

Branchless Banking network expands by 16 percent to 22,512 in second quarter of FY12: SBP publication

The Branchless Banking (BB) network in Pakistan expanded by 16 percent in the second quarter (October- December 2011) of the current fiscal year (2011-12) to reach 22,512 agents covering the entire length and breadth of the country, says State Bank's 'Branchless Banking Newsletter' released today.

According to the publication, the number of Branchless Banking accounts increased by 40 percent to 929,184 in October- December, 2011 period as compared to the previous quarter. The total Branchless Banking deposits jumped by 169 percent to Rs 503 million in the quarter under review as compared to the previous quarter, it said, adding that the number of Branchless Banking transactions during the second quarter surged by 30 percent to 20.6 million while the value of transactions showed a growth of 35 percent to reach Rs. 79,410 million.

The average size of branchless banking transaction was Rs. 3,855 while the average number of daily transactions was 228,855. This shows that mobile phone technology and agent-based banking are helping access to financial services by the hitherto unbanked poor, the Newsletter said, adding that by the end of December 2011, more than 929,000 customers have been registered as m-wallet users.

The Newsletter said that innovative branchless banking models have been penetrating in all areas of payments such as utility bills, Government-to-Persons (G2P), Persons-to-Persons (P2P) payments while scaling up other services relating to deposits and loans.

Bills payment & top-ups remained the dominating activity in the quarter under review with 53 percent share in total numbers, followed by fund transfers and deposits with share of 39 percent and 8 percent respectively, it said and added that the P2P payments remained the most popular mechanism with 74% share in the total funds transfer. Initial high concentration in P2P transactions suggests that the industry needs to develop a viable value-proposition for registration and activation of mobile accounts, it added.

The 'Branchless Banking Newsletter' covers chronology of Branchless Banking developments in Pakistan, a detailed BB growth analysis, snapshot of the major models - Easypaisa and Omni, and important BB events/ initiatives. The BB Newsletter can be accessed at the following web link of SBP website:

<http://www.sbp.org.pk/publications/acd/BranchlessBanking-Oct-Dec-2011.pdf>

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