

Q2 CY14: Mobile Wallets reach 4.2 million

The number of mobile wallets has reached to 4.2 million by the end of the quarter April- June 2014, registering an increase of 11%. The mobile wallets are banking accounts which are being opened largely by the previously unbanked population at their nearby shops which are working as branchless banking agents.

Overall, number of Branchless banking (BB) transactions grew to 71.1 million valuing Rs 326.1 billion during the quarter, 4% higher in volume and 17% higher in value in comparison to the previous quarter. Average size of transaction stood at only Rs 4,581, according to State Bank of Pakistan (SBP)'s latest Branchless Banking Newsletter.

The volume and average size of BB transactions is a key indicator measuring access to finance by the unbanked population in the country. The continuous growth of BB transactions reflects interest and confidence of common man in this innovative banking service. Currently, eight BB players with country-wide presence of easy-to-access service delivery channels are offering an array of services including bill payments, money transfers, Government-to-persons (G2P) payments, loan repayments, and mobile top ups.

The combined agent network of BB players has increased to 168,615 agents, registering 14% growth over the last quarter. While recent growth in agent network is owed to agent-sharing arrangements among the players, the number of distinct agents is estimated to be around 80,000.

According to the newsletter, G2P payments worth Rs 16.9 billion were disbursed via BB channels to 5.3 million beneficiaries during April- June 2014 quarter, higher than Rs 15.32 billion disbursed to 4.6 million beneficiaries in the last quarter.

As a result of various initiatives taken by State Bank of Pakistan, branchless banking has been reaching out to all geographic and economic segments of the country. SBP considers that branchless banking would grow further and gradually become a significant part of overall retail banking landscape in Pakistan.

The newsletter covers BB industry events, local and international news, and industry expert interview. Importantly, the newsletter highlights the progress of an important SBP's initiative to engage World Bank for drafting a first-ever National Financial Inclusion Strategy for Pakistan.
