



Payment Systems Review

4th Qtr. (April — June) FY13

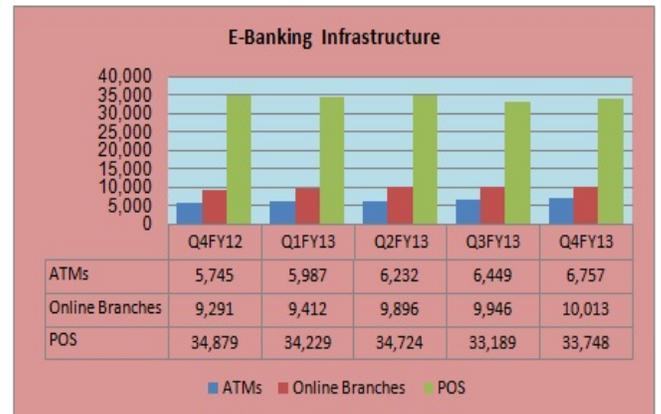
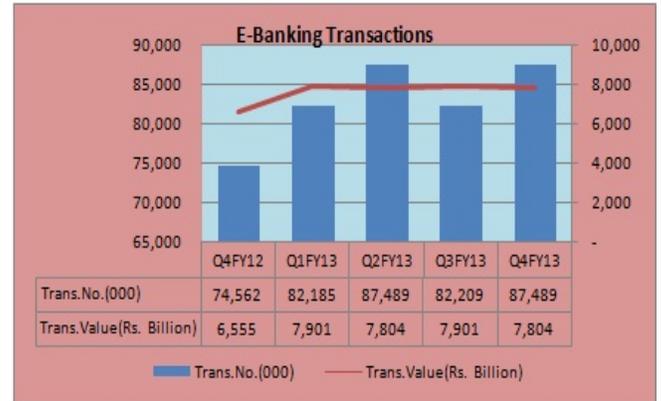
September 19, 2013

Points of Interest

13th SAARC Payments Council Meeting

During the fourth quarter of FY13, basic infrastructure of payment systems of Pakistan increased considerably. A total of 308 more ATMs were installed by various banks, thus bringing the total number of ATMs installed in the country to 6,757. Altogether, 67 more bank branches were added to the online branch network which makes a total of 10,013 branches that are now offering RTOB services out of 10,581 total bank branches across the country. Compared with the preceding quarter, number of plastic cards (credit cards, debit cards, ATM only cards, smart cards, Islamic credit cards) issued to customers increased by 2.53 percent in the fourth quarter of FY13, thus making the total number of plastic cards issued to 22.32 million. In comparison with other plastic cards, while ATM Only Cards have shown the highest growth rate of about 4.56 percent, which has raised the total number of ATM Only Cards issued so far to 962 thousand, although debit cards have the highest percentage share in overall plastic cards which is 90.81 percent. Moreover, debit cards have the highest share in the total number of plastic cards issued in the country which is 90.82 percent in the current quarter of FY13. Transactions through debit cards have also increased both in volume and value as compared to the previous quarter which is 11.25 percent and 7.30 percent respectively.

The volume of overall e-banking transactions during this quarter also depicted a growth of 6.42 percent which is equal to 87.49 million transactions while the value of e-banking transactions slightly decreased with 1.22 percent reaching the number to Rs. 7.8 trillion. Of all the e-banking transactions, mobile transactions showed the highest percentage increase as compared to the previous quarter of current fiscal year. These transactions increased by 18.05 percent in terms of volume reaching to 1.32 million as compared to 1.12 million in the preceding quarter. The value of mobile transactions again showed the highest percentage



increase as compared to the previous quarter as the value increased by 34.35 percent reaching to Rs. 9.9 billion as compared to Rs. 7.3 billion in the preceding quarter.

In terms of volume of overall e-banking transactions, ATM transactions have a major share of 63.70 percent and an average value per transaction stands at Rs. 10,007. In comparison with the number of transactions reported in the third quarter of the current fiscal year, the overall volume of ATM transactions increased by 8.00 percent and the value increased by 8.02 percent. During the quarter 559 more Point of Sale machines are installed by various banks across the country.

During this quarter, the recorded volume and value of large value payments through RTGS was 134,738 and Rs.41.72 trillion respectively. This showed a 11.02 percent increase in the volume and 5.88 percent in the value as compared to the figures reported in the third quarter of current fiscal year. The major portion for the increased number of overall PRISM transactions in this quarter was contributed by IBFT which increased by 11.49 in volume percent and 23.63 percent in value. Moreover, IBFT has largest share in overall PRISM transactions in terms of volume while securities transactions has highest share in terms of value which are 78.70 percent and 60.33 percent respectively.

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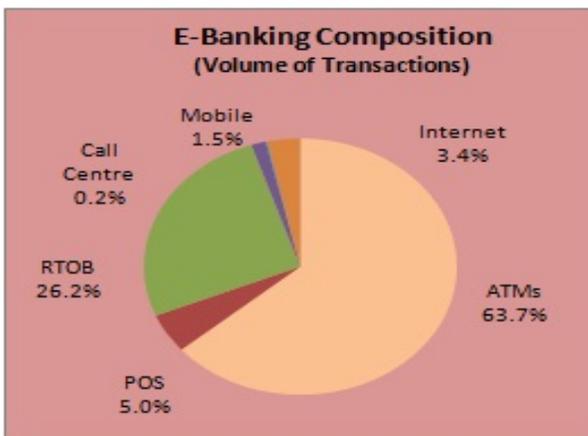
Payment Systems Review April –June, 2013

Quarterly Comparison of e-Banking growth

News & Updates

Payment Systems Summary Statistics

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E-Banking Growth Trend— Quarterly Comparison

Quarterly E-Banking Trend						
E-Banking Transactions						
	Qtr3 FY13		Qtr4 FY13		Quarterly Growth	
	Volume (000)	Value (Rs. Billion)	Volume (000)	Value (Rs. Billion)	Volume	Value
ATM	51,606.90	516.34	55,734.03	557.77	8.00%	8.02%
RTOB	22,853.04	7,227.86	22,959.44	7,068.05	0.47%	-2.21%
POS	4,047.35	21.35	4,386.43	22.40	8.38%	4.93%
Call Center	158.25	1.96	156.86	2.05	-0.88%	4.95%
Internet Banking	2,426.20	126.30	2,933.24	144.31	20.90%	14.26%
Mobile Banking*	1,117.37	7.35	1,319.06	9.87	18.05%	34.35%
E-Banking	82,209.11	7,901.15	87,489.06	7,804.46	6.42%	-1.22%
E-Banking Infrastructure						
	As of March 31, 2013		As of June 30, 2013		Quarterly Growth	
ATMs	6,449		6,757		4.78%	
Online Branches Network	9,946		10,013		0.67%	
POS	33,189		33,748		1.68%	
Credit Cards (000)	1,271		1,088		-14.40%	
Debit Cards (000)	19,575		20,267		3.54%	
ATM Only Cards (000)	920		962		4.56%	

*Branchless Banking data is not included

In the retail payment systems, Microfinance Banks data are not included.

Discrepancy may occur due to rounding of data.

News & Updates...

Visa to launch mobile financial services platform in Pakistan - Fundamo, Visa's subsidiary and a platform provider of mobile financial services for mobile network operators (MNOs) and financial institutions in developing economies, is set to launch a mobile financial services (MFS) platform in Pakistan, online media outlet tribune.com.pk has revealed. According to the source, the product is set to use retail electronic payments processing network VisaNet technology and function on 'interoperability' model. In recent news, Pakistan-based financial institution Bank Alfalah (BAFL) and Uganda-based telecom operator Warid Telecom have launched a mobile banking service using a shared mobile money network, built on Visa's Fundamo technology, launched by Monet. Monet partnered with Fundamo to launch a mobile money network in Pakistan. Monet was launched in 2012 and it provides banks, mobile network operators and branchless banking agents in Pakistan with a technology platform that offers end-users an interface through which they can access a wide range of financial services on their mobile phones.

Standard Chartered Bank launches m-banking app in Pakistan - Global financial services provider Standard Chartered Bank has launched its mobile banking application dubbed Breeze in Pakistan. The free app can be downloaded on iPhone, BlackBerry, Android phones and Symbian phones. Customers can transfer money between their accounts, to another SCB customer's account and accounts in other banks. They can also pay their bills and locate SCB's automatic teller machines (ATM) through the app. Customers can see the transaction history for the last three months, while a calendar view tool provides details of each transaction. In November 2012, Dutch digital security company Gemalto has partnered Standard Chartered Bank to roll out a display card service in Singapore.

Euronet Pakistan enables UnionPay card acquiring on MCB POS network in Pakistan - Euronet Pakistan, a subsidiary of global provider of electronic payment and transaction processing services Euronet Worldwide, has enabled acquiring of UnionPay cards on MCB Bank's nation wide Point-of-Sale (POS) network. The service is enabled for financial institution MCB Bank through collaboration with UnionPay International (UPI) - a subsidiary of Chinese bank card organization China UnionPay. UnionPay International has an acceptance network in more than 140 countries and regions. With this acquiring service, MCB can accept UnionPay cards across its POS network, which includes 12,000 terminals across Pakistan. In recent news, Euronet Pakistan and financial services provider JS Bank have signed a gateway services agreement for VISA and MasterCard products.

13th SAARC Payments Council Meeting, July 29, 2013, Thimphu, Bhutan



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From Left to Right (Front Row): Mr. Ejendra Prasad Luintel (Nepal), Mr. Syed Irfan Ali (Pakistan), Mr. G. Padmanabhan (India), Mr. Pushpalal Chhetri (Bhutan), Mr. Kazi Abdul Muktedir Chairman SPC (Pakistan), Mr. Dasgupta Asim Kumar (Bangladesh), Mrs. Ranjani Weerasinghe (Sri Lanka), and Ms. Nilima Chhabilal Ramteke (India)

From Left to Right (Back Row): Mr. Gopal Prasad Kaphle (Nepal), Mr. S. S. Rathnayake (Sri Lanka), Mr. Mir Aziz Baraki (Afghanistan), Mr. Muhammad Arshad Khan (Pakistan), Mr. Md Rezaul Karim (Bangladesh) and Mr. Jai Narain Pradhan (Bhutan).

The role and importance of payment systems in the financial stability of a country was emphasized by the SAARC member countries. In this connection, a thorough discussion took place with the aim of developing regional systems in line with the New Road Map of SAARC Payments Council and as per the objectives of SAARC Payments Initiative.

Members also discussed about working towards the possibility of converting present systems into a single harmonized payment systems in the SAARC region in order to set a landmark. The main objective is to bring harmony in the payment systems of the region as well as provide a platform for business and trade community so that they can transact their businesses in fast and reliable manner.

Members also discussed various development programs for improving the financial inclusion in the region enabling common people to use banking and related financial services effectively thus reducing poverty and bring prosperity and harmony to the region.

Major Decisions of the Forum:

1. Resolution was passed that member countries will develop a Concept Paper in order to work towards a single harmonized payment mechanism and to pool their resources to achieve the developments for the region.
2. Training and Attachment programs may also be conducted for the members and officials of the SAARC member countries.

Disclaimer

The information provided articles, submissions and spotlights are those of the contributors and do not necessarily represent the views of State Bank of Pakistan or any other authority. It is the purpose of this piece to share a variety of information on the subject. Although, great care has been taken in ensuring the correctness of the facts/figures we, however, accept no responsibility whatsoever for the accuracy of the contents reproduced from other sources.

Payment Systems Department
Payment Systems Summary Statistics¹
4th Quarter of FY13, (April-June, 2013)

(Amount in Million Rupees)

Products\Transactions Type	January-March,2013		April-June,2013 (P)		(Growth %)	
	Number	Amount	Number	Amount	Number	Amount
Interbank Settlement Through PRISM(RTGS)	121,362	39,402,203	134,738	41,720,985	11.02%	5.88%
Interbank Fund Transfer (IBFT)	95,111	10,586,082	106,044	13,087,342	11.49%	23.63%
Retail Cheque Clearing	11,422	3,001,282	11,773	3,462,031	3.07%	15.35%
Securities Settlement ²	14,829	25,814,839	16,921	25,171,612	14.11%	-2.49%
Intraday Liquidity Facility(ILF)	562	1,870,779	629	2,226,618	11.92%	19.02%
Paper Based('000)	86,768	25,593	90,831	28,269	4.68%	10.45%
e-Banking (Financial Transactions,'000)	82,209	7,901,153	87,489	7,804,458	6.42%	-1.22%
ATM	51,607	516,338	55,734	557,772	8.00%	8.02%
Points of Sale (POS)	4,047	21,351	4,386	22,404	8.38%	4.93%
Real Time online Banking (RTOB)	22,853	7,227,855	22,959	7,068,046	0.47%	-2.21%
Mobile	1,117	7,349	1,319	9,873	18.05%	34.35%
Call Centre (IVR)	158	1,955	157	2,052	-0.88%	4.95%
Internet	2,426	126,304	2,933	144,311	20.90%	14.26%
e-Banking (Non Financial Transactions)						
ATMs	18,788		21,219		12.94%	
Internet	7,997		9,892		23.69%	
Mobile	8,907		9,776		9.75%	
Call Centre	2,181		2,162		-0.87%	
Financial Infrastructure (As on Position)						
Total Bank Branches	10,535		10,581		0.44%	
Online Branches	9,946		10,013		0.67%	
Automated Teller Machines (ATMs)	6,449		6,757		4.78%	
Point of Sale (POS)	33,189		33,748		1.68%	
Cards Numbers (As On Position)	21,765,819		22,316,808		2.53%	
ATMs Cards	919,626		961,603		4.56%	
Credit Cards	1,270,775		1,087,772		-14.40%	
Debit Cards	19,575,418		20,267,433		3.54%	
Smart Cards ³	201,382		202,669		0.64%	
Islamic Credit Cards ³	11,919		11,610		-2.59%	
Registered Users (As On Position)	14,025,024		14,567,463		3.87%	
Internet	1,199,093		1,193,006		-0.51%	
Mobile	1,701,673		1,807,334		6.21%	
Call Centre	11,124,258		11,567,123		3.98%	
Internet Merchant Accounts						
Number of Registered Merchants (Active)	4		4		0.00%	
Registered Merchants Transactions	-	-	-	-	-	-

1.It does not include Microfinance Banks Data

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2.It includes Intraday liquidity Facility (ILF) Transactions

3. Included in Credit Cards

Payment Systems Department
Payment Systems Detailed Statistics
4th Quarter of FY13, (April-June, 2013)

(Number in Thousands & Amount in Million Rupee)

Products\Transactions Type	January-March,2013		April-June,2013 (P)		(Growth %)	
	Number	Amount	Number	Amount	Number	Amount
Paper Based	86,768	25,593,282	90,831	28,269,050	4.68%	10.45%
Cashwithdrawals through Cheques	41,236	3,645,707	41,547	4,013,744	0.75%	10.10%
Transfer through Cheques	24,716	11,866,215	27,871	13,212,681	12.77%	11.35%
Clearing through Cheques	15,751	6,189,915	16,001	6,589,005	1.59%	6.45%
Pay Orders	1,937	1,316,926	2,096	1,594,385	8.24%	21.07%
Demand Drafts	1,768	694,997	1,768	780,176	-0.01%	12.26%
Telegraphic Transfers	409	625,849	405	586,935	-0.97%	-6.22%
Others (Income Tax Vouchers ,Direct Debit etc.)	952.28	1,253,673.48	1,143	1,492,123	20.03%	19.02%
ATM Transactions	51,607	516,338	55,734	557,772	8.00%	8.02%
Cash Withdrawal	49,573	418,953	53,516	452,805	7.96%	8.08%
Cash Deposit	3	23	3	24	0.77%	3.68%
Deposit of Payment Instrument	0	1	0	2	-6.92%	66.50%
Utility Bills Payment	95	251	109	283	14.59%	12.85%
A/c to A/c Funds Transfer	819	39,924	898	43,821	9.73%	9.76%
Third Party A/c to A/c Funds Transfer	1,117	57,186	1,207	60,837	8.04%	6.38%
Internet	2,426	126,304	2,933	144,311	20.90%	14.26%
Payment Through Internet (Excl. Util. Bill Payments)	376	56,981	424	66,691	12.63%	17.04%
Utility Bills Payment	623	1,850	707	2,343	13.37%	26.67%
A/c to A/c Funds Transfer	637	31,002	840	36,013	31.92%	16.16%
3rd Party A/c to A/c Funds Transfer	790	36,471	963	39,264	21.89%	7.66%
Mobile	1,117	7,349	1,319	9,873	18.05%	34.35%
Payment Through Mobile (Excl. Util. Bill Payments)	124	121	123	177	-0.33%	46.31%
Utility Bills Payment	815	696	964	1,008	18.40%	44.87%
A/c to A/c Funds Transfer	109	3,437	125	3,904	14.43%	13.60%
3rd Party A/c to A/c Funds Transfer	70	3,096	106	4,785	52.08%	54.56%
Call Center	158	1,955	157	2,052	-0.88%	4.95%
Payment Through Call Center (Excl. Util. Bill Payments)	49	520	50	531	2.28%	2.06%
Utility Bills Payment	83	286	80	321	-4.16%	11.98%
A/c to A/c Funds Transfer	24	1,025	25	1,108	6.93%	8.09%
3rd Party A/c to A/c Funds Transfer	2	124	2	93	-28.87%	-25.11%
Real Time Online Banking (RTOB)	22,853	7,227,855	22,959	7,068,046	0.47%	-2.21%
Real Time Cash Withdrawals	4,785	423,925	4,911	442,573	2.63%	4.40%
Real Time Cash Deposits	8,245	627,200	8,322	660,874	0.93%	5.37%
Real Time A/c to A/c Funds Transfers	6,513	5,052,161	6,269	4,849,176	-3.74%	-4.02%
Real Time 3rd Party A/c to A/c Funds Transfers	3,310	1,124,570	3,458	1,115,423	4.47%	-0.81%
Points of Sale(POS) Transactions	4,047	21,351	4,386	22,404	8.38%	4.93%
Cross Border Transactions (Net)	35	2,108	(36)	360	-204.28%	-82.90%
ATM Transactions	203	4,428	161	2,808	-20.65%	-36.59%
POS Transactions	(103)	(1,285)	(141)	(1,726)	37.03%	34.32%
Internet Transactions	(65)	(1,035)	(56)	(721)	-14.08%	-30.32%
Debit Card Transactions	57,678	563,729	64,168	604,886	11.25%	7.30%
Credit Card Transactions	3,166	16,374	3,304	18,028	4.35%	10.10%

The data is compiled on the basis of Banks Reporting and It does not Include Microfinance Banks Data.

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