

Scope of payment systems increases in first quarter of FY11: SBP Report

The scope of payment systems infrastructure in the country increased during the first quarter (July-September) of the current 2010-2011 fiscal year (FY11) as a total of 99 automated teller machines (ATMs) were added to the e-banking infrastructure bringing the total number of ATMs to 4,562 in the country.

According to State Bank's First Quarterly Report on Payments Systems released today, 60 more bank branches have been upgraded to Real Time Online Branches (RTOBs) while the number of plastic cards (i.e. ATM, Debit and Credit Cards) also increased by 5.23 percent compared to the previous quarter.

The Report said that the value of ATM transactions increased by about 5% to Rs 262,524 million while maintaining the number of transactions at the level of the previous quarter; thus increasing the average value per transaction to Rs. 8,486 compared to Rs. 8,037 in the previous quarter. It said the contribution of other modes of e-banking is also on the rise despite comparatively insignificant numbers and aggregates value of transactions and added that the utility bills payments through available modes (ATMs, internet, mobiles etc) of e-banking transactions are also growing.

According to the Report, the number of cross-border transactions increased by 154 percent in volume and 19 percent in value during the quarter under review. The large value payments settled through Pakistan Real-time Interbank Settlement Mechanism (PRISM), however, decreased by 6.51 percent in volume and 11.35 percent in value of transactions in comparison to the previous quarter. The major portion of PRISM transactions, in terms of value, consisted of securities settlements which accounted for 47 % of the total transactions followed by Interbank Funds Transfers (37%) and Settlement of Retail Cheques Clearing (16%), the Report added.

SBP Report said that the volume and value of paper-based retail payments during the quarter under review were 82.959 million and Rs 35.60 trillion showing a decrease of 9.44 percent in number of transactions and 12.18 percent in value of transactions compared to the previous quarter. The contribution of paper based payments in total retail payment transactions was 61.20 percent in term of volume and 88.45 percent in term of value, it added.

It also pointed out that the volume and value of e-banking transactions during the quarter reached 52.58 million and Rs 4.7 trillion respectively. Its contribution to total retail payment transactions was 38.80 percent in term of volume and 11.55 percent in term of value, the Report added.

It may be mentioned here that safe, efficient and reliable payment systems are vital part and backbone of financial infrastructure of a country which provide the essential base for financial stability. The primary goal of a payment system is to enable fast and risk-free circulation of money in the economy, an essential prerequisite for satisfying timely payment obligations and improve liquidity in the financial markets.

The detailed Report is available at State Bank's website www.sbp.org.pk.
