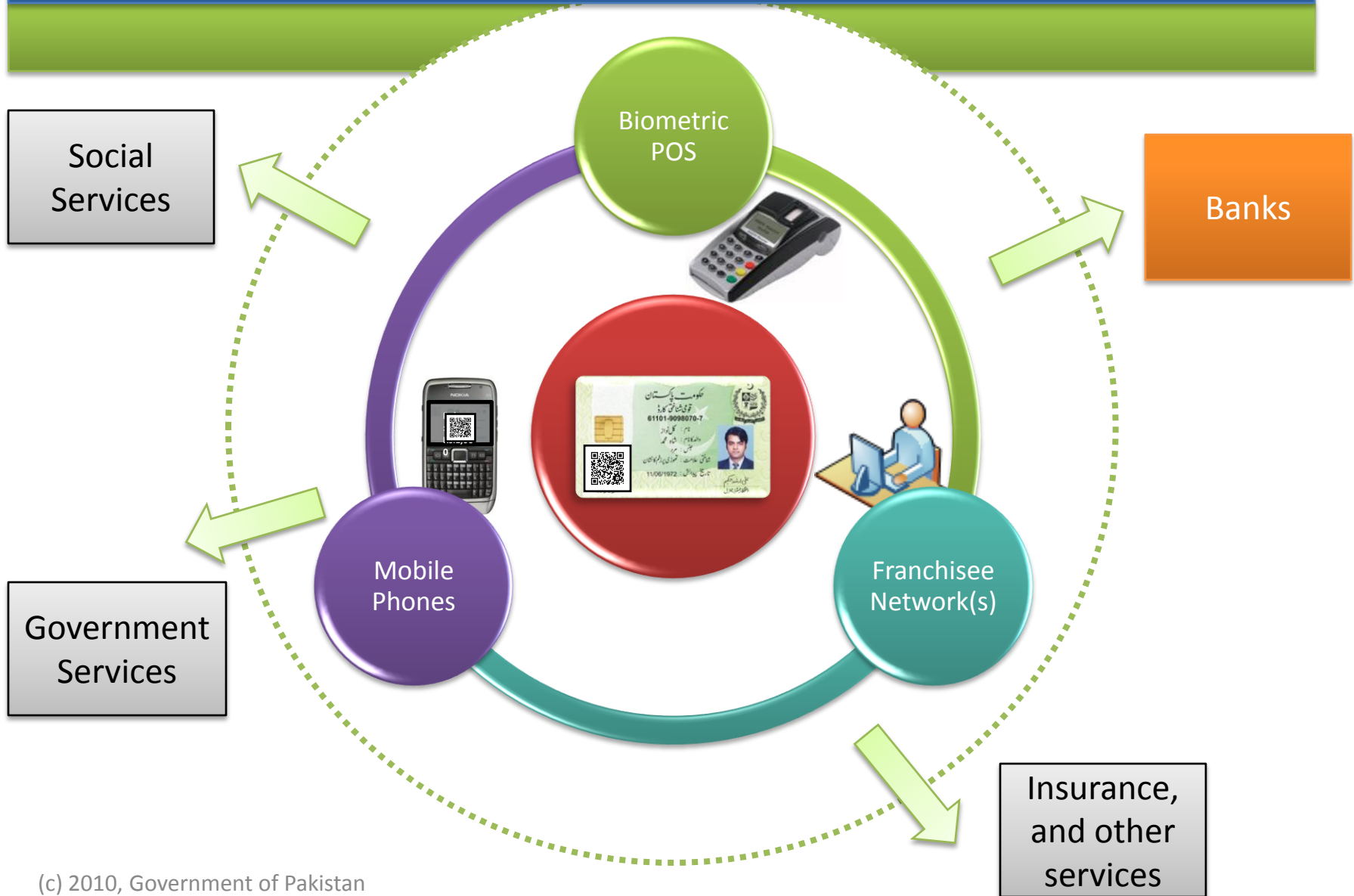
High volume  
or unified



Lightweight  
and pervasive



# Smart IDs for Branchless Transactions





**THANK YOU**