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Branchless banking accounts grow by 10 percent

Branchless banking accounts witnessed a growth of 10 percent during April-June 2013 quarter and reached 2.6 million in number. According to the 8th issue of State Bank of Pakistan's Branchless Banking Newsletter for the second quarter of CY 2013, branchless banking providers collectively performed 44.8 million transactions during the quarter valuing Rs. 173 billion, showing 9 percent growth in numbers and 1 percent growth in value. On average, agents performed 497,333 transactions per day with an average transaction size of Rs. 3,870. The number of agents offering branchless banking services surpassed 93,800 as of end of the quarter. However, the observed growth has also been enabled by the growing trend of shared agents.

As per analysis provided in the Newsletter, eighty-three percent of total transactions have been done through over the counter (OTC), whereas only twelve percent transactions were performed through m-wallets. Fund transfer transactions continued to form a major share in numbers and value of OTC transactions, followed by utility bill payments. Both of these types of transactions not only constituted a major share of BB transactions but also represented the prime categories for industry wide growth and earnings.

According to the Newsletter, branchless banking industry in Pakistan is expected to become competitive with the entry of new players. During the last two quarters, three new players i.e. *Mobicash*, *Timepey*, and *HBL Express* have initiated BB operations whereas U-Microfinance Bank commenced its branchless banking operations under the brand name *U-Paisa* in August 2013 as well. Further expansion in the market is also expected in the coming quarters, since a few other banks, which are currently in the pilot phase, are preparing to launch their BB operations.

The Branchless Banking Newsletter is accessible at:

<http://www.sbp.org.pk/publications/acd/branchless.htm>

<http://www.sbp.org.pk/publications/ACD/BranchlessBanking-Apr-Jun-2013.pdf>