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Over 800,000 Branchless Banking accounts have been opened: Yaseen Anwar

The Governor, State Bank of Pakistan, Mr. Yaseen Anwar has disclosed that over 800,000 Branchless Banking accounts have so far been opened while the average number of transactions per day is around 180,000 and the average ticket size per transaction stands at Rs 3,700.

Speaking at a Memorandum of Understanding (MoU) signing ceremony held between the State Bank of Pakistan (SBP) and the Pakistan Telecommunication Authority (PTA) at a local hotel in Karachi today, he said that the agent network under Branchless Banking umbrella has exceeded 20,000 agents, who have helped to channelize 50 million financial transactions worth more than Rs 190 billion while the number of bank branches at present is only ten thousand (10,000), he said, adding that these agents outlets/touch points are spread across several cities, towns and smaller villages in Pakistan.

The SBP Governor said that the Branchless Banking has also proved to be an effective instrument in channelizing the Government to Persons (G2P) payments in trying times like serving Internally Displaced Persons (IDPs) and the people affected by devastating floods and rains for the last two years. The Benazir Income Support Program (BISP) beneficiaries are also being served effectively through this mechanism, he said, adding that this channel is expected to continue playing an important role towards promotion of financial inclusion and the management of Government to Person (G2P) programs like salary disbursements, pensions, BISP, Watan Cards, Pakistan Cards and tax collection services, etc. 'The existing Branchless Banking deployments can cater to the needs of over 10 million potential beneficiaries of G2P payments in Pakistan', he added.

Mr. Anwar said the technology has made it possible for banking industry to offer a wide menu of services such as e-Banking, Branchless/Mobile Banking, Electronic Clearing Systems, Electronic Funds Transfer, Smart Cards, plastic cards of various forms etc.

Appreciating the initiatives of Pakistan Telecommunication Authority (PTA) and the Ministry of Information Technology (MOIT) to promote and develop the emerging field of branchless and mobile banking in the country, he said that it is also heartening to note that PTA is also playing an important role by encouraging it's regulatees to play their due part in provision of smooth and efficient Branchless Banking services.

'It should be a matter of great comfort and satisfaction for banking and telecom industries that their respective regulators i.e. SBP and PTA share the vision and working in tandem to provide an enabling regulatory environment for provision of mobile / branchless banking services', SBP Governor added.

Keeping in view the importance of interconnectivity for promotion of Branchless / Mobile banking, he said that SBP and PTA are working very closely in developing an appropriate Regulatory framework for Third Party Solution Provider (TPSP). Currently, a joint regulatory Committee of SBP and PTA is considering issuance of Regulations for TPSP, he said, adding that the core objective of TPSP

Regulations would be to provide an enabling environment for the development of interoperability (interbank) of Mobile Financial Services.

'I would like to acknowledge the concrete steps being undertaken by both the regulators and their concerted efforts towards financial inclusion, which shall have two-fold benefits. For the banks and telecom it would help generate new business opportunities and sustainable revenue streams and for unbanked population, it will bring economic prosperity, help alleviate poverty, create jobs and improve living standards', Mr. Anwar observed.

He said that in order to formalize and further strengthen the cooperation between SBP and PTA, a Memorandum of Understanding (MOU) is being signed today.

He said that In order to fulfill its key responsibility for alleviating poverty and ensuring provision of adequate financial services to the masses, SBP issued its Branchless Banking Regulations in 2008 after thorough deliberations with all the stakeholders. 'These regulations set policy direction and provided the enabling environment for the banking industry to leverage the potential of highly penetrating Telecom sector', he added.

SBP Governor observed that Branchless Banking helps expand the outreach to untapped areas and increase possibilities of product diversification. 'From the users' viewpoint, it's a low cost mechanism for carrying out transactions, more conveniently and efficiently with greater flexibility', he added.

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