

## **Mobile Phone & Smart Card banking accounts surge to nearly 1.45 million: Kazi Abdul Muktadir**

The Deputy Governor, State Bank of Pakistan (SBP), Mr Kazi Abdul Muktadir has disclosed that Mobile Phone and Smart Card banking accounts have surged to nearly 1.45 million in the country, which indicates that Pakistan's financial sector is now going through a dynamic transition led by the latest technology solutions.

Speaking at the launching ceremony of a new product, "Easy Paisa Khushaal" of Tameer Microfinance Bank (TMFB) and Telenor at a local hotel in Karachi this afternoon, he said: 'The existing active players – the Tameer Microfinance Bank (Easypaisa) and UBL (Omni) – have so far registered more than 1,447,381 mobile wallet accounts (mWallet accounts) of un-banked and under-banked population of the country.

(mWallet accounts are opened under Branchless Banking (BB) and include both Mobile Phone and Smart Card accounts.

He said that nearly 30 million BB accounts worth Rs. 115 billion were processed during a single quarter (April-June, 2012) by only two players (TMFB and UBL – Omni).

Mr Abdul Muktadir said that such type of innovations in product designing will not only attract small savings to generate internal funding for Microfinance Banks (MFBs) but also provide savers a feeling of safety and security of insurance embodied with the product. 'Now the time is only of demand-driven innovative products, through which MFBs can easily handle the challenges like scarcity of funding and financial exclusion,' he added.

'With the entry of new players and scaling-up of the existing institutions, the present growth momentum of BB accounts will rise further. Our Tele density also highlights the inherent potential for mobile banking in Pakistan,' he said and added that achievements in the BB services have put Pakistan at the global centre stage of Financial Inclusion and innovation. He said that the World Bank's Consultative Group to Assist the Poor (CGAP), in its recent study has also recognized Pakistan as one of the fastest growing branchless banking market in the World.

He said that the Government and the SBP have been supporting the microfinance sector to reach out to the millions of un-served low-income people of the country. This growth is facilitated by several factors, including an enabling policy framework, institutional reforms, technology initiatives, regulatory flexibility, tax incentives and technical support through different programs and projects, SBP Deputy Governor said.

State Bank of Pakistan has also issued a Strategic Framework for Sustainable Microfinance in Pakistan which mainly focuses promoting use of alternative delivery channels to enhance financial services to people without access to finance which is recognized as one of

the fundamental constraints in achieving sustainable economic growth in many developing countries, he added.

Mr Abdul Muktadir said that SBP has always been very encouraging in promoting innovations in products and delivery channels in order to promote financial inclusion and added that it (SBP) has also launched a 'Financial Innovation Challenge Fund' under its DFID-funded Financial Inclusion Program (FIP) to support innovation in products, and delivery channels in microfinance which will give further impetus to Branchless Banking.

He congratulated the Tameer Microfinance Bank and its key partner Telenor for designing another innovative product and said that it will go a long way in promoting deposit mobilization and motivating other microfinance sector players to move in this direction. 'The State Bank looks forward to the success and positive outcomes of Easypaisa Khushaal and expects more innovative products from TMFB for promoting deposit mobilization and financial inclusion agenda,' SBP Deputy Governor added.

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