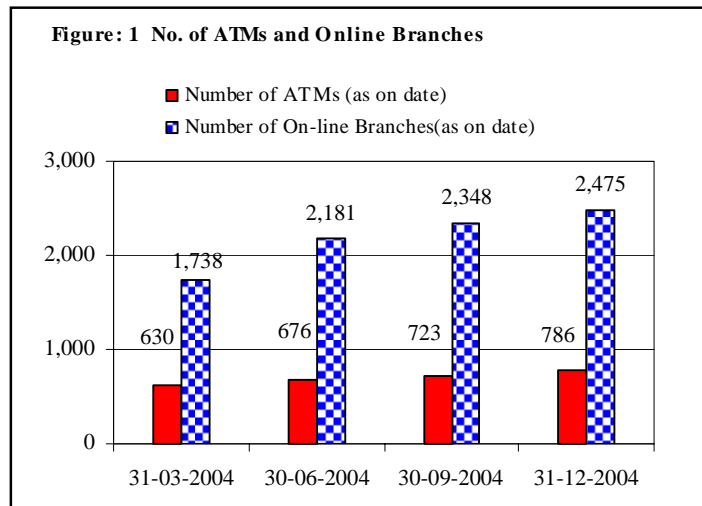


PAYMENT SYSTEMS DEPARTMENT

Status Report on E-Banking in Pakistan Quarter 2, (Oct-Dec) 2004-05

1. ATMs & Online Banking Network

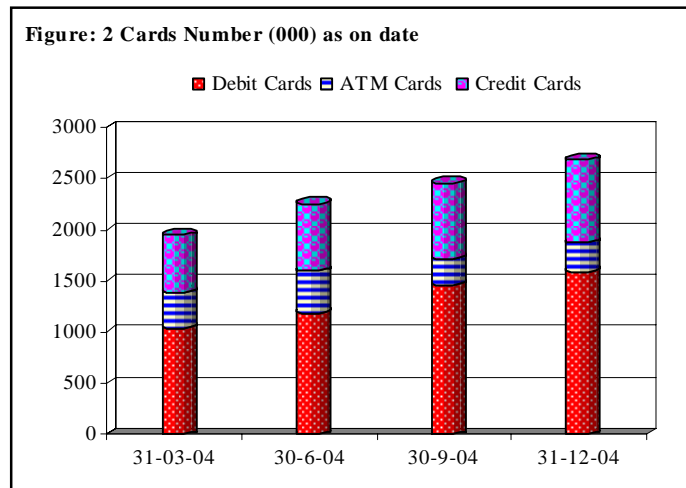
Banks have installed 63 new ATMs in second quarter bringing the total of 110 new installations in the first two quarters of the year. As such the total ATM Network with the growth rate of 9 percent as compared to 7 percent growth in the previous quarter. Cumulative data of the present quarter shows that number of ATMs reached to



the tune of 786 with the installation of 63 new ATMs in the quarter ended on 31-12-2004, as compared to 47 during the previous quarter (**Figure 1**). Similarly the online branch network of the banks expanded by 127 branches during the present quarter as compared to 167 branches in the previous quarter bringing the total of online branch network to 2475 branches. Bank wise position of both ATMs and online branches as on 31-12-2004 is given in the Annexure 1.

2. Number of Cardholders

Number of credit, debit and ATM cardholders increased from 2.45 million to 2.68 million, showing



growth rate of 10 percent as compared to 8 percent of the previous quarter. Total number of credit cards was 729.3 thousand in the previous quarter reached to 808 thousand in the

present quarter showing a growth rate of 11 percent. Similarly number of debit cards increased from the previous quarter figure of 1,469 thousand to 1,596 thousand in the current quarter, showing a growth rate of 9 percent. The ATM cards which can only be used on auto teller machines are now being converted into debit cards. Banks are now introducing ‘SMART’ cards, which would enhance consumer’s confidence in e-commerce (**Figure-2**).

3. ATMs

Currently Auto Teller Machines are used mainly for cash withdrawals, account to account funds transfer and balance inquiry statements.

a. Transactions

Number of cash transactions on ATMs is 7.0 million in the present quarter against the figure of 6.5 million of the previous quarter , thus showing a growth rate of ‘7’ percent, whereas the amount of cash transactions registered 15

percent growth; increased from

Rs.32.6 billion to Rs.37.5 billion in the current quarter (**Figure 3**). Similarly the number of cash transactions on an ATM per day remained 99 during the present quarter as compared to 100 per day in the previous quarter. However, amount of ATM transactions per day per ATM increased from Rs.501 thousand to Rs.530 thousand (**Table: 1**). Amount per transactions was Rs.5 thousand in the previous quarter increased to Rs.5.4 thousand in the current quarter.

b. Funds Transfer

Number of funds transfer, intra bank, account to account, via ATMs was 6,467 in the preceding quarter increased to 9,521 in the present quarter and its value rose from Rs.142 million of the previous quarter to Rs.209 million during the current quarter, both number and value have shown growth rate of 47 percent. As number and amount increased with the same

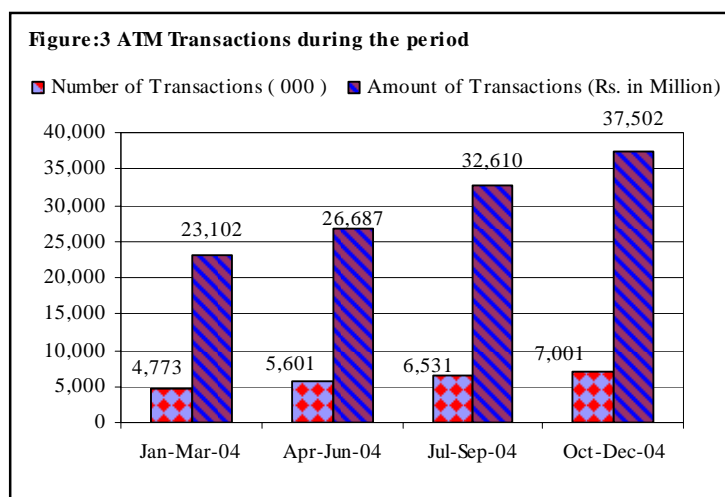


Table: 1 Number and Amount of ATM Transactions Per ATM Per Day				
Description	31-03 04	30-06 04	30-09 04	31-12-04
No. of Transactions	84	92	100	99
Amount of Transactions Rs. In Thousands	407	439	501	530

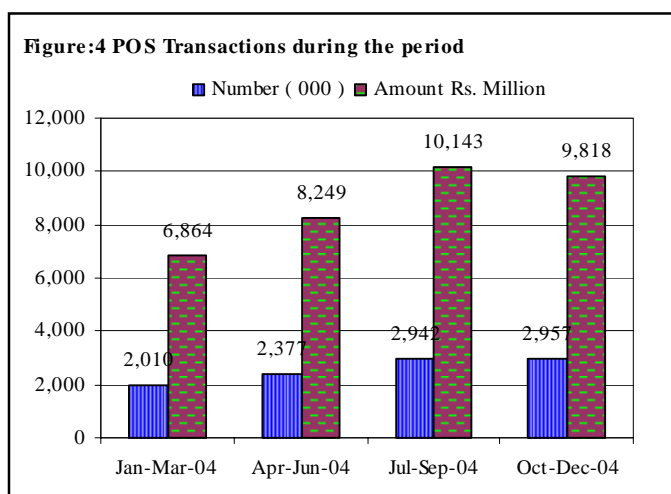
percentage, therefore, the value of funds transfer per transaction remained at Rs.21.95 thousand during the above mentioned quarters.

4. POS (Point of Sale) Transactions

Usage of cards at point of sale is expanding with the passage of time. Number of transactions at POS increased from 2.942 million of the previous quarter to 2.957 million in the current quarter. Amount of the above mentioned transactions was Rs 10.1 billion in the preceding quarter, remained Rs.9.8 billion in the present quarter.

a. Debit Card Transactions

Number of debit card transactions on POS increased from 102 thousand to 135 thousand, growing at the rate of 32 percent while the amount of transactions increased from Rs.148 million to Rs.217 million, shown 47 percent growth during the current quarter as compared to the pervious quarter.



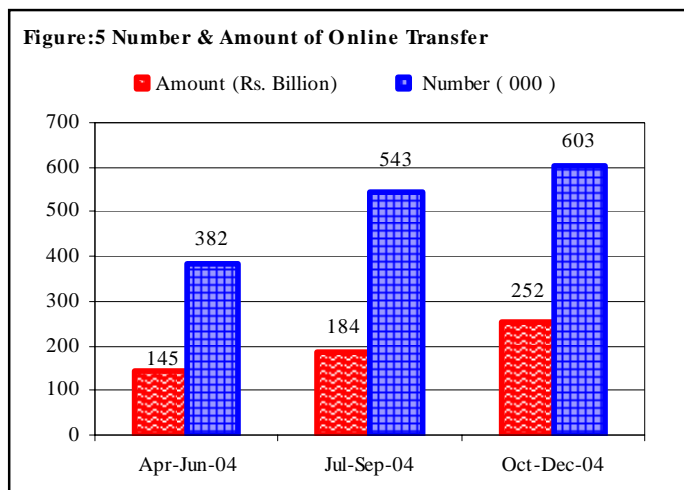
b. Credit Card Transactions

Number of credit card transactions was 2.84 million in the previous quarter which declined to 2.82 million in the current quarter.

The value of transactions remained at Rs.9.6 billion in the present quarter, while it was Rs.10 billion in the preceding quarter.

5. Online Banking

Using online branch network of the banks the number of funds movement, intra bank, account to account, increased from 543



thousand to 603 thousand at the growth rate of 11 percent, while, value of funds transfer increased from Rs.184 billion to Rs.252 billion showing growth of 37 percent. High growth

in the online banking is inline with the growing network of online branches. The growing trend indicates the confidence of consumers on electronic banking. The positive tendency in the e-banking arena is expected to continue with the expansion in network and adoption of best practices. Such developments will eventually enhance the quality of e-products & e-services offered by the commercial banks.

(Muhammed Saleem Rehmani)
Director
18-02-2005