Payment Systems Half Yearly Review

January–June, 2011

Payment Systems Department
State Bank of Pakistan
Summary of the Half Yearly Review (January–June 2011)

The payment system infrastructure in Pakistan has maintained an overall growth trend for the second half of FY11. As many as 466 more ATMs were added to the population of ATMs bringing the total number of ATMs in the country to 5,200 while 380 more bank branches were converted into Real Time Online Branches (RTOBs). A total of 7,416 bank branches (78%) are now offering real time online banking out of a total of 9,541 branches in the country. The number of plastic cards at 14 million also registered an increase of 6.2 per cent during the period under review compared to the numbers during the preceding half year. The overall e-Banking transactions in the country both in terms of volume and value also recorded increase during the second half of FY11. The volume of e-banking transactions reached 125.9 million while the value of these transactions aggregated to Rs 12 trillion showing an increase of 15.5 percent and 19.0 percent respectively as compared to the first half of FY11. The ATMs, which are the largest channel of e-Banking transactions, showed 16.5 percent increase in number of transactions and 19.0 percent increase in value raising the share of ATM transactions in total e-Banking transactions to 58.8 percent and 5.4 percent respectively. The number of Real-Time Online Branches (RTOB) transactions grew by 14.7 percent and the value of transactions increased by 18.8 percent compared to first half of FY11. These transactions contributed 31.6 percent in total volume of e-Banking and 93.2 percent in the value of such transactions respectively. The total number of POS terminals at 37,232 depicted a decline of 16 per cent as compared to 44,383 terminals in the first half of FY11. This decline in the number of POS terminals is explained by certain participants business considerations in terms of which investment in ATMs was considered a more viable strategic option in comparison. The volume of POS transactions in the country during the second half of FY11 however, still reached 7.2 million showing an increase of 2.8 percent. The value of POS transactions at Rs. 33.9 billion registered a 4.4 percent decrease as compared to the first half of FY11.

The overall increasing trend was also witnessed in the large value payments settled through Pakistan Real-time Interbank Settlement Mechanism (PRISM), which increased by 14.8 percent in volume and 21.9 percent in terms of value compared to the first half of FY11. The major portion of PRISM transactions, in terms of value was of settlements against securities which accounted for 46 percent of the total transactions followed by Interbank Funds Transfers at 37 percent and settlement of retail cheques through multilateral clearing at 15%.

The volume and value of paper-based retail payments during the second half of FY11 were recorded as 177.3 million and Rs. 84.6 trillion indicating an increase of 3.5 percent in the volume of transactions. The value of transactions at this level increased by 13.3 percent as compared to the first half of FY11. The contribution of paper-based payments in total retail payment transactions was 58.5 percent in terms of volume and 87.5 percent in terms of value.
E-Banking in Pakistan – A snapshot
January - June 2011

Plastic Cards infrastructure
Number of ATM\Debit Cards 12, 631,959
Number of Credit Cards 1,384,814

ATM Transactions
Number of Automated Teller Machines (ATMs) 5,200
Volume of Transactions processed through ATMs 74,068,117
Value of Transactions processed through ATMs Rs. 654,449 Million
Average value of ATMs per Transaction Rs. 8,836

POS Transactions
Number of Points of Sale (POS) 37,232
Volume of Transactions processed through POS 7,241,861
Value of Transactions processed through POS Rs. 33,940 Million

Real Time Online Branches (RTOBs)
Number of Real Time online branches 7,416
Volume of Transactions 39,744,622
Value of Transactions Rs. 11,214 Billion

Mobile Phone Banking
Number of Banks providing mobile Banking facility 11
Volume of Transactions 1,918,034
Value of Transactions Rs. 5,235 Million
Internet Banking
Number of Banks providing Internet Banking facility 23
Volume of Transactions 2,584,717
Value of Transactions Rs. 124,837 Million

Paper-Based Payments
Volume of Transactions 177,335,079
Value of Transactions Rs. 84,610 Billion

Call Centers
Number of Banks providing Call Center facility 21
Volume of Transactions 363,716
Value of Transactions Rs. 3,087 Million

Number of Registered Users
Call Center banking 8,071,483
Mobile banking 933,419
Internet banking 860,105

Pakistan Real time Interbank Settlement Mechanism (PRISM)
Number of Direct Participants 42
Volume of Transactions 176,311
Value of Transactions Rs. 45,505 Billion
E-Banking Graphical Trend Analysis

**e-Banking Transactions**

- Transact volume (000): 84,532, 92,664, 103,866, 109,010, 125,921
- Transact value (Rs. Billion): 7,492, 8,036, 9,299, 10,114, 12,036

**e-Banking Composition (Volume of Transactions):**
- Mobile Banking: 1.5%
- RTOB: 31.6%
- POS: 5.8%
- Internet Banking: 2.1%
- ATM: 58.8%
- Call Centre: <1%

**Call Centre**
- <1%

**e-Banking Composition (Value of Transactions):**
- RTOB: 93.2%
- POS: 5.4%
- Internet Banking: 1%
- Mobile Banking: <1%
- ATM: <1%
- Call Centre: <1%
Discrepancy in data may occur due to rounding of data.

In the Retail Payment systems data, Microfinance Banks data are not included.