



Payment Systems Quarterly

July – September 2020 (Quarter-1, FY21)

Payment Systems Department

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Payment Systems Review for 1st Quarter-FY21 (July – September 2020)

1. Payment Systems Snapshot

Banking through digital channels has been gaining increasing popularity in the country in recent years. These channels are alternatives for faster delivery of banking services to a wide range of customers as also evident from the figures stated below:

The large-value payment system of Pakistan i.e. PRISM owned and operated by SBP, enables the transfer and settlement of high value interbank funds and improves the overall efficiency of the large value payment system. On retail payments side, there are various e-Banking channels like Real Time Online Branches (RTOBs), ATMs, POS, Internet Banking, Mobile Phone Banking, Call Centers/IVR Banking and e-Commerce that facilitate retail value payments.

A brief summary of comparative position of Payment Systems is as under:

(Volume in Million and Value in Rs. Billion)

Payment Systems	Quarter 4 – FY20		Quarter 1– FY21 ^{1P} (Quarter under review)		Percentage Change	
	Volume	Value	Volume	Value	Volume	Value
PRISM	0.7	90,996.8	1.0	92,246.2	36%	1%
e-Banking	206.5	15,276.50	253.7	19,124.4	23%	25%
Paper based	78.5	29,864.30	97.1	36,238.2	24%	21%
Total	285.7	136,137.6	351.8	147,608.8	23%	8%

Table 1 Comparative Summary of Payment Systems

The country's total Payment transactions increased by 23% in volume and 8% in value when compared to the previous quarter. The transaction volume for PRISM increased from 716,000 in the previous quarter to 972,000 in the current quarter showing a growth of 36%. The overall use of e-Banking channels has seen an increase as transactions have witnessed an increase of 23% in volume and 25% in value over the previous quarter. Paper based transactions have also seen an increase from the previous quarters, which can be inferred to easing down of lockdown amid the COVID-19 pandemic.

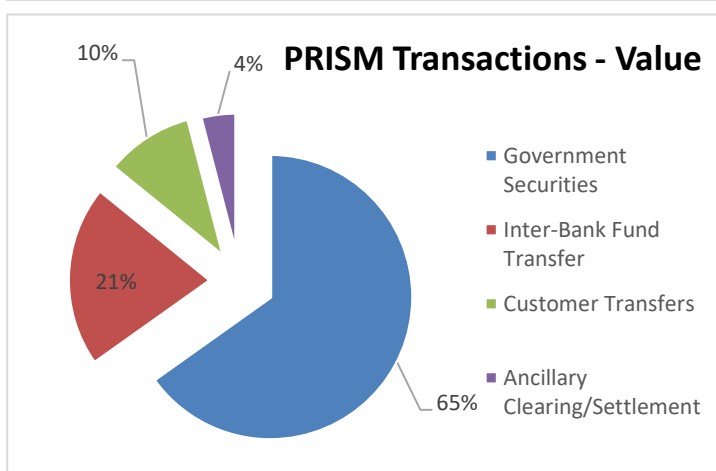
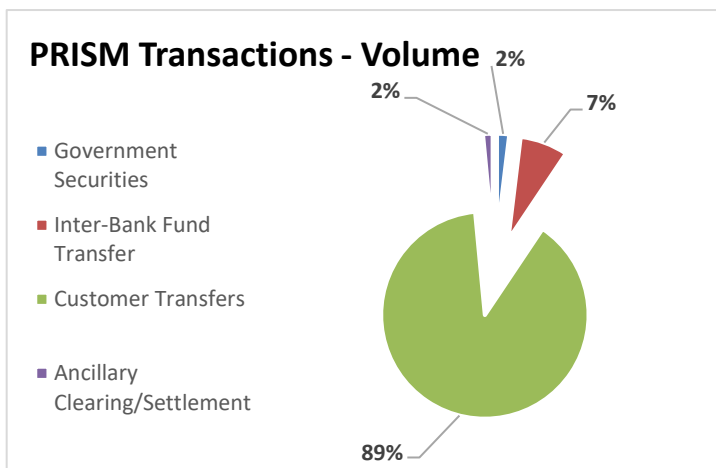
^{1P} is used for provisional

2. Payment Systems Infrastructure

Commercial Banks in Pakistan are expanding their infrastructure for supporting e-Payments due to SBP’s enabling policies. As on quarter-end, 2020, there are 16,121 bank branches reported by the Banks/MFBs. Out of which 108 are overseas branches. All branches, except 35, are providing online banking services to their customers. There are 15,770 ATMs and 52,924 POS machines in the country. Along with these services, banks are also providing banking facilities through Internet, Mobile Phone and Call Center facilities to its customers.

3. Payment Systems Transactions

A. PRISM has 50 Direct Participants, which include Commercial Banks, MFBs, DFIs and Central Depository Company (CDC)². During the quarter under review, PRISM processed 972.5 thousand transactions valuing Rs.92.2 trillion. These transactions showed a quarterly increase of 36% by volume while it showed decrease of 1% by value. In addition to the inter-bank funds transfers (settlement transactions between participating institutions), PRISM has also facilitated customers through its customers’ transfers’ facility which accounts for the largest share of 89% in the total volume of PRISM transactions whereas the government securities transfers’ facility has the largest share of 65% in terms of value of transactions as at end quarter under review.



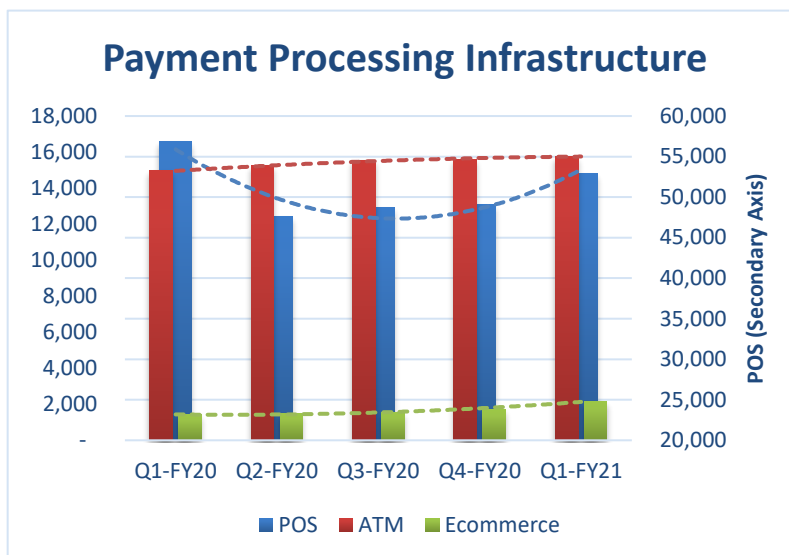
B. During the quarter under review, e-Banking channels i.e. RTOBs, ATM, POS, e-Commerce, Banking through Mobile Phone, Internet and Call Centers altogether processed 253.7 million transactions of value Rs.19.1 trillion. In total number of e-Banking transactions, ATMs have the highest share i.e. 53% in volume of transactions.

²<http://cdcpakistan.com/>

C. The channel-wise summary of these transactions is as under:

i. The RTOBs altogether processed 42.7 million transactions of value Rs.15.5 trillion during Q1FY21.

ii. Banks/MFBs deployed 158 new ATMs, reaching the total number of ATMs in the country to 15,770 at quarter-end. During the quarter, these ATMs collectively processed 134.9 million transactions valuing Rs.1.7 trillion. Despite the availability of other banking facilities on ATM, ATMs still are mostly used for cash withdrawals in the country as evident from the transactional data presented in the later pages. In total, cash withdrawals through ATMs has the highest share of 96% by volume.



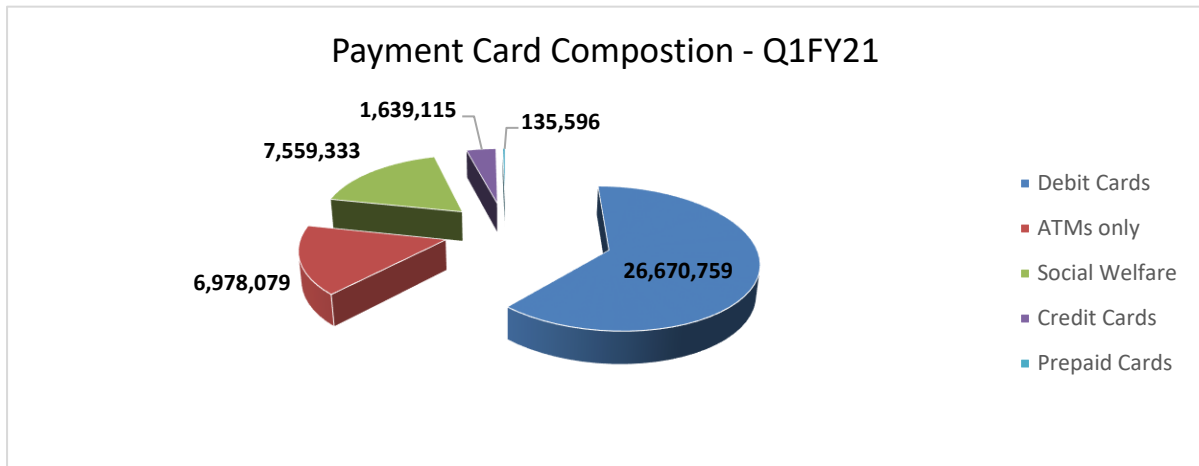
iii. Further, during the quarter under review, the number of POS machines increased to 52,924, accounting for an increase of 8%.

iv. The number of registered Mobile Phone Banking users reached 8.9 million, which is an increase of 6% from last Quarter. The increase in transactions through internet and mobile banking channels have been quite promising, as these channels have provided an easy and round-the-clock alternative to its customers’ during the COVID-19 pandemic to fulfil their daily financial and banking needs. It is expected that the increasing trend will continue in the next quarter, due to the steps taken by State Bank of Pakistan to promote digitization during these difficult times.

v. The call center/IVR banking user-base was reported to be at around 31.8 million. During the quarter under review, Call Centers/ IVR Banking processed Rs.1.9 billion through approximately 45,000 transactions.

vi. As on quarter-end, the number of e-Commerce Merchants registered with banks rose to 2,164, accounting for 27% increase. These merchants processed valuing Rs.11.9 billion during the quarter under review.

D. As on September 30, 2020, the total number of payment cards issued in Pakistan increased to 43.0 million from 42.8 million last quarter.



E. During the quarter under review, 97.1 million transactions of value Rs.36.2 trillion were processed through paper-based instruments.

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

4. Payment Systems Dataset

Table-2: Payment Systems in Pakistan – Snapshot

Details as on September 30, 2020	
Total Population ³	208.31 million
Currency in Circulation ⁴ (in million PKR)	6,422,196
Number of Banks' Accounts ⁵	59,910,511

Payment Systems Infrastructure as on September 30, 2020	
Number of Banks (Branches)	44(16,121)
Commercial/ Specialized Banks Branches	14,938
Microfinance (Branches)	1,183
Number of Real Time Online Branches (RTOBs)	15,978
Number of banks having ATM machines	35
Number of banks having open-looped POS machines	5
Number of banks having closed-looped POS machines	4
Number of banks providing Internet Banking services	27
Number of Banks providing Mobile Phone Banking services	27
Number of Banks providing Call Center Banking services	23
Total Number of PRISM System Participants	50
Total number of ATMs Interoperable Switches	1
Total number of Cash & Cheque Deposits Machines (CDMs)	184
Total number of Cash Deposits Machines with Cash Withdrawal facility	20
Multipurpose ATMs (With Cash & Cheque Deposit & Cash Withdrawal)	15

³<http://www.pbs.gov.pk/content/table-4-gross-domestic-product-pakistan-current-basic-prices> (position as of June 30, 2020)

⁴ As on end September, 2020 Monthly Statistical Bulletin, SBP publication

⁵ As on June, 2020 is used from Monthly Statistical Bulletin, SBP publication

Table-3: Payment Systems Infrastructure – Comparison

(Actual Numbers)

Number of:	Quarter-1 FY20	Quarter-2 FY20	Quarter-3 FY20	Quarter-4 FY20	Quarter-1 FY21 ^P
Commercial Banks	34	33	33	33	33
MFBS	11	11	11	11	11
DFIs	8	8	8	8	8
PRISM Participants	48	50	50	50	50
Banks	33	34	34	34	34
MFBS	5	6	6	6	6
DFIs	9	9	9	9	9
Non-Bank	1	1	1	1	1
All Banks/ MFBS Branches	15,575	16,076	16,069	16,067	16,121
RTOB Branches	15,451	15,930	15,947	15,922	15,978
Manual Branches	34	33	33	33	35
Overseas Branches	90	113	89	112	108
ATMs	14,957	15,252	15,559	15,612	15,770
On-site	12,200	12,446	12,694	12,759	12,906
Off-Site	2,752	2,802	2,859	2,847	2,855
Mobile	5	4	6	6	9
POS Machines	56,824	47,567	48,763	49,067	52,924
Internet Banking Users	3,388,772	3,567,266	3,814,147	3,983,235	4,264,056
Mobile Phone Banking Users	6,354,992	7,358,548	8,188,103	8,451,997	8,963,055
Call Centers/ IVR Banking	30,294,703	31,563,235	32,241,060	32,322,973	31,895,372
E-Commerce Merchants Registered with Banks	1,410	1,481	1,559	1,707	2,164

Table-4: Composition of Payment Cards

(Actual Numbers)

Number of:	Quarter-1 FY20	Quarter-2 FY20	Quarter-3 FY20	Quarter-4 FY20	Quarter-1 FY21 ^P
Debit Cards	25,282,706	26,440,418	26,519,480	26,698,046	26,670,759
ATMs only Cards	8,072,487	7,650,190	7,541,264	6,943,385	6,978,079
Social Welfare Cards	6,867,357	6,180,044	7,365,773	7,383,380	7,559,333
Credit Cards	1,619,343	1,643,903	1,663,286	1,655,030	1,639,115
Pre-Paid Cards	225,261	168,188	139,521	134,586	135,596
Total	42,202,113	42,082,743	43,229,324	42,814,427	42,982,882

Table-5: Payment Systems Transactions–Summary

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
PRISM System	0.6	111,170.5	0.6	97,020.8	0.7	95,104.9	0.7	90,996.8	1.0	92,246.2
E-Banking	224.3	15,615.1	239.2	17,628.6	236.1	17,467.1	206.5	15,276.4	253.7	19,124.4
RTOB	45.8	13,083.0	48.9	14,731.6	46.8	14,456.9	32.2	12,161.7	42.7	15,238.5
ATM	129.9	1,563.4	135.7	1,658.7	131.6	1,681.8	114.9	1,525.6	134.9	1,785.2
POS	18.9	92.3	20.5	107.5	19.5	102.5	11.4	61.9	16.8	92.3
Internet Banking	12.2	574.4	13.3	736.0	14.1	748.1	17.0	894.2	18.9	1,085.9
Mobile Phone Banking	15.2	291.8	17.8	382.5	21.2	467.5	28.6	621.8	36.4	908.7
Call Centers/ IVR Banking	0.1	2.1	0.1	2.1	0.1	3.2	0.1	1.8	0.1	1.9
E-Commerce	2.2	8.1	2.9	10.2	2.8	7.1	2.3	9.4	3.9	11.9
Paper-Based	115.4	33,616.3	121.5	35,097.2	109.3	32,616.0	78.5	29,864.30	97.1	36,238.2
Total	340.3	160,401.9	361.3	149,746.6	346.1	145,188.0	285.7	136,137.6	351.8	147,608.8

Table-6: PRISM Transactions

(Volume in thousand & value in Trillion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Government Securities	19.9	77.6	21.3	62.9	23.2	62.7	18.8	59.4	18.6	60.1
Inter-Bank Fund Transfers	73.5	21.1	78.3	20.8	77.6	20.1	61.5	18.3	72.7	19.1
3rd Party Customer Transfers	477.4	8.9	527.7	9.4	546.3	8.5	622.4	8.8	866.5	9.3
Ancillary Clearing Settlement	14.6	3.6	15.9	4.0	15.0	3.8	13.5	4.2	14.6	3.7
Total	585.4	111.2	643.2	97.0	662.1	95.1	716.2	90.9	972.5	92.2

Table-7: Real-Time Online Branches (RTOBs) Transactions

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cash Deposits	21.2	2,490.3	24.5	3,118.6	22.5	2,992.0	14.3	2,305.8	19.8	3,184.9
Cash Withdrawals	8.9	1,061.6	10.0	1,234.2	9.9	1,234.4	7.1	930.9	9.2	1,311.5
Intra-Bank Funds Transfers	15.7	9,531.1	14.5	10,378.8	14.4	10,230.6	10.8	8,925.0	13.7	10,742.1
Total	45.8	13,083.0	48.9	14,731.6	46.8	14,456.9	32.2	12,161.7	42.7	15,238.5

Table-8: ATM Transactions

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cash withdrawals	124.6	1,419.1	130.6	1,499.2	126.8	1,533.1	110.7	1,382.4	129.8	1,603.8
Intra-Bank Fund Transfer	1.7	56.7	1.8	62.8	1.7	60.6	1.1	45.9	1.6	61.6
Inter-Bank Fund Transfers	1.5	74.2	1.7	85.5	1.5	78.4	1.8	85.3	2.0	102.9
Utilities Bill Payments	2.0	7.3	1.5	5.0	1.4	2.6	1.1	3.4	1.3	7.4
Cash/Instrument Deposits	0.1	5.9	0.1	6.1	0.1	7.0	0.1	8.4	0.1	9.3
Total	129.9	1,563.4	135.7	1,658.7	131.6	1,681.6	114.9	1,525.6	134.9	1,785.1

Table-9: Internet Banking Transactions

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	4.8	218.8	5.3	302.0	5.9	319.7	6.3	368.0	6.5	407.9
Inter-Bank Fund Transfers	3.5	180.8	4.1	249.3	4.1	251.5	5.9	342.6	7.2	447.8
Utilities Bill Payments	3.1	27.1	3.0	30.6	3.4	55.0	4.0	37.4	3.7	63.5
Misc. Payment Through Internet Banking	0.8	147.6	0.8	154.1	0.8	121.9	0.8	146.3	1.5	166.7
Total	12.2	574.4	13.3	736.0	14.1	748.1	17.0	894.2	18.9	1,085.9

Table-10: Mobile Phone Banking Transactions

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	4.0	122.2	4.9	167.9	5.5	206.1	5.7	234.0	7.4	320.1
Inter-Bank Fund Transfers	3.4	117.2	4.3	154.9	5.5	192.8	10.0	300.5	14.2	426.9
Utilities Bill Payments	6.7	10.9	7.4	8.8	8.7	9.4	11.6	14.4	12.9	34.2
Misc. Payment Through Mobile Phone Banking	1.1	41.6	1.2	50.9	1.4	59.3	1.3	72.8	1.9	127.5
Total	15.2	291.8	17.8	382.5	21.2	467.5	28.6	621.8	36.4	908.7

Table-11: Call Center/ IVR Banking Transactions

(Volume in Thousands & Value in Billion-PKR)

Transactions Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Intra-Bank Fund Transfers	4.8	0.2	5.4	0.3	5.5	0.4	6.6	0.4	4.7	0.4
Inter-Bank Funds Transfers	0.3	0.0	0.3	0.0	0.2	0.0	0.2	0.0	0.3	0.0
Utilities Bill Payments	9.0	0.2	6.2	0.1	5.4	0.1	6.1	0.1	7.9	0.1
Misc. Payment Through Call	40.8	1.7	37.3	1.6	35.5	2.7	36.1	1.3	32.3	1.4
Total	54.9	2.1	49.2	2.1	46.6	3.2	49.1	1.8	45.2	1.9

Table-12: ATM Transactions - By Payment Cards

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ATMs only Cards	14.4	150.5	13.0	141.3	10.6	117.0	7.7	90.0	7.7	90.8
Debit Cards	110.7	1,376.3	121.3	1,507.4	120.5	1,560.4	100.2	1,374.5	125.8	1,690.2
Credit Cards	0.1	0.7	0.1	0.8	0.1	0.9	0.1	0.6	0.1	0.8
Pre-Paid Cards	0.1	0.8	0.1	0.7	0.1	0.6	0.1	0.5	0.1	0.5
Social Welfare Cards	1.2	5.4	0.3	1.2	0.4	1.8	0.2	1.1	0.2	0.7
Total	126.4	1,533.6	134.8	1,651.3	131.6	1,680.6	108.3	1,466.6	134.0	1,783.0

Table-13: POS Transactions - By Payment Cards

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ATMs only Cards	0.0	0.5	0.0	0.3	0.0	1.1	-	-	-	-
Debit Cards	12.5	47.7	13.9	56.4	13.1	53.3	8.3	34.2	13.2	53.1
Credit Cards	8.7	49.8	9.8	56.8	9.1	52.7	5.8	32.9	8.1	44.3
Pre-Paid Cards	0.0	0.0	0.0	0.0	0.0	0.0	0.03	0.05	0.03	0.06
Social Welfare Cards	0.0	0.1	0.0	0.1	0.0	0.1	0.01	0.01	0.03	0.51
Total	21.3	98.0	23.8	113.7	22.3	107.3	14.1	67.2	21.3	98.0

Table-14: E-Commerce Transactions by Cards

(Volume in Million & Value in Billion-PKR)

Transaction Type	Quarter-1 FY20		Quarter-2 FY20		Quarter-3 FY20		Quarter-4 FY20		Quarter-1 FY21 ^P	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Debit Cards	1.3	4.4	3.0	9.5	2.7	8.5	2.9	8.4	3.9	11.1
Credit Cards	1.4	9.1	2.3	13.3	2.1	11.7	1.7	8.4	2.2	12.9
Pre-Paid Cards	0.1	0.1	0.1	0.2	0.1	0.1	0.04	0.07	0.04	0.08
Total	2.7	13.5	5.4	23.0	4.9	20.3	4.6	16.9	6.1	24.1

Acronyms

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

The number of Banks, Branches, ATMs, POS, Registered Users and Payment Card figures wherever mentioned in this Review are the position as on end Quarter basis whereas the volume and value of transactions are during the quarter figure. The data of ATMs, POS is reported by the Acquirers whereas Card-wise data of the same channels is reported by the Issuers, due to this difference may exist. P is used for provisional.

Disclaimer

In this Review, the statistics and statistical analysis are based on the data received from Commercial and Microfinance Banks. Although a great deal of care has been taken to ensure publication of correct information and data; This Review is being published for the purpose of information and analysis of stakeholders. Further, there may be minor differences due to rounding-off numbers.

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