

## **Mobile Money is a viable channel for masses to access Financial services: Wathra**

Governor State Bank of Pakistan Mr. Ashraf Mahmood Wathra has said that mobile money landscape has proved a viable channel for the un-served and underserved masses to access financial services with minimum know-your-customers (KYC) requirements. He expressed these views while addressing SBP-CGAP-DFID Workshop on Inclusion-Effective Interoperability held today at a local hotel in Karachi.

Wathra encouraged the industry to develop interoperability solution in the market to catalyze the take up of mobile wallets, increase choices for the customers, and expand the business of banks.

Governor SBP said that our objectives for financial inclusion are not only to reach out to poor people, but also to contribute to banking stability and economic development. ‘In SBP’s vision, ‘Payment System’ and ‘Financial Inclusion’ are mutually-reinforcing, and their linkages are expected to deepen further in future, he said, adding, ‘In line with this vision, digital financial inclusion is going to be the cornerstone of the National Financial Inclusion Strategy (NFIS) that is currently in the stage of formulation.’

Wathra stated that Pakistan mobile phone subscribers are almost 140 million. In contrast, the banking accounts are only 37 million whereas number of borrowers is as low as 6 million. These statistics indicate that there exist a large “financially-excluded” market, facing difficulties in buying goods and services, paying utility bills, borrowing and saving, or investing in their future. Registering this un-served market through mobile wallets should be our key objective.

It is encouraging to see that the branchless banking sector is proving to be a driving force to penetrate into the unbanked geographies with an agent network of 168,000 agents, 4.2 million m-wallets and Rs. 1,063 Billion worth of transactions for the last year. Despite the rapid growth, the BB industry has however not been able to register mobile wallets massively in comparison to the potential market.

A robust environment of interoperability in branchless banking shall benefit all participants in the Payments ecosystem. End users, including consumers, merchants, governments, and other types of enterprises would find it easier to make and accept payments. Providers to these end users, including banks, networks and other service providers shall capitalize on each other’s strengths in interoperable systems that they may not be able to achieve with closed loop (or non-interoperable) systems.

Governor State Bank of Pakistan thanked the team of experts of Consultative Group to Assist Poor (CGAP) for supporting the industry through sharing their global knowledge on interoperability. The speakers included Kabir Kumar, Senior Financial Sector Specialist, Michel Hanouch, Financial Sector Specialist, and Brian Le Sar and Director Bankable Frontier Associates who shared a global research on interoperability frameworks for branchless banking at this occasion.

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Governor State Bank of Pakistan Mr. Asharf Mahmood Wathra addressing participants of the workshop on Inclusion-Effective Interoperability at a local hotel in Karachi. Also seen in the picture (from left to right) are Mr. Kabir Kumar, Senior Financial Sector Specialist; Mr. Stephen Rasmussen Manager, Technology and Business Model Innovation; Mr. Saeed Ahmad, Deputy Governor State Bank of Pakistan and Syed Samar Hasnain, Executive Director State.

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Governor State Bank of Pakistan Mr. Asharf Mahmood Wathra addressing participants of the workshop on Inclusion-Effective Interoperability at a local hotel in Karachi.

DSC 8879

Governor State Bank of Pakistan Mr. Asharf Mahmood Wathra addressing participants of the workshop on Inclusion-Effective Interoperability at a local hotel in Karachi. Also seen in the picture from (left to right) are Mr. Stephen Rasmussen Manager, Technology and Business Model Innovation; Mr. Saeed Ahmad, Deputy Governor State Bank of Pakistan and Syed Samar Hasnain, Executive Director State.

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