FINDEV CYBERLETTER

30TH EDITION

EDITOR'S NOTE

Welcome to Gallup Pakistan's FinDev Cyberletter.

The principal purpose of this Cyberletter is to inform its readers of the latest developments in the financial industry across the globe, particularly in the realms of Financial Inclusion and Digital Financial Services (DFS), where efforts are being undertaken by both private and government sectors. This is the 30th monthly issue of the FinDev Cyberletter series. Each issue of the FinDev Cyberletter will focus on a particular theme within the broader area of financial inclusion and related topics. This newsletter is divided into three main sections. The sections are:

1) NEWS ROUNDUP – This section will cover the latest happenings in the financial services industry in Pakistan.

2) INITIATIVES – Constant work is being undertaken by experts, governments and research organizations in order to enhance the understanding of, and to find solutions to the challenges encountered within the financial services industry. This section will aim to cover some of these research initiatives, both locally and internationally.

3) DATA VISUALIZATIONS & STATISTICAL FIGURES - Research backed by data not only increases its credibility but also helps paint an accurate picture of the situation at hand. This section will contain graphical representations of data on various relevant topics

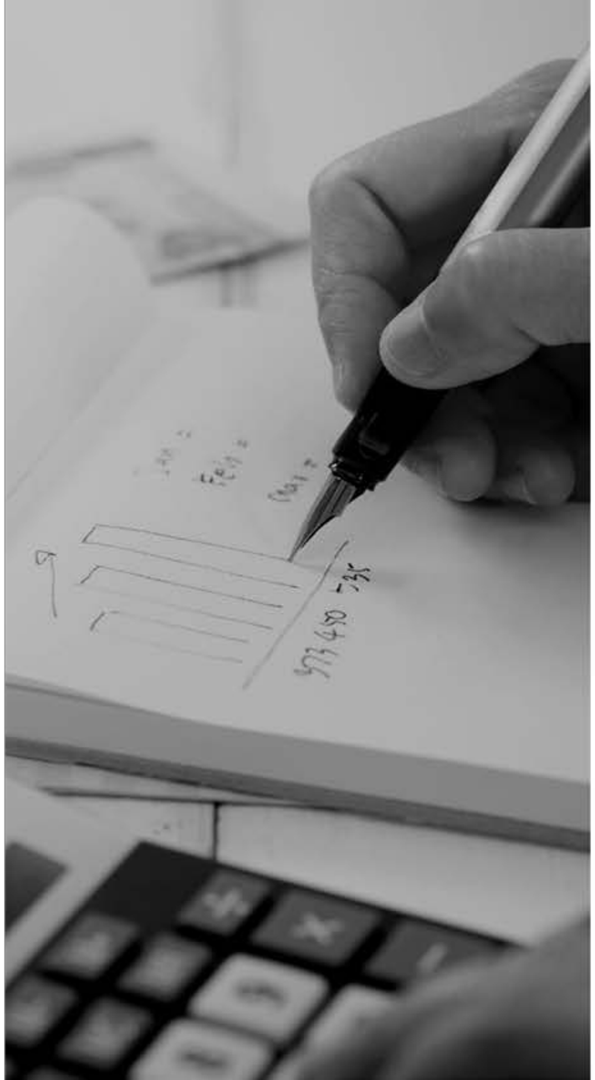
A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original articles have been extracted.

To access the original articles, please click on the link provided at the end of each article. In case of any errors or omissions, we would like to apologize and would be eager to rectify the changes at the earliest. For feedback, comments or questions, feel free to write to us at caf@gallup.com.pk.

Warm Regards,

The Gallup Pakistan Financial Inclusion Team

Led by Bilal I Gilani (Executive Director, Gallup Pakistan)



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HIGHLIGHTS

HBL and Agro Digital partner to promote financial inclusion through Agro-based Development Finance

HBL and Agro Digital have announced a collaboration to ensure a sustainable impact on Pakistan's agriculture sector. Furthermore, through their agreement, they hope to financially empower and uplift Pakistani farmers.

Inclusive Finance in Fragile Countries: Advancing a Vital Agenda

With 80% of the world's poorest expected to be living in fragile countries by 2030, fighting poverty means addressing fragility. This is why fragility has become a priority on the international agenda in recent years, and more so since the COVID-19 pandemic reversed decades of progress in fighting extreme poverty.

Pakistani fintech Dastgyr raises $3.5 million in seed round

Dastgyr, a B2B marketplace based out of Karachi connecting suppliers to mom-and-pop retailers, has raised a $3.5 million seed round led by SOSV. This takes the total capital secured so far to $4m, including the angel round in July 2020.

NEWS ROUNDUP

THIS SECTION COVERS THE LATEST HAPPENINGS FROM THE REALM OF FINANCIAL INCLUSION AND DIGITAL FINANCIAL SERVICES ACROSS THE GLOBE.

Pakistani fintech Dastgyr raises $3.5 million in seed round

By Mutaher Khan

Dastgyr, a B2B marketplace based out of Karachi connecting suppliers to mom-and-pop retailers, has raised a $3.5 million seed round led by SOSV. This takes the total capital secured so far to $4m, including the angel round in July 2020.

With fresh capital in the kitty, the startup wants to mark its entry into the fintech space by offering products to kiryana stores. As per the press release, it aims to connect over two million underserved retailers in Pakistan directly to manufacturers, distributors, and wholesalers to fix what is currently a fragmented supply chain and will deploy this seed funding to launch products for financial inclusion in Q3 2021.

*Source: Published by Dawn, 26th July 2021
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Roshan Digital Account: Scheme connects Pakistani diaspora with national economy: Reza

The Roshan Digital Account has been an achievement of the State Bank of Pakistan (SBP), encompassing 171 countries, 181,556 accounts and $1.5bn worth of deposits, said SBP Governor Dr Reza Baqir. He added the measure was an excellent vehicle to connect 7 to 9 million strong Pakistani diaspora with the national economy, said a press release. The SBP governor said this at a talk on pre-and post-Covid pandemic economic stabilisation role of the State Bank at the Islamabad Policy Research Institute (IPRI) on 1st July.

*Source: Published by Business Recorder, 2nd July 2021
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Rural Agent Networks: An Opportunity for Development Funders

By Alice Nègre, Elizabeth Munee Kiamba

Funders should prioritize the development of agent networks for the delivery of digital financial services (DFS) in rural areas, given the reliance on these networks for a variety of development goals like health, agricultural development and education. This is the conclusion we reached after speaking to funders about the distribution of DFS in rural areas. We found that most funder projects already aim to leverage agent networks as a means of achieving development outcomes. Yet their impact is minimized by the lack of agents in rural areas, and not enough is done to address this gap. More is needed to build viable, sustainable agent networks that serve poor rural customers.

*Source: Published by CGAP, 22nd July 2021
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Inclusive Finance in Fragile Countries: Advancing a Vital Agenda

By Nadine Chehade, Molly Tolzmann, Sabaa Notta

With 80% of the world's poorest expected to be living in fragile countries by 2030, fighting poverty means addressing fragility. This is why fragility has become a priority on the international agenda in recent years, and more so since the COVID-19 pandemic reversed decades of progress in fighting extreme poverty. Yet, recent analysis of CGAP's 2019 Funder Survey shows an aspect of fragility that is hardly being addressed: underdeveloped financial systems and financial exclusion

*Source: Published by CGAP, 20th July 2021
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How Can Financial Services Firms Forge The Right Human-Digital Mix In A Post-Pandemic World?

By Michael Boese

As transformational as the past year has been, we know that some changes are only temporary. Masks won't be here forever, and the world seems to have enough sourdough. But there have been fundamental shifts in markets, and we need to acknowledge these challenges and build resilient plans to adapt.

To help financial services professionals get there, we spoke with key leaders in financial services about three key challenges across the industry. Together, we worked to determine the right strategies for today and in the future.

*Source: Published by Forbes, 2nd July 2021
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Considering Open APIs for Digital Finance? 5 Things You Need to Know

By Michel Hanouch, Mark Boyd

Digital banking, banking-as-a-service, open banking, embedded finance, fintech, modularization. At the heart of this industry innovation is the application programming interface (API). APIs make it easier for a range of businesses, from huge utilities to tiny startups, to integrate digital financial services (DFS) providers' data and capabilities into a wide range of services. These include use cases like school payments, pay-as-you-go solar energy systems, ride-hailing motorcycles and digital savings groups. As the range of use cases grows, low-income customers benefit from greater competition and choice.

*Source: Published by CGAP, 13th July 2021
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INITIATIVES

CONSTANT WORK IS BEING UNDERTAKEN BY EXPERTS AND RESEARCH ORGANIZATIONS TO ENHANCE THE UNDERSTANDING AND FIND SOLUTIONS TO CHALLENGES ENCOUNTERED WITHIN THE FINANCIAL SERVICES INDUSTRY. THIS SECTION COVERS SOME OF THESE RESEARCH FINDINGS.

HBL and Agro Digital partner to promote financial inclusion through Agro-based Development Finance

HBL and Agro Digital (Pvt.) Limited (a Fatima Group company) signed a strategic partnership through an MOU that encompasses jointly exploring various activities that will have a sustainable impact on the agriculture sector whilst uplifting the financial well-being of small farmers in Pakistan.

HBL's Development Finance Group (DFG) is tasked with deepening and widening the agro-ecosystem using innovative technologies and fair-priced financing solutions to augment Pakistan's agriculture value chain under a unique 'Farm-to-Fork' model.

*Source: Published by Global Village Space, 28th July 2021
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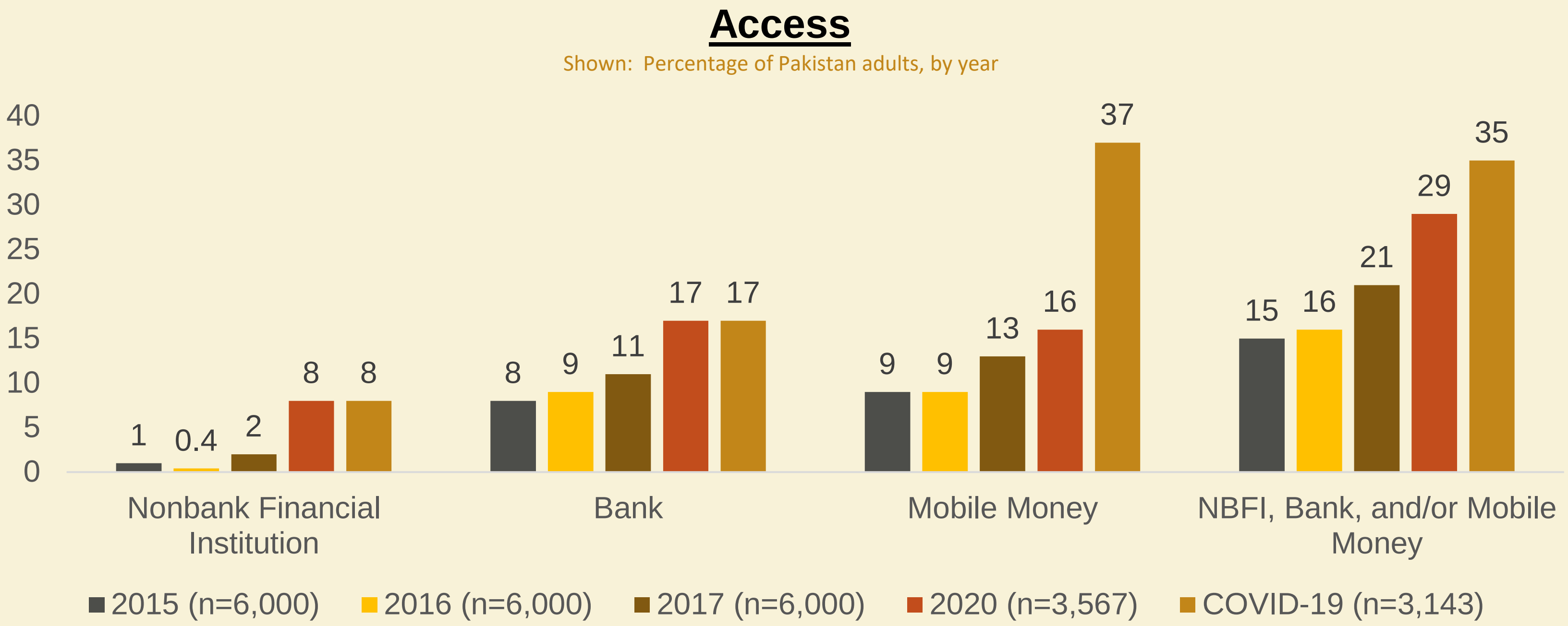
DATA VISUALIZATION

RESEARCH BACKED BY CONCRETE DATA NOT ONLY INCREASES ITS CREDIBILITY BUT ALSO HELPS PAINT AN ACCURATE PICTURE OF A PARTICULAR SITUATION. THIS SECTION CONTAINS GRAPHICAL REPRESENTATIONS ON VARIOUS TOPICS.

IMPACT OF COVID-19: ACCESS TO FINANCIAL SERVICES



*Source: Published by Kantar, Financial Inclusion Insights; COVID-19 Impact Study
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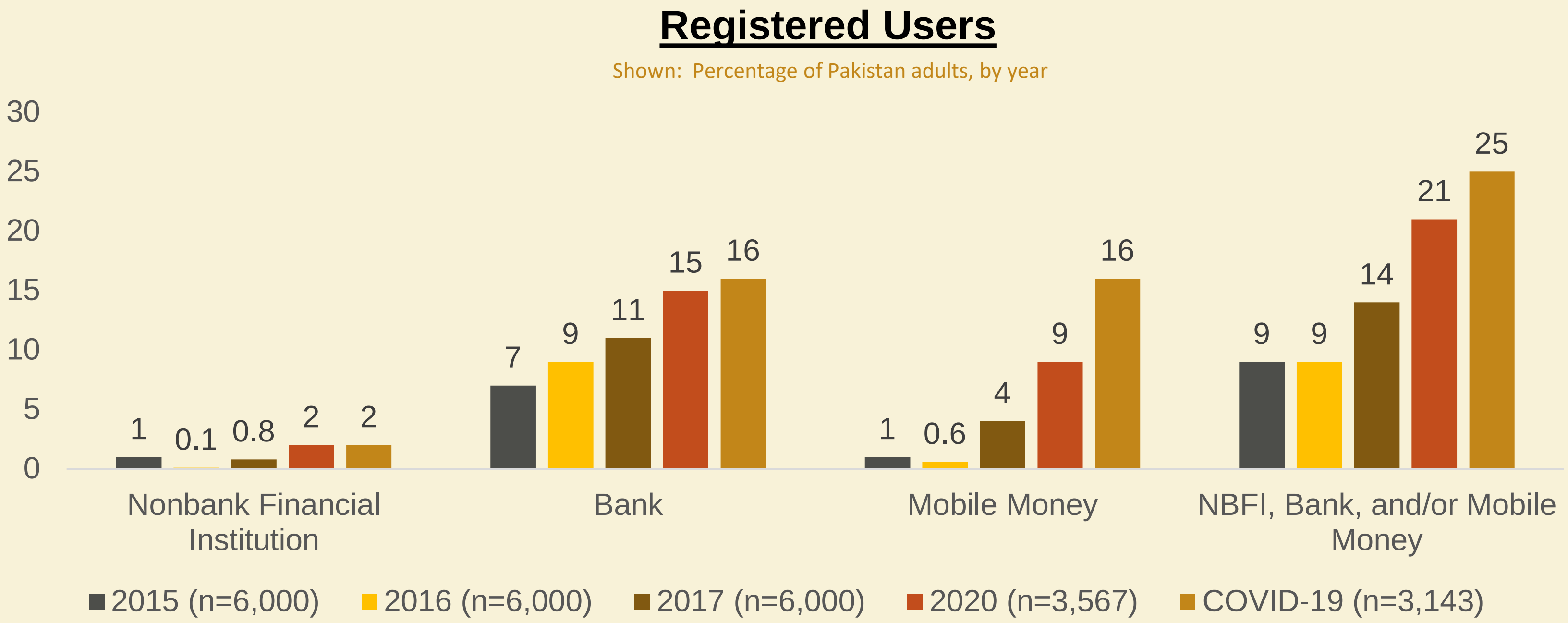
IMPACT OF COVID-19: REGISTERED USERS (FINANCIAL INCLUSION)



*Source: Published by Kantar, Financial Inclusion Insights; COVID-19 Impact Study
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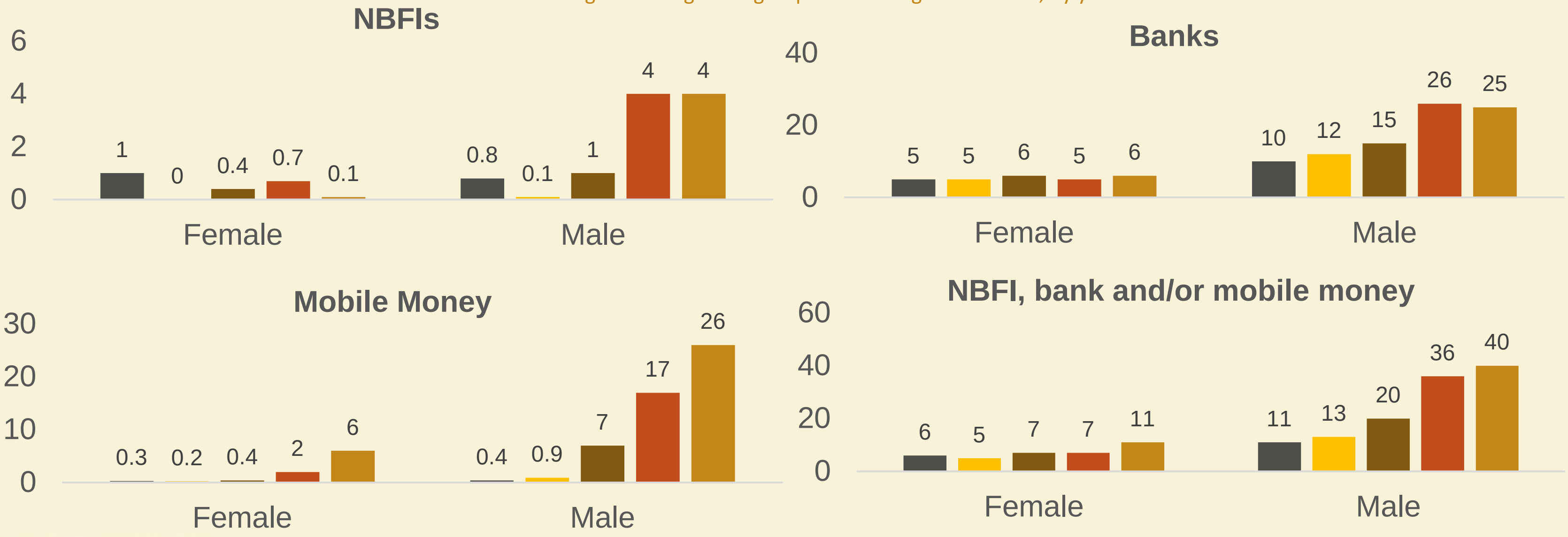
IMPACT OF COVID-19: FINANCIAL INCLUSION BY GENDER

Registered users, by financial institution & gender

Percentage of each gender group who are registered users, by year



2015 (n=6,000) Male (N=3,155); Female (N=2,845)

2016 (n=6,000) Male (N=3,046); Female (N=2,954)

2017 (n=6,000) Male (N=3,134); Female (N=2,866)

2020 (n=3,567) Male (N=1,777); Female (N=1,790)

COVID-19 (n=3,143) Male (N=1,549); Female (N=1,595)

*Source: Published by Kantar, Financial Inclusion Insights; COVID-19 Impact Study

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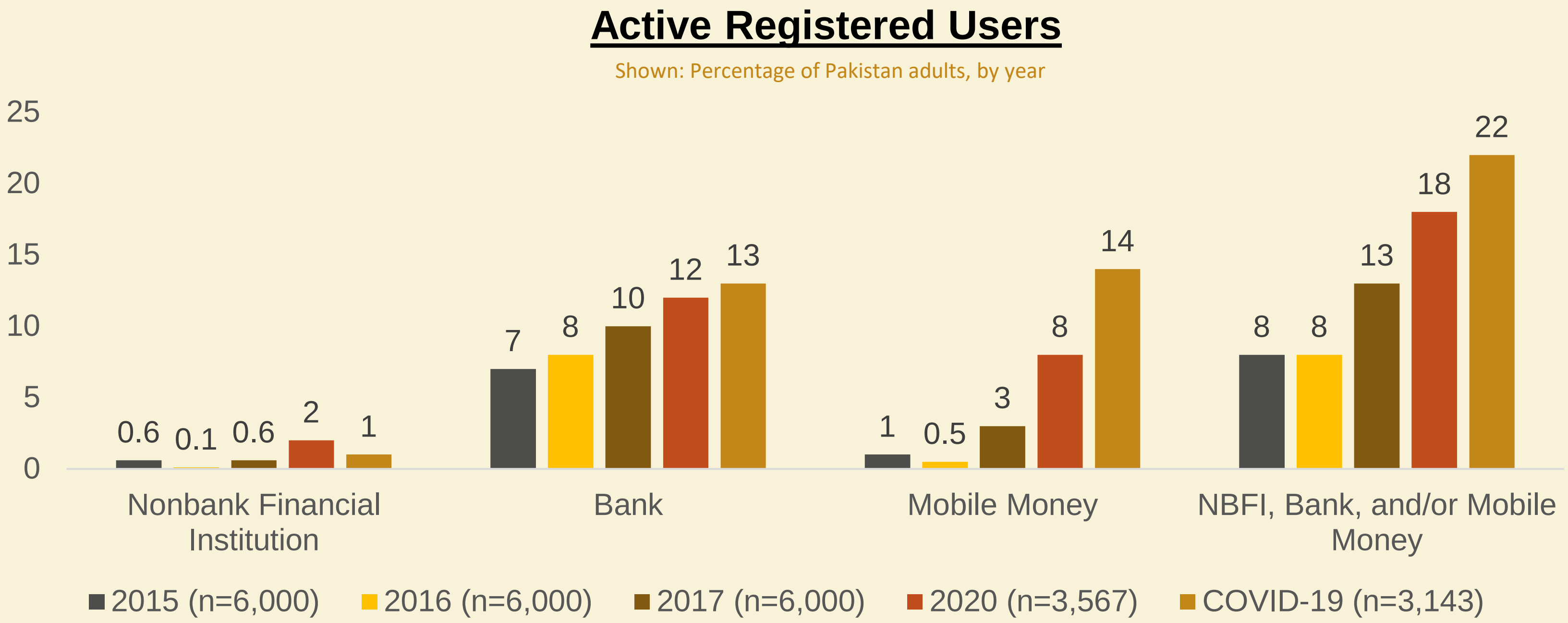
IMPACT OF COVID-19: ACTIVE REGISTERED USERS (LAST 90 DAYS)



*Source: Published by Kantar, Financial Inclusion Insights; COVID-19 Impact Study
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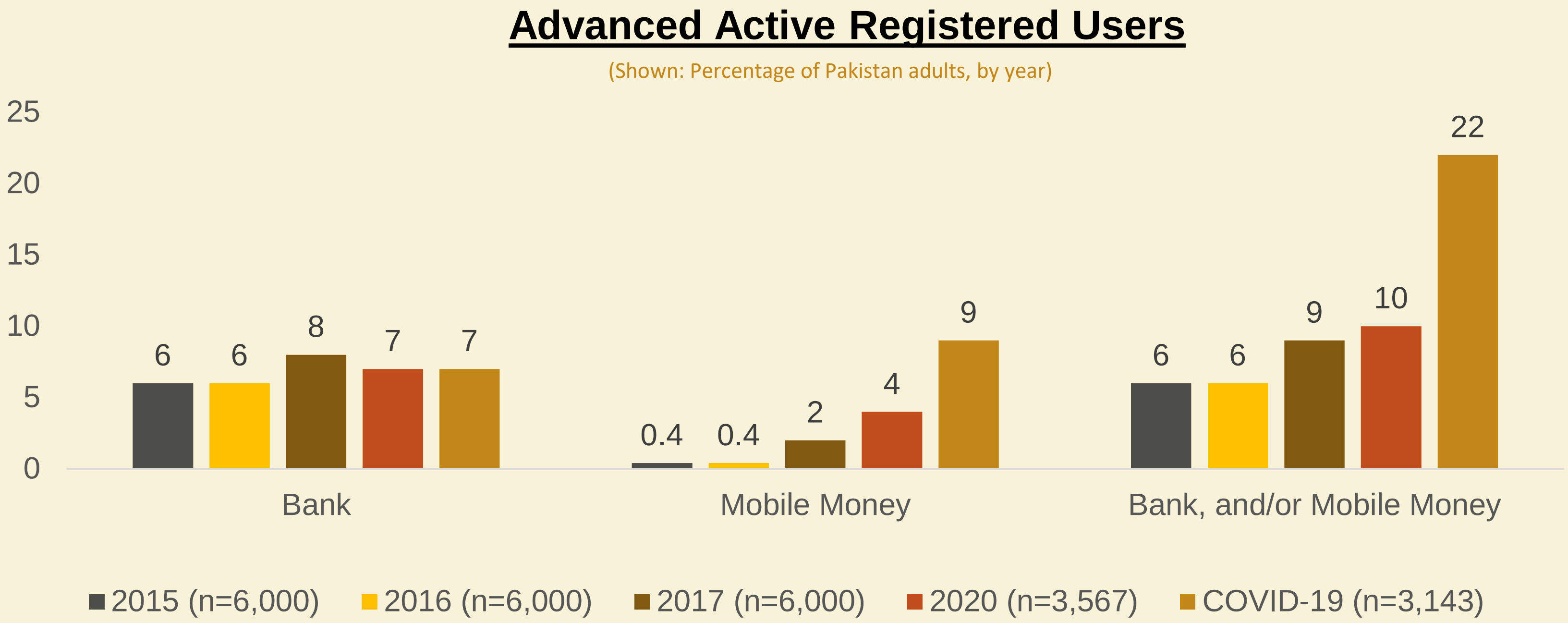
IMPACT OF COVID-19: ADVANCED USERS



*Source: Published by Kantar, Financial Inclusion Insights; COVID-19 Impact Study
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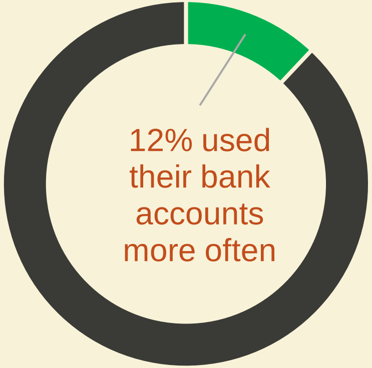
COVID-19 IMPACT ON FINANCIAL SERVICE USAGE

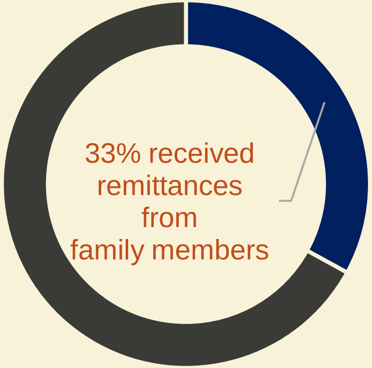
Covid-19: Effect on bank account usage

(Shown: Percentage of bank account owners, n=485)



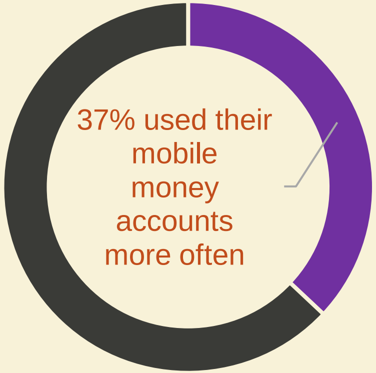
Covid-19: Effect on remittances

(Shown: Percentage of adults, N=3,144)



Covid-19: Effect on mobile money account usage

(Shown: Percentage of mobile money account owners, n=426)



*Source: Published by Kantar, Financial Inclusion Insights; COVID-19 Impact Study
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