

Payment Systems Review

FISCAL YEAR 2019-20

Payment Systems Department

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Table 1 - Payment Systems Snapshot

Items	As on end June, 2020 ^P	As on end June, 2019
Population (Million) ^{1/}	208.31	204.65
Currency in Circulation ^{2/} (Rs. Trillion)	6.7	5.3
Number of Banks' Accounts ^{3/}	54,731,001	53,923,303
Key Telecom Indicators^{4/}		
Basic Telephony Subscribers (Million)	3	3
Basic Telephony Tele-density %	1.2	1.3
Cellular Subscribers (Million)	167	161
Cellular Tele-density %	78.84	76.76
Broadband Subscribers	83	71
Broadband Penetration Rate %	39.25	33.81
3G/4G Subscribers (Million)	81	69
3G/4G Penetration Rate %	38.25	32.72
Payment Systems Infrastructure		
Number of Banks (and their branches)	44(16,067)	45(15,598)
Commercial/Specialized ^{5/}	33(14,827)	34(14,395)
Microfinance	11(1,240)	11(1,203)
Number of Banks having:		
ATMs	34	33
Point of Sale	9	9
Internet Banking	28	27
Mobile Phone Banking	27	26
Call Center Banking	23	22
CDMs	8	7
Number of PRISM System Participants	50	45
Number of Registered e-Commerce Merchants	1,707	1,362
Total Number of ATMs	15,612	14,722
Number of Cash Deposits Machines (CDMs)	113	65
Total number of Cash Deposits Machines with Cash Withdrawal facility	13	14
Multipurpose ATMs (With Cash & Cheque Deposit & Cash Withdrawal)	35	49
Total Number of POS Machines	49,067	56,911

^{1/} Population figures derived from Pakistan Bureau of Statistics – Gross Domestic Product of Pakistan

^{2/} As on May, 2020 Monthly Statistical Bulletin, SBP

^{3/} As on June, 2019 Monthly Statistical Bulletin, SBP

^{4/} www.PTA.gov.pk As on end-June, 2020

^{5/} Includes overseas branches

1. Overview

State Bank of Pakistan has been working on the forefront when it comes to digitizing the economy; bringing transparency in the payment systems of Pakistan. In recent years, the payment and settlement systems of the country have been significantly changing because of State Bank of Pakistan (SBP)'s efforts to promote digital payments as *an alternative to cash*. New regulations such as regulations for Electronic Money Institutions (EMIs), Security of Digital Payments, Payment Card Security Regulations, Internet Banking Security Regulations, and Guidelines for White Labels ATMs have been issued by SBP in recent years. These steps have been taken with the motivation to bring in innovation in Payments systems with an adequate balance of security and providing a level playing field to all the stakeholders.

It is pertinent to mention that during FY19-20, COVID19 has brought unforeseen challenges, which have drastically affected the global financial industry. SBP, in consultation with stakeholders, has instructed regulated institutions to provide their services seamlessly by reducing the risk of customers' exposure amid the pandemic. The objective of these measures is to reduce the need for visiting bank branches or ATMs and to promote use of digital payment services such as *internet banking, mobile phone banking*, etc. The regulated entities are also advised to increase their cyber-resilience keeping in view the expected increase in the usage of digital financial services and emergence of innovative global cyber-threats amid the COVID-19 pandemic.

In recent years, banking through digital channels has been gaining popularity in the country. These channels offer alternatives resulting in faster delivery of financial services to a wide range of customers. Significant progress has been observed in the usage of Internet Banking and Mobile Banking channels during the last few years, which is evident from the fact that in the last 5 year, the internet banking transactions have seen compound annualized growth of **31%**, whereas mobile banking transactions have grown by **86%** during the said period.

During FY19-20, Pakistan has seen major improvements in the number of transactions through digital means. A major increase was observed in the number of IBFT transactions especially after the start of COVID19 lockdown period, where SBP waived all charges on digital fund transfers. Before the regulatory intervention, the number of interbank fund transfers were recorded at a daily average of approximately 188 thousand, whereas, after the intervention, the number rose to more than **double** on a daily average basis.

In addition, the adequate increase in the financial infrastructure has also been witnessed, whereby number of ATMs has shown continuous growth, with YOY growth of **6.0%**. The number of POS machines, however, have remained stagnant during the last few years. This trend is expected to change due to the regulatory intervention made by SBP vide *PSD Circular No. 1 issued on January 31, 2020*.

A comparative summary of payment systems' transactions is presented in Table 2:

Table 2 - Comparative Summary of Payment Systems' Transactions

(Volume in Million and Value in Rs. Trillion)

Payment Systems	FY19		FY20		Growth (%age)	
	Volume	Value	Volume	Value	Volume	Value
PRISM ⁶	2.5	398.2	2.6	394.3	4.0	(1.0)
e-Banking ⁷	869.8	58.8	905.9	65.9	4.2	12.1
Paper-based ⁸	465.3	145.8	424.6	131.2	(8.7)	(10.0)
Total	1,337.6	602.8	1,333.1	591.4	(0.3)	(1.9)

2. Payment Systems in Pakistan

SBP is the regulator of country's payment systems, and has adopted the roles of overseer, operator, and catalyst to achieve financial stability and enhance public confidence in payment systems. Presently, different types of payment systems are available through different platforms and these can be categorized into two major categories i.e. **Large-Value Payment System** and **Retail Payment Systems**.

2.1 Large-Value Payment System

Large-value payment system of Pakistan i.e. PRISM is owned and operated by SBP. It enables its direct participants to settle their payment obligations in Real Time on Gross basis. The system in addition to its fund transfer functionalities, allows settlement of Government securities trades as well as Multi-lateral Net Settlement Batches processed through Clearinghouse of paper-based instruments, Capital markets transactions (via NCCPL) and settlement of electronic channels clearing via 1Link.

As on June 30, 2020, PRISM system has 50 Direct Participants, which include 33 Banks, 2 Specialized Banks, 5 MFBs, 9 DFIs, and 1 non-bank that is Central Depository Company (CDC). During FY20, PRISM processed 2.6 million transactions amounting to Rs.394.3 trillion. It is important to mention that the number of PRISM participants are higher than the number of Banks because a few of the commercial banks operate separate Islamic windows, and are registered separately as a Direct Participants. Total transactions processed by PRISM system has seen a growth of 4.0% by volume and negligible decline of 1.0% by value on a YOY basis.

In the total volume of PRISM's transactions, the highest share of 83.4% pertains to 3rd Party customers' transfers of which 38.7% pertains to the transactions of home remittances. On the other hand, in the total value of PRISM transactions, Government securities settlement has the highest share of 66.5%, followed by 20.4% share of interbank fund transfers, 9.0% share of 3rd Party fund transfers and

⁶ PRISM transactions include all transactions made in the Real Time Gross Settlement System (RTGS), these include Inter-Bank Fund Transfers, 3rd Party Customer Transfers, Ancillary Payments. Details presented in Figure 1.

⁷ Details discussed in Section 2.2.2

⁸ Include instruments such as Cheques, Demand Drafts, and Pay orders

4.0% of settlement ancillary payments. The volume and value-wise shares are depicted in figure 1 below:

PRISM Transactions – FY20

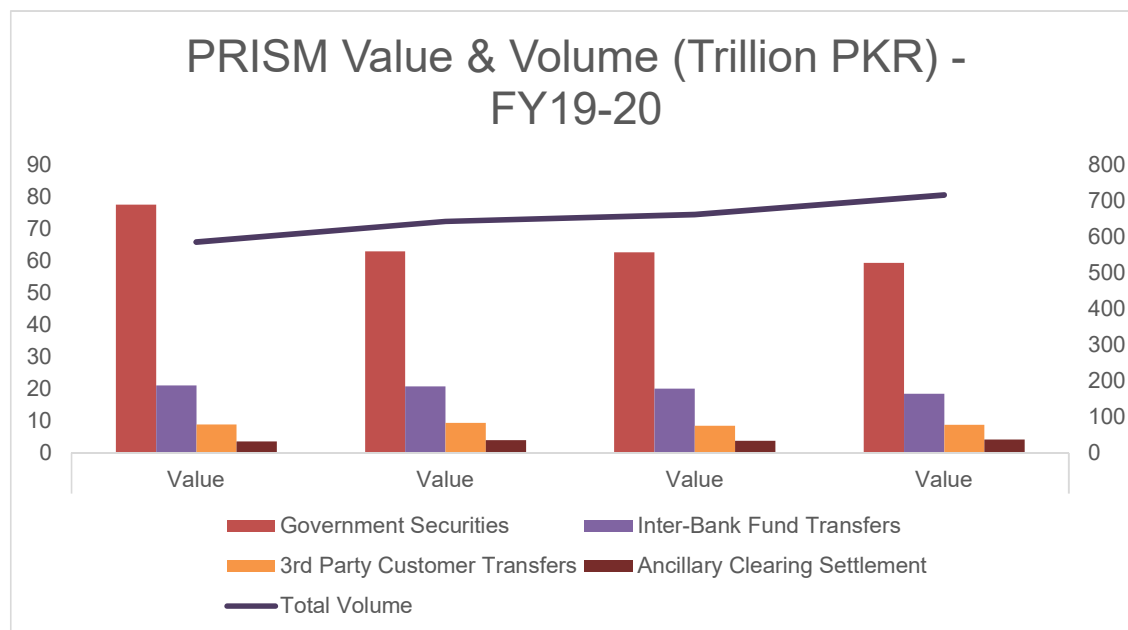


Figure 1 - PRISM Data - Volume and Value

2.2 Retail Payment Systems

Retail Payment Systems (RPS) generally have higher transaction volumes and lower average values compared with large value/wholesale payments systems. Recent developments in retail payment systems provide customers a wide array of choices with greater level of efficiency and safety in their transactions. Further, final settlement of many of these retail systems are settled through PRISM, thus enhancing safety and efficiency of the payment systems in the country. Transactional summary along with details on the retail payment systems of Pakistan are as follows:

2.2.1 E-Banking Infrastructure

As on June 30, 2020, the total number of installed ATMs reached to 15,612 from 14,722 of previous year depicting YoY growth of 6.0%. These ATMs have been installed by 34 banks. Out of these ATMs, 12,759 (81.7%) were On-site ATMs whereas 2,847 (18.2%) were Off-Site ATMs, installed at corporate offices, hospitals, shopping malls etc. Moreover, 6 Mobile ATMs were also operational. Further, there are 113 Cash Deposits Machines (CDMs) with 35 CDMs with dual functionality of cash withdrawals and deposits. All these ATMs are connected with one ATM interoperable Switch i.e. 1Link.

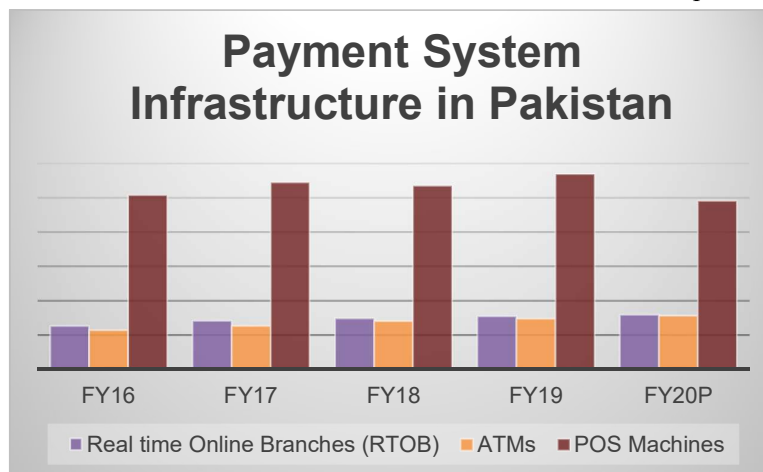


Figure 2 - Banking Payment Infrastructure (5 Year Snapshot)

The number of POS machines, which has remained stagnant during the last few years, has seen a decline during the last year going from 56,911 to 49,067. We see this improving as a result of the regulatory intervention made by SBP vide **PSD Circular No. 1 of 2020**⁹. Further, Internet Banking and Mobile Phone Banking were being offered by 28 and 27 Banks/ Microfinance (MFBs) respectively, and the number of transactions processed through these channels have shown considerable increase and the trend is quite promising.

The number of payment cards issued in Pakistan reached 43.0 million as at June 30, 2020 from 42.2 million as at June 30, 2019. These cards showed YoY growth of **1.9%** compared to previous year. The increase is encouraging as there is sizable increase in debit cards and a declining trend towards ATM only cards, mainly due to SBP mandating **re-carding**¹⁰ of conventional magstripe cards to more secure EMV Chip and Pin compliant cards. Out of these Cards, 62.4% are Debit Cards, 16.2% are ATMs only proprietary Cards, 17.2% are Social Welfare Cards, 3.9% are Credit Cards and remaining were Pre-Paid Cards.

2.2.2 E-Banking Transactions

During FY20, 905.9 million transactions of value Rs.65.9 trillion were processed through retail e-Banking channels. These transactions showed YoY growth of 4.2% and 12.2% in volume and value of transactions respectively compared to previous year. In total e-Banking transactions, RTOBs transactions accounted for the largest share of 82.4% in value of transactions with volume share of

⁹ Accessible at <https://www.sbp.org.pk/psd/2020/C1.htm>

¹⁰ Recarding implies requiring magstripe cards to be updated with EMVCo compliant Chip-based cards

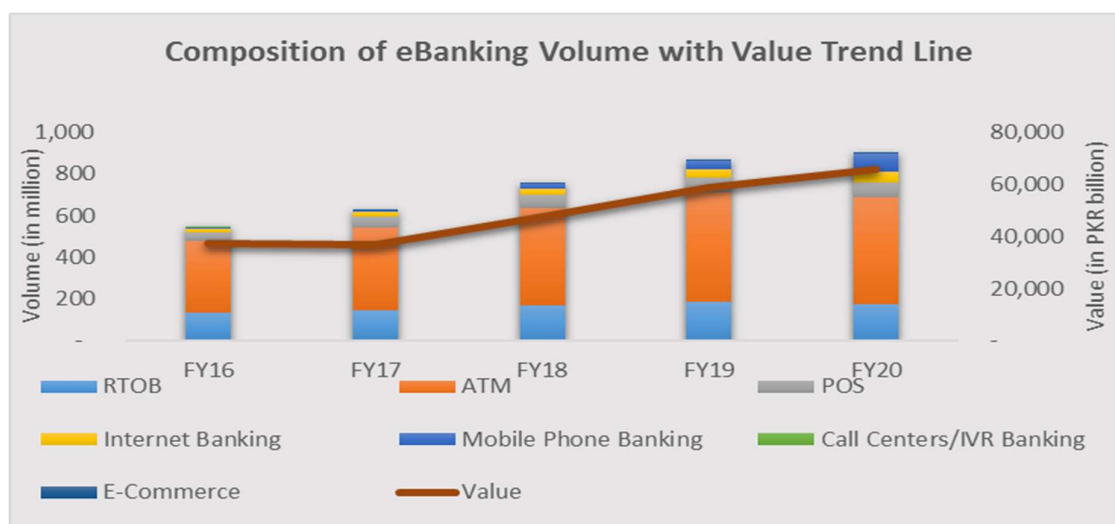


Figure 3 - Composition of eBanking Volume with Value Trend Line

19.2% whereas ATMs has the largest share of 56.5% in volume of transactions with a value share of 9.7%. Real Time Online Branches (RTOB) Transactions

RTOB channel provides online banking facility to all its customers' across all the branch network of the same Bank. During the year under review, this channel processed 173.4 million transactions of Rs.54.4 trillion. These transactions depicted YoY growth of -7.3% and 10.1% in volume and value of transactions respectively.

During FY20, in terms of number of transactions, Cash Deposits transactions has the highest share of 47.5% (92.5 million) in total RTOBs' transactions whereas online funds transfer transactions to other branches have the highest share of 71.8% (Rs.39.1 trillion) in terms of value of total RTOBs transactions.

2.2.2.1 ATM Transactions

Pakistan is one of those countries where cash is still the dominant mode of making payments and performing transactions. Despite the increase in Internet Banking and Mobile Banking channels, and slight decrease in ATM transactions, it is quite easy to understand that ATMs is still the most widely used payment channel across the country, particularly cash withdrawal transactions.

As on end June 2020, total number of ATMs were 15,612 in the country. This accounts for approximately 7.5 ATMs touchpoints for each 100,000 population, which is quite low when compared with other countries in the region including 22 ATMs in India, 9 ATMs in Bangladesh, 14 ATMs in Nepal, and 88 ATMs in Iran per 100,000 population¹¹.

During FY20, these ATMs processed 512.1 million transactions amounting to Rs.6.4 trillion a YoY change of -2.1% by volume and 0.5% by value. During the year under review, the average size of ATM transactions was approximately Rs.12,555 per transaction and 32,801 transactions were processed per ATM, compared with average size of Rs.12,229 per ATM transaction and 35,545 transactions processed

¹¹ Source: <https://www.theglobaleconomy.com/> and figures referred for 2018

per ATM last year. Further, ratio of On-Us versus Off-Us Cash withdrawal was approximately 62:38 by volume and 68:32 by value which shows that customers generally prefer to withdraw cash from their own bank's ATMs.

2.2.2.2 POS Transactions

In Pakistan 5 banks are in the business of open-loop POS acquiring whereas 4 banks are providing close-loop services on POS. The turnover of 70.3 million POS transactions valuing Rs.364.2 billion was recorded in FY20 as compared to 72.4 million transactions valuing Rs.366.2 billion in FY19, showing a YoY declines of 2.9% by volume and 0.5% by value of transactions. POS transactions have 7.8% share in total volume of transactions with value share of 0.6 % showing low uptake of merchant onboarding and insignificant usage of Debit Cards for retail transactions.

The decrease in POS transactions was expected due to the impacts of COVID-19 pandemic, as most of the shops and markets were closed during a long lockdown period. Because of this reason, the total POS transactions registered a slight decline, however, during the first 3 quarters of FY 2019-20 as evident from SBP's Payment Systems Quarterly Review, considerable increase was noted, in both volume and value of POS transactions.

2.2.2.3 Internet Banking Transactions

Banks are offering a variety of financial services through Internet Banking (IB) like Intra-bank & Interbank Fund transfer, scheduled fund transfers, Utility Bills Payments, Mobile Air-time top up, Intra-bank credit card payments, School fee payments etc. As on end June, 2020, 28 banks were offering Internet Banking and there were 3.9 million registered Internet Banking Users with these banks. During the year FY20, this channel processed 56.6 million transactions amounting to Rs.2.9 trillion. These transactions showed a YoY growth of 42.6% and 71.4% respectively. In the total Internet Banking transactions, the share of Intra-Bank Funds transfers transactions is 39.4% (22.3 million) and 40.9% (Rs.1,208.5 billion) in volume and value of transactions respectively whereas the share of Inter-Bank Funds transfers transactions in volume and value of transactions is 31.3% (17.7 million) and 34.7% (Rs.1,024.2 billion) respectively.

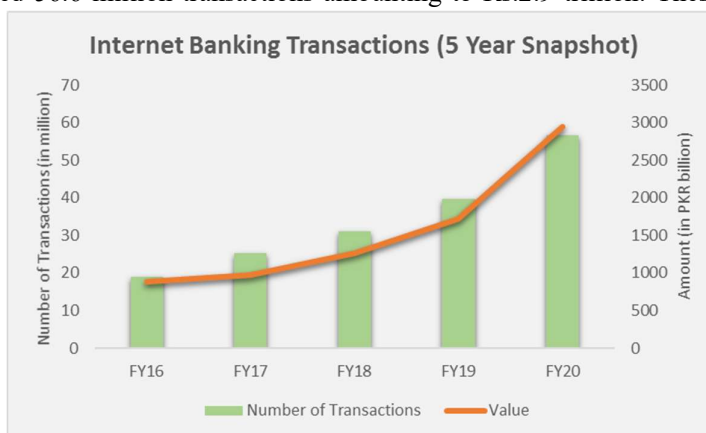


Figure 4 - Internet Banking Transaction (5 Year Snapshot)

Utility Bills Payments contributed 23.9% (13.5 million) in volume and 5.1% (Rs. 150.1 billion) in value of transactions and the residuals shares is contributed by other miscellaneous payments including school/ university fees submission, mutual funds payments, credit cards payment etc. The growth witnessed during the last few years in Internet Banking channel is quite encouraging, which was especially observed during the COVID-19 pandemic. It can easily be inferred that the use of internet banking service has gauged substantial traction during the last fiscal year.

2.2.2.4 Mobile Banking Transactions

Mobile Phone/ App based Banking is being offered by 27 Banks/ MFBs to 8.4 million registered users as of end-June, 2020. This Channel processed 82.8 million transactions worth Rs.1.7 Trillion during FY20 showing a YoY growth of almost double the volume and value. The trend showed a growth of 101.5% and 103.5% in volume and value of transactions respectively.

Intra-bank and Inter-bank fund transfer were the main contributors in total Mobile Phone Banking transactions. Intra-bank fund transfers contributed 24.4% (20.2 million) transactions by volume and 41.4% (Rs.730.2 billion) transactions by value. Interbank fund transfers contributed 28.0% (23.2 million) transactions by volume and 43.4% (Rs.765.4 billion) transactions by value.

Utility Bills Payments had the volume of 41.5% (34.4 million)

transactions and 2.5% (Rs.43.5 billion) transactions by value within overall Mobile Banking volume and value transactions respectively and insignificant residual share is contributed by miscellaneous payment using mobile phone app. The channel depicted growing trend of transactions. During the year, FY20, it showed a significant growth compared to the previous years, as is evident from the trend shown in figure no. 5.

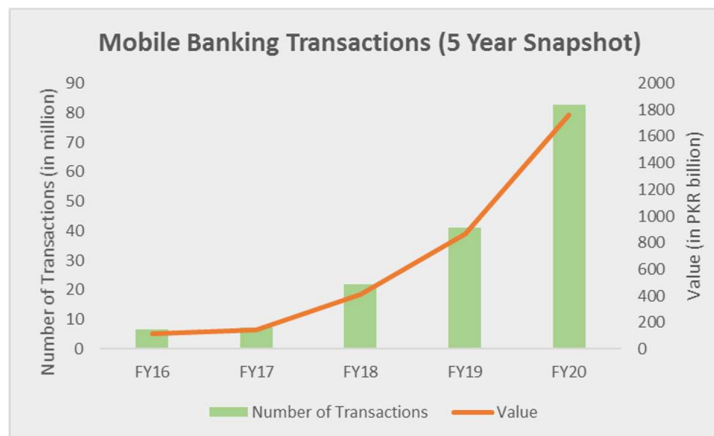


Figure 5 - Mobile Banking Transactions (5 Year Snapshot)

It is quite evident that Mobile Banking transactions has been the preferred source of conducting transactions and making payments by the consumers, just because of the fact that the channel has observed more than double increase in terms of both volume and value, during the year under review.

2.2.2.5 Call Center/ IVR Banking Transactions

During the year FY20, Call Centers/ IVR Banking Channel processed 0.2 million transactions amounting to Rs. 9.3 billion. This channel facilitates Intra and Inter-Bank Funds transfers, Utilities Bill Payments. As on end-June 2020, there were 32.2 million Call Centers/IVR Banking Channel registered users with Banks.

2.2.2.6 Payment Cards acceptance on E-Commerce Gateways

There were 1,707 locally registered e-Commerce Merchants having their merchant accounts in 6 banks as of end-June, 2020 compared to 1,362 last year, showing limited boarding of e-Commerce merchants in the country. In Pakistan, International Payment Gateway Services (IPGs) are being provided by 4 banks, whereas 2 microfinance banks were also working as merchant aggregators and are providing e-commerce gateway to their clients while leveraging on 4 IPGs in Pakistan. Consumers carried out 10.2 million online transactions of worth Rs.34.9 billion on these locally registered e-Commerce Merchants during the year FY20. These transactions showed a significant YoY growth of 78.9% and 33.7% by volume and value respectively.

In addition to the above, domestically issued Debit, Credit and Pre-paid cards collectively processed 17.7 million transactions of Rs.73.7 billion on local and International e-Commerce merchants. In these e-Commerce transactions, a slight shift from the usage of Credit Cards towards Debit cards has been noted as during FY20, Debit cards has taken the lead with the highest share of transactions i.e, 56.5% (10.0 million) and 41.8% (Rs.30.8 billion) in volume and value of transactions respectively.

Despite the economic downturn during the COVID-19 pandemic, it is quite promising that e-commerce transactions during recent years have seen continuous growth, leading to believe that the general consumer is realizing the benefits of paying through cards instead of paying through cash, which includes transparency in payments, no hassle of carrying change, paying any amount direct from account and avoiding unnecessary carrying of cash at all times.

2.2.2.7 Payment Cards Transactions

In Pakistan, payment cards can be categorized as Credit, Debit, Proprietary ATM, Social Welfare and Pre-Paid Cards. As on end-June 2020, there were 42.8 million total cards in circulation. Collectively, these cards processed 595.2 million transactions amounting to Rs.6.7 trillion. Details of Cards is as under:

2.2.2.7.1 Credit Cards

As on end-June, 2020, the number of reported Credit Cards in circulation is 1.7 million. These cards processed 41.2 million transactions of value Rs.237.7 billion during the year FY20. The total volume of Credit Card transactions has 81.2% share on POS transactions and 18.2% share in e-Commerce transactions whereas in term of value, these transactions has 80.9% share of usages on POS, 17.9%

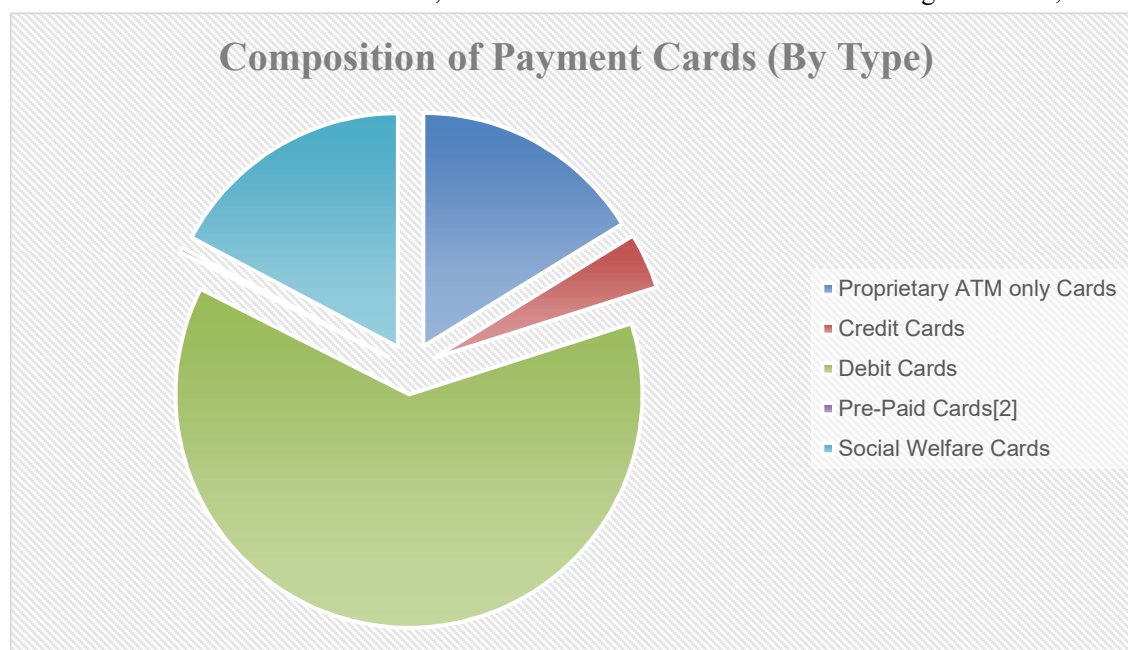


Figure 6 - Payment Card Composition

share of usage for e-Commerce transactions and the residuals share of transactions pertains to ATMs. The average transactions size of Credit Cards is Rs.5,770 whereas, on average, each credit card conducted 25 transactions.

2.2.2.7.2 Debit Cards

As of end-June 2020, the number of reported Debit Cards in circulation is 26.7 million. During the year under review, these cards processed 506.1 million transactions worth Rs.5.9 trillion. These transactions' showed a YoY growth of 4.0% and 4.7% in volume and value of transactions respectively. In the total volume of transactions' processed by Debit Cards, ATMs transactions' have 88.4% share with value share 96.3% whereas POS transactions' has 9.6% share in volume and 3.2% share in value of transactions'. The residual share of Debit Cards is contributed by e-Commerce transactions for online purchases of Card Not Present (CNP) environment. The average transactions size by Debit Cards is Rs.12.888 whereas 16 transactions were processed by a single card.

2.2.2.7.3 Proprietary ATMs only Cards

Proprietary ATMs only cards are issued by the 12 banks for cash withdrawals on ATM. As on end-June 2020, there were 6.9 million ATMs only cards in circulation and these cards processed 45.8 million transaction of value Rs.500.7 billion. These transactions showed a YoY decline of 31.0% and 30.1% by volume and value respectively, mainly due to the fact that the banks are in continuous process of migrating their existing ATM only card portfolio towards EMV Chip and Pin cards.

2.2.2.7.4 Social Welfare Cards

Social welfare cards are issued by the Government of Pakistan or provisional governments to support needy and disasters affected people. As on end-June 2020, there were 7.3 million cards in circulation. During the year FY20, these cards processed 2.2 million transactions worth Rs.9.5 Billion.

2.2.2.7.5 Prepaid Cards

Prepaid cards are being issued by a few banks in Pakistan in order to ensure that customer can enjoy flexibility while paying at merchant locations or at online e-commerce portals. As on end-June 2020, there were 0.13 million cards in circulation. These cards processed 0.6 million transactions worth Rs.3.0 billion during the year FY20.

2.2.3 Paper-based Transactions

Paper currency continues to be an important means of payment. In addition to this, paper-based payment instruments such as Cheques, Pay order, demand drafts etc. are also operational to make payments in the country. Among these paper-based instruments, cheques are the preferred mode of transactions for cash withdrawals, funds transfer and Private/Government payments transactions. During the year under review, 424.6 million transactions of worth Rs.131.2 trillion were carried out using paper-based instruments. These transactions showed a decline of 8.7% in volume of transactions and 10.1 % in value of transactions.

Annexures

Annexure – A - Regulatory Developments in Payment Systems during FY 2019 – 20

The role of Payment systems has been considered vital because it plays a critical role in the financial stability, streamlining the economy and also to promote transparency in the economy. Encouragingly, SBP being a progressive regulator of the payments and financial industry of the country had already adapted a multidimensional approach to promote and develop digital payment systems in the country. Due to the long-term vision, SBP in recent years has taken vital steps which includes promoting and developing interoperable payments infrastructure, issuing enabling regulations especially for retail payment providers and FinTechs, ensuring the trust and security of digital payment channels in the country and promoting new technologies and innovations.

Due to these initiatives, the payment systems in Pakistan has evolved significantly which is helping increasing access and lowering cost of financial services for customers especially through digital channels thereby resulting in enhanced financial inclusion, which is also an important public policy objective of SBP. Key achievements briefly describing the efforts taken by SBP to promote Digital Payments in Pakistan in light of the vision is as follows:

Improving Payments card acceptance in Pakistan

Since last many years, the payment acceptance infrastructure in Pakistan has not gained traction and number of access terminals including POS has remained stagnant. The situation is mainly due asymmetry in the market, whereby the issuers (institutions issuing payment cards to its customers) were the most profitable, leaving less incentive for acquiring institutions (institutions in the business of deploying POS machines) as they were operating at a loss.

Such irregularities in market practice lead to deployment of POS terminals at only high value merchants that too as a value added feature for such merchants. In order to address the challenges in POS acquiring business such as undercutting, rationalizing the card issuers' share and to increase the POS card acceptance infrastructure in the country, State Bank of Pakistan (SBP) intervened through policy interventions on January 31, 2020 which include:

- Mandating floor on the Merchant Discount Rate (MDR) for POS acquiring
- Capping Interchange Reimbursement Fee (IRF) for debit and prepaid cards
- Mandating banks/card issuers to offer SBP approved Domestic Payment Scheme (DPS) Card as the default card at the time of issuance or renewal of debit cards

Standardization of QRs – First step towards achieving QR payments Interoperability

Keeping in view the merchant profile in the country, it is not feasible for many small scale merchants working at small margins to deploy POS machines that have high variable costs. One of the alternative ways to address this situation is to promote acceptance of payments through QR codes.

In line with this thought process, SBP issued standards on QR codes for accepting payments in Pakistan with the aim to ensure interoperability in the longer run and promotion of digital retail payments at low cost. It is expected that this standard will help digitize payments, and provide cost-effective solutions

to Micro, Small and Medium Enterprises (MSMEs) and small merchants to accept payments digitally and help in trade activities.

Simplified onboarding of Merchants

SBP issued Rules for Digital On-boarding of Merchants to facilitate the growth of digital payment acceptance points in the country. The Rules provide the minimum requirements for simplified due diligence process of on-boarding individual and self-employed persons as merchants, services to be offered by these merchants, transaction limits, maximum account balance limits, security measures, dispute resolution mechanism and reporting of data to SBP. These Rules shall facilitate the acquiring institutions to onboard small retail merchants and enable them to accept their payments digitally, thus providing new payment options to the consumers and broadening the financial inclusion base in the country.

National Payment Systems Strategy

SBP, in its vision to develop a robust payment systems, has taken numerous steps in the past few years to modernize the payments industry in Pakistan. To further strengthen the payment systems landscape and to keep pace with the developments and innovations in payment systems globally, SBP through World Bank's Financial Inclusion Support Framework (FISF) program, drafted a comprehensive National Payment Systems Strategy after thorough feedback from all the relevant stakeholders including Government agencies, Regulators, Banking and Financial Industry leaders, Technology Services providers and FinTechs etc.

Governor State Bank of Pakistan (SBP), Dr. Reza Baqir in a ceremony attended by World Bank President Mr. David Malpass, Banks' Presidents, distinguished guests and print and electronic media, launched the National Payment Systems Strategy (NPSS) on November 01, 2019. Since the launch of the NPSS, Governor SBP has been leading industry engagement sessions to drive the digitization of payments in the country. Because of these interactions with industry stakeholders, SBP has already taken several policy initiatives to accelerate digital payment acceptance, facilitate remittances and promote non-banking payment entities and FinTechs in the country. World Bank estimates that by fulfillment of most of the recommendations in the strategy, Pakistan's GDP is expected to boost by 7%, creating 4 million jobs, resulting in \$263 billion in new deposits, representing a potential market of \$36 billion, by 2025.

Diversification of Payment Services in Pakistan – Progress

Electronic Money Institutions

During the past few years, SBP has been proactively issuing regulations to enable the entry of non-banking entities like Telecommunication companies and Payment System Operators in the banking sector especially for providing payment services. Despite these efforts, the pace of adoption of digital payments in the country has not seen widespread growth, as such innovations are mainly bank-led, which proved to be restrictive in terms of cost and service offering. Further, it has been considered that the innovations in payments is not a core competency of the banks.

In order to foster innovations in payments by use of technology, SBP further strengthened the already laid building blocks for payment service providers, by introducing Regulations for Electronic Money Institutions last year. Since then, SBP has received tremendous response from across the world and has subsequently provided a new space to numerous FinTechs operating in Pakistan that were operating as

technology partners for the banks and providing service in light of the banking industry's vision of innovation. These regulations are expected to fill in the gaps in the national payment systems landscape that were not foreseen or acted upon by conventional banking players.

Since the launch of EMI regulations, SBP has processed 6 applications for an EMI license¹², out of which 3 EMIs have started their pilot operations and are on track to launch their operations on a commercial scale, in the coming few months. The rest of the 3 prospective EMI licensee have been given in-principal approval for an EMI license and are soon expected to start their pilot operations as well. It is quite promising to see that many more international and local FinTechs companies have shown their interest for a potential EMI license in Pakistan, with a vision to provide pioneering payment solutions. Such innovations are expected to provide payment services that are not only low cost but also convenient features of access and usage.

Payment Service Operators/Payment Service Providers

In addition to EMIs, SBP has given pilot approval under the rules of PSO/ PSP to a company that by virtue of its business model is Pakistan's first **SBP authorized Payment Initiation Service Provider (PISP)**¹³. The company is currently working to commercially launch their product for the general masses in light of SBP's rules and regulations and are in the pilot phase. We believe that this is one of the major steps taken by SBP in its attempt to broaden the base of financial inclusion in the country by strengthening and providing interoperable payment systems regime.

White Label ATM Operators

In addition, SBP has also allowed a company to commercially launch their White Label ATM services in the country and keeping in view the landscape, they are the first ever White Label ATM operator in the country. It is expected that the White Label ATM operators will not only provide access to financial services in the underserved areas of the country at a cost that will be acceptable to the population but also will be financially viable for the service providers.

SBP through these initiatives is committed towards opening new avenues to non-banking entities in the market, residing both locally and internationally, to expand their business proposition and further diversify the current payment systems products and services in the country, in order to provide flexible options and convenience to the general population.

Strengthening the Payments Processing Infrastructure in Pakistan

The Micro Payment Gateway (MPG) is an initiative to achieve SBP's strategic goal to develop modern and robust payment systems. In the context of Pakistan's financial industry MPG is designed to be a state-of-the-art, fool-proof and secure payment gateway, featuring advanced functionalities such as

¹² Accessible at <https://www.sbp.org.pk/PS/PDF/List-of-EMIs.pdf>

¹³ A PISP is a service provider who can initiate a payment transaction on behave of the customer, meaning they are able to withdraw the money directly from your account if you have given, you're consent. If you have more than one account, you can choose which account the money will be deducted from.

instant/near real-time payments, alias based payments, bulk payments and Request-to-Pay (RTP) via onboarding participants using Application Programming Interfaces (APIs).

SBP in collaboration with international partners, experts and vendors has accomplished the hard part of the project by ensuring deployment of the state-of-the-art infrastructure to build and operate the gateway. SBP is in the final stages of going live with MPG and in its first phase has envisioned the MPG as a payment platform with the following 3 major use-cases:

- Bulk Payments including Government to Person (G2P) payments and dividend disbursements. This use-case is expected to go-live by end November, 2020.
- Person to person (P2P) payments, enabling consumers to transfer payments to their family members or friends instantly. The use-case is expected to be live next year.
- Person to merchant (P2M) payments: This use-case will enable individuals to make electronic payments to merchants through alternate means e.g., QR codes. Request to Pay (RTP) transactions would also be covered. The use-case is expected to be live by within the next 2 years.

Measures during COVID19 Pandemic

Waiving Charges for Online Fund Transfers

SBP, in order to facilitate transactions through digital means, has waived all the transactional fees charged by banks against all the inter-bank and intra-bank fund transfers levied by banks through online banking channels. In addition to waiving charges on fund transfers through online banking channels, SBP lead by example and also waived charges against all customer transfers performed through SBP operated RTGS system.

Further, to enable easy on-boarding of customers to use online banking channels, SBP waived the requirement of biometric verification to activate internet and mobile banking as per PSD Circular No. 9 of 2018, till further instructions, with the instructions to ensure:

- Customer authentication and verification using appropriate measures
- Safety and security of customer transactions.

Measures to Enhance Cyber Resilience amid COVID 19 Threat

As mentioned earlier, the current COVID-19 pandemic has forced the financial institutions to innovate in their business and operations. These not only increase the exposure to cyber-attacks, but also leave the systems vulnerable to be accessed by unauthorized individuals within the financial institutions' environments. In order to ensure continuity of business and operations, SBP instructed all regulated financial institutions to exercise due diligence and implement stronger and robust cybersecurity measures to counter cyber risks associated with the changing landscape. The steps taken by SBP to increase cyber-resilience are as follows:

Work from Home	Share Threat Information	Educate Staff
a. Least Privilege and Need-to-Know-based Access Control	a. Establish Cyber Threat Intelligence Units (CTI-U) b. Deploy Emergency Response Teams (ERTs)	a. Online training of employees to exercise caution in handling suspicious emails

b. user and device authentication	c. Participate in information-sharing communities	
c. incorporation of encryption and antimalware technologies	d. Subscribe to threat intelligence platforms within the country	
d. network segmentation and tier-based access control		

Facilitation regarding Paper-based Clearing Operations

During the pandemic, the banking industry faced immense pressure to facilitate the financial needs of the customers due to decrease in operational timings and subsequent closure of some of the branches. These steps decreased the number of paper based instruments processing and also increased processing times. In order to provide relief, SBP introduced **Direct Cheque Deposit Facility**, which has reengineered the whole process of clearing of cheques. The facility not only decreased the processing turnaround time but also provided an opportunity to the customers to avail fund transfer facility through SBP operated RTGS. In this facility, the customers instead of going to their account maintaining branch, can present their crossed-cheques to any branch of the paying bank, in order to have immediate transfers of funds to their account. Through these sets of instructions, SBP also allowed banks to provide following services to their customers with the intention of processing paper based instruments without going to branches:

- (i) Doorstep Cheque Collection Facility
- (ii) Drop box Cheque Collection Facility
- (iii) Clearing of scanned image of cheque for priority/corporate customers
- (iv) Image Based Clearing (IBC) functionality

Annexure – B – Statistical Data

The Statistical Data of Payment Systems is appended on following pages:

Table 3 - Payment Systems Infrastructure

(Actual Numbers)

Number of	FY16	FY17	FY18	FY19	FY20 ^P
Bank Branches	13,179	14,293	14,970	15,598	16,067
Real time Online Branches (RTOB)	12,674	14,150	14,850	15,481	15,922
ATMs	11,381	12,689	14,019	14,722	15,612
POS Machines	50,769	54,490	53,511	56,911	49,067
Registered Internet Banking Users	1,958,034	2,347,026	3,113,728	3,278,611	3,983,235
Registered Mobile Phone Banking Users	2,451,420	2,484,044	3,385,889	5,626,137	8,451,997
Registered Call Centers/IVR Banking Users	19,200,005	22,389,113	26,484,765	29,748,743	32,322,973

Table 4 - Payment Cards Composition

(Actual Numbers)

Number of:	FY16	FY17	FY18	FY19	FY20 ^P
Proprietary ATM only Cards	4,798,524	8,043,044	8,586,819	8,485,391	6,943,385
Credit Cards	1,450,095	1,292,136	1,453,867	1,589,120	1,655,030
Debit Cards	27,411,117 ¹⁴	17,857,561	21,712,069	24,831,777	26,698,046
Pre-Paid Cards¹⁵	N/A	315,865	234,098	228,417	134,586
Social Welfare Cards		9,124,363	8,932,140	7,103,294	7,383,380
Total	33,659,736	36,632,969	40,918,993	42,237,999	42,814,427

¹⁴ The number of debit cards include number of Social welfare cards as well

¹⁵ Data of previous period not available

Table 5 - Payment System Transactions (Summary)

(Number in million & Amount in Billion-PKR)

Transaction Type	FY16		FY17		FY18		FY19		FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
PRISM System	0.9	231,710.5	1.1	279,464.4	1.7	361,048.2	2.5	398,168.9	2.6	394,293.0
e-Banking	543.1	37,225.0	625.6	37,061.9	756.2	47,403.7	869.8	58,820.7	905.9	65,987.3
RTOB	135.4	32,339.8	143.6	31,126.4	165.7	39,857.7	187.4	49,430.7	173.7	54,433.2
ATM	342.9	3,682.3	397.7	4,562.2	470.6	5,549.4	523.3	6,399.6	512.1	6,429.4
POS	39.2	199.8	50.5	246.0	63.5	297.0	72.4	366.2	70.3	364.2
Internet Banking	19.0	880.5	25.2	968.7	31.2	1,262.4	39.7	1,722.2	56.6	2,952.7
Mobile Phone Banking	6.6	112.5	7.4	141.4	21.8	409.8	41.1	866.8	82.8	1,763.6
Call Centers/IVR Banking	0.7	10.1	0.3	7.8	0.3	8.7	0.3	9.2	0.2	9.3
E-Commerce	-	-	1.2	9.4	3.4	18.7	5.7	26.1	10.2	34.9
Paper Based¹⁶	339.8	134,410.1	451.8	139,590.6	466.5	150,362.1	465.3	145,853.9	424.6	131,193.8
Total	883.8	403,345.6	1,078.5	456,116.9	1,224.4	558,814.0	1,337.6	602,843.4	1,333.1	591,474.1

¹⁶ In the figures of FY17 the numbers of cash deposit transactions over the counter(OTC) are also added

Table 6 - PRISM System Transactions

(Number in Thousand & Amount in Trillion-PKR)

Transactions Type	FY16		FY17		FY18		FY19		FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Government Securities	65.1	152.8	63.9	189.7	63.5	256.4	62.3	274.9	83.1	262.7
Inter-Bank Fund Transfers	312.2	51.2	271.7	56.5	230.4	65.6	272.0	76.3	290.9	80.4
3 rd Party Customers' Transfers	501.6	15.8	714.8	19.7	1,334.1	24.6	2,091.2	31.4	2,173.8	35.5
Ancillary ¹⁷ Payments Settlement	51.6	11.9	60.4	13.7	61.6	14.5	61.1	15.6	59.0	15.7
Total	930.5	231.7	1,110.8	279.5	1,689.6	361.0	2,486.7	398.2	2,606.9	394.3

Table 7 - Real-Time Online Branches (RTOBs) Transactions¹⁸

(Volume in Million & Value in Billion-PKR)

Transactions Type (Other online branches)	FY16		FY17		FY18		FY19		FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cash Deposits	47.8	4,617.1	65.9	6,652.9	75.9	7,815.8	89.0	9,790.7	82.5	10,906.7
Cash withdrawals	31.4	3,012.7	31.9	2,502.0	34.5	2,927.1	37.1	3,559.5	35.8	4,461.1
Fund transferred	56.1	24,710.0	45.8	21,971.5	55.3	29,114.8	61.3	36,080.4	55.4	39,065.5
Total	135.3	32,339.8	143.6	31,126.4	165.7	39,857.7	187.4	49,430.7	173.7	54,433.2

¹⁷ It includes Settlement of NIFT, NCCPL and 1LINK¹⁸ Transaction within RTOB branches

Table 8 - ATMs Transactions

(Volume in Million & Value in Billion-PKR)

Transactions Type	FY16		FY17		FY18		FY19		FY20 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cash Withdrawal	330.1	3,242.5	375.2	3,880.3	446.7	4,838.3	498.7	5669.0	492.7	5,833.8
Intra Bank Fund Transfers ¹⁹	5.2	170.8	7.6	232.6	9.3	304.6	8.7	340.0	6.3	226.0
Inter Bank Fund Transfers (IBFT) ²⁰	6.1	263.7	9.5	433.1	8.0	380.7	7.4	349.1	6.5	323.3
Utility Bills Payment	1.2	4.5	5.3	10.7	6.2	13.6	7.9	20.5	6.0	19.0
Cash /Deposits of Payment Instruments	0.0	0.1	0.2	5.4	0.3	12.1	0.5	20.2	0.5	27.4
Total	342.7	3,681.6	397.8	4,562.2	470.6	5,549.4	523.3	6398.9	512.1	6,428.8

Table 9 - Internet Banking Transactions

(Volume in Million & Value in Billion-PKR)

Transactions Type	FY16		FY17		FY18		FY19		FY20 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	6.0	310.4	6.6	258.2	7.7	323.8	9.3	437.5	22.3	1,208.5
Inter-Bank Fund Transfers	5.4	222.1	7.5	310.1	10.0	462.1	14.9	767.4	17.7	1,024.2
Utility Bills Payment	5.3	12.3	9.0	18.6	11.0	29.7	12.6	63.7	13.5	150.1
Other Payments through Internet	2.5	336.4	2.1	381.8	2.5	446.8	2.9	453.6	3.2	569.9
Total	19.2	881.1	25.2	968.7	31.2	1,262.4	39.7	1,722.2	56.6	2,952.7

¹⁹ Up till June,2016 It was A/c to A/c transfer

²⁰ Up till June,2016 it was 3rd Party A/c to A/c Transfer

Table 10 - Mobile Phone Banking Transactions

(Volume in Million & Value in Billion-PKR)

Transactions Type	FY16		FY17		FY18		FY19		FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	1.4	48.0	2.1	60.0	5.8	186.2	10.9	364.7	20.2	730.2
Inter-Bank Fund Transfers	2.0	58.8	2.0	69.3	5.0	196.4	9.1	367.2	23.2	765.4
Utility Bills Payment	2.9	2.4	3.1	6.0	10.1	10.5	18.8	20.6	34.4	43.5
Other Payments through Mobile App	0.4	3.2	0.3	6.1	0.9	16.7	2.3	114.4	5.0	224.6
Total	6.6	112.5	7.4	141.4	21.8	409.8	41.1	866.8	82.8	1,763.6

Table 11 - Call Center/ IVR Banking Transactions

(Volume in Million & Value in Billion-PKR)

Transactions Type	FY16		FY17		FY18		FY19		FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	0.1	5.3	0.0	0.4	0.0	0.7	0.0	0.8	0.0	1.4
Inter-Bank Fund Transfers	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Utility Bills Payment	0.3	1.8	0.1	0.6	0.1	0.9	0.1	1.1	0.0	0.5
Other Payments through Call Centers/ IVR Banking	0.3	2.9	0.2	6.6	0.2	7.1	0.2	7.3	0.1	7.4
Total	0.7	10.1	0.3	7.8	0.3	8.7	0.3	9.2	0.2	9.3

Table 12 - Payment Cards vs. Channel Transactions^{2/}

(Volume in Million & Value in Billion-PKR)

Transactions Type	ATM				POS				e-Commerce			
	FY19		FY20 ^P		FY19		FY20 ^P		FY19		FY20 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ATMs only Cards	66.0	715.3	45.7	498.7	0.4	0.9	0.1	1.9	-	-	-	-
Debit Cards	441.1	5,582.0	447.6	5,768.8	48.1	184.3	48.5	193.1	4.2	16.2	10.0	30.8
Credit Cards	0.2	2.1	0.2	3.0	33.6	180.9	33.5	192.2	5.5	34.1	7.5	42.5
Pre-Paid Cards	0.6	3.8	0.4	2.6	0.1	0.1	0.1	0.2	0.4	1.0	0.2	0.3
Social Welfare Cards	6.8	34.9	2.1	9.5	0.9	3.3	0.1	0.2	-	-	-	-
Total	514.6	6,338.1	496.0	6,282.3	83.1	377.7	81.5	386.2	10.0	51.3	17.7	73.7

^{2/} Reported by the Issuers – which is not reconcilable with the acquirers' reporting.

Annexure – C – Statistical Data (5 Quarter data Breakup)

(Volume in Million & Value in Billion-PKR)

Table 13 Payment Systems Transactions–Summary

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
PRISM System	0.6	95,346.4	0.6	111,170.5	0.6	97,020.8	0.7	95,104.9	0.7	90,996.8
E-Banking	233.0	16,942.8	224.3	15,615.1	239.2	17,628.6	236.1	17,467.1	206.5	15,276.5
RTOB	52.5	14,278.6	45.8	13,083.0	48.9	14,731.6	46.8	14,456.9	32.2	12,161.7
ATM	134.3	1,699.4	129.9	1,563.4	135.7	1,658.7	131.6	1,681.8	114.9	1,525.6
POS	19.2	107.7	18.9	92.3	20.5	107.5	19.5	102.5	11.4	61.9
Internet Banking	11.9	546.2	12.2	574.4	13.3	736.0	14.1	748.1	17.0	894.2
Mobile Phone Banking	13.4	300.7	15.2	291.8	17.8	382.5	21.2	467.5	28.6	621.8
Call Centers/ IVR Banking	0.1	2.4	0.1	2.1	0.1	2.1	0.1	3.2	0.1	1.8
E-Commerce	1.7	7.7	2.2	8.1	2.9	10.2	2.8	7.1	2.3	9.4
Paper-Based	113.4	38,123.3	115.4	33,616.3	121.5	35,097.2	109.3	32,616.0	78.5	29,864.3
Total	347.0	150,412.5	340.3	160,401.9	361.3	149,746.6	346.1	145,188.0	285.7	136,137.6

(Volume in thousand & value in Trillion-PKR)

Table 14 PRISM Transactions

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Government Securities	15.3	64.2	19.9	77.6	21.3	62.9	23.2	62.7	18.8	59.4
Inter-Bank Fund Transfers	69.8	17.5	73.5	21.1	78.3	20.8	77.6	20.1	61.5	18.5
3rd Party Customer Transfers	497.4	8.8	477.4	8.9	527.7	9.4	546.3	8.5	622.4	8.8
Ancillary Clearing Settlement	15.2	4.9	14.6	3.6	15.9	4.0	15.0	3.8	13.5	4.2
Total	597.8	95.3	585.4	111.2	643.2	97.0	662.1	95.1	716.2	91.0

(Volume in Million & Value in Billion-PKR)

Table 15 Real-Time Online Branches (RTOBs) Transactions

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cash Deposits	27.5	3,197.5	21.2	2,490.3	24.5	3,118.6	22.5	2,992.0	14.3	2,305.8
Cash Withdrawals	9.0	995.5	8.9	1,061.6	10.0	1,234.2	9.9	1,234.4	7.1	930.9
Intra-Bank Funds Transfers	16.0	10,085.6	15.7	9,531.1	14.5	10,378.8	14.4	10,230.6	10.8	8,925.0
Total	52.5	14,278.6	45.8	13,083.0	48.9	14,731.6	46.8	14,456.9	32.2	12,161.7

(Volume in Million & Value in Billion-PKR)

Table 16 ATM Transactions

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cash withdrawals	128.3	1,496.5	124.6	1,419.1	130.6	1,499.2	126.8	1,533.1	110.7	1,382.4
Intra-Bank Fund Transfer	2.0	105.2	1.7	56.7	1.8	62.8	1.7	60.6	1.1	45.9
Inter-Bank Fund Transfers	1.7	84.6	1.5	74.2	1.7	85.5	1.5	78.4	1.8	85.3
Utilities Bill Payments	2.1	5.8	2.0	7.3	1.5	5.0	1.4	2.6	1.1	3.4
Cash/Instrument Deposits	0.1	7.2	0.1	5.9	0.1	6.1	0.1	7.0	0.1	8.4
Total	134.3	1,699.4	129.9	1,563.4	135.7	1,658.7	131.6	1,681.6	114.9	1,525.6

(Volume in Million & Value in Billion-PKR)

Table 17 Internet Banking Transactions

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	2.5	127.7	4.8	218.8	5.3	302.0	5.9	319.7	6.3	368.0
Inter-Bank Fund Transfers	5.5	287.4	3.5	180.8	4.1	249.3	4.1	251.5	5.9	342.6
Utilities Bill Payments	3.1	21.6	3.1	27.1	3.0	30.6	3.4	55.0	4.0	37.4
Misc. Payment Through Internet Banking	0.8	109.5	0.8	147.6	0.8	154.1	0.8	121.9	0.8	146.3
Total	11.9	546.2	12.2	574.4	13.3	736.0	14.1	748.1	17.0	894.2

(Volume in Million & Value in Billion-PKR)

Table 18 Mobile Banking Transactions

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	3.6	122.7	4.0	122.2	4.9	167.9	5.5	206.1	5.7	234.0
Inter-Bank Fund Transfers	2.9	114.1	3.4	117.2	4.3	154.9	5.5	192.8	10.0	300.5
Utilities Bill Payments	6.1	6.6	6.7	10.9	7.4	8.8	8.7	9.4	11.6	14.4
Misc. Payment Through Mobile Phone Banking	0.8	57.3	1.1	41.6	1.2	50.9	1.4	59.3	1.3	72.8
Total	13.4	300.7	15.2	291.8	17.8	382.5	21.2	467.5	28.6	621.8

(Volume in Thousands & Value in Billion-PKR)

Table 19 Call Center/IVR Banking Transactions

Transactions Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	5.5	0.2	4.8	0.2	5.4	0.3	5.5	0.4	6.6	0.4
Inter-Bank Funds Transfers	0.3	0.0	0.3	0.0	0.3	0.0	0.2	0.0	0.2	0.1
Utilities Bill Payments	13.4	0.2	9.0	0.2	6.2	0.1	5.4	0.1	6.1	0.1
Misc. Payment Through Call	44.4	1.9	40.8	1.7	37.3	1.6	35.5	2.7	36.1	1.3
Total	63.5	2.4	54.9	2.1	49.2	2.1	46.6	3.2	49.1	1.8

(Volume in Million & Value in Billion-PKR)

Table 20 ATM Transactions - By Payment Cards

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ATMs only Cards	15.7	198.2	14.4	150.5	13.0	141.3	10.6	117.0	7.7	90.0
Debit Cards	113.3	1,456.4	110.7	1,376.3	121.3	1,507.4	115.4	1,510.6	100.2	1,374.5
Credit Cards	0.0	0.6	0.1	0.7	0.1	0.8	0.1	0.9	0.1	0.6
Pre-Paid Cards	0.1	0.9	0.1	0.8	0.1	0.7	0.1	0.6	0.1	0.5
Social Welfare Cards	1.2	7.2	1.2	5.4	0.3	1.2	0.4	1.8	0.2	1.1
Total	130.5	1,663.3	126.4	1,533.6	134.8	1,651.3	126.5	1,630.8	108.3	1,466.6

(Volume in Million & Value in Billion-PKR)

Table 21 POS Transactions - By Payment Cards

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^p	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ATMs only Cards	0.1	2.1	0.0	0.5	0.0	0.3	0.0	1.1	-	-
Debit Cards	13.3	51.5	12.5	47.7	13.9	56.4	13.1	53.3	8.3	34.2
Credit Cards	8.5	48.9	8.7	49.8	9.8	56.8	9.1	52.7	5.8	32.9
Pre-Paid Cards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Welfare Cards	0.1	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0
Total	22.0	102.8	21.3	98.0	23.8	113.7	22.3	107.3	14.1	67.2

(Volume in Million & Value in Billion-PKR)

Table 22 E-Commerce Transactions - By Payment Cards

Transaction Type	Quarter-4 FY19		Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Debit Cards	1.3	4.5	2.3	7.1	3.0	9.5	2.7	8.5	2.9	8.4
Credit Cards	1.5	10.2	1.7	10.5	2.3	13.3	2.1	11.7	1.7	8.4
Pre-Paid Cards	0.1	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.1
Total	2.9	14.9	4.0	17.6	5.4	23.0	4.9	20.3	2.9	8.4

Acronyms

ATM	Auto Teller Machine
CDM	Cash Deposits Machine
CNP	Card Not Present
IVR	Interactive Voice Response
MFB	Microfinance Bank
NIFT	National Institutional Facilitation Technologies (Pvt.) Ltd
OTC	Over the Counter
PRISM	Pakistan Real-time Inter-bank Settlement Mechanism
PSD	Payment Systems Department
RTGS	Real-Time Gross Settlement System
RTOB	Real-time online Branches

The Payment Systems Review – FY20 (July 2019 to June 2020) is based on the data reported by Banks/ Microfinance Banks (MFBs)... Difference may exist due to the reason that the data of ATMs and POS based on reporting of the acquiring banks, whereas Card-wise data of same channels is based on the reporting of the card issuing banks. ‘P’ is used for Provisional.

Disclaimer

The statistics and statistical analysis are based on the data received from Commercial Banks and Microfinance Banks. Although a great deal of care has been taken to ensure publication of correct information and data, however, SBP disclaims responsibility for errors and omissions. This Review is being published for the purpose of information and analysis of stakeholders. There may be minor differences due to rounding-off of numbers.

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