

## **State Bank releases Payment Systems Review**

The State Bank of Pakistan has released Payment Systems Review for the quarter January to March 2014. According to the report, 393 new ATMs were added to the network (*growth rate of 5.1% compared with that in the previous quarter*) bringing the total number to 8,077. ATMs remained the preferred channel for cash withdrawals accounting for 81.2% of the total amount transacted via this mode. Total ATMs transactions constituted a volume share of 63.8% and a value share of 8.1% in total e-banking transactions. Moreover, total transactions carried through ATMs showed an increase of 5.9% in volume and 6.2% in value of transactions compared with that in the previous quarter.

Pakistan Real-time Interbank Settlement Mechanism (PRISM), a large value payment system, showed a mixed trend of transactions settlement over the last five quarters. During the current quarter, total transactions settled in PRISM showed an increase of 10.2% both in volume and value compared with that in the previous quarter and an increase of 28.7% in volume and a decline of 1.6% in value of transactions compared with that in the same quarter of the previous year.

The retail payment system in Pakistan is supported by payments made through branch network or through e-banking channels i.e. ATMs, POS, internet banking, mobile phone banking and call Centres/ IVR. Out of the existing 11,153 total bank branches, 10,601 are providing Real Time Online Banking services. Total RTOB transactions constituted a volume share of 23.9% and a value share of 89.2% in total e-banking transactions. In the composition of RTOBs transactions, the share of cash withdrawals is 21.1% in volume and 6.7% in value of transactions, the share of Interbank Funds Transfer (IBFT) is 42.0% in volume and 83.9% in value of transactions and residual share of transactions pertain to cash deposits.

As of 31<sup>st</sup> March 2014, 24 banks are offering internet banking services, 13 are offering mobile phone banking and 22 are offering call centre/ IVR banking facility to the customers for bill payments, fund transfers and other banking services. During the current quarter, 68 POS machines have been added in the network bringing the total number of POS machines to 33,802.

Internet banking constituted a volume share of 4.4% and a value share of 2.1%, mobile phone banking constituted a volume share of 1.6% and value share of 0.2% and call centers/ IVR banking constituted

volume share of 0.2% and value share of 0.03% in total e-banking transactions. Moreover, total transactions carried through internet banking showed an increase of 15.7% in volume and 7.0% in value of transactions, total transactions carried through POS showed an increase of 7.7% in volume and 10.4% in value, mobile phone banking transactions showed an increase of 14.1% in volume and 13.3% in value of transactions and total transactions carried through call centre/ IVR banking showed a decline of 1% in volume and an increase of 4.1% in value of transactions compared with that in the previous quarter.

In the composition of plastic cards, debit cards have the highest percentage share of over 90.6% followed by credit cards with 5.5% and ATMs Only cards with 3.9% share as of quarter ended 31<sup>st</sup> March, 2014. The total number of plastic cards showed an increase of 8.6 % compared with that in the previous quarter and a growth of 11.7% compared with that in the same quarter of the previous year.

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