

Payment Systems Quarterly Review



October –December, 2010

Payment Systems Department

State Bank of Pakistan

Summary of Payment Systems Quarterly Review October-December 2010

Payment systems are fundamental to the functioning of the economy. Their efficient functioning for allowing transactions to be completed safely and on time makes a key contribution to overall economic performance. Efficient payment systems are vital to the optimal performance of financial markets. The efficient and effective operations of payment systems are requirement for meeting both the business needs of the society and personal banking requirements of the public.

The oversight of payment systems is an integral part of State Bank of Pakistan's wider responsibilities for stability of the financial system in Pakistan. Payment Systems data provide and explain major trends in the infrastructure and indicators of settlement systems and eBanking channels.

The Payment Systems infrastructure in Pakistan has retained an overall growing trend for the second quarter of FY11 as 172 ATMs were added to the eBanking infrastructure bringing the number of ATMs in the country to the highest ever level of 4,734 while 309 more bank branches have been upgraded to Real time online branches (RTOBs). Now 7,036 bank branches are offering Realtime online banking out of total 9,483 bank branches existing in Pakistan. The number of plastic cards (i.e. ATM, Debit and Credit Cards) has also increased by 19.21% compared to the previous quarter. At the quarter end, there were 13.19 million plastic cards in circulation.

The volume and value of overall eBanking transactions in the country during the quarter under review reached 56.42 million and Rs 5.5 trillion respectively showing an increase of 7.30% in volume and 17.47 % in value compared to the previous quarter. ATM, being the largest channel for eBanking transactions, showed 5.6% increase in number of transactions and 9.5% increase in value which resulted in average value of Rs.8,804 per ATM transaction. Very significant increase was also recorded in transactions related to Real time online branches (RTOB). The number of such transactions grew by 10.59 % and value of transactions increased by 17.97%. All other channels of eBanking, except Call Centers, also witnessed growth, but their share in the eBanking infrastructure composition was comparatively insignificant.

This increasing trend was also witnessed in the large value payments settled through Pakistan Real-time Interbank Settlement Mechanism (PRISM), which increased by 12.73% in volume and 13.49% in value of transactions compared to the previous quarter. The major portion of PRISM transactions, in terms of value was settlements against securities which accounted for 46% of the total transactions followed by Interbank Funds Transfers (38%) and settlement of retail cheques multilateral clearing (16%).

The volume and value of paper based retail payments during the quarter under review were 88.46 million and Rs. 39.07 trillion respectively which increased by 6.63 percent in volume of transactions and 9.75 percent in value of transactions compared to the previous quarter. The contribution of paper based payments in total retail payment transactions was 61.06 percent in terms of volume and 87.73 percent in terms of value. The rest of the transactions originated from eBanking.

Payment Systems in Pakistan –a snapshot

October-December, 2010

Pakistan Realtime Interbank Settlement Mechanism (PRISM)

Number of Direct Participants 42

Volume of Transactions 81,363

Value of Transactions Rs. 19,842 (Billion)

Paper based Payments

Volume of Transactions 88,456,807

Value of Transactions Rs.39, 067 (Billion)

Real time online Branches (RTOBs)

Number of Real Time online branches 7,036

Volume of Transactions 18,202,195

Value of Transactions Rs. 5,107 (Billion)

Plastic Cards and infrastructure

Number of Automated Teller Machines (ATMs) 4,734

Number of ATM\Debit Cards 11,628,711

Number of Credit Cards 1,564,246

Volume of Transactions processed through ATMs 32,656,538

Value of Transactions processed through ATMs Rs. 287,492 (Million)

Average value of an ATM Transaction Rs. 8,804

Number of Points of Sale (POS) 44,383

Volume of Transactions processed through POS 3,618,228

Value of Transactions processed through POS Rs. 19,747 (Million)

Mobile Phone Banking

Number of Banks providing mobile Banking facility 11

Volume of Transactions 766,932

Value of Transactions Rs. 1,678 (Million)

Internet Banking

Number of Banks providing Internet Banking facility 22

Volume of Transactions 979,965

Value of Transactions Rs. 44,753 (Million)

Call Centers

Number of Banks providing Call Center facility 22

Volume of Transactions 199,359

Value of Transactions Rs. 1,703 (Million)

Number of Registered Users

Call Center banking 4,923,491

Mobile banking 817,507

Internet banking 752,275

Payment Systems Department
(Oversight Division)
Payment Systems Summary Statistics

(Amount in Million Rupees)

Products\Transactions Type	July -September ,2010 (R)		October-December,2010 (P)		(Growth %)	
	Number	Amount	Number	Amount	Number	Amount
Interbank Settlement Through PRISM(RTGS)	72,174	17,484,438	81,363	19,842,466	12.73%	13.49%
Interbank Fund Transfer (IBFT)	47,465	6,418,883	55,459	7,566,928	16.84%	17.89%
Retail Cheque Clearing	11,400	2,745,002	11,892	3,132,391	4.32%	14.11%
Securities Settlement ¹	13,192	8,218,721	13,844	8,966,616	4.94%	9.10%
Intraday Liquidity Facility(ILF)	117	101,832	168	176,531	43.59%	73.36%
Paper Based	82,958,898	35,598,041	88,456,807	39,067,546	6.63%	9.75%
<i>eBanking (Financial Transactions)</i>	52,584,716	4,650,172	56,423,217	5,462,428	7.30%	17.47%
ATMs	30,934,413	262,524	32,656,538	287,492	5.57%	9.51%
Points of Sale (POS)	3,426,865	15,757	3,618,228	19,747	5.58%	25.32%
Real Time online Branches (RTOB)	16,458,929	4,329,081	18,202,195	5,107,056	10.59%	17.97%
Mobile	678,149	1,779	766,932	1,678	13.09%	-5.66%
Call Centre (IVR)	214,584	1,848	199,359	1,703	-7.10%	-7.84%
Internet	871,776	39,183	979,965	44,753	12.41%	14.21%
<i>eBanking (Non Financial Transactions)</i>	17,282,064		18,355,813		6.21%	
ATMs	9,978,491		10,098,348		1.20%	
Internet	3,818,590		4,959,826		29.89%	
Mobile	2,371,367		2,267,801		-4.37%	
Call Centre	1,113,616		1,029,838		-7.52%	
<i>Financial Infrastructure (As on Position)</i>						
Total Bank Branches	9,234		9,483		2.70%	
Real Time Online Branches (RTOB)	6,727		7,036		4.59%	
Automated Teller Machines (ATM)	4,562		4,734		3.77%	
Point of Sale (POS)	48,632		44,383		-8.74%	
<i>Cards Numbers (As On Position)</i>	11,066,973		13,192,957		19.21%	
ATMs Cards	693,233		718,339		3.62%	
Credit Cards	1,676,691		1,564,246		-6.71%	
Debit Cards	8,697,049		10,910,372		25.45%	
Islamic Credit Cards ²	1,563		2,001		28.02%	
<i>Registered Users (As On Position)</i>	7,774,120		6,493,273		-16.48%	
Internet	704,349		752,275		6.80%	
Mobile	759,382		817,507		7.65%	
Call Centre	6,310,389		4,923,491		-21.98%	
Internet Merchant Accounts						
Number of Registered Merchants (Active)	23		24		4.35%	
Registered Merchants Transactions	8,025	98	8,069	86	0.55%	-12.39%

1.It does not include Intraday liquidity Facility (ILF) Transactions

R Stands For Revised

P Stands For Provisional

Payment Systems Department
(Oversight Division)
Payment Systems Detailed Statistics

(Number in Thousands & Amount in Million Rupees)

Products\Transactions Type	July -September ,2010 (R)		October-December,2010 (P)		(Growth %)	
	Number	Amount	Number	Amount	Number	Amount
Paper Based	82,959	35,598,041	88,457	39,067,546	6.63%	9.75%
Cashwithdrawals through Cheques	38,620	16,995,358	41,175	18,650,753	6.61%	9.74%
Transfer through Cheques	25,000	9,181,742	27,035	10,041,409	8.14%	9.36%
Clearing through Cheques	13,962	4,747,364	15,219	5,707,551	9.00%	20.23%
Pay Orders	2,303	1,923,351	1,847	1,811,944	-19.80%	-5.79%
Demand Drafts	1,639	608,751	1,735	662,941	5.85%	8.90%
Telegraphic Transfers	180	873,275	174	966,736	-3.15%	10.70%
Others (Income Tax Vouchers ,Direct Debit etc.)	1,254	1,268,202	1,271	1,226,212	1.37%	-3.31%
ATMs Transactions	30,934	262,524	32,657	287,492	5.57%	9.51%
Cash Withdrawal	30,052	227,090	31,679	247,498	5.41%	8.99%
Cash Deposit	7	58	7	63	-6.00%	7.91%
Deposit of Payment Instrument	0	121	0	7	-28.04%	-94.55%
Utility Bills Payment	47	96	52	82	9.41%	-14.49%
A/c to A/c Funds Transfer	384	16,293	427	19,148	11.12%	17.53%
Third Party A/c to A/c Funds Transfer	444	18,865	492	20,695	10.91%	9.70%
Internet	872	39,183	980	44,753	12.41%	14.21%
Payment Through Internet (Excl. Util. Bill Payments)	142	17,281	155	20,653	9.47%	19.51%
Utility Bills Payment	367	1,086	406	1,015	10.71%	-6.58%
A/c to A/c Funds Transfer	227	13,969	251	15,077	10.75%	7.92%
3rd Party A/c to A/c Funds Transfer	136	6,846	167	8,009	22.82%	16.98%
Mobile	678	1,779	767	1,678	13.09%	-5.66%
Payment Through Internet (Excl. Util. Bill Payments)	4	82	74	100	1682.17%	21.53%
Utility Bills Payment	641	1,009	657	736	2.54%	-27.03%
A/c to A/c Funds Transfer	33	687	36	842	8.55%	22.46%
3rd Party A/c to A/c Funds Transfer	-	-	-	-		
Call Center	215	1,848	199	1,703	-7.10%	-7.84%
Payment Through Internet (Excl. Util. Bill Payments)	68	408	58	503	-14.34%	23.19%
Utility Bills Payment	128	569	124	383	-3.02%	-32.73%
A/c to A/c Funds Transfer	16	850	16	800	-5.18%	-5.93%
3rd Party A/c to A/c Funds Transfer	3	21	2	18	-31.04%	-14.37%
RTOBs	16,459	4,329,081	18,202	5,107,056	10.59%	17.97%
Real Time Cash Withdrawals	2,810	183,379	2,906	203,595	3.42%	11.02%
Real Time Cash Deposits	5,998	380,405	6,866	509,445	14.48%	33.92%
Real Time A\C to A\C Funds Transfers	4,842	2,979,364	5,593	3,549,829	15.49%	19.15%
Real Time 3rd Party A\C to A\C Funds Transfers	2,809	785,932	2,837	844,187	1.02%	7.41%
Points of Sales (POS)	3,427	15,757	3,618	19,747	5.58%	25.32%
Cross Border Transactions (Net)	122	2,894	135	2,782	10.82%	-3.88%
ATMs Transactions	185	3,518	172	3,457	-7.16%	-1.75%
POS Transactions	(25)	(255)	11	(110)	-145.33%	-56.64%
Internet Transactions	(39)	(370)	(48)	(565)	24.00%	52.76%
Debit Cards Transactions	35,927	282,198	37,496	308,882	4.37%	9.46%
Credit Cards Transactions	3,772	16,452	3,674	15,806	-2.58%	-3.92%

The data is compiled on the basis of Banks Reporting.

R Stands For Revised

P Stands For Provisional

Graphical Representation of Payment Systems Data



