



External Relations Department

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Digital Payments continue strong growth trend in Second Quarter of FY22

The State Bank of Pakistan released its second quarterly report of payment systems for the fiscal year 2021-22 today covering the period October – December 2021. The report presents an encouraging picture of the adoption of digital banking in the country.

During the quarter under review, customers' inclination towards use of e-banking continued as it rose to 10.7% in volume and 22.8% in value of transactions on Quarter-on-Quarter (QoQ) basis. E-banking includes transactions conducted via electronic channels including real-time online Branches, ATMs, mobile banking, internet banking, call center banking, POS and e-Commerce. It would be pertinent to note that the growth in e-banking transactions is much steeper relative to paper based transactions, albeit the value of transactions is higher in the case of later. The volume and value of paper based transactions increased by 3.4% and 12.2% respectively. While the volume of e-banking transactions is almost four times higher at 400 million than paper based transactions at 101.4 million, the value of transactions of the former stands at Rs33.4 trillion compared with Rs41.6 trillion paper based transactions.

All around growth in e-banking included expansion in both mobile and internet banking with a double-digit increase in value and volume of transactions during the second quarter. The number of mobile banking transactions amounted to 94 million, while the value reached Rs2.2 trillion, which comes to 18.8% and 35.4% growth respectively on QoQ basis. Meanwhile, number of mobile banking users grew by 5% on QoQ basis, reaching a total of 11.9 million users. The internet banking users reached 6.9 million, conducting 33.8 million transactions, amounting to Rs2.4 trillion, which translate to a strong 13.9% progress in terms of volume and 28% increase in the value of these transactions compared to preceding quarter.

Retail sector also continued its upswing in adoption of digital payments. During the quarter, a total of 31.4 million transactions amounting to Rs178.1 billion were processed via 92,153 Point-of-Sale (POS) terminals. This shows an impressive double-digit QoQ growth of 11.8% by volume and 32.1% by value. Similarly, the number of e-Commerce merchants also increased by 32.6% reaching a total of 3,968. Onboarding of QR merchants largely added to this growth. These merchants processed 13.6 million transactions worth Rs26.7 billion, showing QoQ growth of 7.2% by volume and 19.8% by value.

As of end-December 2022, there were 5.4% more cards than the preceding quarter, reaching 48.6 million cards in circulation which mainly comprised of Debit Cards (63.5%), Social Welfare Cards (22.8%), ATM only Cards (9.9%), Credit Cards (3.6%), and Prepaid Cards (0.3%). During this quarter, paper based transactions showed relatively slower growth of 3.4% in volume and 12.2% in value on QoQ basis. In Large-value (wholesale) payments segment, SBP's Real-time Inter-Bank Settlement Mechanism (PRISM) processed a total of 1.1 million transactions amounting to Rs161.3 trillion, showing QoQ growth of 5.9% in volume and 1.4% in value.



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The detailed report can be accessed from: <https://www.sbp.org.pk/psd/pdf/PS-Review-Q2FY22.pdf>
