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SBP to achieve the desired goal of 'Banking for All': Kazi Abdul Muktadir

The Deputy Governor, State Bank of Pakistan (SBP), Mr. Kazi Abdul Muktadir has expressed his resolve to provide banking services to all segments of the society. Addressing the journalists during his visit to Karachi Press Club this afternoon, he said that with the concerted efforts of all, we will be able to achieve the desired goal of 'Banking for All'.

Emphasizing the need for an efficient and thriving banking system, he said that the State Bank is providing regulatory environment to financial institutions to enhance financial inclusion in the country. 'Providing people with access to finance is a challenging task, not just for the central bank but also for all the stakeholders,' he observed.

State Bank of Pakistan is trying to make the banking services available at the door step of the people, he said and added that promoting access to banking services is the corner stone of SBP's policy framework. He said the State Bank under its Branch Licencing Policy has made it compulsory for banks to open at least 20% of their new branches in rural and under-served areas.

He pointed out that Branchless Banking is helping in reaching out to the low income, unbanked people through more than 30,000 access points throughout the country. Nearly 30 million transactions worth Rs.115 billion have been processed during the fourth quarter of the last fiscal year through branchless banking and the average daily transactions have been reported

at 315,178 while the total number of branchless banking accounts has increased to 1.7 million. According to the World Bank's Consultative Group to Assist the Poor (CGAP), Pakistan is the fastest growing branchless banking market in the world, he added.

Mr. Abdul Muktadir said the banking industry of Pakistan has tremendous growth potential to deliver lot more than what it is delivering right now. 'The significance of e-banking and m-commerce cannot be overemphasized because of the fact that both have brought about remarkable changes in the ways people think and do their banking business today,' he added.

He said that the transformation from traditional to modern ways of banking is taking place at a fast pace. A number of alternate delivery channels for provision of banking services like ATMs, Credit Cards, POS terminals, Internet Banking, Debit Cards already exist in our country to benefit the masses. 'Currently, 93% of the total bank branches are offering Real-Time Online services,' he added.

Mr. Abdul Muktadir said the SBP would ensure that the high level of banking service standards is maintained for the safety, security and cost effectiveness with adequate levels of protection for consumers' interests.

The SBP Deputy Governor, who also inaugurated an ATM at Karachi Press Club, pointed out that the availability of ATMs in Pakistan is quite low as there are only 5600 ATMs in the country. At present, there are about one ATM against two bank branches while in developed countries, there are three ATMs against one bank branch. SBP has recently issued policy instructions to all banks which bind them to expand their ATM network in a phased manner so as to achieve a target level of one ATM for each bank branch. 'Once this target is achieved, we have plans to gradually raise the bar so as to meet the international levels,' he added.

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