

October 27, 2014

Robust growth in usage of electronic banking and payments witnessed during FY 2013-14

In a rapidly evolving International Payments arena, Pakistan is also leaping forward as Fiscal Year 2013-14 registered robust growth in usage of electronic banking and payments, according to the Annual Payment System Review for the Fiscal year 2013-14 issued by State Bank of Pakistan. The progress certainly bodes well for country's electronic Banking and Mobile Banking since they have emerged as fastest growing payment channels among all Alternative Delivery Channels (ADCs) in terms of volume and value.

According to the details Internet Banking shows an impressive growth of 80% reaching 17 million transactions and Mobile Banking shows a substantial increase of 149% reaching Rs.67.2 Billion, during the year. Retail Payments during FY 2013-14 also registered inspiring growth and POS Transactions reached 24 million, valuing Rs.124 Billion. These transactions are 33% higher in volume and 38.5% in value. ATM transactions also recorded notable increase and stood at 258 million of value Rs.2.6 trillion, showing a growth rate of around 30% in volume and value, whereas, volume and value of Call Center & Interactive Voice Response (IVR) Banking was 0.67 million and Rs. 9.5 billion respectively showing growth rates of 4% in volume and 17% in value.

The report further discloses that Real Time Online Banking (RTOB) transactions have increased to around 98.5 million in terms of volume and Rs. 30.2 Trillion in value showing a growth of around 11% each. In Large Value Payments Systems, during the FY2013-14, RTGS processed over 600,000 payments worth Rs. 149 trillion as compared to 488,018 transactions of value Rs.162 trillion in FY2012-13 showing an increase of 23% while the value showed a decrease of 7.7%.

It is worth mentioning here that innovative products and channels are continuously being introduced by different financial institutions and payment operators in financial markets across the globe. On the one hand, the proliferation of electronic payment products like e-wallets, m-wallets, multi-purpose cards and smart applications enabled by new technologies like Near Field Communications (NFC) cards and MPOS is being witnessed, and on the other hand a variety of non-bank players like Payment System Operators (PSOs) and Payment System Providers (PSPs) are entering into the market for collaborative products and service innovations. SBP, being cognitive of these changes and realizing the need for Pakistani market to remain aligned with the international developments, has been taking a number of initiatives to promote efficiency, security, innovation, and mass acceptability while ensuring competition and level playing field for all payment participants.