



## External Relations Department

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### **STRONG GROWTH IN DIGITAL FINANCIAL TRANSACTIONS IN THE COUNTRY IN Q2 FY2020/21**

The State Bank of Pakistan released its Quarterly Payment System Review (QPSR) for the second quarter, October – December 2020, of the fiscal year 2020-21 today, which shows strong growth in digital financial transactions in the country.

During Q2FY21, 296.7 million e-Banking transactions valuing Rs21.4 trillion were carried out, registering a growth of 24 percent by volume and 22 percent by value, over the same quarter last year. Most of the uptake in e-banking transactions were seen in internet and mobile banking. The volume of mobile banking transactions reached 44 million, (up 147 percent) valuing Rs.1.12 trillion (up 192 percent) compared to 17.8 million transactions valuing 382.5 billion in the same quarter, last year. The number of registered mobile phone banking users reached 9.4 million accounting an increase of 5%. Similarly, 22 million internet banking transactions valuing PKR 1.3 trillion were recorded during this period compared to Rs. 1.1 trillion in the previous quarter.

In response to SBP's measures to incentivize the installation of Point of Sale machines to facilitate digital payments through debit or credit cards, the number of POS machines have shown a notable growth of 18% during Q2FY21, reaching 62,480 installations throughout the country. On these POS machines, 23 million transactions amounting to Rs115 billion were processed during Q2FY21, which shows the positive impact of the market conducive policies adapted by SBP, particularly targeted towards increasing the payment acceptance infrastructure in Pakistan.

Card based transactions on e-commerce portals also increased substantially, with e-commerce merchants processing 5.6 million transactions through payment cards amounting to Rs15 billion compared to 3.9 million valuing 11.9 billion in the first quarter of the current fiscal year, which marks a shift in the behavior of the Pakistani population and also complements Government of Pakistan's efforts to develop a more market friendly landscape toward acceptance of payments by e-commerce merchants.

Total number of payment cards issued in the country stood at 44 million out of which 27.6 million are debit cards and 1.7 million are credit cards. Further, 7.6 million were social welfare cards have been issued by banks on behalf of BISP, EOBI and other government organizations.

In the last few years, Digital payment transactions in Pakistan have shown significant growth, reflecting the favourable impact of the SBP's policies in shifting customer preferences. Expansion in digital payment infrastructure as well as the emergence of new payment aggregators have played a role in this growth. In line with its declared objectives to digitize payment and financial services, SBP will continue promoting digitization in the country and expects the industry to support these efforts, which will increase convenience and financial inclusion for all Pakistanis.

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