

Branchless Banking shows impressive growth in fourth quarter: SBP

Branchless banking (BB) has witnessed an impressive growth during the fourth quarter (April – June 2012) of the last fiscal year 2011-12 as the number of mobile banking accounts touched the figure of 1.45 million, depicting a remarkable growth of 37 percent.

According to SBP's 'Branchless Banking Newsletter', posted on its website today, the accounts' activity level has also improved considerably during the quarter under review as the number of active accounts increased by 66 percent. Over 28 million transactions worth Rs.115.3 billion were processed during the April – June quarter. The number and value of transactions have grown rapidly during April – June quarter by 12% and 36% respectively. The growth in value of transactions is almost 3 times more than the growth in number of transactions. The overall average size of transaction has increased from Rs 3,367 to Rs 4,065 during the quarter under review. The agents' network has risen to 29,525 on 30th June, 2012 from 26,792 as on 31st March, 2012 registering an increase of 10 percent. The agents now have presence in 90 percent of the districts in the country.

Bills payments & mobile top-ups remained the dominating activity with 50 percent share in total numbers, followed by person to person (over the counter) fund transfers with share of 36 percent. Loan repayments of Rs.464 million primarily of microfinance institutions were collected through BB agents during the quarter.

According to the Newsletter, the growth expectation in coming quarters is fairly high as the existing two BB players are increasing their scale of operations and six other banks are in pilot phase and are likely to start their BB operations shortly. Moreover, banks are exploring avenues to increase the attractiveness of the m-wallets for their customers, and offering them new services such as purchasing air-tickets, receiving salaries/ pensions, utilizing ATM through debit cards, and internet banking.

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